

4th October, 2024

To,
The Manager,
Department of Corporate Services,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai-400001.

Security ID : Modulex

Scrip Code : 504273

Dear Sir/Madam,

**Subject: Announcement under Regulation 30 read with Schedule III of SEBI (LODR) Regulations 2015
- Allotment of land to subsidiary.**

Pursuant to Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, we would like to inform that subsidiary of the Company “Modulex Modular Buildings Private Limited” had applied for reallocation of 1,60,000 Sq.m land at MIDC Industrial Estate, Dist. Indapur, Pune, Maharashtra for the purpose of setting up of its factory and the subsidiary of the Company Modulex Modular Buildings Private Limited” has received the re-allotment letter for the said land from MIDC on 9th August 2024 and the lease agreement is registered at Indapur.

The above, was informed vide the Company’s Disclosure dated 09th August, 2024. In addition to the above, the Company would like to add a note to the same. Please check the appended note for further details.

Thanking you,

Your faithfully

For Modulex Construction Technologies Limited

Bhoomi Mewada
Company Secretary and Compliance Officer

Encl : As above

NOTE:

On 6th April, 2011 the land, namely 1, 60,000 Sq.m land at MIDC Industrial Estate, Dist. Indapur, Pune, Maharashtra was allotted to Subsidiary Company -Modulex Modular Buildings Private Limited.

As per the Lease Agreement dated 06th April, 2011, the Company had received approval to complete the Completion of the Factory work from MIDC within a period of 4 years (48 months) time period from the date of possession (i.e. 12th December, 2010). Due to delay in raising Project Loans / funds, the Company applied for further extension for completion of factory building.

As per letter dated 15th November, 2018, the MIDC raised demand for an additional premium of Rs. 4.11 Crore for the extension. Against this additional premium demand, the Company submitted an application for adjustment / set off of payment made by the Company at the time of initial allotment.

The lease agreement dated 06th April 2011 was cancelled from 04th September, 2020 as per letter dated 22nd January, 2021 during the Pandemic Covid 19 period (23rd March, 2020 ended on 27th November, 2021)

After this cancellation of the original allotment, the Company submitted an application on 24th September 2021 for a reallocation and in reply, the letter dated 17th March 2022 was issued by MIDC with a demand of Rs. 7.39 Crores for allotment of plot. Against this letter, the Company submitted a request to adjust the initial payment and time for balance payment. Meanwhile MIDC accepted the request for a meeting with the Company for discussion and finalisation, however before a meeting could happen, and before giving any opportunity to be heard, on 15th July 2022 MIDC issued the order for cancellation of the re-allotment order dated 17th March 2022.

Aggrieved with this, the Company filed a case in the Civil Court on 31st March, 2023 against the MIDC in the Civil Court at Baramati, District Pune.

Thereafter, on 1st February, 2024, in the meeting of the Land Allotment Committee of MIDC, the Committee re-allotted the land to the Company. Following this, the Company withdrew the lawsuit filed against MIDC on 21st February 2024. Subsequently, on 4th March 2024, MIDC issued the letter offering the land to the Company on payment of Rs 1.94 Crores as Earnest Money and the Company paid this amount on 7th June 2024, MIDC issued the order for the reallocation of the land. Following the order, the Company made the balance payment of Rs 5.81 Crores. After the payment, the registration of the lease agreement was done on 09th August 2024 and disclosure was made to the BSE on 09th August, 2024

In view of the above decision taken at the meeting of the Land Allotment Committee of MIDC on 01st February 2024, the case against the MIDC was withdrawn by the Company before any hearing took place on 21st February, 2024.

As the Company had filed the case and a verdict was not given and the matter being sub-judice, the Company's position was that the land was still in the ownership and possession of the Company hence no disclosure was to be made. From the inception of the lease to cancellation and re-allotment, the

Company had possession of the plot. The Company has appointed the external security agency who work 24X7 (in two shifts) for the Company and they have deployed their security staff to take care of the MIDC plot.

It may also be noted that in the Annual Reports filed by the Company, the Company has disclosed the true and correct position in respect of the abovementioned land. Below are the extracts from the Annual Reports of the Company

Para 5.3 of the Annual Report FY 2022-23

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

Further, the Subsidiary (MMBPL) is in discussion with a consortium consisting of two member banks for funding the project to the extent of Rs. 8,500 lakhs. In December, 2022, the management received sanction letters from two member banks and is expecting the disbursement of the loan on the fulfillment of certain terms and conditions. Considering the continued delay in the construction of the project, the Subsidiary (MMBPL) has continued to incur losses in the current year and in the previous year. Further, current liabilities are greater than current assets. The management is committed to complete the construction of the factory complex and promoters / shareholders are committed to provide necessary funds to the Subsidiary (MMBPL) as and when required. The management is expecting trial production to commence and commercial production to be commenced in FY 24-25.

Further, the Subsidiary (MMBPL) had received a letter dated 12th August 2020 from MIDC asking the Subsidiary (MMBPL) to vacate the above project site due to a delay in construction work / delay in payment of premium charges. The Subsidiary (MMBPL) vide letter dated 13th August 2020 had replied to the said notice and requested for more time to make payment of outstanding premium charges. Further, the Subsidiary (MMBPL) vide letter dated 24th September 2021 has requested an extension of time for construction work for additional re-allotment fees of Rs. 810 lakhs. The Subsidiary (MMBPL) is confident of receipt of the extension letter from MIDC for the construction of work. The outcome of additional liability payable to MIDC (including interest for delay in payment of premium, if any) would be determined based on the decision of MIDC and pending this decision, additional liability proposed by the Subsidiary (MMBPL) has been disclosed under contingent liabilities (Refer Note 34.1).

Considering the commitment from the shareholders/promoters to continue to infuse funds for the execution of the project, the management’s expectation for receipt of an extension letter from MIDC for construction work as well as the future business prospects of the Subsidiary (MMBPL) and valuation report obtained from two valuers, in the opinion of the management there is no impairment of property, plant and equipment and capital work in progress as on date and further, the management has prepared the consolidated financial statements on going concern basis.”

Para 5.3 of the Annual Report FY 2023-24

“5.3 In respect of Subsidiary (MMBPL), the construction activity of the project site at Indapur, Pune was delayed due to multiple factors including delays in achieving financial closure. The Company received a Letter of Offer dated 04th March, 2024 from MIDC with additional re-allotment premium of INR 774.40 lakhs for re-allotment of the land at MIDC Indapur, Pune. On 18th March, 2024, Rs. 193.60 lakhs was paid to MIDC against the Letter of Offer. Further, the MIDC issued final Order of Allotment of Land vide a letter dated 07th June, 2024 with the condition to pay the balance re-138allotment premium of INR 580.80 within 30 days of allotment order. The Management is committed to making the balance amount as per the terms and conditions of re-allotment.”