

INDEPENDENT AUDITOR'S REPORT

To the Members of Modulex Modular Buildings Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Modulex Modular Buildings Private Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2021, 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, 2021; 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.

Emphasis of Matter

- Reference is invited to note 3 (i) of financial statements which states that there is temporary suspension of construction activity of project on account of multiple factors including delays in raising resources from the banks and other regulatory issues which got accentuated due to outbreak of Covid-19. However, the management is committed to complete the construction activities and continue with the project for the reason stated in the said note. Considering the same, in the opinion of the management, there is no impairment of property, plant and equipment and capital work in progress. Our opinion is not modified in respect of the said matter.



- Reference is invited to note 12(b) of financial statements which states that GST input credit as per books is higher by Rs. 1,51,48,612 than GST return for the reason stated in the said note. In the opinion of management / consultant of the Company, the Company would be eligible to take credit after requisite rectification / payment by vendors. Pending availment of input tax credit, the said amount has been disclosed under contingent liabilities. Our opinion is not modified in respect of the said matter.

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 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 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 is also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Further, as part of an audit in accordance with standards on auditing, the auditor exercises professional judgment and maintains professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal 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.

Other Matters:

The comparative financial information of the company for the year ended March 31, 2020 included in these financials' statements have been audited by the predecessor auditors. The reports of the predecessor auditors on the comparative Information dated July 29th, 2020 which express 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 (including Other Comprehensive income) and Cash Flow statement, Statement of Change in Equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the 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, 2021 and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.



- f) The company is a private limited company and falls under exemption specified in Clause 9A vide notification No. G.S.R. 464(E) dated 5th June, 2015 which is further to amended by notification dated 13th June 2017 issued by Ministry of Corporate Affairs. Hence, we have not reported on the adequacy and operating effectiveness of internal financial control over financial reporting.
- g) Since Company is private limited company, provisions of section 197 of the Act read with schedule V to the Act in respect of managerial remuneration are not applicable. Therefore, reporting as required by Section 197(16) of the Act is not applicable to the Company.
- 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:
- The Company has no pending litigations that affect its financial position in its financial statements;
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - 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


Rakesh Upadhyaya
Partner
Membership No.: 046271.



UDIN 21046271AAAACS7SSS

Place: Mumbai

Date: 17th June, 2021

ANNEXURE –A TO AUDITORS' REPORT

The Annexure referred to in paragraph 1 of the Report on Other Legal and Regulatory Requirements of even date to the members of **Modulex Modular Buildings Private Limited** ('the Company') for the year ended on **March 31, 2021**. 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 fixed assets during the year, in accordance with a program of verification of fixed assets to cover all assets in a phased manner over a period of time, which in our opinion provides physical verification of all assets 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, in respect of immovable property that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreement is in the name of the company.
2. According to information and explanation given to us, the Company has no inventories during the year or as at 31st March 2021 and accordingly the clause is not applicable to the Company.
3. The company has granted loans to two companies covered in the register maintained under section 189 of the Act. In our opinion, the terms and conditions of the grant of such loans are not prima facie prejudicial to the interest of the company. The terms of payment of interest and repayment of loan are at the end of the tenure / repayable on demand by the Company. In respect of the aforesaid loans, there is no overdue amount and hence clause 3(c) of the order is 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 except for loans given to two companies in which directors are interested. The year-end balance of such loans is Rs.2,53,67,695/-maximum amount during the year is Rs.4,00,64,000/-.
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, amounts deducted / accrued in the books of account, the Company is regular in respect of undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, duty of customs, value added tax, and any other statutory dues with the appropriate authorities except there are delays in payment of goods and services tax and tax deducted at sources. There were no undisputed statutory dues outstanding as at the last day of the financial year concerned for a period of more than six months from the date they became payable except in respect of i) Goods and service tax of Rs. 1,00,90,315/-ii) Tax Deducted at Source of Rs. 1,41,49,040/-
- (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. In our opinion and according to information and explanations given to us the company is a Private Limited Company and hence provisions of section 197 of the Companies Act, 2013 read with Schedule V to the act are not applicable to the Company. Accordingly, Clause 3 (ix) is not applicable to the Company.
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. According to the information and explanations given to us and the records of the Company examined by us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review; hence clause 3(xiv) of the order is not applicable to the Company.
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

Rakesh Upadhyaya

Partner

Membership No.: 046271.



UDIN 21046271AAAA CS 7SSS

Place: Mumbai

Date: 17th June, 2021

MODULEX MODULAR BUILDINGS PRIVATE LIMITED

FINANCIAL STATEMENTS

FINANCIAL YEAR 2020-2021

MODULEX MODULAR BUILDINGS PRIVATE LIMITED
CIN : U45400KL2008PTC029096
BALANCE SHEET AS AT MARCH 31, 2021

(Amount in Rs.)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	480,490	623,212
Right of use assets	3	70,222,251	71,031,918
Capital work in progress	4	267,875,463	267,875,463
<u>Financial assets:</u>			
Investments	5	41,675,990	41,675,990
Loans and Advances	6	15,173,033	13,942,000
Other non-current assets	7	22,147,941	35,732,580
		417,575,169	430,881,164
Current assets			
<u>Financial assets:</u>			
Cash and cash equivalents	8	363,928	377,402
Loans and Advances	9	18,043,806	24,334,649
Other financial assets	10	485,000	485,000
Current tax assets (net)	11	891,294	637,846
Other current assets	12	53,573,977	53,876,414
		73,358,005	79,711,311
Total		490,933,174	510,592,475
EQUITY AND LIABILITIES			
Equity			
Share capital	13	675,749,125	675,749,125
Other equity	14	(453,534,700)	(398,863,542)
		222,214,425	276,885,583
Liabilities			
Non-current liabilities			
<u>Financial Liabilities:</u>			
Borrowings	15	24,509,588	22,808,933
Provisions	16	2,723,184	2,448,397
		27,232,772	25,257,330
Current Liabilities			
<u>Financial liabilities:</u>			
Borrowings	17	91,678,159	71,050,000
Other financial liabilities	18	120,582,090	114,055,350
Other current liabilities	19	28,951,866	23,182,724
Provisions	20	273,863	161,488
		241,485,976	208,449,562
Total		490,933,174	510,592,475
		-	-

Significant Accounting Policies

2

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

As per our report of even date
For RMJ & ASSOCIATES LLP
Chartered Accountants

Firm Registration No. W100281

Rakesh Upadhyaya
Partner
Mmbership No. 046271

Place : Mumbai
Date : 17th June, 2021

Suchit
Punnose

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Punnose
Date: 2021.06.17
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Suchit Punnose
Director
DIN - 02184524

Place : London

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

AJAY
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PALEKAR

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by AJAY
SHRIDHAR
PALEKAR
Date: 2021.06.17
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Ajay Palekar
Director
DIN - 02708940

Place : Pune
Date : 17th June, 2021

BHOOMI
MEWADA

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Date: 2021.06.17
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Bhoomi Mewada
Company Secretary
(M. No. A34561)

Place : Mumbai

MODULEX MODULAR BUILDINGS PRIVATE LIMITED
CIN : U45400KL2008PTC029096
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs.)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
INCOME			
Other income	21	5,581,220	7,035,238
TOTAL INCOME (I)		5,581,220	7,035,238
EXPENSES			
Employee benefits expenses	22	20,942,708	19,740,920
Finance costs	23	20,117,114	5,810,317
Depreciation	24	967,889	309,670
Other expenses	25	18,306,372	13,947,598
TOTAL EXPENSES (II)		60,334,083	39,808,505
Profit /(Loss) before tax (I - II)		(54,752,864)	(32,773,267)
Tax expense			
Current tax		-	-
Deferred tax		-	-
Profit /(Loss) for the year		(54,752,864)	(32,773,267)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans (Net)		81,706	(1,640,019)
Other comprehensive income /(Loss) for the year (net of tax)		81,706	(1,640,019)
Total comprehensive income /(Loss) for the year (net of tax)		(54,671,158)	(34,413,286)
Earning per Equity Shares Face value of Rs 10 each (Basic and Diluted EPS)	29	(0.81)	(0.48)

Significant Accounting Policies

2

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

As per our report of even date

For RMJ & ASSOCIATES LLP

Chartered Accountants

Firm Registration No. W100281



Rakesh Upadhyaya

Partner

Membership No. 046271

Place : Mumbai

Date : 17th June, 2021

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Suchit Punnose

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DIN - 02184524

Place : London

For and on behalf of the Board of Directors of

Modulx Modular Buildings Private Limited

AJAY
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Date: 2021.06.17 17:47:30 +05'30'

Ajay Palekar

Director

DIN - 02708940

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Bhoomi Mewada

Company Secretary

(M. No. A34561)

Place : Mumbai

MODULEX MODULAR BUILDINGS PRIVATE LIMITED

CIN : U45400KL2008PTC029096

CASH FLOW STATEMENT AS AT MARCH 31, 2021

(Amount in Rs.)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
A)	Cash Flow from Operating Activities :		
	Net Profit / (Loss) Before Tax	(54,752,864)	(32,773,267)
	<u>Adjustments for Non-Cash and Non-Operating Items :</u>		
	Depreciation and Amortisation	967,889	1,122,995
	Net Loss/ (gain) on fair valuation of Loans/Borrowing	-	(4,776,626)
	Finance cost	20,117,114	5,810,317
	Interest Income	(4,851,135)	(2,234,932)
	Cash Flow before Changes in Working Capital	(38,518,995)	(32,851,514)
	Movement in working capital:		
	Decrease/ (Increase) in financial assets and others	12,402,595	(7,245,934)
	Increase / (Decrease) in financial liability and others	12,764,748	10,683,837
	Net Cash Generated from Operating Activities	(13,351,652)	(29,413,611)
	Income Tax paid (Net of Refund)	-	-
	Net Cash Flow from Operating Activities (A)	(13,351,652)	(29,413,611)
B)	Cash Flow from Investing Activities:		
	Investment in Subsidiary	-	(41,576,000)
	Interest received on Fixed Deposits and Others	4,851,135	2,234,932
	Loan given during the year	-	(4,111,592)
	Loan given repaid during the year	6,290,843	23,739,012
	Purchase of Fixed Assets Including CWIP (Net of Capital advances)	(15,500)	(43,743,000)
	Net Cash Used In Investing Activities (B)	11,126,478	(63,456,647)
C)	Cash Flow from Financing Activities:		
	Issue of share Capital (Including Security Premium)	-	12,109,786
	Share Application money pending for allotment	-	(1,968,882)
	Loan taken from Related parties	22,328,814	88,570,078
	Interest Paid	(20,117,114)	(5,810,317)
	Net Cash Flow From Financing Activities - (C)	2,211,700	92,900,665
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(13,474)	30,407
	Reconciliation of Cash and Cash Equivalents with the Balance Sheet		
	Cash & Cash Equivalent at the beginning of the year	377,402	346,994
	Cash & Cash Equivalent at the end of the year	363,928	377,402
	Net Increase/(Decrease) in Cash and Cash Equivalents	(13,474)	30,407

As per our report of even date

For RMJ & ASSOCIATES LLP

Chartered Accountants

Firm Registration No. W100281

Rakesh Upadhyaya

Partner

Membership No. 046271

Place : Mumbai

Date : 17th June, 2021



Suchit

Punnose

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Director

DIN - 02184524

Place : London

For and on behalf of the Board of Directors of

Modulex Modular Buildings Private Limited

AJAY

SHRIDHAR

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Ajay Palekar

Director

DIN - 02708940

Place : Pune

Date : 17th June, 2021

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by AJAY

SHRIDHAR

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Date: 2021.06.17

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BHOOMI

MEWADA

Bhoomi Mewada

Company Secretary

(M. No. A34561)

Place : Mumbai

Date : 17th June, 2021

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by BHOOMI

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Date: 2021.06.17

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MODULEX MODULAR BUILDINGS PRIVATE LIMITED
Statement of Changes in Equity for the year ended March 31, 2021
CIN : U45400KL2008PTC029096

(a) Equity Share Capital

Particulars	Number of Shares	Amount (Rs.)
As at 1st April 2019	70,192,277	693,639,341
Add : Issue of equity share capital	510,791	5,107,910
Add: Unpaid Calls and Fully Converted Shares	707,260	7,072,600
Less: Conversion of Partly paid up shares	(707,260)	(70,726)
Less: Reversal of Share Capital	(3,000,000)	(30,000,000)
As at 31st March 2020	67,703,068	675,749,125
Add : Issue of equity share capital	-	-
As at 31st March 2021	67,703,068	675,749,125

(b) Other Equity

Particulars	Reserves & Surplus				Other	Total (Rs.)
	Securities Premium (i)	General Reserve (ii)	Share based payment Reserve (iii)	Retained Earnings		
As at 1st April 2019	-	-	-	(364,450,256)	-	(364,450,256)
Total Profit (Loss) for the year	-	-	-	(32,773,267)	-	(32,773,267)
Transfer to retained earnings (Dividend liability Adjustment)	-	-	-	-	-	-
Other Comprehensive Income (Loss) for the year	-	-	-	(1,640,019)	-	(1,640,019)
Total comprehensive income for the year	-	-	-	(34,413,286)	-	(34,413,286)
As at 1st April 2019	-	-	-	-	1,968,882	-
Calls in advance	-	-	-	-	(1,968,882)	-
Equity Component on Compulsory Convertible Debentures	-	-	-	-	-	-
As at 31st March 2020	-	-	-	(398,863,542)	-	(398,863,542)
As at 1st April 2020	-	-	-	(398,863,542)	-	(398,863,542)
Total Profit (Loss) for the year	-	-	-	(54,752,864)	-	(54,752,864)
Transfer to retained earnings (Dividend liability Adjustment)	-	-	-	-	-	-
Other Comprehensive Income (Loss) for the year	-	-	-	81,706	-	81,706
Total comprehensive income for the year	-	-	-	(54,671,158)	-	(54,671,158)
As at 1st April 2020	-	-	-	-	-	-
Calls in advance	-	-	-	-	-	-
Equity Component on Compulsory Convertible Debentures	-	-	-	-	-	-
As at 31st March 2021	-	-	-	(453,534,700)	-	(453,534,700)

The accompanying notes form an integral part of the financial statements

1

As per our report of even date

For RMJ & ASSOCIATES LLP

Chartered Accountants

Firm Registration No. W100281

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

Rakesh Upadhyaya
Partner
Membership No. 046271

Place : Mumbai
Date : 17th June, 2021



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Date: 2021.06.17 18:18:40 +05'30'

Suchit Punnose
Director
DIN - 02184524

Place : London
Date : 17th June, 2021

AJAY SHRIDHAR PALEKAR

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Date: 2021.06.17 17:48:19 +05'30'

Ajay Palekar
Director
DIN - 02708940

Place : Pune

BHOOMI MEWADA

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Date: 2021.06.17 20:12:55 +05'30'

Bhoomi Mewada
Company Secretary
(M. No. A34561)

Place : Mumbai

Note 1 BACKGROUND AND PRINCIPAL ACTIVITIES.

Modulex Modular Buildings Private Limited ('the Company') was incorporated on September 23, 2008 as a private limited company under the Companies Act, 1956 registered with the Registrar of Companies, Maharashtra. It has its Registered office in Cochin, Kerala.

The main object of the Company is to deal in the business of production, building, supplying, fabricating and manufacturing modular steel buildings. Currently the company is implementing its project, near Pune, Maharashtra.

Note 2.1 SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS:

(a) Basis of accounting and preparation of financial statements

These financial statements are the separate financial statements of the Company (also called standalone financial statements) prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

Company's financial statements are presented in Indian Rupees (Rs.), which is also its functional currency.

(b) Current / Non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in the Schedule III to the Companies Act 2013. Based on the nature of services provided by the company and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has identified its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

(c) Cash Flow Statements

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(d) Property, Plant and Equipment

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.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life.

When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs in nature of repairs and maintenance are recognised in profit or loss as and when incurred.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

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.



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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 life 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.

(e) Capital work in progress and Capital advances:

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Capital work in progress is stated at cost, net of impairment losses, if any.

Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Current Assets.

Expenditure on Projects in CWIP

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.

(f) 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.

Assets that are subject to depreciation and amortization and assets representing investments in subsidiary and associate companies are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

If any indication exists, or when annual impairment testing for an asset is required the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

Impairment losses, if any, are recognized in the Statement of Profit and Loss and included in depreciation and amortization expense. Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

(g) Revenue Recognition

Revenue from contracts with customers is recognized (net of goods and services tax) 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.



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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.

The company is under the process of establishing its business and hence no revenue is generated during the year of audit.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

(h) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets

▶ Initial recognition and measurement:

The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss ("FVTPL"), transaction costs that are attributable to the acquisition of the financial asset.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

▶ Subsequent measurement:

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, the Company classifies its financial assets subsequently in following categories:

- financial assets measured at amortized cost (AC)
- financial assets measured at fair value through other comprehensive income (FVTOCI)
- financial assets measured at fair value through profit or loss (FVTPL)



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▶ Financial assets measured at amortized cost (AC)

A financial asset is measured at the amortized cost if both the following conditions are met:

- The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

▶ Financial assets measured at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if both of the following conditions are met:

- The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

▶ Financial assets measured at fair value through profit or loss (FVTPL)

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI. This is a residual category applied to all other investments of the Company. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

▶ Equity instruments:

All equity investments within the scope of Ind-AS 109 are measured at fair value. Such equity instruments which are held for trading are classified as FVTPL. For all other such equity instruments, the Company decides to classify the same either as FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in Other Comprehensive Income. Dividends on such equity instruments are recognised in the Statement of Profit or Loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

▶ Derecognition:

A financial asset (or, where applicable, a part of a financial asset) is derecognized when any of the following occurs:

- The rights to receive cash flows from the asset have expired; or
- The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement;
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On Derecognition of a financial asset, (except as mentioned in below in a) & b) for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.



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a) Derecognition of Financial assets measured at FVOCI

Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income and impairment losses and its reversals in the Statement of Profit and Loss.

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss.

b) Derecognition of Equity Instrument measured at FVOCI

Company may choose to measure certain investments in equity instruments at FVOCI through an irrevocable election at initial recognition. The Company makes such an election on instrument to instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss when the right to receive payment is established, it is probable that the economic benefits will flow to the Company and the amount can be measured reliably.

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

► Impairment of financial assets:

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

ii. **Financial Liabilities**

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.



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Subsequent measurement

All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method. Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(i) Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. 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:

- In the Principal market for assets or Liabilities or
- In the absence of a Principal market, in the most advantageous market for the assets or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 : quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : inputs that are unobservable for the asset or liability.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(j) Foreign Currency Transactions

Initial Recognition

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

Measurement of foreign currency items at reporting date:

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of profit and loss.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).



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(k) Income Taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current tax:

Current Tax is the amount of tax payable on taxable profit for the year determined in accordance with the applicable tax rates and provisions of the Income Tax Act, 1961 and other applicable tax laws. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Presentation of current and deferred tax:

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(l) Cash and Cash Equivalents

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments net of bank overdrafts which are repayable on demand as these form an integral part of the Company's cash management.

(m) Employee Benefits

Short Term Employee Benefits:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.



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Post-Employment Benefits:Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company has no obligation, other than the contribution payable to the above mentioned funds. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset.

Defined benefit plan

The Company's defined benefit plan consist of gratuity liability. The Company's liability towards this benefit is determined on the basis of actuarial valuation using Projected Unit Credit Method at the date of balance sheet.

Re-measurement of defined benefit plans comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset) in respect of post-employment are charged to the Other Comprehensive Income.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability/(asset) are recognized in the Statement of Profit and Loss. The Company presents the above liability/(asset) as current and non-current in the balance sheet as per actuarial valuation by the independent actuary.

(n) Lease accounting

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether :

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

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

(o) Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

To the extent that the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

To the extent that the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.



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(p) Research and Development

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired intangible assets utilized for research and development are capitalized and depreciated in accordance with the policies stated for Property, plant and equipment and Intangible Assets.

(q) Earnings Per Share

Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

(r) Impairment of Non Financial Assets

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.

Assets that are subject to depreciation and amortization and other assets are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

An impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognized in the prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

(s) Provisions

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(t) Contingent Liabilities and Contingent assets

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

A contingent assets is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements. Contingent liabilities and contingent assets are reviewed at each balance sheet date.

(u) "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 it's assets will be recovered. 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."



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Note 2.2 Key accounting estimates and judgements

The preparation of the Company's Financial Statements requires the management to make judgements, estimates and assumptions which by definition will seldom equal the actual results. Management also need to exercise judgement in applying the Company's accounting policies. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Critical accounting estimates and assumptions

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. These are described below:

a) Income taxes

Significant judgements are involved in estimating advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

b) Property, plant and equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

c) Impairment of property, plant and equipment and CWIP

Assets that are subject to depreciation and amortization and other assets are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

d) Defined Benefit Obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with IND AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

e) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.



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MODULEX MODULAR BUILDINGS PRIVATE LIMITED

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs.)

Note - 3	Leasehold Land	Computer	Vehicles	Plant and equipments	Office equipments	Furniture and fixtures	Total
Property, plant and equipment							
As at 31.03.2019	31,410,737	169,533	1,392,678	-	280,776	149,741	33,403,465
Additions	41,116,100	-	-	-	-	2,832	41,118,932
Disposals	-	-	-	-	-	-	-
As at 31.03.2020	72,526,837	169,533	1,392,678	-	280,776	152,573	74,522,397
Additions	-	-	-	-	15,500	-	15,500
Disposals	-	-	-	-	-	-	-
As at 31.03.2021	72,526,837	169,533	1,392,678	-	296,276	152,573	74,537,897
Accumulated Depreciation							
As at 31.03.2019	681,594	85,088	756,946	-	151,221	69,421	1,744,270
Additions	813,325	44,208	200,932	-	42,637	21,893	1,122,995
Disposals	-	-	-	-	-	-	-
As at 31.03.2020	1,494,919	129,296	957,878	-	193,858	91,314	2,867,265
Additions	809,667	14,978	102,940	-	23,857	16,447	967,889
Disposals	-	-	-	-	-	-	-
As at 31.03.2021	2,304,586	144,274	1,060,818	-	217,715	107,760	3,835,154
Net Block							
As at 31.03.2020	71,031,918	40,237	434,800	-	86,918	61,259	71,655,132
As at 31.03.2021	70,222,251	25,259	331,860	-	78,561	44,813	70,702,743

Note - 4

Capital Work in Progress (CWIP)

	As on 31.3.2021	As on 31.3.2020
Balance as beginning of the year	267,875,463	265,251,396
Direct cost of construction	-	32,907,383
Indirect cost of constructions	-	1,672,795
Amortization Expenses on Lease hold land	-	813,325
Finance cost	-	-
Net Other expenses (net of income earned on funds)	-	-
Reversal of Overstated cost of constructions (Refer Note -ii)	-	(32,769,435)
Total	267,875,463	267,875,463

Note-i

Capital work in progress (CWIP) includes expenses that are being incurred by the company 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.

During the year, on account of multiple factors including delays in raising resources from the banks and other regulatory issues which got accentuated due to outbreak of Covid-19 resulted into temporary suspension of construction activity at the project site at Indapur. Overcoming the challenges, the Company obtained sanction letter of term Loan from a leading Indian Bank for Rs. 70 crores against which the documentation has been carried out and the management is expecting the first disbursement in the first quarter of the financial year 2021-22. Enthused by the comfort of the sanction of the term Loan, the management is confident of raising / infusing the remaining portion of the Equity required to meet the cost of the project. Further, negotiations with a clutch of investors are in progress and financial closure is expected in the first half of the financial year 2021-22. Post release of substantial sums to the Contractor, the construction activity at the project site at Indapur is expected to recommence in July, 2021.

In view of these delays in completion of the project, the management has carried out impairment testing on the project cost included in capital-work-in progress. There is no impairment during the year.

Assets that are subject to depreciation and amortization are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. The Company has assessed 'recoverable amount' of Project cost. Fair value less cost to disposal is the best estimate of the amount recoverable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.



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5 Investments (Non Current)

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
A. Investment in Subsidiaries		
Unquoted		
i. Equity instruments at cost		
Redribbon Advisory Services Private Limited		
41,57,600 (As at 31 March 2020: 41,57,600)	41,576,000	41,576,000
Equity shares of Rs. 10, fully paid up		
Total	41,576,000	41,576,000
B. Investment in Companies where directors are same or interested:		
Unquoted		
At amortised cost		
Investments in equity shares (fully paid up)*		
Give Vinduet Windows and Doors Private Limited		
9,999 Equity shares of Rs. 10, fully paid up	99,990	99,990
Less :- Provision for diminution In value of investments	-	-
Total	99,990	99,990
Aggregate amount of unquoted investments	41,675,990	41,675,990
Aggregate amount of impairment in the value of investment	-	-

6 Loan and Advances (Non Current)

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good unless otherwise stated)		
At amortised cost		
Loan to related parties (net of fair value adjustment)	7,353,889	6,122,856
Capital Advances	7,819,144	7,819,144
Total	15,173,033	13,942,000
Note :- Loan to related party includes loan to Modulex Construction Technologies Limited (Parent Company) of Rs.2,53,67,695 /- as per the loan agreement between MMBPL and MCTL. Management is of the opinion that no impairment is required to be provided and confident that amount will be recovered from MCTL as per the loan agreement / arrangement between the companies.		

7 Other non-current assets (Non Current)

Particulars	As at March 31, 2021	As at March 31, 2020
Unamortised License / Royalty Fees	22,147,941	35,732,580
Total	22,147,941	35,732,580



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8 Cash and Cash Equivalents

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	112,215	112,215
Balance with bank:		
- In current accounts	251,713	265,187
Total	363,928	377,402

9 Loans and Advances (Current)

Particulars	As at March 31, 2021	As at March 31, 2020
<u>(Unsecured, considered good unless otherwise stated)</u>		
Loans to related parties	18,013,806	24,257,791
Advance to employees	30,000	76,858
Total	18,043,806	24,334,649

10 Other financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
<u>(Unsecured, considered good unless otherwise stated)</u>		
Security deposit	485,000	485,000
Other receivable	-	-
Total	485,000	485,000

11 Current tax assets (net)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance Income Tax (TDS Receivable)	891,294	637,846
Total	891,294	637,846



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12 Other current assets

(Amount in Rs.)

Particulars	As at	As at
	March 31, 2021	March 31, 2020
(Unsecured, considered good unless otherwise stated)		
Balances with government authorities	48,457,693	47,723,445
Prepaid expenses	86,979	42,942
Unamortised License / Royalty Fees	3,573,258	-
Other receivable	1,456,047	6,110,027
Total	53,573,977	53,876,414

Note:

a) Balances with government authorities includes Input Tax Credit on GST for financial years 2018-2019 and 2019-2020 of Rs. 71,99,260/- on reverse charge basis. The same could not be paid pending the financial closure and hence shall be availed of in the month of the said GST payment on reverse charge basis.

b) GST input credit as per books is higher by Rs. 1,51,48,612 than the aggregate of the GST Input Credit availed as per GST returns submitted by the company. A substantial portion of the said difference of Rs. 1,20,45,342 is a mere technical irregularity on account of vendor concerned having quoted incorrect GST Number and in the opinion of management the company would be able to take said GST input credit after requisite rectification by vendor. The balance sum of Rs. 31,03,270 is on account of non-deposit /delayed deposits by the vendors concerned and the company will be able to avail of the input credit subsequent to the payment of GST by the concerned vendors which is being vigorously followed up by the company. In each of the two cases, the said position has been supported by an opinion of the tax consultant of the company. Pending the availment of the GST input tax credit, the said aggregate amount of Rs.1,51,48,612 has been disclosed under contingent liabilities (Refer Note. 30(a)).

13 Share capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Authorised :				
Equity shares of Rs. 10/- each	72,500,000	725,000,000	72,500,000	725,000,000
Total	72,500,000	725,000,000	72,500,000	725,000,000
Issued, Subscribed and Paid-up capital:				
Equity shares of Rs. 10/- each	67,573,618	675,736,180	67,573,618	675,736,180
Issued, Subscribed and Partly paid up:				
Equity shares of Rs. 10/- each, Rs.0.10 partly paid per share	129,450	12,945	129,450	12,945
	67,703,068	675,749,125	67,703,068	675,749,125
Total	67,703,068	675,749,125	67,703,068	675,749,125

a) Reconciliation of the number of Equity shares outstanding

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares of Rs.10/- each(fully paid-up):				
Number of shares at the beginning of the period	67,573,618	675,736,180	69,355,567	693,555,670
Add:				
Fresh issue of fully paid up shares	-	-	1	10
Fresh issue of fully paid up shares	-	-	510,790	5,107,900
Conversion of partly paid up shares into fully paid up	-	-	707,260	70,726
Unpaid Calls Received on Conversion	-	-	-	7,001,874
Less: Reversal of Share Capital				
Shares Issued to Reward Constructions	-	-	(3,000,000)	(30,000,000)
Equity shares of Rs.10/- each (partly paid-up):				
Number of shares at the beginning of the year	129,450	12,945	836,710	83,671
Less:				
Shares converted into fully paid up shares	-	-	(707,260)	(70,726)
Number of shares at the end of the period	67,703,068	675,749,125	67,703,068	675,749,125



Details of shareholders holding more than 5% shares in Company

d) Name of Shareholders	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	(%)	No. of Shares	(%)
Equity shares of Rs.10/- each				
Modulex Construction Technologies Limited	67,573,618	99.81%	67,573,618	99.81%

Other details of share capital for the immediate preceding five years

e) Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Face Value (Rs.)	No. of Shares	Face Value (Rs.)
Aggregate number of shares allotted as fully paid up for consideration other than cash in earlier years (Refer Below Table)	5,680,790	10	5,680,790	10
Aggregate number of bonus shares allotted (capitalization of free reserves)	-	-	-	-
Aggregate number of fully paid equity shares allotted under Employees' stock option plan	-	-	-	-
Aggregate number of fully paid equity share bought back	-	-	-	-

Name of party	Nature of Expenses	Amount	Shares
Reward Constructions Private Limited	Mobilisation	30,000,000	3,000,000
Sandeep Khurana	Legal and Professional Fees	1,880,000	188,000
Premnath Pasricha	Legal and Professional Fees	1,620,000	162,000
Ajay Palekar	Legal and Professional Fees	3,000,000	300,000
Thomas Joseph	Legal and Professional Fees	200,000	20,000
Devendra D Angel	Legal and Professional Fees	500,000	50,000
Thomas Samuel	Legal and Professional Fees	2,000,000	200,000
Gopinath Developers LLP	Business Promotion Expenses	12,500,000	1,250,000
Redribbon Advisory Services Private Limited	Business	3,107,900	310,790
Plutus Management Service	Project Management services	2,000,000	200,000
	Total	56,807,900	5,680,790



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MODULEX MODULAR BUILDINGS PRIVATE LIMITED

CIN : U45400KL2008PTC029096

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

14 Other equity

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Retained Earnings		
Balance as per the last financial statements	(397,196,266)	(364,422,999)
Add: Profit/ (loss) for the year	(54,752,864)	(32,773,267)
Less: Share issue expenses	-	-
Add: Dividend Liability Adjustment	-	-
	(451,949,130)	(397,196,266)
Other Comprehensive Income (OCI)		
As per last Balance Sheet	(1,667,276)	(27,257)
Add: Movement in OCI(Net) during the year	81,706	(1,640,019)
	(1,585,570)	(1,667,276)
Total	(453,534,700)	(398,863,542)

15 Borrowings (Non-current)

Particulars	As at March 31, 2021	As at March 31, 2020
<u>Unsecured Loan</u>		
- From related Parties (Net of fair value adjustment)	24,509,588	22,808,933
Total	24,509,588	22,808,933

16 Provisions (Non-current)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee benefits (Non-funded)		
- Provision for gratuity	2,723,184	2,448,397
Total	2,723,184	2,448,397



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17 Borrowings (Current)

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Loan from Related Parties	91,678,159	71,050,000
Total	91,678,159	71,050,000

18 Other financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Salary, Wages and Bonus payable	9,478,313	2,923,002
Current Maturities - Long Term Debts	330,653	455,010
Expenses payable	4,624,599	4,528,813
Retention money payable	7,867,850	7,867,850
Dividend arrear liability on preference shares (Liability)	58,664,575	58,664,575
Provision for MIDC	39,616,100	39,616,100
Total	120,582,090	114,055,350

Note: 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.

19 Other current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Advance received from customer (Related party)	-	7,032,386
Statutory Dues Payable	21,953,334	16,150,338
Interest on taxes payable	6,998,532	-
Total	28,951,866	23,182,724

20 Provisions (Current)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee benefits (Non-funded)		
- Provision for gratuity	273,863	161,488
Total	273,863	161,488



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21 Other income

(Amount in Rs.)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income on loans	4,851,135	2,234,932
Fair Value gain on the Initial Recognition of Borrowings	-	4,776,626
Discount Received	-	23,680
Other income	730,085	-
Total	5,581,220	7,035,238

Note:

The company is under the process of establishing its business and hence no revenue is generated during the year of audit.

Due to financials, other regulatory constraints and outbreak of Covid 19, 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 company. However, the management is committed to complete the construction activities and continue with the project.

22 Employee benefits expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salary, wages and bonus etc.	4,218,925	4,874,445
Director remuneration	16,200,012	14,500,001
Staff welfare expenses.	478	163,605
Gratuity Expenses	441,587	202,869
Total	20,861,002	19,740,920

23 Finance costs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on borrowing from bank	38,223	64,704
Interest on GST	3,537,213	-
Interest on TDS	3,509,984	-
Interest on borrowing from related party	13,030,481	5,745,613
Bank Charges	1,213	-
Total	20,117,114	5,810,317



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24 Depreciation

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on tangible assets	967,889	309,670
Total	967,889	309,670

25 Other expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Legal and Professional Fees	3,041,826	2,143,699
Advertisement, marketing & business promotion expenses	-	115,190
Amortisation of Royalty & License Fees	10,011,381	-
Travelling & conveyance expenses	9,073	4,444,096
<u>Rent, rates & taxes</u>		
- Rent	1,494,360	3,034,109
- Rates and Taxes	-	4,019
TDS Expenses	-	111,681
ROC Filing Fees	6,600	22,800
<u>Auditors' Remuneration</u>		
- Audit fees	1,225,450	1,000,000
- Taxation matters	100,000	-
- Other matters	400,450	-
Hotel & lodging expenses	-	843,962
Repairs & Maintenance	598,157	412,139
Security Charges	580,800	580,800
Printing & stationery expenses	29,014	158,919
Postage & Courier Charges	6,681	-
Insurance	79,062	63,843
Mobile & Telephone Charges	80,261	122,223
Internet Charges	10,011	20,371
Issuer Fees	75,000	75,000
Office Expenses	85,903	185,747
MIDC Service Charges	306,408	313,979
Custody Fees	75,000	75,000
Site Expenses	84,576	4,280
Miscellaneous	6,360	215,742
Total	18,306,372	13,947,598



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26 Financial Instruments

Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

- i) Fair value of cash and short-term deposits, Other short term receivables, 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 Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The fair values for loans and security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

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

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

The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.



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26.1 Fair value hierarchy

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

As at March 31, 2021	Carrying amount	Fair Value				
		Total of Fair Value	Carried at amortised cost			
			Level 1	Level 2	Level 3	Total
Financial assets (Non-current)						
Investments	41,675,990	41,675,990	-	-	41,675,990	41,675,990
Loans	15,173,033	15,173,033	-	-	15,173,033	15,173,033
Financial assets (Current)						
Cash and cash equivalents	363,928	363,928	-	-	363,928	363,928
Loans	18,043,806	18,043,806	-	-	18,043,806	18,043,806
Other financial assets	485,000	485,000	-	-	485,000	485,000
Total	75,741,757	33,701,839			33,701,839	75,741,757
Financial liability (Non-current)						
Borrowings	24,509,588	24,509,588	-	-	24,509,588	24,509,588
Financial liabilities (Current)						
Borrowings	91,678,159	91,678,159	-	-	91,678,159	91,678,159
Other financial liabilities	120,582,090	120,582,090	-	-	120,582,090	120,582,090
Total	236,769,836	120,582,090			120,582,090	120,582,090

As at March 31, 2020	Carrying amount	Fair Value				
		Total of Fair Value	Carried at amortised cost			
			Level 1	Level 2	Level 3	Total
Financial assets (Non-current)						
Investments	41,675,990	41,675,990	-	-	41,675,990	41,675,990
Loans	13,942,000	13,942,000	-	-	13,942,000	13,942,000
Financial assets (Current)						
Cash and cash equivalents	377,402	377,402	-	-	377,402	377,402
Loans	24,334,649	24,334,649	-	-	24,334,649	24,334,649
Other financial assets	485,000	485,000	-	-	485,000	485,000
Total	80,815,041	38,761,649			38,761,649	80,815,041
Financial liability (Non-current)						
Borrowings	22,808,933	22,808,933	-	-	22,808,933	22,808,933
Financial liabilities (Current)						
Borrowings	71,050,000	71,050,000	-	-	71,050,000	71,050,000
Other financial liabilities	114,055,350	114,055,350	-	-	114,055,350	114,055,350
Total	207,914,283	114,055,350			114,055,350	114,055,350



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27 Financial risk management objectives and policies :

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

The company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has adopted a Risk Management Charter and Policy for self-regulatory processes and procedures for ensuring the conduct of the business in a risk conscious manner. The Risk Management Policy of the Company states the Company's approach to address uncertainties in its endeavour to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of the Company's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Company's financial performance.

The company has exposure to the following risks arising from financial instruments:

- I. Market Risk
- II. Credit Risk
- III. Liquidity Risk

Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments.

Market risk comprises three types of risks:

- a. Interest Rate Risk,
- b. Currency Risk,
- c. Other Price Risk.

Financial instruments affected by market risk includes borrowings, investments and loans.

a. Interest Rate Risk,

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Since the Company has mostly fixed interest bearing borrowings which are not subject to interest rate risk as defined in Ind AS 107, since neither carrying amount nor the future cash flows will fluctuate because of a change in market interest rate. Therefore exposure to risk of changes in market interest rates is minimal.

b. Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities i.e. when revenue or expense is denominated in a foreign currency.

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

There are no outstanding payables in foreign currency with regard to import of services, therefore the company does not have foreign currency risk as on March 31, 2021 and March 31, 2020.

c. Other Price Risk :

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. The company does not have any financial instrument which are market traded, therefore company is not subject to price risk as on March 31, 2021 and March 31, 2020.

II. Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as investment, other balances with banks, loans and other receivables. The Company's exposure to credit risk is disclosed in note 6, 8, 9 & 11.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant increase in credit risk on other financial instruments of the same counterparty,
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.



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Financial assets are written off when there is no reasonable expectations of recovery. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

The Company measures the expected credit loss based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

Trade receivables

The company has not yet started operation so there is no trade receivable in balance sheet, therefore the company does not have provision matrix and established policy for creating expected credit loss provision on trade receivables.

Other financial assets and cash deposits

Credit risk arising from other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

For other financial assets e.g. Investment, loan & advances and deposits, company periodically assesses financial reliability counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

IV. Equity risks

The company is exposed only to non-listed equity investments. The company has invested in the equity of Redribbon Advisory Services Private Limited and investment is Rs. 4,15,76,000/- (41,57,600 Equity Shares) till Mach 31, 2021.

III. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The company has not yet started operation, therefore it does not have any bank credit facility to meet its normal operating commitments. However, since the company is process of developing manufacturing facility, it needs capital to fund the project. To meet those obligations the company has raised capital from various investors and is in process to raise further capital to fund the project.

The table below analyse financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual cash flows.

Particulars	Less than 1 Year	Between 1 to 5 Years	Over 5 Years	Total	Carrying Value
As at March 31, 2021					
Borrowings					
Inter Corporate Deposits	91,678,159	24,509,588	-	116,187,747	116,187,747
Other financial liabilities	120,582,090	-	-	120,582,090	120,582,090
Total	212,260,248	24,509,588	-	236,769,836	236,769,836

Particulars	Less than 1 Year	Between 1 to 5 Years	Over 5 Years	Total	Carrying Value
As at March 31, 2020					
Borrowings					
Inter Corporate Deposits	71,050,000	22,808,933	-	93,858,933	93,858,933
Other financial liabilities	114,055,350	-	-	114,055,350	114,055,350
Total	185,105,350	22,808,933	-	207,914,283	207,914,283

28 Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

As at March 31, 2021, the Company has one class of equity shares in the nature of equity. Further company had raised capital through loan from related parties and through inter corporate deposits. Consequent to such capital structure, there are no externally imposed capital requirements.



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29 Calculation Of Earning Per Share (EPS)

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

Particulars	As at March 31, 2021	As at March 31, 2020
Profit (loss) attributable to Shareholders	(54,752,864)	(32,773,267)
Weighted average number of shares	67,586,563	68,466,973
Earnings per share of Rs. 10 Each (Basic and Diluted)	(0.81)	(0.48)

30 Contingent liabilities, Capital & Other Commitments

a) Contingent liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Amount of Goods and Services Tax Input Credit not reflecting in GST Return but accounted in books	15,148,612	-

(b) Capital Commitment and other Commitment

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account commitments:		
Rewards Constructions		
- For Design, Supply and Construction of Manufacturing Facility	467,526,000	467,526,000
Other Commitments		
Licence Fess to Modulex Modular Buildings Plc, United Kingdom (Agreement Date : July 01, 2017)		
In cash excluding all local taxes (GBP)	650,000	650,000
In Equity Shares in Franchisee at Par (GBP)	1,000,000	1,000,000
Royalty & Design Fees to Modulex Modular Buildings Plc, United Kingdom (Refer Note below)		
Total	469,176,000	469,176,000

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

31 Micro Small And Medium Enterprises ("MSME") Disclosure

Particulars	As at March 31, 2021	As at March 31, 2020
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 Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the 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:- Above disclosures are given on the basis of declaration received by the Company.



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32 Employee Benefits

Defined Benefits Plan

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity is provided as per the Actuarial valuation which is unfunded.

Employee benefit schemes recognised in the financial statements as per actuarial valuation as on March 31, 2021 and March 31, 2020 are as follows :

Change in Defined Benefit Obligation

Particulars	As at March 31, 2021	As at March 31, 2020
Defined Benefit Obligation at the beginning	2,609,885	766,997
Current Service Cost	345,089	144,194
Interest Expense	178,204	58,675
Benefit Payments from Employer	(54,425)	-
Remeasurements - Due to Financial Assumptions	20,090	139,710
Remeasurements - Due to Experience Adjustments	(101,796)	1,500,309
Defined Benefit Obligation at the end	2,997,047	2,609,885
Discount Rate	6.80%	6.90%
Salary Escalation Rate	6.00%	6.00%

Weighted Average Asset Allocations at end of current period

Particulars	As at March 31, 2021	As at March 31, 2020
Equities	0%	0%
Bonds	0%	0%
Insurance Policies	0%	0%
Total	0%	0%

Components of Defined Benefit Cost

Particulars	As at March 31, 2021	As at March 31, 2020
Current Service Cost	345,089	144,194
Past Service Cost	-	-
(Gain) / Loss on Settlements	-	-
Reimbursement Service Cost	-	-
Total Service Cost	345,089	144,194
Interest Expense on DBO	178,204	58,675
Interest (Income) on Plan Assets	-	-
Interest (Income) on Reimbursement Rights	-	-
Interest Expense on (Asset Ceiling) / Onerous Liability	-	-
Total Net Interest Cost	178,204	58,675
Reimbursement of Other Long Term Benefits	-	-
Defined Benefit Cost included in statement of profit and loss	523,293	202,869
Remeasurements - Due to Demographic Assumptions	-	-
Remeasurements - Due to Financial Assumptions	20,090	139,710
Remeasurements - Due to Experience Adjustments	(101,796)	1,500,309
Total Remeasurements in OCI	(81,706)	1,640,019
Total Defined Benefit Cost recognized in statement of profit and loss and OCI	441,587	1,842,888

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

Particulars	As at March 31, 2021	As at March 31, 2020
Current Liabilities	192,157	161,488
Non-current Liabilities	2,804,890	2,448,397



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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Amounts recognized in the Statement of Financial Position:

Particulars	As at March 31, 2021	As at March 31, 2020
Defined Benefit Obligation	2,997,047	2,609,885
Fair Value of Plan Assets	-	-
Funded Status	2,997,047	2,609,885
Effect of Asset Ceiling / Onerous Liability	-	-
Net Defined Benefit Liability / (Asset)	2,997,047	2,609,885
Of which, Short term Liability	192,157	161,488

Experience Adjustments on Present Value of DBO and Plan Assets

Particulars	As at March 31, 2021	As at March 31, 2020
(Gain) / Loss on Plan Liabilities	(101,796)	1,500,309
% of Opening Plan Liabilities	(3.90%)	195.61%
Gain / (Loss) on Plan Assets	-	-
% of Opening Plan Assets	-	-

Expected Cash flow for following years

Maturity Profile of Defined Benefit Obligations

Particulars	As at March 31, 2021	As at March 31, 2020
Year 1	192,000	161,000
Year 2	1,983,000	55,000
Year 3	26,000	1,946,000
Year 4	30,000	26,000
Year 5	37,000	30,000
Year 6	245,000	223,000
Year 7	245,000	223,000
Year 8	245,000	223,000
Year 9	245,000	223,000
Year 10	245,000	223,000

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

Discount Rate	31/03/2021
	Present value of Obligation
	(in Rs)
5.80%	3216171
7.80%	2809204

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

Salary Increment Rate	31/03/2021
	Present value of Obligation
	(in Rs)
5.00%	2908291
7.00%	3097494

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

Withdrawal Rate	31/03/2021
	Present value of Obligation
	(in Rs)
0.00%	2966227
2.00%	3024418



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33 Related Party Transaction

a) Name of the related parties

Category	Name of the Person
Key Management Personnel (KMP)	Punnose Punnose Sandeep Khurana Suchit Punnose Ajay Shridhar Palekar Prem Nath Pasricha
Holding Company	Modulex Construction Technologies Limited
Subsidiary	Redribbon Advisory Services Private Limited
Enterprise over which KMP are able to exercise Significant Influence	Eco Hotels India Private Limited Armaec Energy Private Limited Give Vinduet Windows And Doors Private Limited Crowdsource Global Private Limited Substantia Real Estate India Private Limited Ribbon Services Private Limited

b) Details of transactions with the related parties

Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
Rent Deposit Paid on behalf of director Suchit Punnose	-	105,000
Loans/Advance Given To Modulex Construction Technologies Limited Redribbon Advisory Services Private Limited Eco Hotels India Private Limited	6,648,806 338,728 -	14,564,659 - 10,195,793
Repayment of loan / Advance given to Eco Hotels India Private Limited Modulex Construction Technologies Limited	14,696,305 -	6,278,922 807,456
Reimbursement of Expenses P. Punnose Ajay Palekar Suchit Punnose	52,540 386,397 -	77,008 - 67,334
Loans/Advance taken from Eco Hotels India Private Limited Give Vinduet Windows & Doors Private Limited	8,361,081 8,207,004	- 88,935,078
Repayment of Loan Taken From Eco Hotels India Private Limited Give Vinduet Windows & Doors Private Limited	2,615,000 1,879,000	- -
Interest Income Modulex Construction Technologies Limited Give Vinduet Windows & Doors Private Limited Eco Hotels India Private Limited	3,287,736 108,348 1,455,050	446,921 - 650,697
Director Remuneration Suchit Punnose Punnose Punnose Ajay Palekar	5,000,000 1,200,000 10,000,000	4,500,001 1,200,000 10,000,000
Professional/Technical fees Sandeep Khurana	798,832	333,333



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Interest Expenses on Inter corporate Debt Give Vinduet Windows & Doors Private Limited	14,125,564	5,516,297
Interest Expenses on Inter Corporate Debt - Reversal Expenses Eco Hotels India Private Limited (net of Interest Expense)	1,095,082	-
Rent Expenses Suchit Punnose	420,000	94,500
Professional Fees - Reversal Expenses Redribbon Advisory Services Private Limited	-	6,880,000

c) Balances with related parties

Nature of Transactions	As at March 31, 2021	As at March 31, 2020
Investment in Subsidiary Redribbon Advisory Services Private Limited	41,576,000	41,576,000
Investment in Equity Shares Give Vinduet Windows & Doors Private Limited	99,990	99,990
Loans & Advance Given Eco Hotels India Private Limited (Net of fair value) Modulex Construction Technologies Limited (Net of fair value) Suchit Punnose	- 25,367,695 -	14,696,306 15,684,341 -
Rent Deposit paid on behalf of Director Ajay Palekar Suchit Punnose	300,000 105,000	300,000 105,000
Loans & Advance Taken Give Vinduet Windows & Doors Private Limited (Net of Fair value) Eco Hotels India Private Limited	112,987,156 3,200,591	93,858,933 -
Advance Received From Customer Eco Hotels India Private Limited	-	7,032,386
Loans given to Related Parties Eco Hotels India Private Limited	-	10,779,434
Accounts Payables Redribbon Advisory Services Private Limited	(1,438,897)	(1,100,168)
Amount Receivables for Shares Modulex Construction Technologies Limited	-	3,100,000
Salary Payable Ajay Palekar Punnose Punnose Suchit Punnose	7,186,746 71,874 1,421,485	2,438,723 85,307 16,718

34 Details of loan given / Investment:-

The following are the disclosures as required u/s 186(4) of the Companies Act, 2013.

Company Name	Amount of loan/Investments during the year	Amount outstanding as at March 31, 2021	Purpose
Modulex Construction Technologies Limited	6,648,806	25,367,695	Working Capital Loan/ Term Loan
Redribbon Advisory Services Private Limited	-	41,576,000	Investments
Total	6,648,806	63,743,104	



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MODULEX MODULAR BUILDINGS PRIVATE LIMITED

CIN : U45400KL2008PTC029096

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

35 Deferred Tax Assets / Liabilities:

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

Unabsorbed Depreciation: Rs. 50,56,200/- (P.Y. Rs. 12,15,662/-)

Accumulated Loss: Rs. 8,55,07,994/- (P.Y. Rs. 62,96,065/-)

Difference in WDV between Income Tax and Companies Act: Rs. 16,78,289/- (P.Y. Rs. 4,94,168/-)

Deferred Tax: Rs. 2,39,83,045/- (P.Y. Rs. 80,05,894/-)

36 Previous year's figures:

Previous year's figure are regrouped & reclassified wherever necessary.

37 Consolidation of financial statements of Redribbon Advisory Services Private Limited:-

Financial statements of Redribbon Advisory Services Private Limited have been consolidated with Financial statements of Modulex Construction Technologies Limited (Ultimate Parent Company) from February 20, 2020. From this date, Company has gained the control over subsidiary.

Significant Accounting Policies

2

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

As per our report of even date

For RMJ & ASSOCIATES LLP

Chartered Accountants

Firm Registration No. W100281



Rakesh Upadhyaya

Partner

Membership No. 046271

Place : Mumbai

Date : 17th June, 2021



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

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Director

DIN - 02184524

Place : London

Date : 17th June, 2021

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Digitally signed
by AJAY
SHRIDHAR
PALEKAR
Date: 2021.06.17
18:00:50 +05'30'

Ajay Palekar

Director

DIN - 02708940

Place : Pune

**BHOOMI
MEWADA**

Digitally signed by
BHOOMI MEWADA
Date: 2021.06.17
20:15:04 +05'30'

Bhoomi Mewada

Company Secretary

(M. No. A34561)

Place : Mumbai