

08th November, 2023



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

Security ID: MODULEX

Scrip Code: 504273

Sub: Outcome of the Board Meeting held on Wednesday, 08th November, 2023

Dear Sir/Madam,

In reference to the earlier communication dated 01st November, 2023 and pursuant to the provisions of Regulation 30 and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors of the Company at its meeting held on Wednesday, i.e. 08th November, 2023, through video conferencing has inter-alia considered and approved the following business items:

1. Un-Audited Standalone and Consolidated Financial Results of the Company for the quarter ended 30th June, 2023. We are also enclosing herewith a copy of the Un-Audited Standalone and Consolidated Financial Results for the quarter ended 30th June, 2023 as approved by the Board of Directors and a copy of the Limited Review Reports thereon.

The meeting of the Board of Directors of the Company commenced at 01.04 P.M.IST and concluded at 01.15 P.M IST.

You are requested to kindly take the same on records.

Yours faithfully,

For Modulex Construction Technologies Limited

Bhoomi Mewada
Company Secretary and Compliance Officer

Encl: As above

Independent Auditor's Review Report on the Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review report

To The Board of Directors of

MODULEX CONSTRUCTION TECHNOLOGIES LIMITED

We have reviewed the accompanying statement of Unaudited Standalone Financial Results ("the Statement") of Modulex Construction Technologies Limited ("the Company") for the quarter ended 30th June 2023 being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulation").

Management responsibilities for the Statement

This statement is the responsibility of the Company's management and has been approved by the Board of Directors, which has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34), prescribed under section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India.

Auditor's responsibilities for the review of the Statement

Our responsibility is to express a conclusion on the Statement based on our review.

We conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in the audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Conclusion

Based on our review conducted as stated above nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the applicable Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Independent Auditor's Review Report (Continued)

Material uncertainty related to going concern

We draw attention to Note No. 9 in the statement which states that the Company has incurred a net loss in the current period and in the earlier years. The Company's current assets are not sufficient to meet its current liabilities. The Company is implementing the project at Pune through its subsidiary company (Modulex Modular Buildings Private Limited) and the progress of the project is slow considering the various factors (including the temporary suspension of the project). There is material uncertainty related to the aforementioned conditions read with point (1) of the Emphasis of Matters paragraph of the limited review report that may cast significant doubt on the Company continuing as a going concern. Further, we are informed that the promoters/shareholders are committed to give financial support as and when required by the Company, the management expects an improvement in the performance of the Company in the long run and the management is also committed to complete the project at Pune through the subsidiary company. Considering this, in the opinion of management, the statement is prepared on a going concern basis.

Our opinion is not modified with respect to this matter. This matter was also reported in the independent auditor's report of the previous financial year ended 31st March 2023. Our conclusion was not modified in respect of the above matters in the previous financial year ended / quarter ended 31st March 2023.

Emphasis of Matters

- 1) As stated in Note 4 of the Statement, the Company has carried out the fair value of investments in the subsidiary company (Modulex Modular Buildings Private Limited [MMBPL]) from the two valuers as on 30th June 2023 which is sufficient to cover the cost of investments. Considering the same and considering the management outlook for improvement in the performance of the Subsidiary Company (MMBPL) in the long run, in the opinion of management, no impairment is required for investment value in the Subsidiary Company (MMBPL), since the management is committed to complete the construction of the project. We have relied on the said valuation reports and information & explanation given by the management.
- 2) As stated in note 6 of the Statement, in the previous year 2021-22, the Company received a whistleblower complaint from one of the person (hereinafter referred to as "the complainant"). The Complainant was an independent director of the Company till 6th March 2023. The Complaint was filed with respect to the conduct of the board meeting held for approval of the right issue of equity shares. Based on the complaint, the said matter was raised by us to the audit committee and we had also submitted its report to the Central Government in Form No ADT 4 as per the requirement of the Companies (Audit and Auditor) Rules, 2014. The Company had appointed an independent third party to investigate the complaint. Based on the investigation report submitted by the third party which was also approved by the audit committee in a meeting held on 2nd September 2022, allegations made in the said whistleblower complaint were found baseless.

Further, in the previous year 2022-23, the Company had received an additional 2 whistleblower complaints from the above complainant. The Audit Committee has rebutted the allegation levelled by the Complainant and suggested to take the appropriate legal action against the complainant by referring these entire matters to the board of directors for further actions. The board of directors is exploring the best feasible option to close the matter.

- 3) Reference is invited to Note 5 of the Statement that the Company is not required to obtain registration as a Non-Banking Financial Company (NBFC) as it is neither carrying on any financial activities nor proposing to carry any financial activities as a principal business in future as the revenue generation is mainly affected due to delay in implementing the project by the subsidiary company. However, the Company is taking necessary steps to generate revenue from non-financial assets. This was also confirmed by the consultant of the Company.



Independent Auditor's Review Report (Continued)

- 4) As stated in Note 8 of the Statement, one of the independent director of the Company had resigned w.e.f 7th March 2023 and he had levelled certain allegations against the Company / certain employees & directors of the Company. Based on the said letter, the Company had received an email from the Bombay Stock Exchange to submit its reply. The Company had rebutted the allegation levelled by the said independent director. The Company had replied to the email received from the Bombay Stock Exchange and also uploaded it on the website of the stock exchange.

Our conclusion is not modified with respect of the above matters. All the above matters were also reported in the independent auditor report of the previous financial year ended 31st March 2023. Our conclusion was not modified in respect of the above matters in the previous financial year ended / quarter ended 31st March 2023.

Other Matters

Reference is invited to Note 10 of the Statement which states that figures reported for the quarter ended 31st March 2023 were the balancing figures between the audited figures in respect of the whole financial year ended 31st March 2023 and unaudited year to date figures published up to 31st December 2022. Our conclusion is not modified in respect of the said matter for the current quarter as well as for the previous quarter ended on 31st March 2023.

For RMJ & Associates LLP
Chartered Accountants
Firm Registration No: W100281
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Date: 2023.11.08 13:16:20
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Rakesh Upadhyaya
Partner
Membership No: 046271



UDIN: 23046271BGXMCG4303

Place: Mumbai

Date: 8th November 2023

MODULEX CONSTRUCTION TECHNOLOGIES LIMITED					
CIN - L25999PN1973PLC182679					
Regd. Office : A-82, MIDC Industrial Estate, Indapur, Pune, Maharashtra - 413132					
Statement of Unaudited Standalone Financial Results for the quarter ended June 30, 2023					
Sr. No.	Particulars	Standalone Financial Results			Year Ended March 31, 2023 (Audited) Refer Note 10
		Quarter Ended			
		June 30, 2023 (Unaudited)	March 31, 2023 (Audited) Refer Note 10	June 30, 2022 (Unaudited)	
I	Income				
	Revenue from operations		3.79	2.36	20.12
	Other income	5.61			
	Total income	5.61	3.79	2.36	20.12
II	Expenses				
	Employee benefits expense	3.11	3.09	3.09	17.34
	Finance costs	14.32	14.11	11.47	50.59
	Depreciation and amortisation expenses *	-	0.00	0.01	0.02
	Other expenses	3.35	14.68	25.98	68.65
	Legal and Professional Expenses	20.03	18.91	1.26	40.37
	Total expenses	40.81	50.79	41.80	176.97
III	Profit / (Loss) before tax (I-II)	(35.20)	(47.00)	(39.43)	(156.85)
IV	Tax expenses				
	Current Tax	-	-	-	-
	Deferred Tax	-	-	-	-
	Short / (Excess) Tax provision of earlier years *	-	-	0.00	0.00
V	Profit / (Loss) after tax (III-IV)	(35.20)	(47.00)	(39.44)	(156.86)
VI	Other comprehensive income / (loss)				
	Items that will not be reclassified to profit or loss	-	-	-	-
	Items that will be reclassified to profit or loss	-	-	-	-
	Total comprehensive profit/(loss) net of tax (V+VI)	(35.20)	(47.00)	(39.44)	(156.86)
VII	Paid-up equity share capital (face value of Rs. 10/- each)	6920.18	5130.30	5130.30	5130.30
VIII	Other Equity (excluding Revaluation Reserves)	-	-	-	27886.60
IX	Earnings per share (EPS) (not annualised)				
	(a) Basic (in Rs.)	(0.05)	(0.09)	(0.08)	(0.31)
	(b) Diluted (in Rs.)	(0.05)	(0.09)	(0.08)	(0.31)

* Figures of previous quarter / year are less than thousand.

NOTES:

- The above financial results have been reviewed and it is recommended by the Audit Committee of the Board which is approved by the Board of Directors at their meeting held on 8th November 2023. The statutory auditors have carried out the review of these results.
- The above results have been prepared in accordance with the Indian Accounting Standards ("Ind-AS") as notified in the Companies (Indian Accounting Standards) Rules 2015 (as amended), specified under section 133 of the Companies Act, 2013.
- There are no reportable segments under Ind AS-108 'Operating Segments' as all the activities relate to only one segment i.e. civil construction. Further the management of the Company is also reviewing the results / operations of the Company as single segment i.e. civil construction.
- The fair value of investments in the subsidiary company (Modulex Modular Buildings Private Limited [MMBPL]) carried out by the two independent valuers as on 30th June 2023 is sufficient to cover the cost of investments. The valuers have also considered the effect of the slow progress of the project (including temporary suspension of the project) by the subsidiary company. Considering the management outlook for improvement in the performance of the subsidiary company (MMBPL) in the long run and in the opinion of management, no impairment is required for investment value in the Subsidiary Company (MMBPL) since it is committed to complete the construction of the project.
- In the opinion of the management, the Company is not required to obtain registration as Non-Banking Financial Company (NBFC) as it is neither carrying on any financial activities and nor proposing to carrying on financial activities as principal business in future and revenue of the Company is mainly affected due to delay in implementing the project by the subsidiary company. Further, the Company is taking necessary steps to generate revenue from non-financial assets. This is also confirmed by the consultant of the Company.
- In the FY 2021-22, the Company had received a whistleblower complaint from one of the person (hereinafter referred to as "the complainant"). The Complainant was an independent director of the Company till 6th March 2023 (Refer Note 8). The Complaint was filed with respect to the conduct of the board meeting held for approval of the right issue of equity shares. Based on the complaint, said matter was raised by the statutory auditor to the audit committee and the statutory auditor had also submitted its report to the Central Government in Form No ADT 4 as per the requirement of the Companies (Audit and Auditor) Rules, 2014. The Company had appointed an independent third party to investigate the complaint. Based on the investigation report submitted by the third party which was also approved by the audit committee in a meeting held on 2nd September 2022, allegations made in the said whistleblower complaint were found baseless.

Further, in the FY 2022-23, the Company had received an additional 2 whistleblower complaints from the above complainant. The Audit Committee has rebutted the allegation levelled by the Complainant and had suggested to take the appropriate legal action against the complainant by referring these entire matters to the board of directors for further actions. The board of directors is exploring the best feasible option to close the matter.



MODULEX CONSTRUCTION TECHNOLOGIES LIMITED

CIN - L25999PN1973PLC182679

Regd. Office : A-82, MIDC Industrial Estate, Indapur, Pune, Maharashtra - 413132

Statement of Unaudited Standalone Financial Results for the quarter ended June 30, 2023

- 7 In the previous year, the board of directors in its meeting held on 9th November, 2022 approved for issue and allotment of not more than 1,81,05,576 equity shares of the Company on a preferential basis via swap against the equity shares of Give Vinduet Windows and Doors Private Limited in the ratio of 1:1.345. Further, shareholders have given approval for the issue of 1,78,98,746 equity shares on a preferential basis via a swap ratio of 1:1.353 through a postal ballot which commenced on 14th November 2022 and ended on 13th December 2022. In the current year, final in principle approval is received from the Bombay Stock Exchange is received for 1,78,98,746 equity shares of Rs 10 each to be issued at a price not less than Rs 13.53 to the persons other than cash on the preferential basis pursuant to share swap basis. As a result, with effect from 13th May 2023, Give Vinduet Windows and Doors Private Limited has become a subsidiary company. The Company is in the process of transferring the equivalent equity shares in its name.
- 8 One of the independent director of the Company as mentioned in Note 6 had resigned w.e.f. 7th March 2023 and he had levelled certain allegations against the Company / certain employees & directors of the Company. Based on the said letter, the Company had received an email from the Bombay Stock Exchange to submit its reply. The Company had rebutted the allegation levelled by the said independent director. The Company had replied to the email received from the Bombay Stock Exchange and also uploaded it on the website of the stock exchange.
- 9 The Company has incurred a net loss in the current period and in the earlier years. The Company's current assets are insufficient to meet its current liabilities. The Company is implementing the project at Pune through its subsidiary company (Modulex Modular Buildings Private Limited) and the progress of the project is slow considering the various factors (including the temporary suspension of the project). There is material uncertainty related to the aforementioned conditions that may cast significant doubt on the Company continuing as a going concern. The management is expecting an improvement in the performance of the Company in the long run and the management is also committed to complete the project at Pune through its subsidiary company. Considering these and considering that the promoters are committed to give financial support as and when required by the Company and in the opinion of management, the unaudited standalone financial results are prepared on the going concern basis.
- 10 Figures reported for the previous quarter ended March 31, 2023 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2023 and the un-audited year to date figures published upto 31st December 2022.
- 11 The figures of the previous period(s) have been regrouped / reclassified wherever necessary.



Place: Pune
Date: 8th November 2023

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

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SHRIDHAR
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by AJAY
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Date: 2023.11.08
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Ajay Palekar
Managing Director
DIN:02708940

Independent Auditor's Review Report on Quarterly Unaudited Consolidated Financial Results of the Company Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to
The Board of Directors of
MODULEX CONSTRUCTION TECHNOLOGIES LIMITED**

We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results ("the Statement") of Modulex Construction Technologies Limited ("the Holding Company") and its Subsidiaries (the Holding Company and its Subsidiaries together referred to as "the Group") for the quarter ended 30th June 2023 ("the Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

Management responsibilities for the Statement

This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

Auditor's responsibilities for the review of the Statement

Our responsibility is to express a conclusion on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of Holding Company's personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular no. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

The statement includes the results/information of the following entities:

Sr no	Name of the Entity	Relationship
i.	Modulex Modular Buildings Private Limited	Subsidiary
ii.	Give Vinduet Windows and Doors Private Limited	Subsidiary (w.e.f. 13 th May 2023)



Independent Auditor's Review Report (Continued)

Conclusion

Based on our review conducted and procedures performed as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable Indian Accounting Standard and other accounting principles and practices generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Material uncertainty related to going concern

We draw attention to Note 16 of the statement which states that the Group has incurred a net loss in the current quarter and in the previous year. The Group's current assets are not sufficient to meet its current liabilities. The Group is implementing the project at Pune and as stated in notes 5 & 16 of the Statement the progress of the project is slow considering the various factors (including the temporary suspension of the project). There is material uncertainty related to the aforementioned conditions read with points (4) & (7) of the Emphasis of Matters paragraph of the limited review report that may cast significant doubt on the Group continuing as a going concern. Further, we are informed that the promoters/shareholders are committed to give the financial support as and when required by the Group, the management expects an improvement in the performance of the Group in the long run and the management is also committed to complete the project at Pune. Considering this, in the opinion of management, the Statement is prepared on a going concern basis.

Our opinion is not modified with respect to this matter. The above matter was reported in the independent auditor's report for the year ended 31st March 2023 and our conclusion was not modified in respect of this matter for the said matter.

Emphasis of Matters

- 1) As stated in note 3 of the Statement, in the previous year 2021-22, the Holding Company received a whistleblower complaint from one of the person (hereinafter referred to as "the complainant"). The Complainant was an independent director of the Holding Company till 6th March 2023. The Complaint was filed with respect to the conduct of the board meeting held for approval of the right issue of equity shares. Based on the complaint, the said matter was raised by us to the audit committee and we had also submitted its report to the Central Government in Form No ADT 4 as per the requirement of the Companies (Audit and Auditor) Rules, 2014. The Holding Company had appointed an independent third party to investigate the complaint. Based on the investigation report submitted by the third party which was also approved by the audit committee in a meeting held on 2nd September 2022, allegations made in the said whistleblower complaint were found baseless.

Further, in the previous year 2022-23, the Holding Company had received an additional 2 whistleblower complaints from the above complainant. The Audit Committee has rebutted the allegation levelled by the Complainant and suggested to take the appropriate legal action against the complainant by referring these entire matters to the board of directors for further actions. The board of directors is exploring the best feasible option to close the matter.

- 2) Reference is invited to Note 4 of the Statement which states that in the opinion of the management, the Holding Company is not required to obtain registration as a Non-Banking Financial Company (NBFC) as it is neither carrying any financial activities nor proposing to carry any financial activities as a principal business in future. The revenue of the Holding Company is affected mainly due to the delay in implementing the project by the Subsidiary (MMBPL). However, the Holding Company is taking necessary steps to generate revenue from non-financial assets. This opinion is also confirmed by the consultant of the Holding Company and we have relied on the same.



Independent Auditor's Review Report (Continued)

- 3) As stated in Note 15 of the Statement, one of the independent director of the Holding Company has resigned w.e.f 7th March 2023 and he has levelled certain allegations against the Holding Company / certain employees & directors of the Holding Company. Based on the said letter, the Holding Company has received an email from the Bombay Stock Exchange to submit its reply. The Holding Company has rebutted the allegation levelled by the said independent director. The Holding Company has replied to the email received from the Bombay Stock Exchange and also uploaded it on the website of the stock exchange.
- 4) As stated in note 5 of the Statement, there is a delay in the construction of the project by the subsidiary company [Modulex Modular Building Private Limited (MMBPL)] for the reason stated in the said note which includes a delay in raising the fund & non-receipt of extension letter from MIDC. The Subsidiary Company has continued to incur losses in the current quarter and in the earlier years. Further, current liabilities is also greater than current assets. Considering the commitment from the shareholders / promoters to infuse the funds for the execution of the project, the expectation of management for receipt of an extension letter from MIDC for construction work as well as future business prospects of the Subsidiary Company and valuation report obtained from two valuers, in the opinion of the management, there is no impairment of property, plant and equipment and capital work in progress as on date.
- 5) Attention is invited to Note 6 of the Statement where one of the independent and non-executive director of one of the subsidiary company (Modulex Modular Buildings Private Limited) had demanded the fees of Rs. 96.33 lakhs in FY 2021-22. As mentioned in the same note, we are informed by the management that said director was brought on board on the mutual understanding that fees will be accrued / payable on achieving financial closure of the project and since financial closure is not achieved, the fees is not payable to the said director. However, in the previous year, the subsidiary company had paid Rs. 47.18 lakhs as expended goodwill and the balance amount of Rs. 62.15 lakhs (including liability for FY 2022-23) was treated as contingent liabilities in the previous year pending the outcome final dispute/settlement.

Further, we are informed by the management that the additional liability of Rs. 1 lakh for the current quarter is also not payable as per the mutual understanding stated above and hence, the entire amount of Rs. 63.15 lakhs is considered as contingent liabilities as on 30th June 2023.

- 6) As stated in Note 14 of the Statement, the subsidiary company (Modulex Modular Buildings Private Limited) has paid an advance of Rs. 148.33 lakhs to Credit Express Financial Services in the previous year and an additional Rs. 100 lakhs has been paid in the current quarter. As per the agreement, the vendor would be able to charge the subsidiary company on completion of services. Even though the rendering of the service by the vendor is still in process, as a matter of abundant caution, the subsidiary company has made provision for professional services of Rs. 148.33 lakhs (to the extent of the advance paid to the vendor) towards service rendered by the consultant but billable at the time of completion of services till previous year and additional provision for professional services of Rs. 100 lakhs is made in the current quarter.
- 7) As stated in Note 11 of the Statement, the management has carried out the fair value of investments in the subsidiary company (Modulex Modular Buildings Private Limited [MMBPL]) from the two valuers as on 30th June 2023 which is sufficient to cover the goodwill of Rs. 25,731.19 lakhs arising due to investment in the said subsidiary company. Considering the same and considering the management outlook for improvement in the performance of the Subsidiary Company (MMBPL) in the long run, in the opinion of management, no impairment is required for goodwill, since the management is committed to complete the construction of the project. We have relied on the said valuation reports and information & explanation given by the management.



Independent Auditor's Review Report (Continued)

- 8) One of the subsidiary company (Give Vinduet Windows and Doors Private Limited) is not depositing tax deducted at Source (TDS) under various provisions of the Income Tax Act, 1961. The subsidiary company has been informed that due to liquidity issues as they are not able to deposit the TDS due to be paid to the Income Tax department. The Subsidiary Company has made provision for liability arising due to the delay in depositing TDS. The conclusion has not been modified with respect to the said matter.

Our conclusion is not modified in respect to the above matters. The above matters except point (8) above were also reported in the independent auditor's report of the previous financial year ended 31st March 2023. Our conclusion was not modified in respect of the above matters except point (8) above in the previous financial year ended / quarter ended 31st March 2023.

Other Matters

- Reference is invited to Note 19 of the Statement which states that figures reported for the quarter ended 31st March 2023 are the balancing figures between the audited figures in respect of the financial year ended 31st March 2023 and unaudited year to date figures published up to 31st December 2022. Our conclusion is not modified in respect of the said matter for the current quarter as well as for the previous quarter ended on 31st March 2023.
- The statement includes the unaudited result of one of the subsidiary company (Give Vinduet Windows and Doors Private Limited) having a total revenue of Rs. 59.41 lakhs, net profit after tax of Rs. 42.99 lakhs and a total comprehensive income of Rs. 42.99 lakhs for the quarter ended June 2023 has been reviewed by another auditor. Our conclusion is not modified with respect to the said matter.

For RMJ & ASSOCIATES LLP
Chartered Accountants
Firm Registration No. W100281
RAKESH PURSHOTTAMDAS
PURSHOTTAMDAS UPADHYAYA
AS UPADHYAYA
Digitally signed by RAKESH PURSHOTTAMDAS UPADHYAYA
Date: 2023.11.08 13:22:54 +05'30'
Rakesh Upadhyaya
Partner
Membership No: 046271



UDIN: 23046271BGXMCH7541

Place: Mumbai
Date: 8th November 2023

MODULEX CONSTRUCTION TECHNOLOGIES LIMITED

CIN - L25999PN1973PLC182679

Regd. Office : A-82, MIDC Industrial Estate, Indapur, Pune, Maharashtra - 413132

Statement of Unaudited Consolidated Financial Results for the Quarter ended June 30, 2023

(Rupees in Lakhs)

Sr. No.	Particulars	Consolidated Financial Results			
		Quarter Ended		Year Ended	
		June 30, 2023 (Unaudited)	March 31, 2023 (Audited) Refer Note 19	June 30, 2022 (Unaudited)	March 31, 2023 (Audited) Refer Note 19
I	Income from operations		-		-
	Income from operations		-		-
	Other income	2.64	8.79	3.44	29.59
	Total income from operations	2.64	8.79	3.44	29.59
II	Expenses				
	Employee benefits expense	49.28	50.76	65.40	242.14
	Finance costs	54.13	74.15	69.39	284.72
	Depreciation and amortisation expenses	2.24	2.46	2.46	9.84
	Other expenses	48.67	45.96	64.96	201.52
	Legal and Professional Expenses	132.49	38.41	3.81	281.84
	Total expenses	286.80	211.74	206.03	1,020.06
III	(Loss) before share in (Loss) of Associate, exceptional item and tax (I-II)	(284.16)	(202.96)	(202.58)	(990.47)
IV	Share in (Loss) of Associate		-	(1.24)	(1.79)
V	(Loss) before exceptional items and tax (III-IV)	(284.16)	(202.96)	(203.82)	(992.26)
VI	Exceptional item (Refer Note 14)		-	75.09	88.34
VII	(Loss) before tax (V-VI)	(284.16)	(202.96)	(128.73)	(903.91)
VIII	Tax expenses				
	Current tax	-	-	-	-
	Deferred tax	-	-	-	-
	Short / (Excess) Tax provision of earlier years	-	-	0.30	0.30
IX	Profit / (Loss) after tax (III-IV)	(284.16)	(202.96)	(129.03)	(904.22)
X	Other comprehensive income / (loss) net of tax				
	Items that will not be reclassified to profit or loss				
	Share in other comprehensive loss of Associate	-	-	(12.75)	11.46
	Remeasurement of the defined benefit plans (Net)	-	(7.27)	-	(7.27)
	Items that will be reclassified to profit or loss	-	-	-	-
XI	Total comprehensive profit/(loss) net of tax (V+VI)	(284.16)	(195.69)	(141.78)	(908.41)
	Profit / (Loss) for the period attributable to:				
	Owners of the Group	(284.50)	(202.68)	(129.03)	(902.98)
	Non-Controlling interests	0.34	(0.28)	(0.00)	(1.24)
	Other Comprehensive Income for the period attributable to:				
	Owners of the Group	-	(7.26)	(9.90)	(4.20)
	Non-Controlling interests *	-	(0.01)	9.90	0.01
	Total Comprehensive Income for the period attributable to:				
	Owners of the Group	(284.50)	(195.42)	(129.03)	(907.18)
	Non-Controlling interests	0.34	(0.27)	(0.00)	(1.23)
XII	Paid-up equity share capital (face value of Rs. 10/- each)	6920.18	5,130.30	5,130.30	5,130.30
XIII	Other Equity (excluding Revaluation Reserves)	-	-	-	20,801.86
XIV	Earnings per share (EPS) (not annualised)				
	(a) Basic (in Rs.)	(0.47)	(0.40)	(0.25)	(1.76)
	(b) Diluted (in Rs.)	(0.47)	(0.40)	(0.25)	(1.76)

* Figures are below thousands.

NOTES:

1 The unaudited consolidated financial results have been reviewed as well as recommended by the Audit Committee of the Board which is approved by the Board of Directors at their meeting held on 8th November 2023. The statutory auditors have carried out the review of these results.

2 The above results have been prepared in accordance with the Indian Accounting Standards ("Ind-AS") as notified in the Companies (Indian Accounting Standards) Rules 2015 (as amended), specified under section 133 of the Companies Act, 2013.

3 In the FY 2021-22, the Holding Company had received a whistleblower complaint from one of the person (hereinafter referred to as "the complainant"). The Complainant was an independent director of the Holding Company till 6th March 2023 (Refer Note 15). The Complaint was filed with respect to the conduct of the board meeting held for approval of the right issue of equity shares. Based on the complaint, said matter was raised by the statutory auditor to the audit committee and the statutory auditor had also submitted its report to the Central Government in Form No ADT 4 as per the requirement of the Companies (Audit and Auditor) Rules, 2014. The Holding Company had appointed an independent third party to investigate the complaint. Based on the investigation report submitted by the third party which was also approved by the audit committee in a meeting held on 2nd September 2022, allegations made in the said whistleblower complaint were found baseless.

Further, in the FY 2022-23, the Holding Company had received an additional 2 whistleblower complaints from the above complainant. The Audit Committee has rebutted the allegation levelled by the Complainant and had suggested to take the appropriate legal action against the complainant by referring these entire matters to the board of directors for further actions. The board of directors is exploring the best feasible option to close the matter.

4 The Holding Company is not required to obtain registration as a Non-Banking Financial Company (NBFC) as it is neither carrying on any financial activities nor proposing to carry on the financial activities as a principal business in the future. Further, the revenue of the Holding Company is affected mainly due to the delay in implementing the project by the Subsidiary (Modulex Modular Buildings Private Limited (MMBPL)). However, it is taking necessary steps to generate revenue from non-financial assets. This opinion is also confirmed by the consultant of the Holding Company and the statutory auditor has relied upon this opinion.

Further, in respect of one of the subsidiary (Give Vinduet Windows and Doors Private Limited), in the opinion of the management of the said subsidiary company & based on opinion taken from an independent external consultant, the subsidiary company is not required to obtain registration as Non-Banking Financial Company (NBFC) as it is neither carrying on any financial activities and nor proposing to carrying on financial activities as principal business in future and revenue of the subsidiary Company is mainly affected due to delay in implementing the project / manufacturing facility. Further, the subsidiary company is taking necessary steps to generate revenue from non-financial assets.

5 In respect of the subsidiary company (MMBPL), due to multiple factors including delays in raising the resources from the banks and other regulatory issues resulted in the temporary suspension of construction activity at the project site at Indapur, Pune [which is taken on lease from MIDC (Maharashtra Industrial Development Corporation)].

The subsidiary company is in discussion with a consortium consisting of two member banks for funding the project to the extent of Rs. 8,500 lakhs. The subsidiary company had received sanction letters from two Banks in previous year and subsequent to year quarter and 30th June 2023, the subsidiary company has received the letter for extending terms of sanction from one bank and is in process of getting extension letter from other bank. The management is expecting the disbursement of the loan on the fulfillment of certain terms and conditions.

Considering the continued delay in the construction of the project, the subsidiary company has continued to incur losses in the current period and in the earlier years and current liabilities are greater than current assets. The management is committed to complete the construction of the factory complex and promoters/shareholders are committed to provide the necessary funds to the subsidiary company as and when required. The management is expecting trial production and commercial production to be commenced in FY 2024-25.



MODULEX CONSTRUCTION TECHNOLOGIES LIMITED

CIN - L25999PN1973PLC162679

Regd. Office : A-82, MIDC Industrial Estate, Indapur, Pune, Maharashtra - 413132

Statement of Unaudited Consolidated Financial Results for the Quarter ended June 30, 2023

Further, the subsidiary company received a letter dated 12th August, 2020 from MIDC asking the subsidiary company to vacate the above project site due to a delay in construction of the work / delay in payment of premium charges. The subsidiary company vide letter dated 13th August, 2020 had replied to the said notice and requested more time to make payment of outstanding premium charges. Further, the subsidiary company vide letter dated 24th September, 2021 has requested an extension of time for construction work for additional re-allotment fees of Rs. 810 lakhs. The subsidiary company is confident of receipt of the extension letter from MIDC for the construction of work. The outcome of additional liability payable to MIDC (including interest for delay in payment of premium, if any) would be determined based on the decision of MIDC and pending this decision, additional liability has been considered as contingent liabilities by the subsidiary company for the quarter ended 30th June 2023 (this was disclosed under contingent liabilities in the consolidated financial statements for the year ended 31st March, 2023 also). As a result, no impact has been given in the consolidated financial results for the quarter ended 30th June, 2023.

Considering the commitment from the shareholders/promoters to continue to infuse funds for the execution of the project, the management's expectation for receipt of an extension letter from MIDC for construction work as well as the future business prospects of the subsidiary company including valuation reports obtained by the subsidiary company from two valuers, in the opinion of the management there is no impairment of property, plant and equipment and capital work in progress as on date and further, the management has prepared the consolidated financial results on going concern basis.

6 In respect of the subsidiary company (MMBPL), one of the non-executive director was brought into the board of the said subsidiary company on the mutual understanding that fees will be accrued and paid out on achieving financial closure of the project. However, in FY 21-22, the said director had demanded entire fees of Rs. 96.33 lakhs even though financial closure of the project was not achieved. The subsidiary company had not agreed to the said demand. However, the subsidiary company had paid Rs. 47.18 lakhs as expended goodwill in FY 22-23 and the balance amount of Rs. 49.15 lakhs was treated as contingent liabilities. Further, the additional claim of Rs. 12 lakhs pertaining to FY 22-23 is also treated as contingent liabilities. These entire contingent liabilities are disclosed in the audited consolidated financial statements for the year ended 31st March 2023 pending outcome of final dispute / settlement.

The additional liability of Rs. 1 lakhs during the quarter along with above mentioned liabilities are treated as contingent liabilities by the subsidiary company as the financial closure of the project is still not achieved as on 30th June 2023. As a result, no impact has been given in the consolidated financial results for the quarter ended 30th June 2023.

7 The Subsidiary Company (MMBPL) has accounted the managerial remuneration of Rs. 132.50 lakhs in the previous year 2022-23. As per Section 197 of the Companies Act 2013, there is an excess managerial remuneration aggregating to Rs. 57.18 lakhs pertaining to the previous year 2022-23 which has been booked in the subsidiary company's books of account. However, the subsidiary company has actually paid Rs. Rs. 80.13 lakhs for the FY 2022-23. The approval for excess managerial remuneration by the Board of directors and shareholders was short by Rs. 2.69 lakhs till previous year and the same is approved by the board of directors and shareholders of subsidiary company subsequent to quarter ended June 2023 (which is within the time limit prescribed under the Companies Act, 2013).

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

9 In the previous year, the board of directors of the holding company in its meeting held on 9th November, 2022 approved for issue and allotment of not more than 1,81,05,576 equity shares of the holding company on a preferential basis via swap against the equity shares of Give Vinduet Windows and Doors Private Limited in the ratio of 1:1.345. Further, shareholders have given approval for the issue of 1,78,98,746 equity shares on a preferential basis via a swap ratio of 1:1.353 through a postal ballot which commenced on 14th November 2022 and ended on 13th December 2022. In the current year, final in principle approval is received from the Bombay Stock Exchange is received for 1,78,98,746 equity shares of Rs 10 each to be issued at a price not less than Rs 13.53 to the persons other than cash on the preferential basis pursuant to share swap basis. As a result, with effect from 13th May 2023, Give Vinduet Windows and Doors Private Limited has become a subsidiary company and hence, the figures of the current quarter are not comparable with previous /earlier quarters presented in above results. Further, the holding company is in the process of transferring the equivalent equity shares in its name.

10 The board of directors in its meeting dated 18th January, 2022 had approved for sale of entire investments in Redribbon Advisory Services Private Limited (RRASPL) (subsidiary company) in one or more tranches at face value i.e. for aggregate consideration of Rs. 415.76 lakhs. In the FY 2021-22, the Company had sold 12,50,000 equity shares for an aggregate consideration of Rs. 125 lakhs and in FY 2022-23, the Company further sold 2,907,600 equity shares for an aggregate consideration of Rs. 290.76 lakhs. Due to this transaction, RRASPL ceases to be subsidiary company and had become an associate company in quarter ended 30th June 2022. Further, RRASPL ceases to be associate company in quarter ended 30th September 2022. Accordingly, the gain due to loss of control (i.e. ceases to be subsidiary / associate) aggregating to Rs. 88.34 lakhs is recognised as an exceptional item in the result for the year ended 31st March 2023.

11 The fair value of investments in the subsidiary company (Modulux Modular Buildings Private Limited [MMBPL]) carried out by the two independent valuers as on 30th June 2023 is sufficient to cover goodwill of Rs. 25,731.19 lakhs arising due to investment in the said subsidiary company. The valuers have also considered effect of the slow progress of project (including temporary suspension of project) by subsidiary company. Considering the management outlook for improvement in the performance of the Subsidiary Company (MMBPL) in the long run and in the opinion of management, no impairment is required for goodwill, since it is committed to complete the construction of the project.

12 In the current quarter, the subsidiary company (Modulux Modular Buildings Private Limited [MMBPL]) has issued and allotted 64,794 equity shares for aggregate consideration of Rs. 36 lakhs on a private placement basis to the Company in which the director is having control. In the current quarter, the said subsidiary company has received share application money aggregating to Rs 33 lakhs for an issue of equity shares on a private placement basis from the Company in which the director is having control.

13 Subsequent to the quarter ended 30th June 2023, the board of directors and shareholders of a subsidiary company (Modulux Modular Buildings Private Limited [MMBPL]) have approved the conversion of the unsecured loan including interest on the loan (taken from the Company in which the Director is having control) aggregating to Rs 2,546.39 lakhs into equity share capital by issuing 45,83,127 equity shares having face value of Rs 10 each at a price of Rs 55.56 per share. As a result, no impact has been given in the unaudited consolidated financial results for the quarter ended 30th June 2023.

14 The subsidiary company (Modulux Modular Buildings Private Limited [MMBPL]) had paid an advance of Rs. 148.33 lakhs to Credit Express Financial services in the previous year and additional Rs. 100 lakhs has been paid in the current quarter. As per the agreement, the vendor would be able to charge the subsidiary company on completion of services. Even though the rendering of the service by the vendor is still in process, as a matter of abundant caution, the subsidiary company has made provision for professional services of Rs. 148.33 lakhs (to the extent of the advance paid to the vendor) towards service rendered by the consultant but billable at the time of completion of services till previous year and additional provision for professional services of Rs. 100 lakhs is made in the current quarter.

15 One of the independent director of the Holding Company as mentioned in Note 3 has resigned w.e.f. 7th March 2023 and he has levelled certain allegations against the Holding Company / certain employees & directors of the Holding Company. Based on the said letter, the Holding Company has received an email from the Bombay Stock Exchange to submit its reply. The Holding Company has rebutted the allegation levelled by the said independent director. The Holding Company has replied to the email received from the Bombay Stock Exchange and also uploaded it on the website of the stock exchange.

16 The Group has incurred a net loss in the current quarter and in the earlier years. The Group's current assets are not sufficient to meet its current liabilities. The Group is implementing the project at Pune through its subsidiary company (Modulux Modular Buildings Private Limited) and the progress of the project is slow considering the various factors (including the temporary suspension of the project). There is material uncertainty related to the aforementioned conditions that may cast significant doubt on the Group continuing as a going concern. The management is expecting an improvement in the performance of the Group in the long run and the management is also committed to complete the project at Pune through its subsidiary company. Considering these and considering that the promoters are committed to give financial support as and when required by the Group, in the opinion of management, the Unaudited consolidated financial results are prepared on the going concern basis.

17 In the current quarter, the board has approved for removal of directors (Mr. Sandeep Khurana & Mr. Prem Pasricha) of its subsidiary company (Modulux Modular Buildings Private Limited) and has also called up the shareholders meeting for the same. However, before the shareholder's meeting both directors have resigned and their resignations have also been accepted by the subsidiary company. One of the director has raised claim for managerial remuneration which is covered in note 6 above and other director has also raised certain claim aggregating to Rs. 94 lakhs on the subsidiary company which has been rebutted by the subsidiary company and hence, it has been treated as contingent liabilities by the subsidiary company.

18 In the current quarter, the subsidiary company (Modulux Modular Buildings Private Limited) has paid a donation of Rs 0.57 lakhs which is approved by the Board of Directors, however, approval of the shareholders is not taken as per the requirement of Section 181 of the Companies Act, 2013. The subsidiary company is in process of taking approval from shareholders.

19 Figures reported for quarter ended March 31, 2023 are the balancing figures between the audited figures in respect of full financial year ended March 31, 2023 and un-audited year to date figures published upto 31st December 2022.

20 The figures of the previous period(s) have been regrouped / reclassified wherever necessary.

For and on behalf of the Board of Directors of Modulux Construction Technologies Limited

AJAY SHRIDHAR Digitally signed by AJAY SHRIDHAR PALEKAR
PALEKAR Date: 2023.11.08 13:19:48 +05'30

Ajay Palekar
Managing Director
DIN:02708940

Place: Pune
Date: 8th November 2023

