

05<sup>th</sup> September, 2020

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

**Security ID: MODULEX**

**Scrip Code: 504273**

**Sub: Notice of 47<sup>th</sup> Annual General Meeting and Annual Report for the financial year 2019-20**

Dear Sir/Madam,

In terms of the requirements of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report for the financial year 2019-20 and the Notice convening the 47<sup>th</sup> Annual General Meeting of the Company ("AGM"), which have been sent through electronic mode to the Members of the Company who have registered their e-mail address with the Company/Depository Participant(s).

In compliance with various circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India relating to COVID-19 pandemic, the AGM will be held on Wednesday, 30<sup>th</sup> September, 2020 at 04.30 p.m(IST) through Video Conference/ Other Audio-Visual Means (VC/OAVM).

The Annual Report containing the Notice of Annual General Meeting is also uploaded on the Company's website at <https://modulex.in/investor-relations/>

You are requested to kindly take the above information on record.

For Modulex Construction Technologies Limited



**Bhoomi Mewada**  
Company Secretary and Compliance Officer



Encl: as above



# **Modulex Construction Technologies Limited**

## **47<sup>th</sup> Annual General Meeting Annual Report Financial Year 2019-20**

Modulex Construction Technologies Limited t/a Modulex  
CIN: L45100PN1973PLC182679  
Registered Office: A-82, MIDC Industrial Estate, Indapur – 413 132, Maharashtra  
**BSE Security Code: 504273 BSE Security ID: MODULEX**  
Website - [www.modulex.in](http://www.modulex.in) Email - [compliance@modulex.in](mailto:compliance@modulex.in) Contact - Tel: +91 2111 223061

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**Mr. Suchit Punnose**

Whole Time Director

**Mr. Ajay Palekar**

Managing Director

**Mr. Sandeep Khurana**

Independent Director

**Mr. Aditya Vikram Kanoria**

Independent Director

**Ms. Rakhee Amit Agarwal**

Independent Director

**Mr. Raj Kumar Sharma**

Non Executive Non Independent Director

### BOARD COMMITTEES

#### Audit Committee

Mr. Sandeep Khurana

Mr. Ajay Palekar

Mr. Aditya Vikram Kanoria

#### Stakeholder Relationship Committee

Mr. Aditya Vikram Kanoria

Mr. Ajay Palekar

Mr. Suchit Punnose

#### Nomination and Remuneration Committee

Mr. Sandeep Khurana

Mr. Aditya Vikram Kanoria

Ms. Rakhee Agarwal

### Company Secretary

Ms. Bhoomi Mewada

### Chief Financial Officer

Mr. Mahendra Kumar Bhurat

### AUDITOR

M/s. RMJ & Associates LLP

Chartered Accountants

### REGISTERED OFFICE

A 82, MIDC Industrial Estate,  
Indapur Pune Maharashtra 413132

**Tel:** 02111 217074

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

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

**CIN:** L45100PN1973PLC182679

### REGISTRAR AND TRANSFER AGENT

**Purva Sharegistry (India) Private Limited**

Unit no. 9 Shiv Shakti Ind. Estt.

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

Mumbai 400 011

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

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENTS

The construction sector in India, which is estimated to employ more than 30 million people, is the second largest employer, next only to agriculture and contributes 9% to the India's GDP. The industry contributes 55% share in the Steel industry, 15% in the Paint industry and 30% in the Glass industry. As such growth in the construction sector have a multiplier effect on a number of associated industries such as cement, steel, Plastics, etc. apart from expanding the job market. In India, over 50% of the demand for construction activity comes from the infrastructure sector, while the balance comes from industrial activities, residential and commercial development etc. As per the government reports, the sector is valued at over USD 126 Billion. It also accounts for more than 60% in total infrastructure investment.

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

Going forward, India's construction industry is expected to pick up pace and is expected to achieve a CAGR of 15.7% on account of investments in residential, infrastructure and energy projects, corporate capex improvement, urbanization, a rise in disposable incomes and population growth. Also, Government's serious efforts to enhance infrastructure investments, increase affordable housing and improve transport and logistics support systems will support growth of construction sector.

### OPPORTUNITIES AND THREATS

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

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

### SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

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

## **OUTLOOK**

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

- a) The four production lines will have annual capacity of 200,000 sqm. operating on an 8 hour shift 5 days a week for eleven months.
- b) Illustrative annual output: twenty 100 rooms hotels plus a thousand residential or office buildings of 1,000 sq. ft each or accommodation for 2,000 hospital beds.
- c) Being Set up at a 40 acre site in Indapur, Pune District, 250 Kms from Mumbai.
- d) Land bought from Maharashtra Industrial Development Corporation, a state run developer of industrial estates with abundant water and electricity.
- e) Construction at the Project site in in progress and the factory facility is expected to be completed before end of Q1 of 2021.

## **RISKS AND CONCERNS**

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

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

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

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

Your Company's Present performance vis-à-vis the financial performance for the previous year is set out below in a tabular format.

(Rs. in lakhs)

Particulars	FY 2019-20	FY 2018-19
Total revenue including other income	1.70	1.76
Total Expenditure	77.61	50.46
Profit / (Loss) before tax	(75.91)	(48.69)
Tax Expenses	-	-
Profit / (Loss) after tax	(75.91)	(48.69)
EPS Weighted Average		
-Basic	(0.17)	(0.17)
-Diluted	(0.17)	(0.17)

### RISK MANAGEMENT IDENTIFICATION AND MITIGATION

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

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

6. **Environment risks** relating to occurrence of environmental incidents during the pendency of the project & mitigation strategies. This risk has increased substantially due to the presence of strict legal liability in relation to such environmental incidents.
7. **Force majeure risks** are regarding the events that are outside the control of any party and cannot be reasonably prevented/avoided by them. These include natural force majeure events, direct or indirect political force majeure events.

## HUMAN RESOURCES

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

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

## SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

Types of ratios	2019-20	2018-19	Significant Changes
Debtors Turnover ratio	NA	NA	-
Inventory Turnover Ratio	NA	NA	-
Interest Coverage Ratio	NA	NA	-
Current Ratio	0.12	0.35	During the F.Y. 19-20, current liabilities are increased due to short term liabilities
Debt Equity Ratio	0.005	0.001	Increased due to increase in debt in F.Y. 19-20
Operating Profit Margin (%)	NA	NA	-
Net Profit Margin (%)	NA	NA	-

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



## BOARD'S REPORT

To  
The Members of  
Modulex Construction Technologies Limited ('Company')

The Directors are pleased to present the 47<sup>th</sup> Annual Report of the Company, along with Audited Financial Statements (Standalone & Consolidated), for the Financial Year ended 31<sup>st</sup> March, 2020.

### 1. FINANCIAL PERFORMANCE

(Amount in Rs.)

Particulars	Standalone		Consolidated	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2020
Total Revenue including Other Income	1,76,447	1,69,971	37,79,544	66,29,473
Profit / (Loss) before Depreciation, Finance Costs, Exceptional Items and Tax Expense	(48,43,903)	(66,45,290)	(7,09,99,325)	(4,80,89,727)
Less: Depreciation / Amortisation / Impairment	-	3,265	4,66,198	3,86,925
Profit / (Loss) before Finance Costs, Exceptional Items and Tax Expense	(48,43,903)	(66,48,555)	(714,65,523)	(4,84,76,653)
Less: Finance Cost	25,521	9,42,326	57,87,994	94,94,127
Profit / (Loss) before Exceptional Items and Tax Expense	(48,69,424)	(75,90,881)	(7,72,53,517)	(5,79,70,779)
Add / (less) : Exceptional items	-	-	-	-
Profit / (Loss) before Tax Expense	(48,69,424)	(75,90,881)	(7,72,53,517)	(5,79,70,779)
Less : Tax expenses (Current & Deferred)	-	-	-	-
Profit / (Loss) for the year (1)	(48,69,424)	(75,90,881)	(7,72,53,517)	(5,79,70,779)
Total Comprehensive Income / Loss (2)	-	-	(50744)	(16,40,019)
Total (1+2)	(48,69,424)	(75,90,881)	(7,73,04,261)	(5,96,10,798)
Balance of Profit / (Loss) for earlier years	(53,97,760)	(1,02,67,184)	(53,97,760)	3,76,09,825
Less: Transfer to Debenture Redemption Reserve	-	-	-	-
Less: Transfer to Reserves	-	-	-	-
Less: Dividend paid on Equity Shares	-	-	-	-
Less: Dividend paid on Preference Shares	-	-	-	-
Less: Dividend Distribution Tax	-	-	-	-
Less: Changes in Other Equity	-	-	-	(50,92,23,987)
Balance carried Forward	(1,02,67,184)	(1,78,58,065)	3,76,09,825	(53,12,24,960)

## 2. OPERATIONAL REVIEW

Consequent upon the Company embarking upon a plan to execute the business plan, the Company's subsidiary Modulex Modular Buildings Private Limited ('MMBPL') is continuing with the construction of a factory facility to produce steel modules and in anticipation of the upcoming commercial operation date of the factory, the Company has started the process of recruiting suitable personnel and leading HR firms, both in India and overseas, have been sounded to that effect.

The factory facility is being developed on a 40 acre land owned by MMBPL in MIDC Indapur. This manufacturing facility, the Directors believe, is the first of its kind in India and the world's largest modular buildings manufacturing cluster.

The manufacturing facility in the initial phase will see 20 acres being developed consisting of three sheds totalling to circa 35,000 square metres (circa 3,50,000 square feet) which will produce steel modules and ancillary products such as bathroom pods, doors and windows.

The real estate sector and the construction industry is passing through challenging times and to survive and grow in such challenging times, it is imperative that the customers be offered a proposition which adds value. The Company with its unique offering of design and manufacturing of steel modular buildings and the construction thereof through its subsidiary MMBPL is perfectly positioned.

The technology used by MMBPL is franchised from Modulex Modular Buildings Plc, UK and enables the Company to deliver the design and manufacturing (through MMBPL) carbon neutral, Smart, BOPAS certified buildings on fixed cost and time guarantee in nearly half the time and with high quality. The cost of the modular buildings is similar to traditional construction cost.

Going forward, the Company also proposes to develop design templates for various sectors within real estate such as hotels, hospitals, schools, hostels, old age homes etc to offer designing solutions for clients which result in greater speed in delivery of the completed buildings. The Directors are confident that this synchronized solution would create a win-win situation for all stakeholders.

MMBPL had secured investment from large industrial and real estate companies as strategic partners who will be adopting the Company's technology and absorbing a significant portion of the factory's output capacity, thereby underpinning the investment made by the Company in acquiring the shares of MMBPL.

The Company has a significant order pipeline from customers in India and also from customers in the UK for export order.

Directors believe that the Company should see significant activity post completion of the factory in the next financial year.

### 2.1 Covid-19 pandemic

The Covid-19 pandemic is not only the defining global health crisis of our times, the unprecedented impact on people and economic devastation that it has caused across the continents is of foremost concern. Your Company is taking all necessary measures in terms of mitigating the impact of the challenges being faced and is in fact confident that the crisis will eventually firm up the resolve of the Company to meet its organisational objectives. Though the long-term directional priorities of the Company remain firm, in light of Covid-19 and its expected impact on the operating environment, the key priorities of the Company and its subsidiary MMBPL would be to step up its efforts to raise requisite resources, conserve cash and control fixed costs, while continuing to invest in productive areas.

### **3. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Pursuant to the provisions of section 152 of the Companies Act, 2013, Mr. Ajay Shridhar Palekar, (DIN:02708940) is liable to retire by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment. The Board of Directors recommend his re-appointment.

#### **Appointment and Remuneration of Directors**

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

#### **Declaration by Independent Directors**

Pursuant to the provisions of Section 149 of the Companies Act, 2013 Mr. Sandeep Khurana Mr. Aditya Kanoria and Mrs. Rakhee Agarwal have been appointed and act as Independent Directors. The Company has received declaration(s) from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act and the code of conduct for Directors and senior management formulated by the Company. The Independent Directors of the Company hold office for a term of five years with effect from 10<sup>th</sup> March, 2018 and are not liable to retire by rotation in terms of Section 149(13) of the Companies Act, 2013.

Each of the Independent Directors have also confirmed to the Company that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact his/her/their ability to discharge his/her/their duties with an objective independent judgment and without any external influence and that he/she is independent of the management

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of technology, human resources, strategy, auditing, tax and risk advisory services, financial services, corporate governance, etc. and that they hold highest standards of integrity.

The Independent Directors of the Company have undertaken requisite steps towards the inclusion of their names in the databank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

#### **Familiarisation programme**

The Familiarisation Programme seeks to update the Independent Directors on various matters covering Company's strategy, business model, operations, organization structure, finance, risk management etc. It also seeks to update the Independent Directors with their roles, rights, responsibilities, duties under the Companies Act, 2013 and other statutes.

The policy and details of familiarization programme imparted to the Independent Directors of the Company is available at <https://modulex.in/investor-relations>

## **Remuneration of the Directors and Key Managerial Personnel**

The remuneration details of Directors and Key Managerial Personnel are set out in the extract of annual return i.e. MGT-9 annexed hereto and titled **Annexure 1**.

### **Board Evaluation**

In terms of the requirement of the Act, and the Listing Regulations, an annual performance evaluation of the Board & Board Committees is undertaken where the Board formally assesses its own performance aimed at improving the effectiveness of the Board and its Committees. For Independent Directors, evaluation is carried out based on the criteria viz. the consideration which led to the selection of the Director(s) on the Board and the delivery against the same, contribution made to the Board / Committees, attendance at the Board / Committee Meetings, impact on the performance of the Board / Committees, instances of sharing best and next practices, engaging with management team of the Company, participation in Strategy Board Meetings, etc.

During the year, Board Evaluation cycle was completed by the Company which was based on the Guidance Note issued by SEBI on Board Evaluation and comprised of the evaluation of the Board as a whole, Board Committees and peer evaluation of the Directors. The evaluation process focused on various aspects of the functioning of the Board and Committees such as composition of the Board; improving Board effectiveness; structure, performance and effectiveness of Board Committees; Board knowledge sessions and time allocation for strategic issues, etc. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and independent judgment.

As an outcome of the above exercise, it was noted that the Board as a whole is functioning as a cohesive body which is well engaged with different perspectives. The Board Members from diverse backgrounds bring about different complementarities and deliberation in the Board and Committee meetings. It was also noted that the Committees are functioning well and besides the Committee's terms of reference as mandated by law, important issues are brought up and discussed in the Committees.

### **Remuneration Policy**

In terms of the provisions of Section 178(3) of the Companies Act, 2013 the Nomination and Remuneration Committee (NRC) is responsible for formulating the criteria for determining qualification(s), positive attributes and independence of a Director. The NRC is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. The Board has on the recommendation of the NRC framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The said policy is available on the Company's website at <https://modulex.in/wp-content/uploads/2019/04/Remuneration-Policy-MCTL.pdf>

The Company has complied with the Secretarial Standards relating to Board Meetings and General Meetings issued by the Institute of Company Secretaries of India.

## **4. COMPLIANCE WITH SECRETARIAL STANDARDS**

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

## **5. BOARD MEETINGS**

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

The notice of Board Meeting(s) is given well in advance to all the Directors. Usually, meetings of the Board are held in Mumbai. The Agenda is circulated a week prior to the date of the meeting. The Agenda for the Board Meetings include detailed notes on the items to be discussed at the meeting to enable the Directors to take informed decision(s).

During the financial year ended 31<sup>st</sup> March, 2020 four (4) meetings of the Board were held during the year namely on 29<sup>th</sup> May 2019, 14<sup>th</sup> August 2019, 14<sup>th</sup> November 2019 and 06<sup>th</sup> February 2020.

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

## **6. COMMITTEE(S) OF THE BOARD**

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities; which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board, as a part of good governance practice. The Board is informed about the summary of the discussions held in the Committee Meetings. The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate.

The Board of Directors of your Company has constituted various Committees, namely:

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

The details of the said Committees established by the Board are set out in the Corporate Governance Report as annexed to this report.

## **7. COMMITTEE FOR PREVENTION OF SEXUAL HARASSMENT**

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

## **8. DIRECTOR RESPONSIBILITY STATEMENT**

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

- In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2019-20 and of the loss of the Company for that period;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the annual accounts on a going concern basis;
- The Directors had laid down proper internal financial controls and such internal financial controls are adequate and were operating effectively; and
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **9. MANAGEMENT DISCUSSION AND ANALYSIS**

Pursuant to Regulation 34 of the Listing Regulations, a separate section on Management Discussion and Analysis for the year ended 31<sup>st</sup> March, 2020 is annexed and forms an integral part of this Board's Report.

## **10. CONSOLIDATED IND-AS FINANCIAL STATEMENTS**

In compliance with the Regulation 34 of the Listing Regulations and Section 129 of the Companies Act, 2013 the Consolidated Financial Statements, which have been prepared by the Company in accordance with the applicable provisions of the Act and the applicable Indian Accounting Standards (IND AS), forms part of this Board's Report.

## **11. DIVIDEND**

Your Directors do not recommend any dividend as the Company has incurred Losses during the year under review. The Company proposes to formulate dividend distribution policy coinciding with commencement of operations by the subsidiary Company MMBPL.

## **12. TRANSFER TO RESERVES**

The Company has not transferred any amount to Reserves for the financial year ended 31<sup>st</sup> March, 2020.

## **13. SHARE CAPITAL**

As on the close of the Financial Year ended 31<sup>st</sup> March, 2020 the authorised share capital stood at Rs. 73,00,00,000/- which comprises of 7,29,50,000 Equity Shares of Rs.10/- each and 50,000 Cumulative Redeemable Preference Shares of Rs.10/- each. As against the same, the Paid-up Share Capital of the Company, on the said 31<sup>st</sup> March, 2020 stood at Rs.51,30,30,400/- which comprises of 5,13,03,040 Equity Shares of Rs. 10/- each.

During the year under review, your Company had allotted 84,45,579 Equity Shares of face value of Rs. 10/- each, on 02<sup>nd</sup> December, 2019, against Equity Shares of Modulex Modular Buildings Private Limited on preferential basis by way of swap of Equity Shares. Since the said shares were

issued for consideration other than Cash, the price at which the said shares were to be allotted was determined on the basis of a valuation report of a registered valuer, having been appointed by the Board of Directors of the Company. The provisions of section 247 of the Companies Act, 2013 and Rules made thereunder were duly complied with.

#### **14. PARTICULARS OF LOAN(S), GUARANTEE(S) AND INVESTMENTS**

Details of loans extended, guarantee(s) given or investment(s) made by your Company under Section 186 of the Companies Act, 2013, during the financial year 2019-20 are provided in the Notes to the Financial Statements.

#### **15. DEPOSITS FROM PUBLIC**

The Company has not accepted any deposit from the Public within the meaning of Section 73 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the Balance Sheet.

#### **16. INTERNAL CONTROLS**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the statutory and secretarial auditors and external consultants and the reviews undertaken by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and commensurate with the size and nature of its business during the year under review. The Directors firmly believe that the systems and procedures which have been implemented will hold the Company in good stead, on commencement of full fledged operations.

#### **17. RELATED PARTY TRANSACTIONS**

In line with the requirements of the Act and amendment to the Listing Regulations, your Company has Policy on Related Party Transactions which is also available on the Company's website at <https://modulex.in/investor-relations/>. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All Related Party Transactions are placed before the Audit Committee for review and approval. All Related Party Transactions entered during the year were in ordinary course of the business and on Arm's Length basis. The disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013, in Form AOC-2 is appended as an annexure to this report titled Annexure 2.

#### **18. SUBSIDIARY AND ASSOCIATES/ JOINT VENTURE**

During the year under review, your Company has additionally acquired 21.99 % of the subscribed Share Capital of the Modulex Modular Buildings Private Limited (MMBPL), its subsidiary, by way of swap of shares on preferential basis pursuant to which company now holds 99.99 % in MMBPL. The Company doesn't have any associates / jointly controlled entity.

A statement containing the salient features of the performance and financial position of the subsidiary company as required under Rule 5 of the Companies (Accounts) Rules, 2014 is provided in Form AOC-1 appended as an Annexure to Financial statements.

The Annual Report of the Company containing the standalone and consolidated Ind AS financial statements has been disseminated on the website of the Company at [www.modulex.in](http://www.modulex.in). Audited Annual financial statements of the Subsidiary Company have also been placed on the said website and are available for inspection by the members at the Registered Office of the Company. Members interested in obtaining copy of the Audited Annual financial statements of the Subsidiary Company may write to the Company Secretary at [company.secretary@modulex.in](mailto:company.secretary@modulex.in) or at the Company's Registered Office address.

## **19. EXTRACT OF ANNUAL RETURN**

The extract of annual return in Form MGT-9 as required under Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is appended as an Annexure to this Annual Report titled Annexure I.

## **20. CORPORATE GOVERNANCE**

In compliance with the Regulation 34 read with Schedule V of the Listing Regulations, a detailed report on Corporate Governance is given as Annexure and forms an integral part of this Annual Report. A Certificate from the Practicing Company Secretary confirming compliance of the conditions of Corporate Governance as stipulated under the Listing Regulations is appended to the Corporate Governance Report. A Certificate of the CEO and CFO of the Company in terms of Regulation 17(8) of the Listing Regulations is also annexed.

## **21. ENERGY CONSERVATION MEASURES, TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT AND FOREIGN EXCHANGE EARNING AND OUTGO**

The requirements under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 for disclosure in respect of conservation of energy, technology absorption, are not applicable to the Company. Having said that, the Buildings that the Company is in the process of designing and which will be manufactured by its subsidiary MMBPL will be energy efficient and carbon neutral. During the period under review, the Company had no Foreign Exchange earnings and outgo.

## **22. RISK MANAGEMENT**

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

## **23. AUDITORS**

### **Statutory Auditors**

M/s. T.P. Ostwal & Associates, Chartered Accountants were appointed as Statutory Auditors of the Company at the Board Meeting held on 14<sup>th</sup> November, 2018 to fill the casual vacancy caused in the office of Statutory Auditor. In accordance with Section 139(8) of the Companies Act, 2013, M/s. T.P. Ostwal & Associates were liable to hold office upto ensuing Annual General Meeting of the Company



However, the Board of Directors on 19<sup>th</sup> November, 2019 had appointed M/s. RMJ & Associates, LLP Chartered Accountants, as the Statutory Auditor of the Company by circular resolution. The appointment of M/s. RMJ & Associates, LLP Chartered Accountants, as the Statutory Auditor of the Company was also approved by the members of the Company at the 46<sup>th</sup> Annual General Meeting held on 17<sup>th</sup> December, 2019. Accordingly, M/s. RMJ & Associates, LLP Chartered Accountants, shall act as the Statutory Auditor of the Company for a term of 5 years upto conclusion of 50<sup>th</sup> Annual General Meeting of the Company.

There are no qualifications, reservations or adverse remarks made by the statutory auditors in their audit reports on the standalone and consolidated financial statements for the year ended 31<sup>st</sup> March, 2020.

#### **Internal Auditor**

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and rules made thereunder, the Company had appointed M/s. RMJ & Associates LLP, Chartered Accountants as Internal Auditor of the Company on 29<sup>th</sup> May, 2019 to conduct Internal Audit of records and documents of the Company for the financial year 2019-20. However, due to their pre occupation M/s RMJ & Associates, Chartered Accountant resigned from the office of internal auditor on 14<sup>th</sup> November, 2019. Accordingly the Company at its board meeting held on 30<sup>th</sup> June, 2020 appointed M/s. V.K. Nawale & Co., Chartered Accountants as the internal auditor of the Company to hold the office from 14<sup>th</sup> November, 2019 to 31<sup>st</sup> March, 2020 and also appointed for the Financial year 2020-21.

#### **Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s. Gupta & Baul Associates, Practicing Company Secretary, as Secretarial Auditor of the Company on 30<sup>th</sup> June, 2020 to conduct Secretarial Audit of records and documents of the Company for the financial year 2019-20. The Secretarial Audit Report confirms that the Company has generally complied with the provisions of the Act, Rules, Regulations, and Guidelines etc. and there were no major secretarial audit qualification(s) for the year under review.

The Secretarial Audit Report is annexed hereto and titled **Annexure III** which forms an integral part of this Board's report.

### **24. VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. Pursuant to Section 177(9) of the Companies Act, 2013 a vigil mechanism is established for directors and employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chairman of the Audit Committee of the Company. Whistle Blower Policy to this effect is also uploaded on the website of the Company i.e. <https://modulex.in/wp-content/uploads/2019/04/Whistle-Blower-Policy-MCTL.pdf>

### **25. REMUNERATION POLICY**

In terms of the provisions of Section 178(3) of the Companies Act, 2013 the Nomination and Remuneration Committee (NRC) is responsible for formulating the criteria for determining qualification, positive attributes and independence of a Director. The NRC is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial

Personnel and other employees. The Board has on the recommendation of the NRC framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The said policy is available on the Company's website at <https://modulex.in/wp-content/uploads/2019/04/Remuneration-Policy-MCTL.pdf>

## **26. LISTING**

The Equity Shares of the Company are listed on The BSE Limited (BSE) and the listing fees till the year 2019-20 has been paid. Listing fee for the year 2020-21 has become due and will be paid during the course of the year.

## **27. PARTICULAR OF EMPLOYEES**

There were no employees during the year under review, whose particulars are required to be given in the Board's Report in accordance with the provisions of Section 197 of the Companies Act, 2013 read with Rule 5(1) & 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time.

There were 2 permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2020.

## **28. SIGNIFICANT AND MATERIAL ORDERS**

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

## **29. MAINTENANCE OF COST RECORDS**

The provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, are not applicable and as such your Company is not required to appoint Cost Auditor or to maintain Cost records.

## **30. CORPORATE SOCIAL RESPONSIBILITY**

Provision of Section 135 of the Companies Act, 2013 relating to Corporate social responsibility is not applicable on the company for the year under review.

## **31. ACKNOWLEDGEMENTS**

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

Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by its employees resulting in unflinching focus on business establishment and growth of the Company during the year.

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

Sd/-  
(Suchit Punnose)  
Whole Time Director  
DIN: 02184524

Date: 31<sup>st</sup> July, 2020  
Place : London

Sd/-  
(Ajay Palekar)  
Managing Director  
DIN: 02708940

Date: 31<sup>st</sup> July, 2020  
Place: Pune

**Annexure I**  
**Extract of Annual Return as on the financial year ended 31<sup>st</sup> March, 2020**  
**FORM No. MGT-9**

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**1. REGISTRATION AND OTHER DETAILS:**

i.	CIN	L45100PN1973PLC182679
ii.	Registration Date	24 <sup>th</sup> May, 1973
iii.	Name of the Company	Modulex Construction Technologies Limited
iv.	Category / Sub-Category of the Company	Public Company limited by shares / Indian Non-government Company
v.	Address of the Registered office & Contact details	A-82, MIDC Industrial Estate, Indapur – 413 132, Maharashtra. Tel No. +91 2111 223061 Fax No. +91-22-2272 2451 Email id: <a href="mailto:compliance@modulex.in">compliance@modulex.in</a> Website: <a href="http://www.modulex.in">www.modulex.in</a>
vi.	Whether listed Company	Yes (at BSE Limited)
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Purva Sharegistry (India) Private Limited 9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Lower Parel (East), Mumbai - 400 011. Tel Nos.:+91-22-2301 2518 / Fax No.: +91-22-2301 2517 Email id: <a href="mailto:support@purvashare.com">support@purvashare.com</a> Website: <a href="http://www.purvashare.com">www.purvashare.com</a>

**2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

Business activities contributing 10% or more of the total turnover of the Company:-

Sr. No.	Name and Description of main products	NIC Code of the Product	% to total turnover of the Company
Nil			

**3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and address of the Company	Corporate Identity Number / Global Location Number	Holding / Subsidiary / Associate	% of shares held	Applicable Sections of Companies Act, 2013
1.	Modulex Modular Buildings Private Limited	U45400KL2008PTC029096	Subsidiary	99.99	2(87)

**4. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):**

**A. Category-wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year 1 <sup>st</sup> April, 2019				No. of Shares held at the end of the year 31 <sup>st</sup> March, 2020				% Change during the year (II-I)
	Demat	Physical	Total	% of Total share capital (I)	Demat	Physical	Total	% of Total share capital (II)	
<b>A. Promoters</b>									
(1) Indian									
(a) Individuals/ HUF	17,80,965	-	17,80,965	4.16	18,92,489	-	18,92,489	3.69	-0.47
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	6,11,929	-	6,11,929	1.43	6,11,929	-	6,11,929	1.19	-0.24
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(1):-</b>	<b>23,92,894</b>	<b>0</b>	<b>23,92,894</b>	<b>5.58</b>	<b>25,04,418</b>	<b>0</b>	<b>25,04,418</b>	<b>4.88</b>	<b>-0.70</b>
(2) Foreign	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	1,06,84,526	-	1,06,84,526	24.93	1,06,84,526	-	1,06,84,526	20.83	-4.10
<b>Sub Total (A)(2):-</b>	<b>1,06,84,526</b>	<b>0</b>	<b>1,06,84,526</b>	<b>24.93</b>	<b>1,06,84,526</b>	<b>0</b>	<b>1,06,84,526</b>	<b>20.83</b>	<b>-4.10</b>
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	<b>1,30,77,420</b>	<b>0</b>	<b>1,30,77,420</b>	<b>30.51</b>	<b>1,31,88,944</b>	<b>0</b>	<b>1,31,88,944</b>	<b>25.71</b>	<b>-4.81</b>
<b>B. Public Shareholding</b>									
(1) Institutions									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks FI	-	200	200	-	-	200	200	-	-
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>200</b>	<b>200</b>	<b>0.00</b>	<b>0</b>	<b>200</b>	<b>200</b>	<b>0.00</b>	<b>0.00</b>
(2) Non-Institutions									
(a) Bodies Corp									
(i) Indian	1,72,02,329	1205	1,72,03,534	40.14	1,98,33,569	805	1,98,34,374	38.66	-1.48

Category of Shareholders	No. of Shares held at the beginning of the year 1 <sup>st</sup> April, 2019				No. of Shares held at the end of the year 31 <sup>st</sup> March, 2020				% Change during the year (II-I)
	Demat	Physical	Total	% of Total share capital (I)	Demat	Physical	Total	% of Total share capital (II)	
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1,10,621	2,01,728	3,12,349	0.73	2,45,075	2,00,078	4,45,153	0.87	0.14
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1,02,03,203	-	1,02,03,203	23.81	1,31,05,649	-	1,31,05,649	25.55	1.74
(c) Others (specify)	20,60,755	-	20,60,755	4.81	27,57,951	-	27,57,951	5.38	+0.57
NRI	19,32,823	-	19,32,823	5	26,16,752	-	26,16,752	5	1
HUF	1,27,782	-	1,27,782	-	1,41,199	-	1,41,199	-	-
Clearing Members	150	-	150	-	509	-	509	-	-
<b>Sub-total (B)(2):-</b>	<b>2,95,76,908</b>	<b>2,02,933</b>	<b>2,97,79,841</b>	<b>69.49</b>	<b>3,79,13,013</b>	<b>2,00,883</b>	<b>3,81,13,896</b>	<b>74.29</b>	<b>4.81</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>2,95,76,908</b>	<b>2,03,133</b>	<b>2,97,80,041</b>	<b>69.49</b>	<b>3,79,13,013</b>	<b>2,01,083</b>	<b>3,81,14,096</b>	<b>74.29</b>	<b>4.81</b>
C. Total shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A + B + C)</b>	<b>4,26,54,328</b>	<b>2,03,133</b>	<b>4,28,57,461</b>	<b>100.00</b>	<b>5,11,01,957</b>	<b>2,01,083</b>	<b>5,13,03,040</b>	<b>100</b>	<b>0.00</b>
Other	-	-	-	-	-	-	-	-	-

## B. Shareholding of Promoter's

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 1 <sup>st</sup> April, 2019			Shareholding at the end of the year 31 <sup>st</sup> March, 2020			
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to total shares	% change in share holding during the year
1.	Suchit Punnose	17,80,965	4.16	0.00	18,92,489	3.69	0.00	0.22
2.	Redribbon Modulex Buildings Limited	1,06,84,526	24.93	0.00	1,06,84,526	20.83	0.00	0.00
3.	Redribbon Advisory Services Private Limited	6,11,929	1.43	0.00	6,11,929	1.19	0.00	0.00

**C. Change in Promoter’s Shareholding**

Sr. No.	Particulars	No. of shares	% of total shares of the Company	Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company
1.	<b>Suchit Punnose</b>				
	At the beginning of the year i.e. as on 01 <sup>st</sup> April, 2020	17,80,965	4.16	-	-
	Acquired on 02 <sup>nd</sup> December, 2019	1,11,524	0.22	18,92,489	3.69
	At the end of the year i.e. as on 31 <sup>st</sup> March, 2020	18,92,489	3.69	18,92,489	3.69
2.	<b>Redribbon Modulex Buildings Limited</b>				
	At the beginning of the year i.e. as on 01 <sup>st</sup> April, 2019	1,06,84,526	24.93	-	-
	At the end of the year i.e. as on 31 <sup>st</sup> March, 2020	1,06,84,526	24.93	1,06,84,526	24.93
3.	<b>Redribbon Advisory Services Private Limited</b>				
	At the beginning of the year i.e. as on 01 <sup>st</sup> April, 2019	6,11,929	1.43	-	-
	At the end of the year i.e. as on 31 <sup>st</sup> March, 2020	6,11,929	1.43	6,11,929	1.43

**D. Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	Top ten Shareholders	Shareholding at the beginning of the year 01 <sup>st</sup> April, 2019		Cumulative Shareholding during the year		Shareholding at the end of the year 31 <sup>st</sup> March, 2020	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Providence Educational Academy Private Limited	54,51,853	12.72	54,51,853	12.72	54,51,853	12.72
2.	Synthite Industries Private Limited	33,45,725	7.81	33,45,725	7.81	32,58,524	6.35
3.	Ethix Realtors Private Limited	29,87,317	6.97	29,87,317	6.97	29,87,317	6.97
4.	Reward Constructions Private Limited	22,40,488	5.23	22,40,488	5.23	22,40,488	5.23
5.	Ajmera Realty & Infra India Limited	18,67,073	4.36	18,67,073	4.36	37,25,809	7.26
6.	B Padmanaban	14,93,658	3.49	14,93,658	3.49	14,93,658	3.49
7.	Sparkonix India Private Limited	11,20,244	2.61	11,20,244	2.61	11,20,244	2.61
8.	Girish Dandavate	7,46,829	1.74	7,46,829	1.74	475307	0.93
9.	Naresh Nagpal	5,57,621	1.30	5,57,621	1.30	5,57,621	1.30
10.	Narayanan Arjun	3,96,586	0.93	3,96,586		3,96,586	0.93

**E. Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Particulars	No. of shares	% of total shares of the Company	Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company
1.	<b>Suchit Punnose</b>				
	At the beginning of the year i.e. as on 01 <sup>st</sup> April, 2019	17,80,965	4.16	-	-
	At the end of the year i.e. as on 31 <sup>st</sup> March, 2020	18,92,489	3.69	18,92,489	3.69
2.	<b>Ajay Palekar</b>				
	At the beginning of the year i.e. as on 01 <sup>st</sup> April, 2019	0	0.00	-	-
	At the end of the year i.e. as on 31 <sup>st</sup> March, 2020	2,23,048	0.43	2,23,048	0.43
3	<b>Sandeep Khurana</b>				
	At the beginning of the year i.e. as on 01 <sup>st</sup> April, 2019	1,40,404	0.33	-	-
	At the end of the year i.e. as on 31 <sup>st</sup> March, 2020	1,40,104	0.27	1,40,104	0.27
4	<b>Raj Kumar Sharma</b>				
	At the beginning of the year i.e. as on 01 <sup>st</sup> April, 2019	0	0.00	-	-
	At the end of the year i.e. as on 31 <sup>st</sup> March, 2020			68,600	0.13
5	<b>Mahendra Kumar Bhurat</b>				
	At the beginning of the year i.e. as on 01 <sup>st</sup> April, 2019	39,659	0.09	-	-
	At the end of the year i.e. as on 31 <sup>st</sup> March, 2020	-	-	39,659	0.09

Mr. Aditya Vikram Kanoria, Ms. Rakhee Agarwal and Ms. Bhoomi Mewada do not hold any shares in the Company as on 31<sup>st</sup> March, 2020.

**5. INDEBTEDNESS**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	30,87,036	-	30,87,036
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	30,87,036	-	30,87,036
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	1,51,09,870	-	1,51,09,870
• Reduction	-	-	-	-
<b>Net Change</b>		1,51,09,870		1,51,09,870
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	1,81,96,906	-	1,81,96,906
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	1,81,96,906	-	1,81,96,906

## 6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

On account of Company having inadequate profits, there was no remuneration paid to Directors of the Company.

### Remuneration to Key Managerial Personnel Other Than MD / Manager / WTD

Sr. No.	Particulars of Remuneration				
		Manish Moriya (CS)*	Bhoomi Mewada (CS)*	Mahendra Bhurat (CFO)	Total Amount
1	Gross Salary				
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	1,80,000	3,79,032	6,01,666	9,80,698
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961.	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as % of profit others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
<b>Total</b>		<b>1,80,000</b>	<b>3,79,032</b>	<b>6,01,666</b>	<b>9,80,698</b>

\*Mr. Manish Moriya resigned from the post of the Company Secretary w.e.f. 14<sup>th</sup> August, 2019.

\*Ms. Bhoomi Mewada appointed as Company Secretary on 14<sup>th</sup> August, 2019.

## 7. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

There were no penalties / punishment / compounding of the offences for breach of any section of the Act, against the Company or its Directors or other Officers in default, if any, during the year.

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

Sd/-  
(Suchit Punnose)  
Whole Time Director  
DIN: 02184524

Date: 31<sup>st</sup> July, 2020  
Place : London

Sd/-  
(Ajay Palekar)  
Managing Director  
DIN: 02708940

Date: 31<sup>st</sup> July, 2020  
Place: Pune



**Annexure II**  
**Related Party Transactions**  
**FORM No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil
2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts /arrangements/ transactions	Duration of the contracts /arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advance if any
Suchit Punnose	Loan Taken	5 years	<ul style="list-style-type: none"> <li>• Date: January 9, 2019</li> <li>• General business purpose loan</li> <li>• Interest Rate @7.37% p.a. or interest free</li> <li>• Repayment at once, including interest following expiry of the term.</li> </ul>	-	Nil
Modulex Modular Buildings Private Limited	Loan Taken	5 years	<ul style="list-style-type: none"> <li>• Date: April 1, 2018</li> <li>• General business purpose loan</li> <li>• Interest Rate @7.37% p.a. or interest free</li> <li>• Repayment at once, including interest following expiry of the term.</li> </ul>	-	Rs. 1,35,85,000/-
Give Vinduet Windows and Doors Private Limited	Loan Taken	5 years	<ul style="list-style-type: none"> <li>• Date: February 17, 2019</li> <li>• General business purpose loan</li> <li>• Interest Rate @7.37% p.a. or interest free</li> <li>• Repayment at once, including interest following expiry of the term.</li> </ul>	-	Rs. 8,00,000/-

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

Sd/-  
(Suchit Punnose)  
Whole Time Director  
DIN: 02184524

Date: 31<sup>st</sup> July, 2020  
Place : London

Sd/-  
(Ajay Palekar)  
Managing Director  
DIN: 02708940

Date: 31<sup>st</sup> July, 2020  
Place: Pune

**Annexure –III**  
**FORM NO. MR-3**  
**Secretarial Audit Report**  
**For the Financial year ended 31<sup>st</sup> March, 2020**

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Modulex Construction Technologies Limited CIN - L45100PN1973PLC182679** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company during the financial year under review);**

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the financial year under review);**
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulation 1993 regarding the Companies Act and dealing with client **(Not Applicable to the Company during the financial year under review);**
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the financial year under review);**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the financial year under review);** and
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above subject to the following observation:

- i. ***The Company has not appointed Secretarial Auditor during the year under review as per the provision of Section 204 of The Companies Act, 2013. The Secretarial Auditor was appointed on June 30, 2020 for financial year 2019-20.***
- ii. As per the requirements of Section 138 Internal Auditor needs to be appointed by the Company, the Company had appointed M/s RMJ and Associates LLP, Chartered Accountants as Internal Auditor for the Company for financial year 2019-20, however due to pre-occupation M/s RMJ & Associates, LLP Chartered Accountants resign from the position of Internal auditor w.e.f November 14, 2019. ***The Company for the remaining tenure has appointed M/s. V.K. Nawale & Co. as Internal Auditor on June 30, 2020.***

#### **We further report that**

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

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

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

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

We further report that during the audit period

- i. The Company had applied for extension of Annual General Meeting (AGM) for a period of 3 months for which ROC had granted its approval on September 16, 2019, the Company had conducted its AGM on December 17, 2019.
- ii. Allotment of 84,45,579 Equity Shares on preferential basis by Swap of Shares to Promoters and Non-Promoters of the Company on December 02 ,2019
- iii. Appointment of Mr. Raj Kumar Sharma as Non-Executive director of the Company with effect from August 14, 2019.
- iv. Appointment of M/s. RMJ & Associates as Statutory Auditors of the Company for a period of 5 consecutive years
- v. Reiteration of special resolution pertaining to issue of 1,06,76,062 equity shares on preferential basis earlier passed through postal ballot on March 27, 2019 at the 46th Annual General Meeting of the Company on December 17, 2019

**For Gupta Baul & Associates  
Company Secretaries**

**Place: Mumbai  
Date: 31<sup>st</sup> July, 2020**

**Hitesh J. Gupta  
ACS No. 33684  
CP No. 12722  
UDIN: A033684B000542467**

## REPORT ON CORPORATE GOVERNANCE

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

The Company's corporate governance philosophy rests on the pillars of integrity, accountability, equity, transparency and environmental responsibility that conforms fully with laws, regulations and guidelines. The Company's philosophy on corporate governance is to achieve business excellence and maximizing stakeholder value through ethical business conduct. The Company's philosophy also includes building partnerships with all stakeholders, employees, customers, vendors, service providers, local communities and government. The Company has always set appropriate targets for the growth, profitability, customer satisfaction, safety and environmental performance and continues its commitment to high standards of corporate governance practices. During the year under review, the Board continued its pursuit of achieving its objectives through the adoption and monitoring of corporate strategies and prudent business plans.

### 2. BOARD OF DIRECTORS:

The Board of Directors of the Company has an appropriate mix of Executive Directors ("ED"), Non-Executive Directors ("NED"), Women Director and Independent Directors ("ID") to maintain the Board's independence, and separate its functions of governance and management. Currently, the Board comprises of two Executive and three Independent Non-Executive Directors of which one is a woman director and one Non Executive Non Independent Director.

None of the Directors on the Company's Board is a Member of more than ten Committees and Chairman of more than five Committees [Committees being, Audit Committee and Stakeholder Relationship Committee] across all the Indian Public Limited Companies in which he/she is a Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies and do not hold the office of Director in more than twenty companies, including ten public companies. All Directors except Independent Directors are liable to retire by rotation.

The required information, including information as enumerated in Part A of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('the Listing Regulations') is made available to the Board of Directors for discussions and consideration at Board Meetings. The Executive Director and the Chief Financial Officer (CFO) have certified to the Board upon, *inter alia*, the accuracy of the financial statements and adequacy of internal controls for the financial reporting, in accordance with Regulation 17(8) of the Listing Regulations, pertaining to CEO and CFO certification for the Financial Year ended 31<sup>st</sup> March, 2020.

During the year under review Four (4) Board meetings were held, namely on 29<sup>th</sup> May, 2019, 14<sup>th</sup> August, 2019, 14<sup>th</sup> November, 2019 and 06<sup>th</sup> February, 2020. The Company has complied with the stipulation of section 173(1) of Companies Act, 2013 ('the Act') and the Listing Regulations for conducting minimum 4 (four) meetings of Board of Directors during the year and that the maximum time-gap between any two meetings did not exceed 120 days.

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors. The names and categories of the Directors on the Board, the number of directorships and committee positions held by them in other Public Limited Companies as on the date of signing this report are as under:

Sr. No.	Name of Director	Category of Director	No. of Directorship held in other Companies	Membership held in Committees of other Companies #1	Chairmanship held in Committees of other Companies	No. of meetings attended during the year #2	Attendance at last Annual General Meeting	Shareholding in the Company
1.	Mr. Ajay Palekar DIN: 02708940	Chairman & Managing Director	1	Nil	Nil	3	-	2,23,048 Equity Shares
2.	Mr. Suchit Punnose DIN: 02184524	Whole Time Director (Promoter)	7	Nil	Nil	3	Present	18,92,489 Equity Shares
3.	Mr. Aditya Vikram Kanoria DIN: 07002410	Non –Executive Independent Director	3	Nil	Nil	4	Present	Nil
4.	Mr. Sandeep Khurana DIN: 02118658	Non –Executive Independent Director	3	Nil	Nil	2	Present	1,40,104 Equity Shares
5.	Mrs. Rakhee Agarwal DIN: 08081921	Non –Executive Independent Director	1	Nil	Nil	2	Present	Nil
6.	Mr. Raj Kumar Sharma DIN: 00998552	Non Executive Non – Independent Director	1	Nil	Nil	0	-	68,600 Equity Shares

#1 Includes Memberships/Chairmanships of only Audit Committees and Stakeholder Relationship Committees of other Public Companies only.

#2 Includes meetings attended via video conference facility.

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

**Annual Independent Directors Meeting:** No Separate meeting of Independent Directors was held in the year 2019-20.

**Familiarisation Programme for Independent Directors:** The Familiarisation Programme seeks to update the Independent Directors on various matters covering Company’s strategy, business model, operations, organization structure, finance, risk management etc. It also seeks to update the Independent Directors with their roles, rights, responsibilities, duties under the Act and other statutes.

The policy and details of familiarization programme imparted to the Independent Directors of the Company is available at <https://modulex.in/investor-relations/>

**Board Effectiveness Evaluation:** Pursuant to the Regulation 17 and Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and the Act, Board evaluation involving evaluation of the Board of Directors, its Committees and individual Directors, including the role of the Board Chairman, was conducted during the year. For details kindly refer the Directors’ Report.

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

Skills/expertise/competence	Whether available with the Board or not?
<b>Industry knowledge/experience (EPC Industry)</b>	
Experience	Yes
Industry knowledge	Yes
Understanding of relevant laws, rules, regulation and policy	Yes
International Experience	Yes
Contract management	Yes
<b>Technical skills/experience</b>	
Accounting and finance	Yes
Business Development	Yes
Information Technology	Yes
Talent Management	Yes
Leadership	Yes
Compliance and risk	Yes
Legal	Yes
Business Strategy	Yes
<b>Behavioral Competencies</b>	
Integrity and ethical standards	Yes
Mentoring abilities	Yes
Interpersonal relations	Yes

### 3. COMMITTEES OF THE BOARD

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

The Board has following Committees:

#### 3.1 AUDIT COMMITTEE

The Audit Committee of the Company functions in accordance with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The composition of the Audit Committee is in compliance of Regulation 18(1) of the Listing Regulations. The Audit Committee comprises of three Directors, out of which two are Independent Directors and one is Executive Director. The Members of the Audit Committee possess financial/accounting expertise/exposure. The Company Secretary of the Company acts as the Secretary to the Audit Committee.

The minutes of each Audit Committee meeting are noted in the next meeting of the Audit Committee. During the year under review, 4 (Four) Audit Committee meetings were held on 29<sup>th</sup> May, 2019, 14<sup>th</sup> August, 2019, 14<sup>th</sup> November, 2019 and 06<sup>th</sup> February, 2020.

As on the date of signing this report, the Audit Committee comprises of the following members of the Board:

Name of the Member	Category	Positions	Meeting attended
Mr. Sandeep Khurana	Non-Executive & Independent Director	Chairman	2
Mr. Aditya Vikram Kanoria	Non-Executive & Independent Director	Member	4
Mr. Ajay Palekar	Executive Director	Member	3

#### Terms of Reference:

The broad terms of reference includes the following as is mandated in Part C of Schedule II of the Listing Regulations and Section 177 of the Companies Act, 2013:

- The recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- Review and monitor the auditor’s independence and performance, and effectiveness of audit process.
- Examination of the financial statement and the auditors’ report thereon.
- Approval or any subsequent modification of transactions of the company with related parties.
- Oversight of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommend to the Board, the appointment, re-appointment, terms of appointment, remuneration and, if required, replacement or removal of Statutory Auditors and fixation of Audit fees.
- Approval of payment to statutory auditors for any other services rendered by them.
- Reviewing, with the management the annual financial statements and auditors’ report thereon before submission to the Board for approval with particular reference to the matters stated under sub clause (a) to (g) of Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.
- Reviewing, with the management the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Review and monitor the auditor’s independence and performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.



- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non- payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- Examination of the financial statement and the auditors' report thereon
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Reviewing the utilization of loans and/or advances from/investment by holding Company in the subsidiary exceeding rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments

M/s. RMJ & Associates, LLP, Chartered Accountants, registered with the Institute of Chartered Accountants (ICAI Firm Registration No. W100281), the Company's Statutory Auditor, are responsible for performing an independent audit of the Financial Statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in India.

### **3.2 NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee (NRC) of the Company functions in accordance with the Companies Act, 2013 and Listing Requirements, which are reviewed from time to time.

During the year under review, 1 (one) meeting of the Committee was held on 29<sup>th</sup> May, 2019.

As on the date of this report, the Nomination and Remuneration Committee comprises of three Directors, all of them being Non-Executive and Independent Directors. The Composition of Nomination and Remuneration Committee and attendance at its meeting is as follows:

Composition	Category	Positions	Meetings attended
Mr. Sandeep Khurana	Non-Executive & Independent Director	Chairman	1
Mr. Aditya Vikram Kanoria	Non-Executive & Independent Director	Member	1
Mrs. Rakhee Agarwal	Non-Executive & Independent Director	Member	0

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

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

### 3.2.1 REMUNERATION POLICY

In terms of the provisions of Section 178(3) of the Act, the Nomination and Remuneration Committee (NRC) is responsible for formulating the criteria for determining qualification(s), positive attributes and independence of a Director. The NRC is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. The Board has on the recommendation of the NRC framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The said policy is available on the Company's website at <https://modulex.in/wp-content/uploads/2019/04/Remuneration-Policy-MCTL.pdf>

### 3.2.2 REMUNERATION TO DIRECTORS

On account of Company having inadequate profits and since the Company is at a nascent stage, it requires funds for its operational activities and expansion. Having regard to the foregoing and to conserve the resources of the Company, the Executive Directors waived their remuneration and Independent Directors waived their sitting fees for the financial year 2019-20. As such, no

remuneration has been paid to Executive Directors and sitting fees to Independent director during the year under review. However, the Company Secretary and Chief Financial officer of the Company have been paid Rs. 5,59,032/- (Rupees Five Lakhs Fifty-Nine Thousand Thirty-Two only) and Rs 6,01,667/- (Rupees Six Lakhs One Thousand Six Hundred and Sixty-Seven only), respectively for the financial year 2019-20.

**Remuneration to Key Managerial Personnels Other Than MD / Manager / WTD**

Sr. No.	Particulars of Remuneration				
	Gross Salary	Manish Mourya (CS)*	Bhoomi Mewada (CS)*	Mahendra Kumar Bhurat (CFO)	Total Amount
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	180,000	379,032	601,667	<b>1,160,699</b>
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961.	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as % of profit others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	<b>180,000</b>	<b>379,032</b>	<b>601,667</b>	<b>1,160,699</b>

\*Mr. Manish Moriya resigned from the post of Company Secretary w.e.f 14<sup>th</sup> August, 2019 and Ms.Bhoomi Mewada appointed as the Company Secretary of the Company w.e.f 14<sup>th</sup> August, 2019

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

None of the Directors are eligible for any severance fees.

**3.3 STAKEHOLDERS RELATIONSHIP COMMITTEE**

Pursuant to the amendment in the Listing Regulations requiring at least three directors as members of the Committee, the Stakeholders Relationship Committee is constituted as under, namely:

Composition	Category	Positions	Meetings attended
Mr. Aditya Kanoria	Non-Executive & Independent Director	Chairman	1
Mr. Ajay Palekar	Managing Director	Member	1
Mr. Suchit Punnose	Whole Time Director	Member	0

The Stakeholders' Relationship Committee's composition and the terms of reference meets with the requirements of the Listing Regulations and provisions of the Companies Act, 2013. During the year under review, one meeting of Stakeholders Relationship Committee was held on 29<sup>th</sup> May, 2019.

The Stakeholders Relationship Committee functions with the objective of looking into the redressal of Shareholder's/Investor's grievances. The Stakeholders Relationship Committee is primarily responsible for:

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

### **3.4 MANAGEMENT COMMITTEE**

The Board has delegated some of its powers to the Management Committee, enabling it to act directly, or to provide recommendations to be approved by the Board. The day-to-day management of the Company is vested with the Management Committee, which is subjected to the overall superintendence and control of the Board. The management Committee comprises of Mr. Ajay Palekar, Mr. Sandeep Khurana and Mr. Suchit Punnose as its members.

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

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

### **3.5 SECURITIES COMMITTEE**

The Board has delegated its power to issue and allot securities to the Securities Committee, enabling it to avoid the delay in process of transfer of securities. The Securities Committee comprises of Mr. Aditya Kanoria, Mr. Ajay Palekar and Ms. Bhoomi Mewada as its members.

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

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

## **4 COMPLIANCE OFFICER**

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

During the financial year 2019-20, the Company had received 2 (Two) complaints from an investor, which were promptly disposed off and accordingly there were no complaints pending at the end of the financial year. Complaints or queries relating to the shares and/or Debentures can be forwarded to the Company's Registrar and Transfer Agent – Purva Sharegistry (India) Private Limited at 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Off N.M. Joshi Marg, near Lodha Excelus, Lower Parel East, Mumbai- 400 011, Email: [support@purvashare.com](mailto:support@purvashare.com) Tel: +91-22-2301 8261 / 6761 Fax: +91-22-2301 2517.

## 5 GENERAL BODY MEETINGS:

### i. Annual General Meeting:

Location and time, where last three Annual General Meetings were held is given below:

AGM	Financial year	Date	Location	Time
44 <sup>th</sup> AGM	2016-2017	29 <sup>th</sup> September, 2017	1207A, P. J. Towers, Dalal Street, Fort, Mumbai – 400 001.	10.00 a.m.
45 <sup>th</sup> AGM	2017-2018	27 <sup>th</sup> September, 2018	MCA Club, RG-2, G-Block, Bandra Kurla Complex Mumbai – 400 051.	3.00 p.m.
46 <sup>th</sup> AGM	2018-2019	17 <sup>th</sup> December, 2019	Royal Connaught Boat Club, 7/8 Boat Club Road, Pune – 411001	2.30 p.m

### ii. Special Resolutions:

- a. Details of special resolutions passed in the Annual General Meetings during the last three financial years are as follows:

Date of Annual General Meeting	Number of Special resolutions passed	Details of Special Resolutions
29 <sup>th</sup> September, 2017	0	-
27 <sup>th</sup> September, 2018	1	Issue of Equity Shares on Preferential Basis by Swap of Shares
17 <sup>th</sup> December, 2019	0	-

- b. Details of special resolutions passed in the Extra-Ordinary General Meetings during the last three financial years are as follows:

No Extra-Ordinary General Meetings have been conducted to pass special resolution during the last three financial years.

### iii. Details of Resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern

No resolution has been passed by postal ballot during the year under review.

## 6 MEANS OF COMMUNICATION

- a. The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results in the format prescribed under Regulation 33 of the Listing Regulations within the prescribed time limits. Quarterly results are submitted to the BSE in terms of the requirements of Regulation 33 of the Listing Regulations.
- b. The quarterly/half yearly and annual financial results are regularly submitted to BSE in accordance with the Listing Regulations and published in one English national daily newspaper circulating in the whole or substantially the whole of India i.e. Financial Express and one Marathi daily newspaper i.e Navshakti or Lakshadeep.

- c. The Company’s website <https://modulex.in> contains a separate dedicated section “investors” where shareholder information is available. Full Annual Reports are also available on the website in a user- friendly and downloadable format.
- d. The Company posts its Quarterly / Half Yearly/Annual Results, Annual Report, official news releases, presentations made to investors and transcripts of the meetings with institutional investors / analysts (if any) on its website i.e. <https://modulex.in>. This website contains the basic information about the Company, e.g., details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who is responsible for assisting and handling investor grievances and such other details as may be required under Regulation 46 of the Listing Regulations. The Company ensures that the contents of this website are updated regularly.

## 7 PREVENTION OF INSIDER TRADING

The Company has instituted mechanism to avoid Insider Trading. In accordance with the SEBI (Prevention of Insider Trading) Regulations, 2015 as amended, the Company has established systems and procedures to restrict insider trading activity and has framed a Code of Fair Disclosure and Conduct to prevent misuse of any unpublished price sensitive information and prohibit any insider trading activity, in order to protect the interest of the shareholders at large. The said Code of Fair Disclosure and Conduct is available on the Company’s website i.e. <https://modulex.in/wp-content/uploads/2019/04/Code-of-Practices-and-disclosure-of-UPSI-MCTL.pdf>

## 8 GENERAL SHAREHOLDER INFORMATION

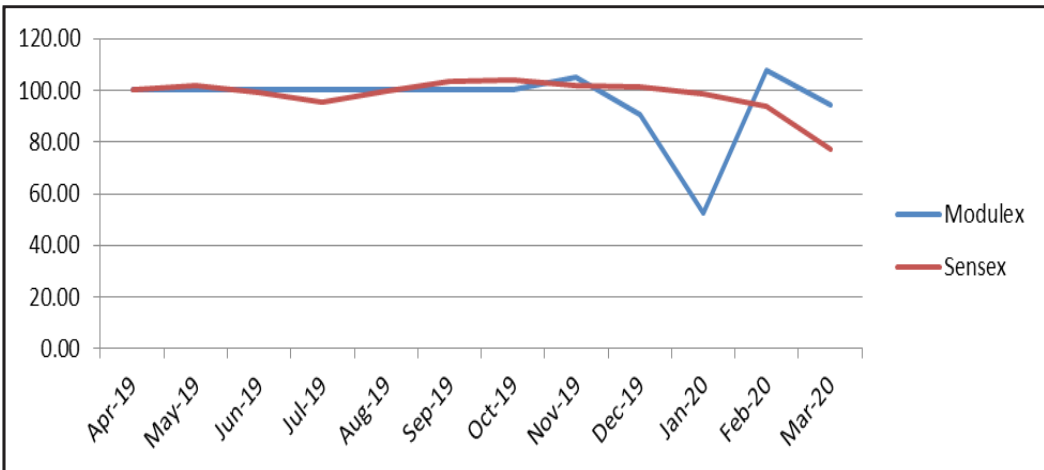
1.	Annual General Meeting	
	Date	30 <sup>th</sup> September, 2020
	Time	04.30 PM IST
	Venue	Video Conferencing
2.	Financial Year	31 <sup>st</sup> March, 2020
3.	Dates of Book Closure	NA
4.	Dividend	In view of loss incurred for the year, no Dividend has been declared
5.	Listing on Stock Exchanges	The Equity Shares of your Company are listed on: BSE Limited (BSE), P. J. Towers, Dalal Street, Fort, Mumbai - 400 001.
6.	Payment of Listing Fees	Fee for the year under review 2019-20 has been paid and for the current year 2020-21 shall be paid in the due course
7.	Stock Code	504273
8.	Registrar to issue & Share Transfer Agents	<b>Purva Sharegistry (India) Pvt. Ltd</b> Add: Unit no. 9, Shiv Shakti Ind. Estt., J .R. Boricha marg, Lower Parel (E), Mumbai 400 011 Tel: 91-22-2301 2518 / 6761 Fax: +91-22-2301 2517 Website: <a href="http://www.purvashare.com">www.purvashare.com</a> ; email: <a href="mailto:support@purvashare.com">support@purvashare.com</a>
9.	Share Transfer System	The Board of Directors has delegated the authority to transfer the shares to M/s Purva Sharegistry (India) Pvt. Ltd, Registrar and Share Transfer Agents of the Company. The Share Transfer Agents attend to share transfer formalities, if any.

10.	Plant Location	The Company is not a manufacturing unit and thus not having any Plant.
11.	Address for Correspondence	Ms.Bhoomi Mewada, Company Secretary A-82, MIDC Industrial Estate, Indapur – 413 132, Maharashtra E-mail.: <a href="mailto:compliance@modulex.in">compliance@modulex.in</a> , <a href="mailto:bhoomimewada@modulex.in">bhoomimewada@modulex.in</a>
12.	Dematerialization of Shares and liquidity	As on 31 <sup>st</sup> March, 2020 : 51,101,957 Equity Shares of the Company constituting 99.61% of the equity share capital are held in Dematerialized form. The Equity Shares of the Company are traded only in dematerialized form on the BSE.
13.	Electronic Clearing Services (ECS)	Members are requested to update their bank account details with their respective Depository Participants for shares held in the electronic form or write to the Company’s Registrar and Share Transfer Agent M/s Purva Sharegistry (India) Pvt. Ltd.
14.	Investor Complaints to be addressed to	Registrar and Share Transfer Agent - M/s Purva Sharegistry (India) Private Limited at <a href="mailto:support@purvashare.com">support@purvashare.com</a> or to Ms. Bhoomi Mewada, Company Secretary at <a href="mailto:compliance@modulex.in">compliance@modulex.in</a> .
15.	Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity impact on equity.	The Company has not issued any GDRs/ ADRs/ Warrants. There are no outstanding convertible instruments as on 31 <sup>st</sup> March, 2020.

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

The price of the Company’s Share - High, Low during each month in the last financial year 2019-20 on the Stock Exchanges is given below in a tabular form:

Month	Modulex Construction Technologies Limited Price at BSE			BSE Sensex	
	High Price	Low Price	Volumne	High	Low
Apr-19	26.00	23.90	1,800	39,487.45	38,460.25
May-19	-	-	0	40,124.96	36,956.10
Jun-19	24.70	24.70	50	40,312.07	38,870.96
Jul-19	-	-	0	40,032.41	37,128.26
Aug-19	-	-	0	37,807.55	36,102.35
Sep-19	-	-	0	39,441.12	35,987.80
Oct-19	-	-	0	40,392.22	37,415.83
Nov-19	25.90	25.90	500	41,163.79	40,014.23
Dec-19	24.65	23.45	150	41,809.96	40,135.37
Jan-20	22.30	12.10	56,891	42,273.87	40,476.55
Feb-20	13.64	12.01	6,04,570	41,709.30	38,219.97
Mar-20	13.48	12.11	57,740	39,083.17	25,638.90



**b. Share Transfer System:**

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

However, as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 08<sup>th</sup> June, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30<sup>th</sup> November, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from 01<sup>st</sup> April, 2019 unless the securities are held in the dematerialised form with the depositories. In view of the same, members are advised to dematerialize shares held by them in physical form.

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



**c. Distribution of Shareholding as on 31<sup>st</sup> March, 2020**

No. of Shares of Rs. 10/- each	Shareholders		Equity Shares	
	Number	% of total shareholders	Number	% of total shares
Upto 5,000	2699	90.57	2089710	0.41
5,001 – 10,000	32	1.07	251290	0.05
10,001 - 20,000	29	0.97	458960	0.09
20,001 - 30,000	6	0.20	156710	0.03
30,001 - 40,000	4	0.13	145440	0.03
40,001 - 50,000	6	0.20	272510	0.05
50,001 - 1,00,000	15	0.50	1268190	0.25
1,00,001 & Above	189	6.34	508387590	99.10
<b>TOTAL</b>	<b>2980</b>	<b>100.00</b>	<b>513030400</b>	<b>100.00</b>

**d. Shareholding Pattern as on 31<sup>st</sup> March, 2020**

The broad shareholding distribution of the Company as on 31<sup>st</sup> March, 2020 with respect to categories of investors was as follows:

Sr. No.	Category	No. of shareholders	No. of Equity Shares	Percentage %
1.	Promoter & Promoter Group	3	1,31,88,944	25.71
2.	Public	2877	3,81,14,096	74.29
	<b>Total</b>	<b>2980</b>	<b>513030400</b>	<b>100.00</b>

**9 DISCLOSURES:**

**a. Related Party Transactions**

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

Pursuant to the Regulation 23 of the Listing Regulations, the Board of Directors have adopted the 'Related Party Transaction Policy'. The said policy is available on the Company's website at <https://modulex.in/wp-content/uploads/2019/04/Policy-on-Related-Party-Transactions-MCTL.pdf>

**b. Compliances by the Company**

The Company has complied with various rules and regulations prescribed by BSE, SEBI or any other statutory authority relating to the capital markets during the last three years. No penalties or strictures have been imposed by them on the Company during the last three years.

**c. Whistle Blower Policy / Vigil Mechanism**

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Pursuant to Section 177(9) of the Companies Act, 2013 a vigil mechanism was established for directors and employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chairman of the Audit Committee of the Company. Vigil Mechanism Policy to this effect is also uploaded on the website of the Company i.e. <https://modulex.in/wp-content/uploads/2019/04/Whistle-Blower-Policy-MCTL.pdf>

The Company affirms that no Director or employee of the Company has been denied access to the Audit Committee. No complaint has been received as at the Financial Year ended 31<sup>st</sup> March, 2020 and no person was denied access to meet the Chairman of the Audit Committee in this regard.

**d. Proceeds from public issues, right issues, preferential issues etc.**

The Company has not raised any funds through issue of Equity Shares on preferential basis. The preferential issue of 84,45,579 equity shares was through swap of shares during the financial year 2019-20. There is no pending utilization of any of its earlier issue proceeds as on 31<sup>st</sup> March, 2020.

**e. CEO/CFO certification**

The Managing Director & CFO of the Company have certified to the Board of Directors, inter-alia, the accuracy of the financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the financial year ended 31<sup>st</sup> March, 2020.

**f. Compliance with mandatory and non-mandatory requirements**

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

**g. Reconciliation of Share Capital Audit**

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

**h. Certificate from Practicing Company Secretary**

The Company has obtained a Certificate from Ms.Pooja Das Practicing Company Secretary, certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities

and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority has been annexed with this Report.

- i. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof: **Not Applicable**
- j. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part: Rs. 30,16,220/- .
- k. **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**
  - a. number of complaints filed during the financial year 2019-20: Nil
  - b. number of complaints disposed of during the financial year 2019-20: Nil
  - c. number of complaints pending as on end of the financial year 2019-20: Nil
- l. Details of Credit Ratings obtained by the Company: Not Applicable
- m. Commodity price risk or foreign exchange risk and hedging activities : Not Applicable

## 10 COMPLIANCE OF CORPORATE GOVERNANCE REQUIREMENTS

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

Sr. No.	Particulars	Regulations	Brief Description of the Regulations	Compliance Status (Yes / No / N.A.)
1	Board of Directors	17(1)	Composition of Board	Yes
		17(2)	Meeting of Board of Directors	Yes
		17(3)	Review of Compliance Reports	Yes
		17(4)	Plans for orderly succession for appointments	Yes
		17(5)	Code of Conduct	Yes
		17(6)	Fees/Compensation to the Non-Executive Directors	Yes
		17(7)	Minimum Information to be placed before the Board	Yes
		17(8)	Compliance Certificate	Yes
		17(9)	Risk Assessment & Minimization and Risk Management Plan	Yes
		17(10)	Performance Evaluation of Independent Directors	Yes

Sr. No.	Particulars	Regulations	Brief Description of the Regulations	Compliance Status (Yes / No / N.A.)
2	Audit Committee	18(1)	Composition of Audit Committee & presence of the Chairman of the Committee at the AGM	Yes
		18(2)	Meeting of Audit Committee	Yes
		18(3)	Role of the Committee and review of information by the Committee	Yes
3	Nomination & Remuneration Committee	19(1) & (2)	Composition of Nomination & Remuneration Committee	Yes
		19(3)	Presence of the Chairman of the Committee at the AGM	Yes
		19(4)	Role of the Committee	Yes
4	Stakeholders Relationship Committee	20(1), (2) & (3)	Composition of Stakeholders Relationship Committee	Yes
		20(4)	Role of the Committee	Yes
5	Risk Management Committee	21(1), (2) & (3)	Composition of Risk Management Committee	N.A.
		21(4)	Role of the Committee	N.A.
6	Vigil Mechanism	22	Formulation of Vigil Mechanism for Directors and Employees	Yes
7	Related Party Transactions	23(1),(5),(6), (7) & (8)	Policy for Related Party Transaction	Yes
		23(2) & (3)	Approval including omnibus approval of Audit Committee for all related party transactions and review of transactions by the Committee	Yes
		23(4)	Approval for material related party transactions	N.A.
8	Subsidiaries of the Company	24(1)	Composition of Board of Directors of unlisted material subsidiary	Yes
		24(2),(3),(4),(5) & (6)	Other Corporate Governance requirements with respect to subsidiary including material subsidiary of listed entity	Yes
		24A	Secretarial Audit of the Company Secretarial Audit of the material unlisted subsidiaries	Yes Yes

Sr. No.	Particulars	Regulations	Brief Description of the Regulations	Compliance Status (Yes / No / N.A.)
9	Obligations with respect to Independent Directors	25(1) & (2)	Maximum Directorship & Tenure	Yes
		25(3)	Meeting of Independent Directors	No
		25(4)	Review of Performance by the Independent Directors	Yes
		25(6)	Filling the vacancy of Independent Director created by resignation or removal	Yes
		25(7)	Familiarization of Independent Directors	Yes
		25(10)	D and O insurance for Independent Directors	No
10	Obligations with respect to Directors and Senior Management	26(1) & (2)	Memberships & Chairmanship in Committees	Yes
		26(3)	Affirmation with compliance to code of conduct by members of Board of Directors and senior management personnel	Yes
		26(4)	Disclosure of Shareholding by Non-Executive Directors	Yes
		26(5)	Disclosures by senior management about potential conflict of interest	Yes
11	Other Corporate Governance Requirements	27(1)	Compliance of discretionary requirements	Yes
		27(2)	Filing of quarterly Compliance Report on Corporate Governance	Yes
12	Disclosures on Website of the Company	46(2)(b)	Terms and conditions of appointment of Independent Directors	Yes
		46(2)(c)	Composition of various Committees of Board of Directors	Yes
		46(2)(d)	Code of Conduct of Board of Directors and Senior Management Personnel	Yes
		46(2)(e)	Details of establishment of Vigil Mechanism/ Whistle Blower Policy	Yes
		46(2)(f)	Criteria of making payments to Non-Executive directors	Yes
		46(2)(g)	Policy on dealing with related party transactions	Yes
		46(2)(h)	Policy for determining 'Material' Subsidiaries	Yes
		46(2)(i)	Details of familiarization programmes imparted to Independent Directors	Yes

## 11 CODE OF CONDUCT

The Company has laid down a Code of Conduct for all its Board Members and Senior Management Personnel for avoidance of conflicts of interest and ensuring the highest standard of honesty, dedication and professionalism in carrying out their functional responsibilities. The Code of Conduct is in compliance with the requirements of Listing Regulations. The Code of Conduct is available on the Company's website at <https://modulex.in/wp-content/uploads/2019/04/Code-of-Conduct-Directors-and-KMP-MCTL.pdf>. The Code has been circulated to all the members of the Board and the Senior Management. The Directors and the Senior Management have affirmed compliance of the Code.

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

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

Sd/-  
Suchit Punnose  
Whole Time Director  
DIN: 02184524

Date: 31<sup>st</sup> July, 2020  
Place: London

Sd/-  
Ajay Palekar  
Managing Director  
DIN: 02708940

Date: 31<sup>st</sup> July, 2020  
Place: Pune

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### **DECLARATION IN RESPECT OF CODE OF CONDUCT**

In accordance with Listing Regulations, I hereby confirm and declare that, all the Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company laid down for them for the financial year ended 31<sup>st</sup> March, 2020.

Place: Pune  
Date: 10<sup>th</sup> August, 2020

Sd/-  
(Ajay Palekar)  
Managing Director  
DIN: 02708940

**CERTIFICATE UNDER REGULATION 34(3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To  
The Board of Directors of  
Modulex Construction Technologies Limited

In my opinion and to the best of my information and according to our examination of the relevant records and information provided by **MODULEX CONSTRUCTION TECHNOLOGIES LIMITED** ('the Company') and based on declarations submitted by the Directors in this regard representation made by the management of the company for the period from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020 for the purpose of issuing a Certificate as per Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the LODR Regulations') read with Part C of Schedule V of the LODR Regulations, I hereby certify that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any such statutory authority for the period from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020.

**Sd/-**  
**CS Pooja Das**  
**Practicing Company Secretary**  
**ACS. No.: 43377**  
**CP No.: 16405**  
**UDIN : A043377B000573621**

**Place: Surat**  
**Date: 12<sup>th</sup> August, 2020**

**CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of  
**MODULEX CONSTRUCTION TECHNOLOGIES LIMITED**

We have examined the compliance of the conditions of Corporate Governance by Modulex Construction Technologies Limited (‘the Company’) for the year ended on March 31, 2020, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

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

In my opinion and to the best of the information and according to the explanations given to me, and the representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2020. However, Ministry of Company Affairs vide General Circular No. 11/2020 dated 24th March, 2020 has exempted conducting separate meeting of the Independent Directors for the FY 2019 – 20. Accordingly, separate meeting of the Independent Directors of the Company was not conducted during the FY 2019 – 20.

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

Sd/-  
**CS Pooja Das**  
**Practising Company Secretary**  
**Mem. No.: A43377**  
**CP No.: 16405**  
**UDIN: A043377B000670366**

**Place: Surat**  
**Date: September 5, 2020**



**MD –CFO CERTIFICATE**

To,  
The Board of Directors  
Modulex Construction Technologies Limited

**Subject: Certificate on financial statements for the financial year ended 31<sup>st</sup> March, 2020 pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir(s),

We, Ajay Palekar, Managing Director and Mahendra Kumar Bhurat, CFO, have reviewed the financial statements and the cash flow statement of the Company for the financial year ended 31<sup>st</sup> March, 2020 and that to the best of our knowledge and belief, we hereby certify that:

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

Yours Faithfully,

For **Modulex Construction Technologies Limited**

Sd/-  
(Ajay Palekar)  
Managing Director  
Pune

Sd/-  
(Mahendra Kumar Bhurat)  
CFO  
Mumbai

Date : 10<sup>th</sup> August, 2020

## **INDEPENDENT AUDITOR’S REPORT**

### **To the Members of Modulex Construction Technologies Limited**

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

#### **Opinion**

We have audited the accompanying financial statements of **Modulex Construction Technologies Limited (“the Company”)**, which comprise the Balance Sheet as at March 31, 2020, the 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 Ind AS 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020; 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 Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

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

Key Audit Matter	Auditor's Response
<p><b>Investments in subsidiaries</b></p> <p>During the year the Company has acquired 1,13,59,322 Equity Shares of Modulex Modular Buildings Private Limited by allotting 84,45,579 Equity Shares on preferential basis by swap of shares as per valuation approved by Bombay Stock Exchange. Investments in subsidiaries made during the year, account for a significant percentage of the Company's net assets. Management assesses major investments whether there are indications of impairment and determines the recoverable amounts of the investments recognized in the Balance Sheet. As such investment is made recently during the current year based on independent valuation, impairment testing is not considered necessary. Refer Note No. 3 to the Standalone Financial Statements.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit approach consisted of complete verification of the correctness of accounting and legal compliance for such investments Testing the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>• Relying on the appropriateness of the valuation report provided by the management for the fair value of shares of the company.</li> <li>• Relying on the valuation report based on which shares were acquired during the year</li> <li>• Verification of evidence of investments of the Company.</li> </ul>
<p><b>Issue of Share Capital on Private Placement Basis</b></p> <p>During the Year, the company has issued 84,45,579 Equity Shares on private placement basis to shareholders of Modulex Modular Buildings Private Limited. The Valuation and issue price of the Equity Shares done in accordance Stock Exchange regulations along with various compliances / rules and regulations of Companies Act, 2013 , Securities and Exchange Board of India and any other relevant Act to be adhered to before the issue of shares.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our Audit Procedure included the following:</p> <ul style="list-style-type: none"> <li>• Review of Resolution passed by the company for issue of shares</li> <li>• Review of In-principal approval received for issue of shares</li> <li>• Obtaining Valuation certificate of Independent Valuer to determine issue price, which is also approved by BSE.</li> <li>• Obtaining Listing Certificate received from BSE</li> <li>• Verification of Post Issue Compliances.</li> </ul>

**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 information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statement and our auditor's report thereon.

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 Standalone 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

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 are 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has 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 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.

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

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

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

#### **Other Matters:**

The comparative financial information of the company for the year ended March 31, 2019 included in these financials’ statements have been audited by the predecessor auditors. The reports of the predecessor auditors on the comparative Information dated May 29, 2019 expressed an unmodified opinion.

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

1. As required by the Companies (Auditor’s Report) Order, 2016 (‘the Order’) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the ‘Order’), 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 and Cash Flow statement dealt with by this Report are in agreement with the books of account;

- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2020 and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”; and
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:  
  
In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year.
- h) 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 has no pending litigations that affect its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For RMJ and Associates LLP**  
**Chartered Accountants**  
Firm Registration No: W100281

**Mihir Hindocha**  
Partner  
Membership No.: 112766.  
**UDIN No.: 20112766AAAAAS3917**

Place: Mumbai.  
Date: July 31<sup>st</sup>, 2020

## ANNEXURE –A TO AUDITOR’S REPORT

The Annexure referred to in paragraph 1 of the Report on Other Legal and Regulatory Requirements of even date to the members of **Modulex Construction Technologies Limited** (‘the Company’) for the year ended on **March 31, 2020**. We report that:

1. a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.  
b) As per the information and explanations provided to us, the management has carried out physical verification of all fixed assets during the year at reasonable intervals. No material discrepancies have been noticed on such verification.  
c) According to the information and explanations provided to us and on the basis of our examination of the records of the company, the company does not hold any immovable property; hence this sub clause is not applicable to the entity.
2. According to information and explanation given to us, the Company has no inventories during the year or as at 31st March 2020 and accordingly the clause is not applicable to the Company.
3. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties. Accordingly, the provision of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities.
5. The Company has not accepted any deposits within the meaning of Sections 73 and and the Companies (Acceptance of Deposits) Rules, 2014 (as amended).Therefore, the provisions of clause 3(v) of the order are not applicable to the Company.
6. 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.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, goods and service tax, duty of customs, value added tax, and any other statutory dues with the appropriate authorities. 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.;  
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales tax, service tax, goods and service tax, duty of customs, value added tax and which have not been deposited on account of any dispute.
8. There are no loans or borrowings payable to the government, any financial institution or banks during the year. The company has no debentures during the year. Accordingly, the paragraph 3(viii) of the Order is not applicable to the company.

9. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they have been obtained. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.
10. Based upon the Audit Procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to the information and explanations provided by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
11. According to the information and explanations given to us, the Company has not paid/provided for any managerial remuneration during the year.
12. The Company is not a Nidhi Company; hence clause 3(xii) of the order is not applicable to the Company.
13. 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 Companies Act, 2013 wherever applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. During the year, the Company has made private placement of shares during the year on non-cash basis under swap arrangement for the purpose of acquiring shares of subsidiary as stated in note 7 to the standalone financial statements. In respect of the same, in our opinion, the Company has complied with the requirements of section 42 of the Act and Rules framed there under.
15. 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, Accordingly, the provisions of clause 3 (xv) of the order are not applicable to the Company.
16. In our opinion and according to the information and explanations given to us, the company is not a non-banking financial company 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 (d) of the order are not applicable to the Company.

**For RMJ and Associates LLP**

**Chartered Accountants**

Firm Registration No: W100281

**Mihir Hindocha**

**Partner**

Membership No. 112766

**UDIN No.: 20112766AAAAAS3917**

Place: Mumbai.

Date: July 31<sup>st</sup>, 2020



## **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 Construction Technologies Limited** (‘the Company’) as of **31 March 2020** 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 company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were 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 controls 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 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.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **31 March 2020**, 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.

### **For RMJ and Associates LLP**

Chartered Accountants

Firm Registration No: W100281

### **Mihir Hindocha**

#### **Partner**

Membership No. 112766

UDIN No.: 20112766AAAAAS3917

Place: Mumbai.

Date: July 31<sup>st</sup>, 2020

**Modulex Construction Technologies Limited**  
(CIN: L45100PN1973PLC182679)  
Balance Sheet as on 31st March 2020

(Amount in Rs)

Particulars	Note No	As at 31st March 2020	As at 31st March 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	2	22,582	-
<b>Financial Assets</b>			
Non Current Investments	3	33559,70,702	27845,05,018
		<b>33559,93,284</b>	<b>27845,05,018</b>
<b>Current assets</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	4	66,699	63,826
Bank balances other than cash & cash equivalents	5	5,00,000	5,00,000
Other current assets	6	15,81,768	1,21,314
		<b>21,48,467</b>	<b>6,85,140</b>
<b>TOTAL</b>		<b>33581,41,751</b>	<b>27851,90,158</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share capital	7	5130,30,400	4285,74,610
Other Equity	8	28216,21,474	23515,89,352
		<b>33346,51,874</b>	<b>27801,63,962</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Long Term Borrowings	9	62,81,519	30,87,036
		<b>62,81,519</b>	<b>30,87,036</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
Short Term Borrowings	9.1	119,15,387	-
Other financial liabilities	10	16,09,659	12,94,281
Other current liabilities	11	36,83,312	6,44,880
		<b>172,08,358</b>	<b>19,39,161</b>
<b>TOTAL</b>		<b>33581,41,751</b>	<b>27851,90,158</b>
The accompanying notes form an integral part of the financial statements	1		

As per our report of even date attached

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

**Mihir Hindocha**  
Partner  
Membership No. 112766

**Place: Mumbai**  
**Date: July 31st, 2020**

**For and on behalf of the Board of**  
**Modulex Construction Technologies Limited**  
(CIN :L45100PN1973PLC182679)

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

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

**Suchit Punnose**  
Director  
(DIN 02184524)

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

**Modulux Construction Technologies Limited**  
(CIN: L45100PN1973PLC182679)  
**Statement of Profit and Loss for the year ended 31st March 2020**

(Amount in Rs)

Particulars	Notes	Year ended 31st March 2020	Year ended 31st March 2019
<b>INCOME</b>			
Revenue from operations	12	-	-
Other income	13	1,69,971	1,76,447
<b>Total income</b>		<b>1,69,971</b>	<b>1,76,447</b>
<b>EXPENSES</b>			
Employee benefits expense	14	11,60,698	7,06,667
Finance costs	15	9,42,326	25,521
Depreciation and amortisation expense	16	3,265	-
Other expenses	17	56,54,563	43,13,683
<b>Total expenses</b>		<b>77,60,852</b>	<b>50,45,871</b>
<b>Profit / (Loss) before tax</b>		<b>(75,90,881)</b>	<b>(48,69,424)</b>
<b>Less : Tax expenses</b>			
- Current tax		-	-
- Deferred tax		-	-
<b>Total tax expense</b>		<b>-</b>	<b>-</b>
<b>Profit / (loss) for the year</b>		<b>(75,90,881)</b>	<b>(48,69,424)</b>
<b>Other Comprehensive Income</b>			
<u>Items that will not be reclassified subsequently to profit or loss</u>		-	-
<b>Total comprehensive income for the year</b>		<b>(75,90,881)</b>	<b>(48,69,424)</b>
<b>Earnings per equity share</b>	17		
Nominal value of share Rs.10 : Basic		(0.17)	(0.17)
: Diluted		(0.17)	(0.17)
The accompanying notes form an integral part of the financial statements	1		

As per our report of even date attached

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

**Mihir Hindocha**  
Partner  
Membership No. 112766

**Place: Mumbai**  
**Date: July 31st, 2020**

**For and on behalf of the Board of**  
**Modulux Construction Technologies Limited**  
(CIN :L45100PN1973PLC182679)

**Ajay Palekar**  
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Company Secretary  
(M.No. A34561)

**Modulex Construction Technologies Limited**  
(CIN: L45100PN1973PLC182679)  
**Statement of Cash Flow for the Year Ended 31st March 2020**

(Amount in Rs)

Particulars	Year ended 31st March 2020		Year ended 31st March 2019	
<b>A. Cash Flow From Operating Activities</b>				
Net Profit Before Tax and Extraordinary item :-		(75,90,881)		(48,69,424)
<b>Adjustment for:</b>				
Prior Period Item	-		-	
Profit/loss on Sale of Securities	-		-	
Interest Received on FDR	(45,252)		(45,251)	
Depreciation	3,265		-	
Other Interest Received	(975)		-	
FV gain on the Initial Reco of Borrowings on AC	(1,23,744)		(1,31,196)	
Finance Cost	9,42,326		25,521	
		<b>7,75,620</b>		<b>(1,50,926)</b>
<b>Operating Profit before Working Capital Charges</b>		<b>(68,15,261)</b>		<b>(50,20,350)</b>
<b>Adjustment for:</b>				
(Increase) / Decrease in Other Current Assets	(14,60,454)		(3,735)	
Increase / (Decrease) in Financial Liabilities	4,39,122		14,01,877	
Increase / (Decrease) in Other Current Liabilities	30,38,432		6,44,880	
		<b>20,17,100</b>		<b>20,43,022</b>
Cash generated from Operations		<b>(47,98,161)</b>		<b>(29,77,328)</b>
Taxes Paid		-		-
<b>Net Cash Flow from operating activity</b>		<b>(47,98,161)</b>		<b>(29,77,328)</b>
<b>B. Cash Flow From Investing Activities</b>				
Interest Received on FDR	45,252		45,251	
Other Interest Received	975		-	
Purchase of Asset	(25,847)		-	
Investment in Subsidiaries	(56,11,891)		-	
		<b>(55,91,511)</b>		<b>45,251</b>
<b>Net Cash used in investing activities</b>		<b>(55,91,511)</b>		<b>45,251</b>
<b>C. Cash Flow From Financing Activities</b>				
Loans Taken	31,94,484		30,87,036	
Short Term Borrowings	119,15,387		-	
Interest & Finance Charges Paid	(9,42,326)		(25,521)	
Share Issue Expense	(37,75,000)		(81,30,319)	
		<b>103,92,545</b>		<b>(50,68,804)</b>
<b>Net cash flow from financing activities</b>		<b>103,92,545</b>		<b>(50,68,804)</b>
<b>Net Increase/ (Decrease) in cash and other equivalents (A+B+C)</b>		2,873		(80,00,881)
<b>Cash and cash equivalents</b>				
<b>Opening Balance</b>		<b>63,826</b>		<b>80,64,707</b>
<b>Closing Balance</b>		<b>66,699</b>		<b>63,826</b>

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

**Mihir Hindocha**  
Partner  
Membership No. 112766

**Place: Mumbai**  
**Date: July 31st, 2020**

**For and on behalf of the Board of**  
**Modulex Construction Technologies Limited**  
(CIN :L45100PN1973PLC182679)

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

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

**Suchit Punnose**  
Director  
(DIN 02184524)

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

**Modulex Construction Technologies Limited**  
(CIN: L45100PN1973PLC182679)  
**Statement of Changes in Equity for the year ended 31st March 2020**

**(a) Equity Share Capital**

Particulars	Number of Shares	Amount (in Rs)
<b>As at 1st April 2018</b>	12,85,275	128,52,750
Add : Issue of equity share capital	415,72,186	4157,21,860
<b>As at 31 March 2019</b>	<b>428,57,461</b>	<b>4285,74,610</b>
Add : Issue of equity share capital	84,45,579	844,55,790
<b>As at 31 March 2020</b>	<b>513,03,040</b>	<b>5130,30,400</b>

**(b) Other Equity**

Particulars	Reserves & Surplus				Other Reserves	Total
	Capital Reserve (i)	General Reserve (ii)	Securities Premium (iii)	Retained Earnings (iv)	Transaction Cost on the Equity Instruments (v)	
<b>As at 1 April 2018</b>	<b>97,45,481</b>	<b>(85,41,784)</b>	-	<b>(53,97,760)</b>	-	<b>(41,94,063)</b>
Total profit/(loss) for the year	-	-	-	(48,69,424)	-	(48,69,424)
Other comprehensive income for the year	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	<b>(48,69,424)</b>	-	<b>(48,69,424)</b>
Add: Securities Premium	-	-	23687,83,158	-	-	23687,83,158
Add: Transaction Cost on the Equity Instruments	-	-	-	-	(81,30,319)	(81,30,319)
<b>As at 31 March 2019</b>	<b>97,45,481</b>	<b>(85,41,784)</b>	<b>23687,83,158</b>	<b>(102,67,184)</b>	<b>(81,30,319)</b>	<b>23515,89,352</b>
<b>As at 1 April 2019</b>	<b>97,45,481</b>	<b>(85,41,784)</b>	<b>23687,83,158</b>	<b>(102,67,184)</b>	<b>(81,30,319)</b>	<b>23515,89,352</b>
Total profit/(loss) for the year	-	-	-	(75,90,881)	-	(75,90,881)
Other comprehensive income for the year	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	<b>(75,90,881)</b>	-	<b>(75,90,881)</b>
Add: Securities Premium	-	-	4813,98,003	-	-	4813,98,003
Add: Transaction Cost on the Equity Instruments	-	-	-	-	(37,75,000)	(37,75,000)
<b>As at 31 March 2020</b>	<b>97,45,481</b>	<b>(85,41,784)</b>	<b>28501,81,161</b>	<b>(178,58,065)</b>	<b>(119,05,319)</b>	<b>28216,21,474</b>

The accompanying notes form an integral part of the financial statements

1

As per our report of even date attached

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

**Mihir Hindocha**  
Partner  
Membership No. 112766

**Place: Mumbai**  
**Date: July 31st, 2020**

**For and on behalf of the Board of**  
**Modulex Construction Technologies Limited**  
**(CIN :L45100PN1973PLC182679)**

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

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

**Suchit Punnosé**  
Director  
(DIN 02184524)

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

## Notes to Financial Statements

### 1. Company overview

Modulex Construction Technologies Limited (“the Company”) is a Company registered under the Companies Act, 1956. It was incorporated on 24th May, 1973. CIN of the company is L45100PN1973PLC182679. The company was originally incorporated with the name, “Tumus Electric Corporation Limited”. Its name has changed to, “Modulex Construction Technologies Limited” with effect from 14th December, 2018. The Company is primarily engaged in production, building, supplying, fabricating and manufacture of modular steel buildings.

### 2. Summary of significant accounting policies

#### 2.1 Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

#### 2.2 Basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 (‘Act’) (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined as prescribed by the standard. In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3, wherever applicable based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of schedule III of the Companies Act, 2013. Further, for the purpose of clarity, various items are aggregated in statement of profit and loss and balance sheet. Nonetheless, these items are dis-aggregated separately in the notes to the financial statements, where applicable or required.

### **2.3 Basis of measurement**

The financial statements have been prepared on the accrual and going concern basis, and the historical cost convention except where the Ind AS requires a different accounting treatment.

### **2.4 Property, plant and equipment ('PPE')**

#### **Measurement at recognition:**

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate prospectively.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year.

#### **Derecognition**

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

#### **Depreciation**

Depreciation is provided as per the Written Down Value Method on all PPE at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013. The Company depreciates its property, plant and equipment (PPE) over the useful life in the manner prescribed in Schedule II to the Act. Management believes that useful lives of assets are same as those prescribed in Schedule II to the Act.



Freehold land is not depreciated. Leasehold land and Leasehold improvements are amortized over the period of the lease.

## **2.5 Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested for impairment annually and whenever there is an indication that the asset may be impaired.

## **2.6 Financial instruments**

### **a. Recognition, classification and presentation**

The financial instruments are recognized in the balance sheet when the Company becomes a party to the contractual provisions of the financial instrument.

The Company determines the classification of its financial instruments at initial recognition. The Company classifies its financial assets at amortized cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets and liabilities which arising from different transactions are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, the Company currently has a legally enforceable right to set-off the related recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

### **b. Measurement - Non-derivative financial instruments**

#### **I. Initial measurement**

At initial recognition, the Company measures the non-derivative financial instruments at its fair value net off, in the case of a financial asset not at fair value through profit or loss, transaction costs. Otherwise transaction costs are expensed in the statement of profit and loss. Investment in Subsidiary has been recognized at cost as permitted by Ind AS – 27, Separate Financial Statements

#### **II. Subsequent measurement - financial liabilities**

Other financial liabilities are initially recognized at fair value less any directly attributable transaction costs. They are subsequently measured at amortized cost using the EIR method (if the impact of discounting / any transaction costs is significant).

##### **i. Financial assets measured at amortised cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective-interest rate ('EIR') method (if the impact of discounting/ any transaction costs is significant). Interest income from these financial assets is included in finance income.

**ii. Impairment**

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss, otherwise lifetime ECL is used.

**c. Derecognition:**

The financial liabilities are de-recognized from the balance sheet when the underlying obligations are extinguished, discharged, lapsed, cancelled, expires or legally released. The financial assets are de-recognized from the balance sheet when the rights to receive cash flows from the financial assets have expired, or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The difference in the carrying amount is recognized in statement of profit and loss.

**2.7 Taxes**

The income tax expense comprises of current and deferred income tax. Income tax is recognized in the statement of profit and loss, except to the extent that it relates to items recognized in the other comprehensive income or directly in equity, in which case the related income tax is also recognized accordingly.

**a. Current tax**

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess / (shortfall) of the Company's income tax obligation for the period are recognized in the balance sheet as current income tax assets /liabilities.

Any interest / penalties, related to accrued liabilities for potential tax assessments are not included in Income tax charge or (credit), but are rather recognized within finance costs.

**b. Deferred tax**

Deferred tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax is not recognized if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. The unrecognized deferred tax assets / carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

## **2.8 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, bank balances and any deposits with original maturities of three months or less (that are readily convertible to known amounts of Cash and cash equivalents and subject to an insignificant risk of changes in value). However, for the purpose of the 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.

## **2.9 Share Capital**

Share capital Ordinary shares are classified as Equity when the Company has an un-conditional right to avoid delivery of cash or another financial asset, that is, when the dividend and repayment of capital are at the sole and absolute discretion of the Company and there is no contractual obligation whatsoever to that effect.

## **2.10 Provisions**

### **a. General**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the said obligation, and the amounts of the said obligation can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the relevant obligation, using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to un-winding of discount over passage of time is recognized within finance costs.

### **b. Contingencies**

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.

## **2.11 Revenue recognition**

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Group performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

3. The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue from sale of products and services are recognised at a time on which the performance obligation is satisfied.

## **2.12 Earnings per share ('EPS')**

The Company presents the Basic and Diluted EPS data.

Basic EPS is computed by dividing the profit for the period attributable to the shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted EPS is computed by adjusting, the profit for the year attributable to the shareholders and the weighted average number of shares considered for deriving Basic EPS, for the effects of all the shares that could have been issued upon conversion of all dilutive potential shares.

## **2.13 Critical accounting estimates and assumptions**

The estimates and judgements used in the preparation of the said financial statements are continuously evaluated by the Company, and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Company believes to be reasonable under the existing circumstances. The said estimates and judgements are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

## **2.14 Estimation of uncertainties relating to the global health pandemic from**

### **COVID-19**

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information and economic forecasts. The Company has performed necessary analysis on the assumptions used and based on current estimates expects the carrying amount of its assets does not require any impairment. However, The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements, if any.

## **2.15 Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Cash comprises cash on hand. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**Note - 2**

<b>Property, plant and equipment (Computer)</b>	<b>Amount</b>
<u>Gross Block</u>	
<b>As at 01.04.2019</b>	-
Additions	25,847
Disposals	-
<b>As at 31.03.2020</b>	<b>25,847</b>
<u>Accumulated Depreciation</u>	
<b>As at 01.04.2019</b>	-
Additions	3,265
Disposals	-
<b>As at 31.03.2020</b>	<b>3,265</b>
<u>Net Block</u>	
<b>As at 31.03.2019</b>	-
<b>As at 31.03.2020</b>	<b>22,582</b>

**Note 3 : Non Current Investments**

(Amount in Rs)

<b>Particulars</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
<b>Investment in Subsidiary - Measured at Cost</b>		
Investment in Equity Instruments of Modulex Modular Buildings Pvt Ltd.* (As on 31st March 2019 - 5,56,91,886 Equity shares of face value Rs. 10/- each) (As on 31st March 2020 - 6,75,73,618 Equity Share of face value Rs. 10/- each)	33559,70,702	27845,05,018
	<b>33559,70,702</b>	<b>27845,05,018</b>

\*During the year, the Company has made the investment in equity shares of Modulex Modular Buildings Private Limited by allotting 84,45,579 (PY 4,15,72,186) equity shares on preferential basis by swap of shares vide resolution dated December 2, 2019. Further, the Company has recognized its investment at cost as per by Ind AS 27, Separate Financial Statement.

**Note 4 : Cash and cash equivalents**

<b>Particulars</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
Balance with Banks	66,199	63,325
Cash on Hand	500	500
<b>Total</b>	<b>66,699</b>	<b>63,826</b>

**Note 5 : Bank balances other than cash & cash equivalents**

Particulars	As at 31st March 2020	As at 31st March 2019
<b><u>In Fixed Deposit with Bank of India</u></b> (Maturity more than Twelve months)	500,000	500,000
<b>Total</b>	<b>500,000</b>	<b>500,000</b>

**Note 6 : Other current assets**

Particulars	As at 31st March 2020	As at 31st March 2019
<b><u>Unsecured, Considered Good</u></b>		
TDS Receivable	1,09,679	1,13,414
Interest Accured on FDR	7,900	7,900
GST Input Receivable	14,64,189	-
<b>Total</b>	<b>15,81,768</b>	<b>1,21,314</b>

**Note 7 : Equity Share Capital**

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number of Shares	Amount (Rs)	Number of Shares	Amount (Rs)
<b><u>Authorised Share Capital</u></b>				
Cumulative Redeemable Pref Shares of Rs 10/- each	50,000	5,00,000	50,000	5,00,000
Equity Shares of Rs 10/- each	729,50,000	7295,00,000	729,50,000	7295,00,000
	<b>730,00,000</b>	<b>7300,00,000</b>	<b>730,00,000</b>	<b>7300,00,000</b>
<b><u>Issued, Subscribed and Fully Paid Up</u></b>				
<b>Issued Capital</b>				
Paid Up Capital Equity Shares of Rs 10/- each	513,03,040	5130,30,400	652,68,404	6526,84,040
<b>Subscribed Capital</b>				
Paid Up Capital Equity Shares of Rs 10/- each	513,03,040	5130,30,400	428,57,461	4285,74,610
	<b>513,03,040</b>	<b>5130,30,400</b>	<b>428,57,461</b>	<b>4285,74,610</b>

Note: The Company vide Board resolution dated December 2nd 2019 has approved to issue its own 84,45,579 fully paid equity shares against shares of Modulex Modular Buildings Private Limited (“MMBPL”) on swap basis in such manner and such terms of conditions prescribed under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)

Regulations, 2018 and in compliance with sections 42 and 62 and other applicable provisions of the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014. Pursuant to the above, the Company has allotted 84,45,579 fully paid equity shares against 1,13,59,322 fully paid equity shares on MMBPL in terms of swap ratio approved by Bombay stock Exchange (BSE).

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

Particulars	As at 31st March 2020		As at 31st March 2019	
	No. of Shares	Amount (In Rs)	No. of Shares	Amount (In Rs)
<b>Equity Shares</b>				
At the beginning of the year	428,57,461	4285,74,610	12,85,275	128,52,750
Issued during the year	84,45,579	844,55,790	415,72,186	4157,21,860
<b>Outstanding at the end of the year</b>	<b>513,03,040</b>	<b>5130,30,400</b>	<b>428,57,461</b>	<b>4285,74,610</b>

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

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number of Share	% holding	Number of Share	% holding
Red Ribbon Modulex Buildings Ltd	106,84,526	20.83%	106,84,526	22.86%
Providence Educational Academy Pvt Ltd.	54,51,853	10.63%	54,51,853	12.72%
Ajmera Realty and Infra India Ltd.	37,25,809	7.26%	-	-
Synthite Industries	32,58,524	6.35%	32,58,524	7.81%
Ethix Realtors Private Limited	29,87,317	5.82%	29,87,317	6.97%
Reward Constructions Pvt Ltd	-	-	22,40,488	5.23%

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

- aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash;

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number of Share	Amount (Rs)	Number of Share	Amount (Rs)
Equity Shares Issued under shares swap basis	500,17,765	5001,77,650	415,72,186	4157,21,860

**Note 8 : Other Equity**

(Amount in Rs)

Particulars	Reserves & Surplus				Other Reserves	Total
	Capital Reserve (i)	General Reserve (ii)	Share based payment Reserve (iii)	Retained Earnings	Transaction Cost on the Equity Instruments (iv)	
<b>As at 1 April 2018</b>	<b>97,45,481</b>	<b>(85,41,784)</b>	-	<b>(53,97,760)</b>	-	<b>(41,94,063)</b>
Total profit for the year	-	-	-	(48,69,424)	-	(48,69,424)
Other comprehensive income for the year	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	<b>(48,69,424)</b>	-	<b>(48,69,424)</b>
Add: Share Premium	-	-	23687,83,158	-	-	23687,83,158
Add: Transaction Cost on the Equity Instruments	-	-	-	-	(81,30,319)	(81,30,319)
<b>As at 31 March 2019</b>	<b>97,45,481</b>	<b>(85,41,784)</b>	<b>23687,83,158</b>	<b>(102,67,184)</b>	<b>(81,30,319)</b>	<b>23515,89,352</b>
<b>As at 1 April 2019</b>	<b>97,45,481</b>	<b>(85,41,784)</b>	<b>23687,83,158</b>	<b>(102,67,184)</b>	<b>(81,30,319)</b>	<b>23515,89,352</b>
Total profit for the year	-	-	-	(75,90,881)	-	(75,90,881)
Other comprehensive income for the year	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	<b>(75,90,881)</b>	-	<b>(75,90,881)</b>
Add: Share Premium	-	-	4813,98,003	-	-	4813,98,003
Add: Transaction Cost on the Equity Instruments	-	-	-	-	(37,75,000)	(37,75,000)
<b>As at 31 March 2020</b>	<b>97,45,481</b>	<b>(85,41,784)</b>	<b>28501,81,161</b>	<b>(178,58,065)</b>	<b>(119,05,319)</b>	<b>28216,21,474</b>

**Note 9 : Long Term Borrowings**

(Amount in Rs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b><u>Financial Liabilities measured at Amortised Cost</u></b>		
Suchit Punnose	1,96,384	1,87,182
Give Vinduet Windows and Doors Private Limited	12,85,921	4,43,379
Modulex Modular Buildings Private Limited	47,99,214	24,56,475
<b>Total</b>	<b>62,81,519</b>	<b>30,87,036</b>



**Note 9.1: Short Term Borrowings**

(Amount in Rs)

<b>Particulars</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
Modulex Modular Buildings Private Limited	119,15,387	-
<b>Total</b>	<b>119,15,387</b>	<b>-</b>

**Note 10 : Other Financial Liabilities**

<b>Particulars</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
Audit Fees Payable	4,90,000	2,65,500
Creditors for Expense	11,19,659	10,28,781
<b>Total</b>	<b>16,09,659</b>	<b>12,94,281</b>

**Note 11 : Other Current Liabilities**

<b>Particulars</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
Statutory Dues	4,83,513	3,44,317
Salary Payable	99,800	2,66,667
Amount payable for shares purchased	31,00,000	-
Others	-	33,896
<b>Total</b>	<b>36,83,313</b>	<b>6,44,880</b>

**Note 12 : Revenue From Operations**

(Amount in Rs)

<b>Particulars</b>	<b>31st March 2020</b>	<b>31st March 2019</b>
Revenue From Operations	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note 13 : Other Income**

<b>Particulars</b>	<b>31st March 2020</b>	<b>31st March 2019</b>
Interest From Bank FDR	45,252	45,251
Interest other than FDR	975	-
Fair Value gain on Initial Recognition of the Borrowings	1,23,744	1,31,196
<b>Total</b>	<b>1,69,971</b>	<b>1,76,447</b>

**Note 14 : Employee Benefits Expenses**

<b>Particulars</b>	<b>31st March 2020</b>	<b>31st March 2019</b>
Salaries and Wages	11,60,698	7,06,667
<b>Total</b>	<b>11,60,698</b>	<b>7,06,667</b>

**Note 15 : Finance Costs**

(Amount in Rs)

Particulars	31st March 2020	31st March 2019
Interest Expenses	9,42,326	25,521
<b>Total</b>	<b>9,42,326</b>	<b>25,521</b>

**Note 16 : Depreciation And Amortization Expense**

Particulars	31st March 2020	31st March 2019
Depreciation on Tangible Assets	3,265	-
<b>Total</b>	<b>3,265</b>	<b>-</b>

**Note 17 : Other Expenses**

Particulars	31st March 2020	31st March 2019
BSE Expenses	3,00,000	7,65,500
Advertisement Expenses	2,48,359	3,14,914
Legal and Professional Expenses	34,03,198	23,56,635
Rates and Taxes	20,230	1,96,211
Other Expenses	9,77,776	3,25,479
Auditor's Remuneration	7,05,000	3,54,944
<b>Total</b>	<b>56,54,563</b>	<b>43,13,683</b>

**Note 17.1: Auditor's Remuneration**

Particulars	31st March 2020	31st March 2019
As auditor:		
Audit fee	3,00,000	1,77,000
Tax audit fee	1,50,000	-
Other Matters	2,55,000	1,77,944
<b>Total</b>	<b>7,05,000</b>	<b>3,54,944</b>

**Note 17 : Earning Per Share**

Particulars	31st March 2020	31st March 2019
<b>Earnings Per Share</b>		
Net Profit/(Loss) as per Statement of Profit & Loss (A)	(75,90,881)	(48,69,424)
Weighted average number of Equity Share used in computing basic/diluted earning per share (B)	456,34,090	288,48,204
<b>Earning Per Share (Rs) Basic/Diluted- (A/B)</b>	<b>(0.17)</b>	<b>(0.17)</b>

## 18 Related Party Transactions

i) Following is the list of Related Parties and Relationships:

S.No.	Particulars
<b>A)</b>	<b>Subsidiaries</b>
1	Modulex Modular Buildings Pvt Ltd
<b>B)</b>	<b>Step Down Subsidiary</b>
1	Redribbon Advisory Services Private Limited
<b>C)</b>	<b>Enterprises under same Management</b>
1	Give Vinduet Windows and Doors Private Limited
<b>D)</b>	<b>Key Management Personnel</b>
1	Suchit Punnose

ii) Related Party Transactions during the year are as follows:

S.No.	Particulars	Amount (In Rs)	
		31st March 2020	31st March 2019
<b>A)</b>	<b>Loan Taken</b>		
	Modulex Modular Buildings Pvt Ltd	135,85,000	21,60,000
	Give Vinduet Windows and Doors Private Limited	8,00,000	4,60,000
	Suchit Punnose	9,202	1,92,000

iii) Related Party balances outstanding are as follows:

S.No.	Particulars	Amount (In Rs)	
		31st March 2020	31st March 2019
<b>A)</b>	<b>Credit Balances</b>		
i	Modulex Modular Buildings Pvt Ltd	167,14,602	24,56,475
ii	Give Vinduet Windows and Doors Private Limited	12,85,921	4,43,379
iii	Suchit Punnose	1,96,384	1,87,182

## 19 Segment Reporting

The Company has not started Operation . Therefore, segment information as per Ind AS 108, ‘Segment Reporting’ has not been disclosed.

## 20 Financial Instruments

### A) Categories of Financial Instruments

Particulars	31st March 2020	31st March 2019
<b>Financial Assets</b>		
<b>Measured at Cost</b>		
Investment in the Equity Instruments - Subsidiary	33559,70,702	27845,05,018
<b>Financial Liabilities</b>		
<b>Measured at Amortised Cost</b>		
Loan Taken	181,96,907	30,87,036

## 21 Financial Risk Management Objectives

### Financial risk management objectives

The company's business activities exposed to a variety of financial risk viz., market risk, credit risk and liquidity risk. The company's focus is to estimate a vulnerability of financial risk and to address the issue to minimize the potential adverse effects of its financial performance.

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the interest market changes.

#### • Interest rate risk

The Company has the taken loans from:

1. It's subsidiary Modulex Modular Buildings private Limited worth Rs. 1,35,85,000/-.
2. It's group company Give Vinduet Windows and Doors Private Limited of Rs. 8,00,000/-.

Company continuously monitoring over all factors influence rating and also factors which influential the determination of the interest rates by the banks to minimize the interest rate risks.

## 22 Equity risks

The company is exposed only to non-listed equity investments. In the current year the company has invested in the equity of Modulex Modular Buildings Private Limited. The investment is Rs. 3,35,59,70,702/- (6,75,73,618 Equity Shares) till March 31, 2020.

## 23 Credit risk management

Credit Risk refers to the risk for a counter party default on its contractual obligation resulting a financial loss to the company.

In the current year, the Company is not exposed to any Credit Risk.

## 24 Liquidity risk management

The Company manages liquidity risk by maintaining adequate banking facilities and borrowing facilities, by continuously monitoring forecast and actual cash flows.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31st March 2020.

Particulars	Less Than 1 Year	Between to 1 to 5 Years	Carrying Amount
<b>As At March 31st 2020</b>			<b>181,96,907</b>
Long Term Borrowings	-	62,81,519	62,81,519
Short Term Borrowings	119,15,387	-	119,15,387
<b>As At March 31st 2019</b>			<b>30,87,036</b>
Long Term Borrowings	-	30,87,036	30,87,036

## 25 Fair Value Measurements

- i) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Financial Assets	Fair Value Hierarchy	As at 31st March 2020	
		Carrying Amount	Fair Value
<b>Financial Assets at amortized cost</b>			
Cash & Cash Equivalents	Level 2	500	500
Bank Balances other than Cash & Cash Equivalents	Level 2	66,199	66,199
<b>Financial Assets at Cost</b>			
Investments	Level 2	33559,70,702	33559,70,702
<b>Financial Liabilities</b>			
<b>Financial Liabilities at amortized cost</b>			
Borrowings	Level 3	181,96,907	181,96,907
Other Financial Liabilities	Level 3	16,09,659	16,09,659

- ii) The fair values of the financial assets and financial liabilities included above have been determined in accordance with generally accepted pricing models.

- 26 Shares issued expenses incurred during the year in relation to Equity Instruments issued to Modulex Modular Buildings Private Limited has been showed as deduction from the other equity in the “other equity note”.

- 27 In the opinion of the Management, the Current Assets, Current Liabilities, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business and are subject to confirmation.
- 28 There are no trade payables during the year. Accordingly, disclosure regarding MSME are not given.
- 29 **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 items. Details of the carried forward losses and deferred tax thereon as follows:  
 Business Losses (Carried Forward): Rs. 33,86,128 /-  
 Unabsorbed Depreciation: Rs.1,344/-  
 Difference in WDV of PPE between Companies Act and Income Tax Act: Rs. (496)/-  
 Deferred tax Asset (Net) : Rs.33,86,977 /-

**30 Impact of Global Pandemic Covid 19 on Financial Statements**

The Company has performed necessary analysis on the assumptions used and based on current estimates expects the carrying amount of it’s assets does not require any impairment. However, The impact of COVID-19 on the Company’s financial statements may differ from that estimated as at the date of approval of these financial statements, if any.

- 31 Figures for the previous year have been regrouped and reclassified wherever necessary.

As per our report of even date attached

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

**Mihir Hindocha**  
 Partner  
 Membership No. 112766

**Place: Mumbai**  
**Date: July 31st, 2020**

**For and on behalf of the Board of**  
**Modulex Construction Technologies Limited**  
**(CIN :L45100PN1973PLC182679)**

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

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

**Suchit Punnose**  
 Director  
 (DIN 02184524)

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

## INDEPENDENT AUDITOR’S REPORT

**To the Members of Modulex Construction Technologies Limited**

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

### **Opinion**

We have audited the accompanying Consolidated Ind AS Financial Statements of **Modulex Construction Technologies Limited** (hereinafter referred to as “**the Holding Company**”) and its Subsidiaries (the holding Company and its subsidiaries together referred to as “**the Group**”) which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (Including other comprehensive income), Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “**the Consolidated Financial Statements**”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020; and its loss, consolidated comprehensive income, consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

### **Basis for Opinion:**

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

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

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company and its subsidiary companies which are companies incorporated in India, have adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions



that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 controls that we identify during our audit.

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

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

**Other Matters:**

1. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs 5,105.92 Lakhs as at 31<sup>st</sup> March,2020, total revenues of Rs 70.35 Lakhs and net cash inflows amounting to Rs. 0.30 Lakh for the year ended on the date, as considered in the consolidated Ind AS financial statements. This financial statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the Ind AS financial Statements, in so far as it relates to the amounts and disclosures in respect of this subsidiary, is based solely on report of the auditors.
2. We did not audit the financial statements of one step down subsidiary, whose financial statements reflect total assets of Rs 968.00 Lakhs as at 31<sup>st</sup> March, 2020, total revenues of Rs 56.14 Lakhs and net cash outflows amounting to Rs. 3.62 Lakh for the year ended on the date, as considered in the consolidated Ind AS financial statements. This financial statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the Ind AS financial Statements, in so far as it relates to the amounts and disclosures in respect of this subsidiary, is based solely on report of the auditors.
3. The comparative financial statements of the company for the year ended March 31, 2019 included in these financials statement have been audited by the predecessor auditors. The reports of the predecessor auditors on the comparative Information dated November 14, 2019 expressed a modified opinion.

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

1. As required by section 143(3) of the Act, based on our audit and on the consideration of reports of other auditors on standalone/consolidated Ind AS financial statements, as applicable, and the other financial information of subsidiaries as noted in the 'Other Matters' paragraph, we report to the extent applicable, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit of the consolidated Ind AS financial statements;
- b) In our opinion proper books of account as required by law relating to the preparation of the aforesaid consolidated Ind AS financial statements have been kept by the Group so far as it appears from our examination of those books;
- c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, Consolidated Cash Flow statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained;
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2020 and taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiary companies, none of the directors are disqualified as on March 31, 2020 from being appointed as a Director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, since the subsidiaries are exempted from reporting, refer our standalone audit report for Holding Company's reporting, and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the holding company has not paid any remuneration to its directors during the year.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Group has no pending litigations that affect its financial position in its consolidated financial statements;
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

**For RMJ and Associates LLP**  
**Chartered Accountants**  
Firm Registration No: W100281

**Mihir Hindocha**  
Partner  
Membership No.: 112766.  
**UDIN No.: 20112766AAAAAT9904**

Place: Mumbai

Date: July 31<sup>st</sup>, 2020

**Modulex Construction Technologies Limited**  
(CIN: L45100PN1973PLC182679)  
**CONSOLIDATED BALANCE SHEET AS ON MARCH 31, 2020**

(Amount in Rs)

Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	722,63,631	316,59,195
Other Intangible Assets	2	89,365	-
Goodwill on Consolidation	3	26122,66,683	25745,20,340
Capital work in progress	4	2678,75,463	2652,51,397
<b>Financial assets:</b>			
Investments	5	99,990	-
Loans and Advances	5.1	172,75,449	98,22,888
		<b>29698,70,582</b>	<b>28812,53,821</b>
<b>Current assets</b>			
<b>Financial assets:</b>			
Cash and cash equivalents	6	10,84,632	8,85,984
Bank balances other than cash and cash equivalents	7	5,00,000	5,00,000
Loans and Advances	8	42,86,599	404,20,870
Other financial assets	9	12,05,000	3,90,416
Current Tax Assets (net)	10	6,37,846	3,93,898
Other current assets	11	869,92,094	839,09,685
		<b>947,06,171</b>	<b>1265,00,854</b>
<b>TOTAL</b>		<b>30645,76,752</b>	<b>30077,54,675</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share Capital	12	5069,11,110	4285,74,610
Other equity	13	23082,54,578	23994,66,361
Non Controlling interest	14	20,54,595	702,75,309
		<b>28172,20,283</b>	<b>28983,16,280</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Provisions	15	24,48,397	5,15,352
Borrowings	16	242,91,238	5,97,388
		<b>267,39,635</b>	<b>11,12,740</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities:</b>			
Borrowings	17	761,73,110	7,92,360
Other financial liabilities	18	781,74,527	768,02,783
Other current liabilities	19	649,99,094	304,78,868
Provisions	20	1,61,488	2,51,644
Current tax liabilities (net)	20.1	11,08,616	-
<b>TOTAL</b>		<b>2206,16,835</b>	<b>1083,25,655</b>
		<b>30645,76,752</b>	<b>30077,54,675</b>
<b>Significant Accounting Policies</b>	<b>1</b>		

The accompanying notes form an integral part of these financial statements.

As per our attached report of even date

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

**Mihir Hindocha**  
Partner  
Membership No. 112766

**Place: Mumbai**  
**Date: July 31st, 2020**

**For and on behalf of the Board of**  
**Modulex Construction Technologies Limited**  
(CIN :L45100PN1973PLC182679)

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

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

**Suchit Punnose**  
Director  
(DIN 02184524)

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

**Modulex Construction Technologies Limited**  
(CIN: L45100PN1973PLC182679)

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020**  
(Amount in Rs)

Particulars	Notes	Year ended 31st March 2020	Year ended 31st March 2019
<b>INCOME</b>			
Revenue from Operations	21	3,13,602	-
Other income	22	63,15,871	37,79,544
<b>TOTAL INCOME (I)</b>		<b>66,29,473</b>	<b>37,79,544</b>
<b>EXPENSES</b>			
Employee benefits expenses	23	276,63,825	103,34,787
Finance costs	24	94,94,127	57,87,994
Depreciation	2 & 25	3,86,925	4,66,198
Other expenses	26	270,55,374	644,44,082
<b>TOTAL EXPENSES (II)</b>		<b>646,00,252</b>	<b>810,33,061</b>
<b>Profit before tax (I-II)</b>		<b>(579,70,779)</b>	<b>(772,53,517)</b>
<b>Tax expense</b>			
Current tax		-	-
Deferred tax		-	-
<b>Profit for the year</b>		<b>(579,70,779)</b>	<b>(772,53,517)</b>
Attributable to			
Owners of the Company		(579,50,603)	(606,74,913)
Non-Controlling Interest		(20,176)	(165,78,605)
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of the defined benefit plans (Net)		(16,40,019)	(50,744)
<b>Other comprehensive income for the year (net of tax)</b>		<b>(16,40,019)</b>	<b>(50,744)</b>
<b>Total comprehensive income for the year (net of tax)</b>		<b>(596,10,798)</b>	<b>(773,04,261)</b>
Attributable to			
Owners of the Company		(595,90,622)	(607,45,689)
Non-Controlling Interest		(20,176)	(165,58,573)
<b>Earnings per equity share</b>	27		
Nominal value of share Rs.10 : Basic		(1.31)	(2.68)
: Diluted		(1.31)	(2.68)
<b>Significant Accounting Policies</b>	<b>1</b>		

The accompanying notes form an integral part of these financial statements.

As per our attached report of even date

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

**Mihir Hindocha**  
Partner  
Membership No. 112766

**Place: Mumbai**  
**Date: July 31st, 2020**

**For and on behalf of the Board of**  
**Modulex Construction Technologies Limited**  
(CIN :L45100PN1973PLC182679)

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

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

**Suchit Punnose**  
Director  
(DIN 02184524)

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

**Modulex Construction Technologies Limited**  
**(CIN: L45100PN1973PLC182679)**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020**

(Amount in Rs)

Sr. No.	Particulars	Year ended 31st March 2020
<b>A</b>	<b>Cash Flow from Operating Activities</b>	
	Net profit after extraordinary item but before taxation,	(579,70,779)
	<b>Adjustment for:</b>	
	Depreciation	3,86,925
	Interest received	(3,84,475)
	FV Gain/ (Loss) on Borrowings	35,92,404
	FV Gain/ (Loss) on Loan Receivables	(20,78,390)
	Interest Expenses	94,94,127
	Loss on the control of subsidiary	153,86,317
	<b>Operating Profit before Working Capital changes</b>	<b>(315,73,872)</b>
	Adjustment for:	
	(Increase)/ Decrease in Non - Current Loans and Advances	(53,74,170)
	(Increase)/ Decrease in Current Loans and Advances	361,34,271
	(Increase)/ Decrease in Other Financial Assets	(8,14,584)
	(Increase)/ Decrease in Other Current Assets	(30,82,409)
	Increase/ (Decrease) in Non Current Provisions	19,33,045
	Increase/ (Decrease) in Other Financial Liabilities	13,71,744
	Increase/ (Decrease) in Other Current Liabilities	345,20,226
	Increase/ (Decrease) in Other Current Provisions	(90,156)
	<b>Cash Flow generated from Operations</b>	<b>330,24,095</b>
	Direct Taxes (Paid)/ Refunded	8,64,668
	<b>Net Cash Flow from Operating Activities ----- [A]</b>	<b>338,88,762</b>
<b>B</b>	<b>Cash Flow from Investing Activities</b>	
	Acquisition of Tangible and Intangible Assets (Incl. Capital Advances)	(818,18,240)
	Increase in CWIP	(353,93,501)
	<b>Interest received</b>	<b>3,84,475</b>
	<b>Net Cash Flow from Investing Activities-----[B]</b>	<b>(1168,27,266)</b>

**Modulex Construction Technologies Limited**  
(CIN: L45100PN1973PLC182679)  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)**

(Amount in Rs)

Sr. No.	Particulars	Year ended 31st March 2020
<b>C</b>	<b>Cash Flow from Financing Activities</b>	
	Change in Other Equity	(64,43,322)
	Proceeds from Short-term Borrowings (Net)	753,80,750
	Proceeds from Long-term Borrowings (Net)	236,93,850
	Interest Paid (Net)	(94,94,127)
	<b>Net Cash Flow from Financing Activities -----[C]</b>	<b>831,37,151</b>
	<b>Net increase/(decrease) in Cash &amp; Cash equivalents [A+B+C]</b>	<b>1,98,647</b>
	Cash & Cash equivalents at the beginning of the year	8,85,984
	Cash & Cash equivalents at the close of the year (See Note)	10,84,632
		1,98,647
	<b>Reconciliation of Cash &amp; Cash equivalents</b>	
	Closing Balance	
	Cash in Hand	1,18,974
	Bank Balance	9,65,658
		<b>10,84,632</b>

**Notes:**

- Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard (AS) 3: “Cash Flow Statements” notified by Central Government.
- Figures in the brackets indicates Cash Outflow
- Previous years figures are not presented as cash flow statement was not prepared last year being first year of consolidation.

**Significant Accounting Policies**

**1**

**The accompanying notes form an integral part of these financial statements.**

As per our attached report of even date

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

**For and on behalf of the Board of**  
**Modulex Construction Technologies Limited**  
(CIN :L45100PN1973PLC182679)

**Mihir Hindocha**  
Partner  
Membership No. 112766

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

**Suchit Punnose**  
Director  
(DIN 02184524)

**Place: Mumbai**  
**Date: July 31st, 2020**

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

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

**Modulex Construction Technologies Limited**  
(CIN: L45100PN1973PLC182679)

**Consolidated Statement of Changes in Equity for the year ended 31st March 2020**

**(a) Equity Share Capital**

Particulars	Number of Shares	Amount (in Rs)
<b>As at 31 March 2018</b>	12,85,275	128,52,750
Add : Issue of equity share capital	415,72,186	4157,21,860
<b>As at 31 March 2019</b>	<b>428,57,461</b>	<b>4285,74,610</b>
Add : Issue of equity share capital	84,45,579	844,55,790
<b>As at 31 March 2020</b>	<b>513,03,040</b>	<b>5130,30,400</b>
Less: Shares of the company held by Red Ribbon Advisory Services Private Limited	6,11,929	61,19,290
<b>As at 31.03.2020 (Excluding group holding)</b>	<b>506,91,111</b>	<b>5069,11,110</b>

**(b) Other Equity**

Particulars	Reserves & Surplus				Other Reserves	Total
	Capital Reserve (i)	General Reserve (ii)	Securities Premium (iii)	Retained Earnings (iv)	Transaction Cost on the Equity Instruments (v)	
<b>As at 1 April 2018</b>	<b>97,45,481</b>	<b>(85,41,784)</b>	-	<b>(53,97,760)</b>	-	<b>(41,94,063)</b>
Total Profit /(Loss) for the year	-	-	-	430,07,585	-	430,07,585
Other comprehensive income for the year	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	<b>430,07,585</b>	-	<b>430,07,585</b>
Add: Fair Value of the Equity Instrument granted	-	-	23687,83,158	-	-	23687,83,158
Add: Transaction Cost on the Equity Instruments	-	-	-	-	(81,30,319)	(81,30,319)
<b>As at 31 March 2019</b>	<b>97,45,481</b>	<b>(85,41,784)</b>	<b>23687,83,158</b>	<b>376,09,825</b>	<b>(81,30,319)</b>	<b>23994,66,361</b>
<b>As at 1 April 2019</b>	<b>97,45,481</b>	<b>(85,41,784)</b>	<b>23687,83,158</b>	<b>376,09,825</b>	<b>(81,30,319)</b>	<b>23994,66,361</b>
Total Profit /(Loss) for the year	-	-	-	(579,50,603)	-	(579,50,603)
Other Comprehensive Income	-	-	-	(16,40,019)	-	(16,40,019)
Effects of change in Shareholding of Subsidiaries	-	-	-	(5092,44,163)	-	(5092,44,163)
<b>Total comprehensive income for the year</b>	-	-	-	<b>(5688,34,785)</b>	-	<b>(5688,34,785)</b>
Add: Fair Value of the Equity Instrument granted	-	-	4813,98,003	-	-	4813,98,003
Add: Transaction Cost on the Equity Instruments	-	-	-	-	(37,75,000)	(37,75,000)
<b>As at 31 March 2020</b>	<b>97,45,481</b>	<b>(85,41,784)</b>	<b>28501,81,161</b>	<b>(5312,24,960)</b>	<b>(119,05,319)</b>	<b>23082,54,578</b>

**Significant Accounting Policies**

**1**

The accompanying notes form an integral part of these financial statements.

As per our attached report of even date

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

**For and on behalf of the Board of**  
**Modulex Construction Technologies Limited**  
(CIN :L45100PN1973PLC182679)

**Mihir Hindocha**  
Partner  
Membership No. 112766

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

**Suchit Punnose**  
Director  
(DIN 02184524)

**Place: Mumbai**  
**Date: July 31st, 2020**

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

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

## Notes to Consolidated Financial Statements

### 1. Company overview

Modulex Construction Technologies Limited (“the Company”) is a Company registered under the Companies Act, 1956. It was incorporated on 24th May, 1973.

CIN of the company is L45100PN1973PLC182679.

The company was originally incorporated with the name, “Tumus Electric Corporation Limited”. Its name has changed to, “Modulex Construction Technologies Limited” with effect from 14<sup>th</sup> December, 2018.

The Company is primarily engaged in production, building, supplying, fabricating and manufacture of modular steel buildings.

### 2. Significant Accounting Policies

#### 2.1 Basis of Preparation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 (‘Act’) (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined as prescribed by the standard. In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3, wherever applicable based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are based on the classification provisions contained in Ind AS 1, ‘Presentation of Financial Statements’ and division II of schedule III of the Companies Act, 2013. Further, for the purpose of clarity, various items are aggregated in statement of profit and



loss and balance sheet. Nonetheless, these items are dis-aggregated separately in the notes to the financial statements, where applicable or required.

## 2.2 Basis of Consolidation

These consolidated financial statements incorporate the financial statements of the Company and entities controlled by the parent Company and its subsidiaries. Control is achieved when the Company:

- Has power of the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect the returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceased to control the subsidiary.

Profit and loss and each component of other comprehensive income are attributed to the shareholders of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the shareholders of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The financial statements of the group companies are consolidated on a line by line basis. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

## 2.3 Principles of Consolidation

The consolidated financial statements have been prepared on the following basis:

- (a) **Modulex Construction Technologies Limited** consolidates entities which it controls. The consolidated financial statements comprise the financial statements of the company and its subsidiaries as follows:
- Modulex Modular Buildings Private Limited
  - Redribbon Advisory Services Private Limited (with effect from February 20, 2020)
  - Give Vinduet Windows and Doors Private Limited (till December 18<sup>th</sup>, 2020)

Subsidiaries are consolidated from the date control commences until the date control ceases. Subsidiaries companies are consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and resulting unrealized profits or losses on intra-group transactions as per Indian Accounting Standard 110.

- (b) The financial statements of the Subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Company, i.e. March 31, 2020.
- (c) The excess of cost to the Group, of its investment in the subsidiaries over the Group's share of equity is recognized in the consolidated financial statements as Goodwill and tested for impairment annually.
- (d) Non-controlling interests in the net assets of the consolidated subsidiaries is identified and presented in consolidated balance sheet under the Total Equity group.
- (e) Non-controlling interests in the net assets of consolidated subsidiaries consists of:
  - i) The amount of equity attributable to Non-controlling holders at the date on which investment in a subsidiary is made; and
  - ii) The Non-controlling holders share of movements in the equity since the date the parent subsidiary relationship came into existence.
- (f) The consolidated financial statements are prepared to the extent possible using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

#### **2.4 Changes in Group's ownership interest in existing subsidiaries**

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to shareholders of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest.

#### **2.5 Revenue Recognition**

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation.

The Group satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or

2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue from sale of products and services are recognised at a time on which the performance obligation is satisfied.

## **2.6 Employee Benefit Expenses**

### *Short Term Benefits*

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the amount of short term employee benefits expected to be paid in exchange for services rendered as an expense in the Statement of Profit and Loss.

### *Long Term Benefits*

The company does not have any long term employee benefits other than gratuity and the same is accounted for on accrual basis, as per the terms and provisions of the Payment of Gratuity Act, 1972.

## **2.7 Taxation**

The income tax expense comprises of current and deferred income tax. Income tax is recognized in the statement of profit and loss, except to the extent that it relates to items recognized in the other comprehensive income or directly in equity, in which case the related income tax is also recognized accordingly.

### **2.7.1 Current Tax**

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess / (shortfall) of the Group's income tax obligation for the period are recognized in the balance sheet as current income tax assets /liabilities.

Any interest / penalties, related to accrued liabilities for potential tax assessments are not included in Income tax charge or (credit), but are rather recognized within finance costs.

### **2.7.2 Deferred Tax**

Deferred tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax is not recognized if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

The unrecognized deferred tax assets / carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

### ***2.7.3 Current and deferred tax for the year***

Current and deferred taxes are recognized in the statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

## **2.8 Property, Plant & Equipment**

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of Property, plant and equipment comprises of purchase price, applicable duties and taxes, any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets, up to the date the asset is ready for its intended use.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in statement of profit and loss.

## **2.9 Depreciation and Amortization**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost less its estimated residual value. Depreciation on Property, Plant and equipment and investment property have been provided on the straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

### **2.9.1 Intangible Assets**

#### **Recognition and Measurement**

Intangible Assets acquired are measured on initial recognition at cost. Cost comprises the purchase price (net of tax / duty credits availed wherever applicable) and any directly attributable cost of bringing the assets to its working condition for its intended use.

After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an item of intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of such item of intangible asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Consolidated Statement of Profit and Loss unless such expenditure forms part of the carrying value of another asset.

## **2.10 Provisions, Contingent Liabilities & Contingent Assets**

### **2.10.1 General**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the said obligation, and the amounts of the said obligation can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the relevant obligation, using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to un-winding of discount over passage of time is recognized within finance costs.

### **2.10.2 Contingencies**

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.

## **2.11 Financial Instruments**

### **2.11.1 Recognition, classification and presentation**

The financial instruments are recognized in the balance sheet when the group becomes a party to the contractual provisions of the financial instrument.

The group determines the classification of its financial instruments at initial recognition.

The group recognizes its investment in subsidiary at cost less any impairment losses.

The group has classified all the non-derivative financial liabilities in the other financial liabilities' category.

Financial assets and liabilities which arising from different transactions are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, the group currently has a legally enforceable right to set-off the related recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

### **2.11.2 Measurement – Non Derivative Financial Instruments**

#### I. Initial measurement

At initial recognition, the Company measures the non-derivative financial instruments at its fair value net off, in the case of a financial asset not at fair value through profit or loss, transaction costs. Otherwise transaction costs are expensed in the statement of profit and loss. Investment in Subsidiary has been recognized at cost as permitted by Ind AS – 27, Separate Financial Statements

#### II. Subsequent measurement - financial liabilities

Other financial liabilities are initially recognized at fair value less any directly attributable transaction costs. They are subsequently measured at amortized cost using the EIR method (if the impact of discounting / any transaction costs is significant).

#### III. Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective-interest rate ('EIR') method (if the impact of discounting/ any transaction costs is significant). Interest income from these financial assets is included in finance income.

### **2.11.3 Derecognition**

The financial liabilities are de-recognized from the balance sheet when the underlying obligations are extinguished, discharged, lapsed, cancelled, expires or legally released. The financial assets are de-recognized from the balance sheet when the rights to receive cash flows from the financial assets have expired, or have been transferred and the group has transferred substantially all risks and rewards of ownership. The difference in the carrying amount is recognized in statement of profit and loss.

## **2.12 Financial Assets**

Financial Asset is

- Cash/Equity Instrument of another entity,
- Contractual right to –
  - Receive cash/another Financial Asset from another entity, or
  - Exchange Financial Assets or Financial Liabilities with another entity under conditions that are potentially favorable to the entity.

2.12.1 The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in statement of profit and loss.

### **2.13 Financial Liabilities**

Financial liability is a contractual obligation to –

- Deliver cash or another financial asset to another entity, or
- Exchange financial assets or liabilities with another entity under conditions that are potentially unfavorable to the entity.

### **2.14 Fair value of financial instruments**

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may or may not actually be realized.

### **2.15 Impairments of Assets**

#### **Intangible assets and property, plant and equipment:**

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset.

### **2.16 Fair Value Measurement**

The Group measures certain financial instruments at fair value at each reporting date. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i. In the principal market for the asset or liability, or
- ii. In the absence of principal market, in the most advantageous market for the asset or liability.

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.

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

## **2.17 Leases**

Lease payments under operating leases are recognised as an expense on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

## **2.18 Share Capital**

Ordinary shares are classified as Equity when the Company has an un-conditional right to avoid delivery of cash or another financial asset, that is, when the dividend and repayment of capital are at the sole and absolute discretion of the Company and there is no contractual obligation whatsoever to that effect.

## **2.19 Earnings per Share**

Basic earnings per equity share is computed by dividing the net profit for the year attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year, adjusted for the effects of dilutive potential equity shares, attributable to the Equity Shareholders by the weighted average number of the equity shares and dilutive potential equity shares outstanding during the year except where the results are anti-dilutive.

## **2.20 Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## **2.21 Critical accounting estimates and assumptions**

The estimates and judgements used in the preparation of the said financial statements are continuously evaluated by the group, and are based on historical experience and various other assumptions and factors (including expectations of future events), that the group believes to be reasonable under the existing circumstances. The said estimates and judgements are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.



## **2.22 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 group's cash management, are also included as a component of Cash and cash equivalents.

## **2.23 Operating Cycle**

The Group adopts operating cycle based on the project period and accordingly all project related assets and liabilities are classified into current and non-current. Other than project related assets and liabilities, 12 months period is considered as normal operating cycle.

## **2.24 Estimation of uncertainties relating to the global health pandemic from COVID-19**

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information and economic forecasts. The group has performed necessary analysis on the assumptions used and based on current estimates expects the carrying amount of its assets does not require any impairment. However, The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements, if any.

**Notes To Consolidated Financial Statements For The Year Ended March 31, 2019**
**Note “2” : PROPERTY, PLANT AND EQUIPMENT**

Particulars	Leasehold Land	Computer	Vehicles	Office Equipments	Furniture and Fixtures	Total Tangible Assets	Intangible Assets	Total
<b>As at 31.03.2018</b>	314,10,737	64,075	13,92,678	2,38,880	1,49,741	332,56,111	-	332,56,111
Additions	-	1,05,458	-	41,896	-	1,47,354	-	1,47,354
Disposals	-	-	-	-	-	-	-	-
<b>As at 31.03.2019</b>	<b>314,10,737</b>	<b>1,69,533</b>	<b>13,92,678</b>	<b>2,80,776</b>	<b>1,49,741</b>	<b>334,03,465</b>	-	<b>334,03,465</b>
Additions	419,36,064	2,46,720	-	73,745	4,14,554	426,71,083	8,16,950	434,88,033
Disposals	-	-	-	-	-	-	-	-
<b>As at 31.03.2020</b>	<b>733,46,801</b>	<b>4,16,253</b>	<b>13,92,678</b>	<b>3,54,521</b>	<b>5,64,295</b>	<b>760,74,548</b>	<b>8,16,950</b>	<b>768,91,498</b>
<b>Accumulated Depreciation</b>								
<b>As at 31.03.2018</b>	<b>3,42,666</b>	<b>32,424</b>	<b>4,52,120</b>	<b>72,127</b>	<b>39,807</b>	<b>9,39,144</b>	-	<b>9,39,144</b>
Additions	3,38,928	52,664	3,04,826	79,094	29,614	8,05,126	-	8,05,126
Disposals	-	-	-	-	-	-	-	-
<b>As at 31.03.2019</b>	<b>6,81,594</b>	<b>85,088</b>	<b>7,56,946</b>	<b>1,51,221</b>	<b>69,421</b>	<b>17,44,270</b>	-	<b>17,44,270</b>
Additions	13,77,733	2,45,976	2,00,932	92,687	1,49,319	20,66,647	7,27,585	27,94,232
Disposals	-	-	-	-	-	-	-	-
<b>As at 31.03.2020</b>	<b>20,59,327</b>	<b>3,31,064</b>	<b>9,57,878</b>	<b>2,43,908</b>	<b>2,18,740</b>	<b>38,10,917</b>	<b>7,27,585</b>	<b>45,38,502</b>
<b>Net Block</b>								
<b>As at 31.03.2019</b>	<b>307,29,143</b>	<b>84,445</b>	<b>6,35,732</b>	<b>1,29,555</b>	<b>80,320</b>	<b>316,59,195</b>	-	<b>316,59,195</b>
<b>As at 31.03.2020</b>	<b>712,87,474</b>	<b>85,189</b>	<b>4,34,800</b>	<b>1,10,613</b>	<b>3,45,555</b>	<b>722,63,631</b>	<b>89,365</b>	<b>723,52,996</b>

<b>Note “3” : GOODWILL ON CONSOLIDATION</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Goodwill	26122,66,683	25745,20,340
<b>Total</b>	<b>26122,66,683</b>	<b>25745,20,340</b>

<b>Note “4” : CAPITAL WORK IN PROGRESS</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Capital Work in Progress</b>		
<b>Balance as beginning of the year</b>	2652,51,396	1603,81,407
Direct cost of construction	329,07,383	1017,40,813
Indirect cost of constructions	16,72,795	-
Amortization Expenses on Lease hold land	8,13,325	3,38,928
Finance cost	-	90,249
Net Other expenses (net of income earned on funds)	-	27,00,000
Reversal of Prior Year Overstatement	(327,69,435)	-
<b>Total</b>	<b>2678,75,463</b>	<b>2652,51,397</b>

**Note:**

Capital work in progress (CWIP) includes expenses that are being incurred by the group over the past years on developing the Manufacturing Facility (“Project”) at MIDC Indapur, Pune.

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 cost.

Due to financials and other regulatory constraints, there has been continuous delay in completion and implementation of the project. Due to this, there has been delay in commencement of commercial operations of the group. However, the group plans to continue with the project once all the required financial tie ups are in place and other regulatory formalities are completed.

<b>Note “5” : INVESTMENTS</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Non - Trade</b>		
Unquoted - Investments in equity shares (fully paid up) <u>Give Vinduet Windows and Doors Private Limited - 9,999</u> <u>Equity shares of Rs. 10, fully paid up</u>	99,990	-
<b>Total</b>	<b>99,990</b>	<b>-</b>
<b>Aggregate amount of unquoted investments</b>	99,990	-
<b>Aggregate amount of impairment in the value of investment</b>	-	-

<b>Note “5.1” : LOANS AND ADVANCES (NON CURRENT)</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>(Unsecured, considered good unless otherwise stated)</b>		
Loan to Related Parties	94,56,305	98,22,888
Capital Advances	78,19,144	-
<b>Total</b>	<b>172,75,449</b>	<b>98,22,888</b>

<b>Note “6” : CASH AND CASH EQUIVALENTS</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Cash on hand	1,18,974	2,17,916
<b>Balance with bank:</b>		
- In Current accounts	9,65,658	6,68,069
<b>Total</b>	<b>10,84,632</b>	<b>8,85,984</b>

<b>Note “7” : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALNETS</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
In Fixed Deposit with Bank of India (Maturity more than Twelve months)	5,00,000	5,00,000
<b>Total</b>	<b>5,00,000</b>	<b>5,00,000</b>

<b>Note “8” : LOANS AND ADVANCES (CURRENT)</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>(Unsecured, considered good unless otherwise stated)</b>		
Loan to Related Parties	42,09,740	399,68,824
Advance to Employees	76,859	4,52,046
<b>Total</b>	<b>42,86,599</b>	<b>404,20,870</b>

<b>Note “9” : OTHER FINANCIAL ASSETS</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Security Deposit	4,85,000	3,90,416
Rent deposit	7,20,000	-
<b>Total</b>	<b>12,05,000</b>	<b>3,90,416</b>

<b>Note “10” : CURRENT TAX ASSETS (NET)</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Current Tax Assets (net)	6,37,846	3,93,898
<b>Total</b>	<b>6,37,846</b>	<b>3,93,898</b>

<b>Note “11” : OTHER CURRENT ASSETS</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>(Unsecured, considered good unless otherwise stated)</b>		
Balance with Govt. authorities	491,87,634	467,20,779
Prepaid Expenses	42,942	9,64,441
Other Receivable	19,11,359	3,69,393
TDS Receivable	1,09,679	1,14,592
Advance to Vendors	357,32,580	357,32,580
Interest Accured on FDR	7,900	7,900
<b>Total</b>	<b>869,92,094</b>	<b>839,09,685</b>

Note:

- a) Balances with government authorities includes input tax credit on GST for financial year 2019-2020 and 2018-2019. It includes IGST input tax credit on reverse charge basis of Rs. 71,99,260/- which will be availed in the month of payment of IGST Liability on reverse charge basis. However, Company has not paid GST under RCM for the stated amount.

## b) Advance to vendor includes:

As per agreement between Modulex Modular Building Plc and Modulex Modular Buildings Private Limited dated July 1, 2017, Master Franchisee Fees paid to Modulex Modular Building Plc is Rs. 3,57,32,580/-. Since Company has not started any operations, payment towards License Fees/ Royalty payment is treated as advance given to the vendors.

**Note “12” : Equity Share Capital**

Particulars	As at 31.03.2020		As at 31.03.2019	
	Number of Shares	Amount	Number of Shares	Amount
<b>Authorised Share Capital</b>				
Cumulative Redeemable Pref Shares of Rs 10/- each	50,000	5,00,000	50,000	5,00,000
Equity Shares of Rs 10/- each	729,50,000	7295,00,000	729,50,000	7295,00,000
	<b>730,00,000</b>	<b>7300,00,000</b>	<b>730,00,000</b>	<b>7300,00,000</b>
<b>Issued, Subscribed and Fully Paid Up</b>				
<b>Issued</b>				
Paid Up Capital Equity Shares of Rs 10/- each	513,03,040	5130,30,400	652,68,404	6526,84,040
<b>Subscribed</b>				
Paid Up Capital Equity Shares of Rs 10/- each	513,03,040	5130,30,400	428,57,461	4285,74,610
Shares held by Subsidiary company	(6,11,929)	(61,19,290)	-	-
	<b>506,91,111</b>	<b>5069,11,110</b>	<b>428,57,461</b>	<b>4285,74,610</b>

Note: The Company vide Board resolution dated December 2nd 2019 has approved to issue its own 84,45,579 fully paid equity shares against shares of Modulex Modular Buildings Private Limited (“MMBPL”) on swap basis in such manner and such terms of conditions prescribed under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and in compliance with sections 42 and 62 and other applicable provisions of the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014. Pursuant to the above, the Company has allotted 84,45,579 fully paid equity shares against 1,13,59,322 fully paid equity shares of MMBPL in terms of swap ratio approved by Bombay stock Exchange (BSE).

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

Particulars	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity Shares</b>				
At the beginning of the year	428,57,461	4285,74,610	12,85,275	128,52,750
Issued during the year	84,45,579	844,55,790	415,72,186	4157,21,860
<b>Outstanding at the end of the year</b>	<b>513,03,040</b>	<b>5130,30,400</b>	<b>428,57,461</b>	<b>4285,74,610</b>
<b>Less: Shares held by Subsidiary Company</b>	6,11,929	61,19,290	-	-
<b>Outstanding at the end of the year (Excluding Group Holdings)</b>	<b>506,91,111</b>	<b>5069,11,110</b>	<b>428,57,461</b>	<b>4285,74,610</b>

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

The Group has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Group, the holder of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	As at 31.03.2020		As at 31.03.2019	
	Number of Share	% holding	Number of Share	% holding
Red Ribbon Modulex Buildings Ltd - Mu	106,84,526	20.83%	106,84,526	22.86%
Providence Educational Academy Pvt Ltd.	54,51,853	10.63%	54,51,853	12.72%
Ajmera Realty and Infra India Ltd.	37,25,809	7.26%	-	-
Synthite Industries	32,58,524	6.35%	32,58,524	7.81%
Ethix Realtors Private Limited	29,87,317	5.82%	29,87,317	6.97%

**Note “13” : OTHER EQUITY**

Other Equity	Reserves & Surplus				Other Reserves	Total
	Capital Reserve (i)	General Reserve (ii)	Securities Premium (iii)	Retained Earnings (iv)	Transaction Cost on the Equity Instruments (v)	
<b>As at 1 April 2018</b>	<b>97,45,481</b>	<b>(85,41,784)</b>	-	<b>(53,97,760)</b>	-	<b>(41,94,063)</b>
Total profit for the year	-	-	-	430,07,585	-	430,07,585
Other comprehensive income for the year	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	<b>430,07,585</b>	-	<b>430,07,585</b>
Add: Fair Value of the Equity Instrument granted	-	-	23687,83,158	-	-	23687,83,158
Add: Transaction Cost on the Equity Instruments	-	-	-	-	(81,30,319)	(81,30,319)
<b>As at 31 March 2019</b>	<b>97,45,481</b>	<b>(85,41,784)</b>	<b>23687,83,158</b>	<b>376,09,825</b>	<b>(81,30,319)</b>	<b>23994,66,361</b>
<b>As at 1 April 2019</b>	<b>97,45,481</b>	<b>(85,41,784)</b>	<b>23687,83,158</b>	<b>376,09,825</b>	<b>(81,30,319)</b>	<b>23994,66,361</b>
Total profit for the year	-	-	-	(579,50,603)	-	(579,50,603)
Other comprehensive income for the year	-	-	-	(16,40,019)	-	(16,40,019)
Effects of change in Shareholding of Subsidiaries	-	-	-	(5092,44,163)	-	(5092,44,163)
<b>Total comprehensive income for the year</b>	-	-	-	<b>(5688,34,785)</b>	-	<b>(5688,34,785)</b>
Add: Fair Value of the Equity Instrument granted	-	-	4813,98,003	-	-	4813,98,003
Add: Transaction Cost on the Equity Instruments	-	-	-	-	(37,75,000)	(37,75,000)
<b>As at 31 March 2020</b>	<b>97,45,481</b>	<b>(85,41,784)</b>	<b>28501,81,161</b>	<b>(5312,24,960)</b>	<b>(119,05,319)</b>	<b>23082,54,578</b>

<b>Note “14” : NON CONTROLLING INTEREST</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Modulux Modular Buildings Private Limited	12,945	709,00,921
Give Vinduet Windows and Doors Private Limited	-	(6,25,612)
Redribbon Advisory Services Private Limited	20,41,650	-
<b>Total</b>	<b>20,54,595</b>	<b>702,75,309</b>

<b>Note “15” : PROVISIONS (NON CURRENT)</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Provision for Employee benefits (Non-funded)</b>		
- Provision for gratuity	24,48,397	5,15,352
<b>Total</b>	<b>24,48,397</b>	<b>5,15,352</b>

<b>Note “16” : BORROWINGS (NON CURRENT)</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Loan on Vehicle	-	4,10,206
Unsecured Loan		
- From related Parties	242,91,238	1,87,182
<b>Total</b>	<b>242,91,238</b>	<b>5,97,388</b>

<b>Note “17” : BORROWINGS (CURRENT)</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Current Maturities - Long Term Debts	4,55,010	4,27,360
Unsecured Loans:		
Loans from related parties	757,18,100	3,65,000
<b>Total</b>	<b>761,73,110</b>	<b>7,92,360</b>

**Terms of Vehicle Loans:**

Company has taken Vehicle loan of Rs. 24,00,000/-. Loan has taken for 7 Years and started from 01/01/2014 with the annual interest rate of Rs. 10.65% from PNB Bank.

<b>Note “18” : OTHER FINANCIAL LIABILITIES</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Security deposits	-	50,000
Salary, Wages and Bonus payable	36,02,080	7,55,272
Expenses payable	125,57,004	158,74,561
Dividend Liability On Preference Shares	586,64,575	586,64,575
Creditors for Expenses	33,50,868	14,58,375
<b>Total</b>	<b>781,74,527</b>	<b>768,02,783</b>

<b>Note “19” : OTHER CURRENT LIABILITIES</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Advance received from customer	70,32,386	70,32,386
Statutory Dues Payable	183,50,608	142,46,482
Debenture Application Money	-	92,00,000
MIDC - Additional Premium	396,16,100	-
<b>Total</b>	<b>649,99,094</b>	<b>304,78,868</b>

<b>Note “20” : PROVISIONS (CURRENT)</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Provision for Employee benefits (Non-funded)</b>		
Provision for gratuity	1,61,488	2,51,644
<b>Total</b>	<b>1,61,488</b>	<b>2,51,644</b>

<b>Note “20.1” : CURRENT TAX LIABILITIES (NET)</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Provision for tax (Net of advance Tax )	11,08,616	-
<b>Total</b>	<b>11,08,616</b>	<b>-</b>

<b>Note “21” : REVENUE FROM OPERATIONS</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Advisory Service Income	3,13,602	-
<b>Total</b>	<b>3,13,602</b>	<b>-</b>

<b>Note “22” : OTHER INCOME</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Interest from Bank FDR	45,252	45,251
Discount Received	23,680	6,307
Fair Value gain on Borrowings	20,78,390	-
Finance Income		
- From Financial Assets measured at Amortised Cost	41,68,549	37,27,986
<b>Total</b>	<b>63,15,871</b>	<b>37,79,544</b>

<b>Note “23” : EMPLOYEE BENEFIT EXPENSES</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Salary, wages and bonus etc.	272,11,730	100,59,905
Gratuity	2,02,869	1,74,573
Staff welfare expenses.	2,49,227	1,00,309
<b>Total</b>	<b>276,63,825</b>	<b>103,34,787</b>



<b>Note “24” : FINANCE COST</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Interest on borrowing from bank	64,704	1,02,248
Interest Expenses	94,29,423	13,844
<b>Total</b>	<b>94,94,127</b>	<b>1,16,092</b>

<b>Note “25” : DEPRECIATION AND AMORTIZATION EXPENSES</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
Depreciation and Amortisation	3,86,925	4,66,198
<b>Total</b>	<b>3,86,925</b>	<b>4,66,198</b>

<b>Note “26” : OTHER EXPENSES</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
Legal and Professional Fees	87,77,549	203,52,751
Advertisement, marketing & business promotion expenses	3,63,549	184,12,790
Travelling & conveyance expenses	44,57,509	56,24,736
<u>Rent, Rates &amp; Taxes</u>		
-Rent	30,47,551	40,03,894
-Rates & taxes	91,922	3,750
TDS Expenses	1,15,127	28,94,179
ROC & Filing Fees	27,387	1,35,492
Fees for Increase in Authorised Capital	-	31,50,000
Auditors' Remuneration	21,58,210	33,61,444
Recruitment Service	-	25,20,946
Loss on Fair Value of Loans/Borrowings	35,92,404	51,28,301
Hotel & lodging expenses	8,43,962	7,78,814
Repairs & maintenance	4,12,139	5,48,877
Security Charges	5,80,800	6,29,200
Printing & stationery expenses	1,75,354	1,99,982
Issuer Fees	1,51,000	92,040
Insurance	63,843	1,57,180
Miscellaneous	12,42,778	1,81,461
Mobile & Telephone Charges	1,25,110	77,826
BSE Listing Expenses	3,00,000	7,65,500
Office Expenses	1,94,829	50,822
GST Expenses	-	1,96,211
Internet Charges	20,371	1,487
MIDC Services Charges	3,13,979	3,04,701
<b>Total</b>	<b>270,55,374</b>	<b>695,72,383</b>

<b>Note “27” : EARNING PER SHARE</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
<b>EARNINGS PER SHARE</b>		
Net Profit/(Loss) as per Statement of Profit & Loss (A)	(596,10,798)	(773,04,261)
Weighted average number of Equity Share used in computing basic/diluted earning per share (B)	456,34,090	288,48,204
Earning Per Share (Rs.) Basic/Diluted- (A/B)	(1.31)	(2.68)

**Note “28”: Related Party Transactions**

i) Following is the list of Realted Parties and Relationships :

<b>S.No.</b>	<b>Particulars</b>
<b>C)</b>	<b>Key Management Personnel</b>
1	Suchit Punnose
2	Ajay Palekar
3	P. Punnose
4	Sandeep Khurana
5	Prem Nath Pasricha
6	Aditya Kanoria
<b>D)</b>	<b>Enterprises Under same Management</b>
	Eco Hotels India Pvt. Ltd.
	Armaec Energy Private Limited
	Give Vinduet Windows And Doors Private Limited ( Subsidiary Till December 18th, 2019)
	Redribbon Advisory Services Private Limited ( Subsidiary w.e.f. February 20th, 2020)
	Credent Assets Management Services Private Limited
	Credent Asset Advisors Pvt Ltd
	Crowdsource Global Private Limited

ii) Related Party Transactions during the year are as follows:

S.No.	Particulars	Amount (In INR)	
		2019-20	2018-19
<b>A)</b>	<b>Loan Taken</b>		
	Give Vinduet windows and Doors Pvt Ltd	194,70,078	-
	Suchit Punnose	39,75,000	-
<b>B)</b>	<b>Rent Deposit Paid on behalf of director</b>		
	Suchit Punnose	1,05,000	-
	Ajay Palekar	-	60,000
<b>C)</b>	<b>Loans/Advance Given To</b>		
	Suchit Punnose	-	138,14,895
	Eco Hotels India Pvt. Ltd. (net of payment received during the year)	39,16,871	141,10,000
<b>D)</b>	<b>Reimbursement of Expenses</b>		
	P.Punnose	77,008	-
	Suchit Punnose	67,334	17,64,498
<b>E)</b>	<b>Interest Income</b>		
	Suchit Punnose	-	48,49,312
	Eco Hotels India Pvt. Ltd.	6,50,697	6,83,788
<b>F)</b>	<b>Director Remuneration</b>		
	Ajay Palekar	100,00,000	
	Suchit Punnose	136,77,779	50,00,000
<b>G)</b>	<b>Professional/Technical fees</b>		
	Ajay Palekar	-	90,00,000
	Sandeep Khurana	3,33,333	22,13,333
	Give Vinduet Windows and Door Pvt Ltd	3,13,602	-
	Prem Nath Pasricha	-	16,20,000
<b>H)</b>	<b>Rent Expenses</b>		
	Credent Assets Management Services Private Limited	19,20,000	-
	Suchit Punnose	94,500	-
	Ajay Palekar	6,56,400	33,11,160
<b>I)</b>	<b>Repayment of Loans given To</b>		
	Eco Hotels India Private Limited	61,53,343	-
	Sale of Assets to Credent Assets Management Private Limited	-	14,604
<b>J)</b>	<b>Commission Expenses</b>		
	Credent Asset Advisors Pvt Ltd	4,50,000	-
	Credent Assets Management Services Private Limited	4,75,000	-
<b>K)</b>	<b>Interest Expenses on Inter corporate Debt</b>		
	Give Vinduet Windows & Doors Private Limited	30,55,423	-

iii) Related Party balances outstanding are as follows:

S.No.	Particulars	Amount (In INR)	
		2019-20	2018-19
<b>A)</b>	<b>Debit Balances</b>		
	Eco Hotels India Pvt Ltd - Advance	146,96,306	107,79,434
	Advance to Ajay Palekar	-	5,00,000
	Investments	99,990	-
	Rent deposit paid on behalf of directors	4,05,000	3,00,000
<b>B)</b>	<b>Credit Balances</b>		
	Loan from/ (to) Suchit Punnose	41,71,384	(396,51,035)
	Loan from P .Punnose	5,00,000	5,00,000
	Advance received from Eco Hotels India Pvt Ltd	70,32,386	70,32,386
	Salary Payable to Directors	24,55,441	-
	Payable for Reimbursement of expense - Aditya Vikram Kanoria	2,13,265	-
	Credent Asset Management Services Private Limited	46,808	-
	Give Vinduet Windows & Doors Private Limited (Net of Fair value)	953,37,954	50,27,113

**Note “29” : List of subsidiaries are considered for Consolidated Financial Statements**

Name of Subsidiary	Place of incorporation and operation	Proportion of ownership interest and voting power held by group	Proportion of ownership interest and voting power held by group
		2019-20	2018-19
Modulex Modular Buildings Pvt Ltd	India	100.00%	78.59%
Give Vinduet Windows and Doors Private Limited	India	-	78.58%
Redribbon Advisory Services Private Limited	India	91.54%	0.00%

**Note “29.1”** : Additional information as required by para 2 of the general instruction for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013:

Name of the Entities in the Group	Net Assets, i.e. total assets minus total liabilities		Share in the Profit and Loss		Share in the Other Comprehensive Income		Share in the Total Comprehensive Income	
	As % of Consolidated net Assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated OCI	Amount	As % of Consolidated TCI	Amount
<b>Indian</b>								
Modulex Modular Buildings Pvt Ltd	9.83%	2768,85,583	56.53%	(327,73,267)	100.00%	(16,40,019)	57.73%	(344,13,286)
Redribbon Advisory Services Private Limited	-0.05%	(13,88,043)	0.41%	(2,38,487)	0.00%	-	0.40%	(2,38,487)

**Note “29”: Segment Reporting**

The group operates only in one business and geographical segment. Therefore, segment information as per Ind AS 108, ‘Segment Reporting’ has not been disclosed.

**Note “30”: Financial Instruments**

A) Categories of Financial Instruments

Particulars	2019-20	2018-19
<b>Financial Assets</b>		
<b>Measured at Amortised Cost</b>		
Loan to related parties - Non- Current	94,56,305	98,22,888
Cash and Cash Equivalent	10,84,632	8,85,984
Bank Balance other than Cash and Cash Equivalent	5,00,000	5,00,000
Loan to related parties - (Current)	42,09,740	399,68,824
Advance to Employees	76,859	4,52,046
Security Deposits	12,05,000	3,90,416
<b>Financial Liabilities</b>		
<b>Measured at Amortised Cost</b>		
Loan on Bank	4,55,010	8,37,566
Loan from Related Parties	1000,09,338	1,87,182
Loan from Directors	44,75,000	3,65,000
Security Deposits	-	50,000
Dividend Liability On Preference Shares- (Borrowings)	586,64,575	586,64,575

**Note “31”: Financial Risk Management Objectives**

**Financial risk management objectives**

The group’s business activities exposed to a variety of financial risk viz., market risk, credit risk and liquidity risk. The group’s focus is to estimate a vulnerability of financial risk and to address the issue to minimize the potential adverse effects of its financial performance.

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the interest market changes.

**Interest rate risk**

The Group has the taken loans from it’s directors and companies in which director is interested.

Group continuously monitoring over all factors influence rating and also factors which influential the determination of the interest rates by the banks to minimize the interest rate risks.

**Note “32”: Equity risks**

Group is exposed only to non-listed equity investment. Group has invested in the equity of Give Vinduet Windows and Doors Private Limited. The investment is Rs. 99,990/- (9,990/- Equity Shares) till March 31, 2020.

**Note “33”: Credit Risk Management**

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises primarily from financial assets such as investment, other balances with banks, loans and other receivables. The Group’s exposure to credit risk is disclosed in note 5.1, 8, 9, and 11.

**Note “34”: Liquidity Risk Management**

The group manages liquidity risk by maintaining adequate banking facilities and borrowing facilities, by continuously monitoring forecast and actual cash flows.

The table below provides details regarding the contractual maturities of financial liabilities as at 31st March 2020.

Particulars	Less than 1 Year	Between 1 year to 5 Years	Carrying Amount As on 31.03.2020
<b>As At March 31st 2020</b>			
<b>Long Term Borrowings</b>			
Unsecured Loan from the Related Parties	-	242,91,238	242,91,238
<b>Short Term Borrowings</b>			
Loan for Vehicle	4,55,010	-	4,55,010
Unsecured Loan from the Related Parties	757,18,100	-	757,18,100

**Note “35”: Fair Value Measurement**

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 31st March 2020		
	Fair Value Hierarchy	Carrying Amount	Fair Value
<b>Financial Assets</b>			
<b>Financial Assets at amortized cost</b>			
Cash & Cash Equivalents	Level 2	10,84,632	10,84,632
Bank Balances other than Cash & Cash Equivalents	Level 2	5,00,000	5,00,000
Security Deposits	Level 3	12,05,000	12,05,000
Loan to Related Party	Level 3	94,56,305	94,56,305
<b>Financial Liabilities</b>			
<b>Financial Liabilities at amortized cost</b>			
Loan to Related Party	Level 3	1000,09,338	1000,09,338
Other Financial Liabilities	Level 3	781,74,527	781,74,527
Loan on Vehicle	Level 2	4,55,010	4,55,010

The fair values of the financial assets and financial liabilities included above have been determined in accordance with generally accepted pricing models.

**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 short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions 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 Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

**35.1** Shares issued expenses incurred during the year in relation to Equity Instruments issued to Modular Modulex Builders Private Limited has been shown as deduction from the other equity in the “other equity note”.

**35.2** Group has lost control over Give Vinduet Windows and Doors Private Limited during the year as on December 18, 2019. Hence Group has derecognised the subsidiary in the consolidated financial statement and gain and loss on the same as has been accounted according to the Ind AS 110- “Consolidated Financial Statements”.

**35.3** Holding Company has gain control over Redribbon Advisory Services Private Limited during the year as on February 20, 2020. Hence Group has recognised the subsidiary in the consolidated financial statement and has been accounted according to the Ind AS 110- “ Consolidated Financial Statements”.

**Note “36”: Micro Small And Medium Enterprises (“MSME”) Disclosure**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act) Principal amount due to micro and small enterprise Interest due.	-	-
Interest paid by the Group in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

**Note “37”: Contingent Liabilities And Capital & Other Commitments**

**a) Capital Commitment and other Commitment**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Estimated amount of contracts remaining to be executed on capital account commitments:		-
Rewards Constructions		
- For Design, Supply and Construction of Manufacturing Facility (Figures in lacs)	4,675	4,932
	<b>4,675</b>	<b>4,932</b>
<b>Other Commitments</b>		
Licence Fess to Modulex Modular Building Plc, United Kingdom (Agreement Date : July 01, 2017)		
In cash excluding all local taxes (GBP)	6,50,000	6,50,000
In Equity Shares in Franchisee at Par (GBP)	10,00,000	10,00,000
Royalty & Design Fees to Modulex Modular Building Plc, United Kingdom (Refer Note below)		
<b>Total</b>	<b>16,50,000</b>	<b>16,50,000</b>



Note : As per agreement dated July 01, 2017 with Modulex Modular Building Plc, Royalty and Design fee payable in each year from the licence start date or where the group makes a profit at 5% of Gross operating profit payable in Pound sterling towards design and production drawing support provided by the franchisor. Amount shall due at the end of each quarter and payable before the last working day of following quarter.

**Note “38”**

In the opinion of the Management, the Current Assets, Current Liabilities, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business and are subject to confirmation.

**Note “39”: Deferred Tax Assets / Liabilities**

Due to absence of virtual/ reasonable certainty about the future taxable income, the group has not recognised, any deferred tax assets on the any carried forward business losses, unabsorbed depreciation and other items.

**Note “40”:Employee Benefits**

**Defined Benefits Plan**

**Gratuity**

The Group 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, 2020 and March 31, 2019 as follows:

**Change in Defined Benefit Obligation**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Defined Benefit Obligation at the beginning	7,66,997	5,41,680
Current Service Cost	1,44,194	1,33,947
Past Service Cost	-	-
(Gain) / Loss on settlements	-	-
Interest Expense	58,675	40,626
Benefit Payments from Plan Assets	-	-
Benefit Payments from Employer	-	-
Settlement Payments from Plan Assets	-	-
Settlement Payments from Employer	-	-
Other (Employee Contribution, Taxes, Expenses)	-	-
Increase / (Decrease) due to effect of any business combination / divesture / transfer)	-	-
Increase / (Decrease) due to Plan combination	-	-

Remeasurements - Due to Demographic Assumptions	-	-
Remeasurements - Due to Financial Assumptions	1,39,710	(17,334)
Remeasurements - Due to Experience Adjustments	15,00,309	68,078
Defined Benefit Obligation at the end	26,09,885	7,66,997
Discount Rate	6.90%	7.65%
Salary Escalation Rate	6.00%	6.00%

**Weighted Average Asset Allocations at end of current period**

Particulars	As at March 31, 2020	As at March 31, 2019
Equities	0%	0%
Bonds	0%	0%
Insurance Policies	0%	0%
<b>Total</b>	<b>0%</b>	<b>0%</b>

**Components of Defined Benefit Cost**

Particulars	As at March 31, 2020	As at March 31, 2019
Current Service Cost	1,44,194	1,33,947
Past Service Cost	-	-
(Gain) / Loss on Settlements	-	-
Reimbursement Service Cost	-	-
<b>Total Service Cost</b>	<b>1,44,194</b>	<b>1,33,947</b>
Interest Expense on DBO	58,675	40,626
Interest (Income) on Plan Assets	-	-
Interest (Income) on Reimbursement Rights	-	-
Interest Expense on (Asset Ceiling) / Onerous Liability	-	-
<b>Total Net Interest Cost</b>	<b>58,675</b>	<b>40,626</b>
Reimbursement of Other Long Term Benefits	-	-
Defined Benefit Cost included in statement of profit and loss	2,02,869	1,74,573
Remeasurements - Due to Demographic Assumptions	-	-
Remeasurements - Due to Financial Assumptions	1,39,710	(17,334)
Remeasurements - Due to Experience Adjustments	15,00,309	68,078
(Return) on Plan Assets (Excluding Interest Income)	-	-
(Return) on Reimbursement Rights	-	-
Changes in Asset Ceiling / Onerous Liability	-	-
<b>Total Remeasurements in OCI</b>	<b>16,40,019</b>	<b>50,744</b>
<b>Total Defined Benefit Cost recognized in statement of profit and loss and OCI</b>	<b>18,42,888</b>	<b>2,25,317</b>

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

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Current Liabilities	1,61,488	2,51,644
Non- current Liabilities	24,48,397	5,15,352

**Amounts recognized in the Statement of Financial Position:**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Defined Benefit Obligation	26,09,885	7,66,997
Fair Value of Plan Assets		-
<b>Funded Status</b>	<b>26,09,885</b>	<b>7,66,997</b>
Effect of Asset Ceiling / Onerous Liability		-
<b>Net Defined Benefit Liability / (Asset)</b>	<b>26,09,885</b>	<b>7,66,997</b>
<b>Of which, Short term Liability</b>	<b>1,61,488</b>	<b>2,51,644</b>

**Experience Adjustments on Present Value of DBO and Plan Assets**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
(Gain)/Loss on Plan Liabilities	15,00,309	68,078
% of Opening Plan Liability	196%	12.57%
(Gain)/Loss on Plan Assets	-	-
% of Opening Plan Assets	-	-

**Expected Cash flow for following years**

**Maturity Profile of Defined Benefit Obligations**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Year 1	1,61,000	2,51,644
Year 2	55,000	9,088
Year 3	19,46,000	9,572
Year 4	26,000	10,088
Year 5	30,000	10,641
Year 6	2,23,000	11,233
Year 7	2,23,000	11,870
Year 8	2,23,000	12,554
Year 9	2,23,000	13,293
Year 10	2,23,000	14,091

The weighted average duration of the defined benefit obligation is 10.61

## 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

	31-03-2020
Discount Rate	Present value of Obligation
	(in Rs)
5.90%	28,23,904
7.90%	24,27,052

B) Impact of change in salary increase rate when base assumption is decreased/ increased by 100 basis point

	31-03-2020
Salary Increment Rate	Present value of Obligation
	(in Rs)
5.00%	25,19,162
7.00%	27,11,411

C) Impact of change in withdrawal rate when base assumption is decreased/ increased by 100 basis point

	31-03-2020
Withdrawal Rate	Present value of Obligation
	(in Rs)
0.00%	25,80,918
2.00%	26,35,369

**Note 41:** Ind As 116, Leases, mandatory for reporting period beginning on and after 1st April, 2019, replaces existing Lease Accounting requirements. The application of Ind As 116 did not have any impact on recognition and measurement of lease and related items in the financial statements.

**Note 42:** Figures for the previous year have been regrouped and reclassified wherever necessary.

## Significant Accounting Policies

### 1

The accompanying notes form an integral part of these financial statements.

As per our attached report of even date

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

**For and on behalf of the Board of**  
**Modulex Construction Technologies Limited**  
(CIN :L45100PN1973PLC182679)

**Mihir Hindocha**  
Partner  
Membership No. 112766

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

**Suchit Punnose**  
Director  
(DIN 02184524)

**Place: Mumbai**  
**Date: July 31st, 2020**

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

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

**Form AOC-1**  
**to the Financial Statement for the year ended 31<sup>st</sup> March, 2020**  
**(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of**  
**Companies (Accounts) Rules, 2014)**

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

Sr. No.	Particulars	Details
1.	Name of the subsidiary	Modulex Modular Buildings Private Limited
2.	The date since when subsidiary was acquired	26/10/2018
3.	Reporting period for the subsidiary concerned, if different from the holding company’s reporting period*	N.A.
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
5.	Share Capital	Rs. 67,57,49,125
6.	Reserves & surplus	Rs. (39,88,63,543)
7.	Total assets	Rs. 51,05,92,475
8.	Total Liabilities	Rs. 23,37,06,892
9.	Investments	Rs. 4,16,75,990
10.	Turnover	Rs. NIL
11.	Profit/ (Loss) before taxation	Rs. (3,27,73,267)
12.	Provision for taxation	Rs. NIL
13.	Profit / (Loss) after taxation	Rs. (3,27,73,267)
14.	Proposed Dividend	NIL
15.	Percentage of shareholding (On Paid-up Share Capital)	99.99%

**Notes:**

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

**Part B of the Annexure is not applicable as there are no Associate Companies/Joint ventures of the Company as on 31<sup>st</sup> March, 2020.**

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

Sd/- (Suchit Punnose) Whole Time Director DIN : 02184524 London	Sd/- (Ajay Palekar) Managing Director DIN : 02708940 Pune	Sd/- (Mahendra Kumar Bhurat) Chief Financial Officer (PAN AJIPB3300M) Mumbai	Sd/- (Bhoomi Mewada) Company Secretary M. NO. : A34561 Mumbai
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Date : 31<sup>st</sup> July, 2020

## NOTICE OF 47<sup>th</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 47<sup>th</sup> Annual General Meeting ('AGM') of **Modulex Construction Technologies Limited** will be held on Wednesday, 30<sup>th</sup> September, 2020, at 04.30 p.m. IST, through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') facility, to transact the following business:

### ORDINARY BUSINESS:

**1. Adoption of Audited Financial Statements (Standalone and Consolidated)**

To receive, consider and adopt the Audited Standalone Financial Statements and the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2020 together with the Reports of the Board of Directors and the Auditors thereon.

**2. Appointment of Mr. Ajay Palekar (DIN: 02708940) as a Director liable to retire by rotation**

To appoint a Director in place of Mr. Ajay Palekar (DIN: 02708940), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

**3. To consider and approve the appointment of Mrs. Rakhee Agarwal (DIN:08081921) as a Non – Executive Independent Woman Director of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** in accordance with the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), **Mrs. Rakhee Agarwal** (DIN : 08081921), who was appointed by the Board of Directors as an Additional Non – Executive Independent Woman Director of the Company with effect from 31<sup>st</sup> July, 2020 under Section 161 of the Act and Article 115 of the Articles of Association of the Company and who holds office up to the date of ensuing Annual General Meeting, be and is hereby appointed as a Non – Executive Independent Woman Director of the Company for a term of 5 years commencing the date of the ensuing Annual General Meeting.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do, perform and execute all such, acts, deeds, matters and things which may be incidental thereto or which may be considered necessary, expedient or desirable in its entire discretion and further to settle any question, doubt or difficulty to give effect to the foregoing resolution.”

By Order of the Board  
For **Modulex Construction Technologies Limited**

Sd/-  
(Bhoomi Mewada)  
Company Secretary  
M No: A34561

**Date: 31<sup>st</sup> July, 2020**

**Place: Mumbai**

**NOTES:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular No(s). 14/2020, 17/2020 and 20/2020 dated 08<sup>th</sup> April, 2020, 13<sup>th</sup> April, 2020 and 05<sup>th</sup> May , 2020, respectively ('MCA Circulars') permitted the holding of the AGM through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') facility without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations') and MCA Circulars, the 47<sup>th</sup> AGM of the Company is being held through VC/OAVM facility.

The Deemed Venue for the 47<sup>th</sup> AGM shall be the Registered office of the Company.

2. The AGM is being held pursuant to the MCA Circulars through VC / OAVM facility and as such the physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice.

However, Corporate Members intending to authorize their representatives to attend & vote at the AGM through VC / OAVM facility on its behalf are requested to send duly certified copy of the relevant Board resolution to the Company, which should reach the Company at least 30 minutes before the commencement of the ensuing Annual General Meeting.

3. Members attending the AGM through VC / OAVM facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. Details of Directors seeking appointment / reappointment in AGM pursuant to Secretarial Standard on General Meetings (SS-2) and Regulation 36(3) of the SEBI (LODR) Regulations, 2015 are also attached as an Annexure with this Notice of AGM.
5. All documents referred to in the accompanying Notice and the Explanatory Statement are available on website of the Company for inspection by the Members'.
6. Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository Participants ('DP'). Members who have not registered their e-mail address with the Company can now register the same by sending an email to Compliance Officer of the Company at [bhoomimewada@modulex.in](mailto:bhoomimewada@modulex.in) and/or by sending a request to Purva Shareregistry (India) Private Limited, Registrar and Share Transfer Agent ('RTA') through email at [support@purvashare.com](mailto:support@purvashare.com) or contact 022 2301 6761. Members holding Shares in Demat form are requested to register their e-mail address with their DP only. The registered e-mail address will be used for sending future communications
7. In compliance with the aforesaid MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020, the Notice of AGM and Annual Report along with login details for joining the AGM through VC / OAVM facility including e-voting are being sent only through electronic mode to those Members whose e-mail address are registered with the Company or DP or RTA. Members may note that this Notice of AGM and Annual Report will also be available on Company's website [www.modulex.in](http://www.modulex.in), Stock Exchange website [www.bseindia.com](http://www.bseindia.com) and Central Depository Services Limited ('CDSL') website [www.evotingindia.com](http://www.evotingindia.com)

8. The Notice of AGM and Annual Report will be sent to those Members / beneficial owners whose name(s) will appear in the Register of Members / list of beneficiaries received from the Depositories as on 28<sup>th</sup> August, 2020.
9. Members desiring any information/clarification on the accounts or any matter to be placed at the AGM are requested to write to the Company at [compliance@modulex.in](mailto:compliance@modulex.in) at least seven days in advance to enable the management to keep information ready at the AGM.
10. To prevent fraudulent transactions, Members are requested to exercise due diligence and immediately notify to the RTA any change in their address and/or bank mandate in respect of shares held in physical form and to their DPs in respect of shares held in the Dematerialized form. Members are also advised not to leave their Demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified. The Securities and Exchange Board of India ('SEBI') has mandated the submission of Permanent Account Number ('PAN') by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DPs with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the Company/ RTA.
11. SEBI vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20<sup>th</sup> April, 2018 has directed all the listed companies to update Bank Account details and PAN of the Members holding shares in physical form. It has been observed that many of the Members holding physical shares have not updated the said information. Therefore, such Members are requested to send the following documents to the Company's RTA:
  - i. Self-attested copy of PAN card including that of joint Members; and
  - ii. An original cancelled cheque of 1st Member (Name of 1st Member should be printed on cheque leaf). If name of 1st Member is not printed on cheque leaf, photocopy of passbook or bank statement duly attested by the banker along with cancelled cheque (Photocopy of cheque will not be accepted/ entertained).
12. To comply with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder, Regulation 44 of the SEBI (LODR) Regulations 2015, Secretarial Standard - 2 issued by the Institute of Company Secretaries of India and MCA Circulars, the Members are provided with the facility to cast their vote electronically through remote e-voting (prior to AGM) and e-voting (during the AGM) services provided by CDSL on all resolutions set forth in this Notice.
13. Only those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

**The instructions for joining the AGM through VC /OAVM, remote e-voting and e-voting during the AGM are as follows:**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated 08<sup>th</sup> April, 2020, Circular No.17/2020 dated 13<sup>th</sup> April, 2020 and Circular No. 20/2020 dated 05<sup>th</sup> May, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.



2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated 08<sup>th</sup> April, 2020, 13<sup>th</sup> April, 2020 and 05<sup>th</sup> May, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated 08<sup>th</sup> April, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13<sup>th</sup> April, 2020, the Notice calling the AGM has been uploaded on the website of the Company [www.modulex.in](http://www.modulex.in). The Notice can also be accessed from the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com)
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 08<sup>th</sup> April, 2020 and MCA Circular No. 17/2020 dated 13<sup>th</sup> April, 2020 and MCA Circular No. 20/2020 dated 05<sup>th</sup> May, 2020.

**THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on 27<sup>th</sup> September, 2020 at 9.00 a.m. and ends on 29<sup>th</sup> September, 2020 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in Dematerialized form, as on the cut-off date (record date) of 23<sup>rd</sup> September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iv) Click on “Shareholders” module.

- (v) Now enter your User ID
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	<b>For Shareholders holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Modulex Construction Technologies Limited on which you choose to vote.

- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.
3. The Company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **7 days prior to meeting** mentioning their name, Demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, Demat account number/folio number, email id, mobile number at [bhoomimewada@modulex.in](mailto:bhoomimewada@modulex.in). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**(xx) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [bhoomimewada@modulex.in](mailto:bhoomimewada@modulex.in) or [compliance@modulex.in](mailto:compliance@modulex.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

**DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING**

Name of Director	Mr. Ajay Palekar
Director Identification No.	02708940
Date of Birth	October 8, 1962
Age	58 Years
Date of first appointment	March 10, 2018
Terms and conditions of re-appointment	Managing Director, liable to retire by rotation
Qualification	Post Graduate
Experience / Expertise in functional field and brief resume	He is a Professional Manager with continuous working experience since 1984 on a full time basis. He has a strong background in manufacturing of leather, fabric, steel and several other categories. Additionally he has led and improved large multination and multiunit Companies in ITeS and Outsourcing. He is an Administrator and Operations Professional, adept in all day to day functions and long term plans and implementation, and in bringing value to shareholders and employees alike. He is adept at starting up large units of industries and in outsourcing, as well as in turnarounds and ramp ups.
No. of Shares held in the Company	223048 equity shares
No. of Board Meetings attended during the financial year 2019-20	3
Details of remuneration sought to be paid and the remuneration last drawn by him	The Board of Directors at the Board Meeting held on March 10, 2018 has approved to pay a salary of Rs. 12 lakhs p.a. However, considering the losses incurred by Company, Mr. Palekar voluntarily waived his remuneration. Therefore there was no remuneration paid to Mr. Palekar during the year.
Other Directorships	Modulex Modular Buildings Private Limited
Membership/Chairmanship of Committees of Board and other Companies	Audit Committee – Member Stakeholders Relationship Committee – Member Management Committee – Chairman Securities Committee – Member Mr. Palekar is not a part of any committees of other Companies.
Relationship with other Directors, Manager and Key Managerial Personnel	None

**DETAILS OF DIRECTOR SEEKING APPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING**

Name of Director	Mrs. Rakhee Agarwal
Director Identification No.	080811921
Date of Birth	August 16, 1988
Age	32 years
Date of first appointment	Not Applicable
Terms and conditions of appointment	Independent Women Director for a term of 5 years
Qualification	MBA Finance
Experience / Expertise in functional field and brief resume	Experience – 10 Years She has handled corporate finance Advisory Services, Debt Syndication, Project Finance, Private Equity Investment, Credit Rating and end to end servicing of existing as well as newly acquired accounts of Large and Mid Corporates.
No. of Shares held in the Company	Not Applicable
No. of Board Meetings attended during the financial year 2019-20	Not Applicable
Details of remuneration sought to be paid and the remuneration last drawn by her	Not Applicable
Other Directorships	None
Membership/Chairmanship of Committees of Board and other Companies	Nomination & Remuneration Committee - Member Mrs. Rakhee Agarwal is not a part of any committees of other Companies.
Relationship with other Directors, Manager and Key Managerial Personnel	None

## **EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No.3**

The Board of Directors had appointed Mrs. Rakhee Agarwal, as an Additional Non Executive Independent Woman Director of the Company with effect from 31<sup>st</sup> July, 2020. In accordance with the provisions of Section 161 of Companies Act, 2013, Mrs. Rakhee Agarwal holds office up to the date of the ensuing Annual General Meeting and is eligible for appointment as an Non Executive Independent Woman Director of the Company for a term of Five years.

The Company has received a Notice under Section 160 of the Companies Act, 2013 from a member together with a requisite deposit, proposing the appointment of Mrs. Rakhee Agarwal as a Non Executive Independent Woman Director of the Company. The Board considers it in the interest of the Company to appoint Mrs. Rakhee Agarwal as a Non Executive Independent Woman Director of the Company.

A brief profile of Mrs. Rakhee Agarwal, including nature of her expertise is provided at Page 11 of this Notice.

The Company has also received a declaration of Independence from Mrs. Rakhee Agarwal. In the opinion of the Board, Mrs. Rakhee Agarwal fulfills the conditions specified in Companies Act, 2013 and SEBI (LODR) Regulations, 2015, for appointment as Non Executive Independent Woman Director of the Company.

None of the Directors or Key Managerial Personnel, other than Mrs. Rakhee Agarwal, are concerned or interested (financially or otherwise) in this Resolution. The Board recommends passing of the Ordinary Resolution as set out at item no. 3 of the accompanying Notice.

All Documents mentioned in this Explanatory Statement may be inspected by any member of the Company on all working days during the working hours at the Registered Office of the Company.

By order of the Board  
For **Modulex Construction Technologies Limited**

Sd/-  
(Bhoomi Mewada)  
Company Secretary  
M.No: 34561

**Date: 31<sup>st</sup> July, 2020**

**Place: Mumbai**



