

23.03.2023

To,  
The Manager,  
Listing Compliance,  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400001

Security ID: MODULEX

*Scrip Code 504273*

**Sub:** *Response on behalf Mr. Aditya Vikram Kanoria to the Letter of Resignation of Mr. Sandeep Khurana and the malicious allegations therein.*

Dear Sir,

- A. This is in response to the malicious, false and highly defamatory allegations made by Mr. Sandeep Khurana (“**Mr. Khurana**”) *vide* his Letter of Resignation dated 07.03.2023 against a fellow Independent Director, Mr. Aditya Vikram Kanoria. For reasons known only to Mr. Khurana, he had resigned from the position of an Independent Director of Modulex Construction Technologies Limited (“**MCTL**”) two days before his term was due to end.
- B. Mr. Khurana, has made highly personalized defamatory attacks on me in his resignation letter running into 25 pages along with 40 pages of annexures. Apart from the same, as shall be shown hereinafter, he has indulged in a campaign of vilification and character assassination, against me in a highly *mala fide* manner.
- C. I understand that MCTL has already responded to the Letter of Resignation and pointed out the great loss of reputation and goodwill suffered due to the half-truths and falsities made in the motivated and malicious Letter of Resignation. I have been specifically targeted by Mr. Khurana and he has made highly false allegations against me which has had the direct consequence of affecting my business and the goodwill. That was painstakingly built over many years.

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Modulex Construction Technologies Limited t/a Modulex  
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**BSE Security Code: 504273 BSE Security ID: MODULEX**

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I. **Allegation of Conflict – Deliberately Malicious.**

- a. Mr. Khurana in his Letter of Resignation has referred to an instance from February 2022, pertaining to Credent Investment Pvt. Ltd. ("CIPL") for Rights Issue advisory services due to a potential conflict of interest. Several aspects/concerns were pointed out by email and the same were duly taken note of. Thereafter, the Executive Director of MCTL immediately sent an email to the entire Board on the very same day averring that MCTL shall handle the Rights Issue process internally. It has to be duly noted that CIPL had nothing whatsoever to do with the Rights Issue advisory at all. Mr. Khurana *was fully aware of the same*. It is also pertinent to note that the Rights Issue has not taken place until now.
- b. Mr. Khurana knew fully well that there was no issue of conflict whatsoever and that the issue was resolved in February 2022. Nevertheless, Mr. Khurana has maliciously, deliberately and intentionally portrayed MCTL and me specifically (in March, 2023) as a tainted person who was acting in conflict; and against the interests of MCTL. Such malicious allegations have been specifically targeted at me by Mr. Khurana with specific purpose of criminally defaming me.
- c. With the full intention of deliberate vilification Mr. Khurana chose to hide the truth, and purported to state in his resignation letter, that there was a clear conflict of interest. Mr. Khurana knew he was intentionally destroying me and defaming me through his public broadcast on BSE. Truth has been a casualty in this *mala fide* action and BSE wrongfully used as a platform for this criminal defamation. Mr. Khurana has maliciously singled me out due to his personal rivalries and *mala fide* intention.
- d. In March 2023 when he triggered his so-called Letter of Resignation highlighting the alleged "conflict of interest" it has to be seen that there was no *real or seeming incompatibility between my private interests and my public or fiduciary duties*. In fact, Mr. Khurana had received the email on the very day (19.02.2022) from the Executive Director pointing out that the Rights Issue shall be dealt with

internally by MCTL. CIPL had nothing at all to do with the Rights Issue or any related advisory. The same is borne by the records.

## II. Defamatory and Malicious Allegations of Mr. Khurana – Utter Falsehood.

- e. Mr. Khurana in his Letter of Resignation has sought to maliciously twist the facts and has baselessly alleged that I am not registered as a *Merchant Banker* and thus not eligible to provide advisory services on Rights Issue. As pointed out above this issue was - as it is infructuous.

The same is answered as follows:

- i. The allegation of Mr. Khurana is *mala fide* and the law as it stands is simply being reiterated. As per the Regulation 60 read with Regulation 69 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR”), there is no mandate for advisory services for Rights Issue to be provided by a registered Merchant Banker in a case where the aggregate value of Rights Issue is below INR fifty crores. It is therefore clear that the malicious allegations of Mr. Khurana are made with a clear *mala fide* intent and constitute criminal defamation.
- f. Mr. Khurana dishonestly repeats the lies maliciously at Paragraph 19, of the Letter of Resignation, that I have a significant shareholding in CIPL, and if I was to act as advisor to Rights Issue, that would tantamount to conflict of interest. The purpose is only to cloak his malicious allegations with a veneer of legitimacy. He all along knew in March, 2023 that CIPL or myself had nothing whatsoever to do with what he now alleges. He has blatantly lied while knowing fully well the truth of the matter. This is evident from the records.
- g. That the Hon’ble Supreme Court of India in the case of *Rashi Yashwant Bhoir v. Collector* (2012) 4 SCC 407 has held that “legal malice” or “malice in law” means something done without lawful excuse. It is a deliberate act in disregard to the rights of others. It is an act which is taken with an oblique or indirect object. The actions of Mr. Khurana squarely fall in the category of being *mala fide*. Apart from the same his act also constitutes criminal defamation as he deliberately,

intentionally and maliciously indulged in character assassination and destroyed my reputation and good will in society.

III. **Baseless question on my independence.**

- h. Mr. Khurana in his Letter of Resignation has maliciously questioned the position held by me as an Independent Director of MCTL. This was another *mala fide* and colourable tactic to destroy my good will and cast me in the public eye as a tainted sort of person. All that one has in the world of business and commerce is one's fair name, and that has been maliciously destroyed. To counter the malicious allegations, attention is invited to sub-section 6 and 7 of Section 149 of the Companies Act, 2013. The same provides for the criteria of independence for an Independent Director. I am in complete compliance with these criteria and fully qualified to continue to serve as an Independent Director of MCTL.
- i. Further, Mr. Khurana at Paragraph 14.17 of his Letter of Resignation has maliciously questioned my independence solely on his fanciful allegation that I was not speaking in an Audit Committee meeting dated 14.03.2022 under his chairmanship. It defies all logic as to how one can even answer such arbitrary and obnoxious allegations.
- j. Moreover, Mr. Khurana in the paragraph under reply has stooped so low as to question the ability of the majority of members of the Audit Committee to read and understand the financial statements. Every Independent Director is aware of his duty. It would be beneath me to even attempt to answer, such juvenile and unparliamentary sort of language. It is clear that the allegations of Mr. Khurana are malicious, false and motivated. Similar defamatory and dishonest allegations in Paragraph 19.1 of the Letter of Resignation are only calculated to cause mental agony, hurt and emotional trauma.
- k. It is clear that the Letter of Resignation of Mr. Khurana was intended to knowingly harm my reputation as well as that of MCTL. It shall be noted that the Hon'ble Supreme Court of India in the case of *Subhramanian Swamy v. Union of India* WP(C) 184/2014 has held that protection of reputation is a fundamental right as well as a human right. It was further noted that using the principal of 'balancing

of fundamental rights', the right to freedom of speech and expression cannot be allowed so much room that even reputation of an individual would be essentially destroyed.

#### IV. Conclusion

- I. I would request BSE to immediately take note of the so-called Letter of Resignation which is nothing but a false, dishonest, and malicious tool of criminal defamation. Mr. Khurana's letter of resignation is *prima facie* false, colourable, motivated and vitiated by *mala fides* and is certainly not made in good faith.
  
- m. It is unlawful as it is not in keeping with the express requirement of the regulations and the statute. Furthermore it has been used as a tool for inflicting emotional trauma and mental agony on me by seeking to destroy my fair name, good will and reputation. Apart from the same it seeks to cast aspersions on me by character assassinating me personally as well as by slandering my duties as an Independent Director of MCTL.

This is issued without prejudice to my rights.

Mr. Aditya Vikram Kanoria  
Independent Director