

TRANSCRIPT OF MODULEX CONSTRUCTION TECHNOLOGIES LIMITED – 47TH ANNUAL GENERAL MEETING HELD AT 04.30 PM (IST) ON WEDNESDAY, 30TH SEPTEMBER, 2020 THROUGH VIDEO CONFERENCING

Management Participant:

Name	Designation
Mr.Suchit Punnose	Whole Time Director
Mr.Ajay Palekar	Managing Director
Mr.Sandeep Khurana	Independent Director
Mr. Aditya Vikram Kanoria	Independent Director
Mr. Raj Kumar Sharma	Non-Executive Director
Mrs. Rakhee Agarwal	Independent Woman Director
Mr. Mahendra Kumar Bhurat	Chief Financial Officer
Ms.Bhoomi Mewada	Company Secretary
Mr.Mihir Hindocha	Partner, RMJ & Associates, Chartered Accountants, Statutory Auditor
Mr. Hitesh Gupta	Partner, Gupta Baul & Associates, Secretarial Auditor

Ms.Bhoomi Mewada Good Evening to all the members and directors of Modulex Construction Technologies Ltd., I, Bhoomi Mewada, Company Secretary of Modulex Construction Technologies Ltd., welcome you all to this 47th AGM of the Company being conducted through video conferencing due to the pandemic conditions in our Country.

Shareholders may please note that this AGM is held in accordance with applicable provisions of Companies Act, 2013 and various circulars issued by Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI).

As the requisite quorum is present I call the meeting to order.

I would like to introduce all the Directors who are on video conference i.e.:

1. Mr.Suchit Punnose, Chairman & Whole time Director
2. Mr. Ajay Palekar, Managing Director
3. Mr. Sandeep Khurana, Independent Director & Chairman of Audit Committee and NRC of the Company
4. Mr.Aditya Vikram Kanoria, Independent Director & Chairman of Stakeholder Relationship Committee of the Company
5. Mr. Raj Kumar Sharma, Independent Director
6. Mrs.Rakhee Agarwal, Independent Director

Officers of the Company:

1. Mr. Mahendra Kumar Bhurat, Chief Financial Officer

Auditors of the Company:

1. Mr.Mihir Hindocha – Partner, RMJ & Associates, Chartered Accountants, Statutory Auditor,
2. Mr. Hitesh Gupta, Partner, Gupta Baul & Associates, Secretarial Auditor.

All Members who have joined the Meeting are by default placed on mute

by the host to avoid any disturbance arising from the background noise and to ensure smooth conduct of the meeting.

Since the AGM is being held through video conferencing, physical attendance of the Members has been dispensed with and also the requirement of appointing a proxy does not apply.

The Register of Directors, Key Management Personnel and their shareholding, the Memorandum of Association and Articles of Association, are all made available electronically by the Members for inspection. Members seeking to inspect such documents can send an email requesting details to Compliance@modulex.in

As per the Companies Act, 2013 and SEBI (LODR) Regulation 2015, the Company has provided e-voting facility to all the shareholders to cast their vote electronically through CDSL. As per timeline mentioned in the notice, the remote e-voting facility was provided for 3 days which concluded at 5.00 pm yesterday.

Further, the shareholders who have not cast their votes through remote e-voting shall be eligible to vote at the AGM through e-voting. Post intimation by the Chairman for the commencement of e-voting, the shareholders may cast their votes by clicking on the vote tab. The shareholders may please note there will be no voting by show of hands.

The results of the e voting along with the scrutinizer report will be uploaded on BSE where the Equity Shares of the Company are listed and will also be placed on the website of Company i.e. www.modulex.in within 48 hours from the conclusion of this Meeting.

Ms. Pooja Das, Practising Company Secretary has been appointed as Scrutinizer to scrutinize the voting process in a fair and transparent manner.

To proceed with the Agenda items as mentioned in the AGM notice, Shareholders may please note that in total there are 3 business items i.e. 2 ordinary business items and 1 special business item requiring approval of the General Body.

The ordinary business items are as follows:

1. Adoption of Audited Financial Statements (Standalone and Consolidated) and Directors' Report and Auditors Report
2. Appointment of Mr. Ajay Palekar (DIN: 02708940) as a Director liable to retire by rotation and eligible for re appointment to the Board

The special business item is as follows:

1. To consider and approve the appointment of Ms. Rakhee Agarwal (DIN: 08081921) as an Independent Woman Director of the Company.

The Notice of 47th AGM, Copy of Audited Standalone and Consolidated Financial statements of the Company along with Auditors Report and Directors Report of the Company for the Financial Year 2019-20 have been sent via email to all the shareholders whose email address was registered with the Company or with the Registrar of the Company i.e. Purva Sharegistry or with the Depository Participants. Additionally, newspapers advertisements were placed all India as per Rules.

With the permission of the members, I now take the notice of the 47th AGM and Director report which was circulated to all the shareholders as read.

As the Statutory Auditor's report on the Financial Year ended 31st March, 2020 and the Secretarial Auditors Report for the Financial Year ended 31st March, 2020, do not contain any qualification, observations comments or remarks, the same are also taken as read.

AGM proceedings:

Chairman will address the Shareholders and then intimate the Shareholders who have not cast their vote through remote e-voting to do so electronically, in accordance with section 108 of the Companies Act, 2013 and rules framed thereunder read with relevant MCA circulars.

Now I request Mr. Suchit Punnose, Chairman and Whole-time Director of the Company to kindly address the shareholders.

Mr.Suchit Punnose

Firstly, welcome to all my fellow directors whose unwavering support has been very helpful in continuing the Operations of this company. As an update for all the Members who are present here: Thank you for attending the AGM it's important that shareholders are actively engaged with the Company and understand what the business plan is and what the Directors are trying to achieve, because ultimately, Shareholders, we Directors, (and some of us or almost all of us are shareholders too), but we appreciate and understand that you are the Owners of the Company and are in it as shareholder to see where you can benefit from the value creation. With that, as precis to my updates at AGM, I'd like to touch upon where we are as on date and where we would like to be over the next three to four quarters. So as we stand today discussing the results as of 31st March, 2020 we could not achieve financial closure for the project in terms of securing debt of INRs70.0Cr debt as on the date of the Balance Sheet, which however has thankfully changed at the moment. One in principle sanction and also advance stage discussion with another bank the 70.00 Crore that comes in with the first disbursement from day zero we are able to complete shed two of the three sheds. If you go to the website, you'll see three sheds there. Shed two would be completed in ninety days and following, which within the following ninety days, we should be able to send modules to the UK for UK accreditation, which will then be followed by another ninety days when we were looking at trial production of small units. We have a few smaller orders that we're looking at single dwellings in India. Which will be the first wave of projects we would complete and then the further ninety days, we should be able to start for production to get to buildings about up to ten floors. So that's the immediate sort of planning bearing in mind that

the day zero for that one year of four quarters which I just mentioned is based on a draw down from a bank. We've had our own challenges in terms of securing the debt. But we're hopeful that we should get a very good bank at a very good rate very soon and we're hoping that we're able to then recommence the construction before the end of December, with the view to starting the ninety day clock, as I was saying earlier on. So at this stage, I must register my special thanks to Reward Constructions the main contractor who has been extremely patient with us as we go through this. They have had to stop the construction almost two years ago. So that's essentially where we are with the, the project as it stands. As on 30th September, I'm sure you all agree that we are standing in one of the most unprecedented times by way of having to know that there's almost a million people who died from a global pandemic. This is unprecedented to the levels that we've not had it in anybody's living lifetime to have a pandemic to this scale is resetting the world. But I'm pleased to tell you that this resetting that has happened has become a major pivoting force for us, because we have suddenly the market's turning around and recognizing that our technology is indeed relevant and that's the only real true way to move forward to upgrade the entire construction industry by turning construction into manufacturing. So, while it is unfortunate all the suffering that's been happening during the pandemic, as a company we see that opportunities arising from the fact that the medical scientific world has already said we could have COVID19 gone with the vaccine, but we could have COVID 22 or COVID23, and so that's the new norm is that we need to get ready for. So, turning construction into manufacturing does enable us to become pandemic proof, shall we say, having restricted environments where we can have employees who are sanitized checked and thus able to continue to produce buildings. So, for those of you who have been on this journey with us for a few years, the market has absolutely come to a point where the relevance of our technology, and therefore, the order pipeline that we today have is being driven by this resetting that's happening at the moment. So in the UK, we have an order pipeline that's developing, largely from affordable housing with recessions, we know how governments would move towards investing in construction to give a stimulus to the economy. We are very well placed to have a very senior British management team with their existing relationships and networks in the market who will be able to manufacture an Indian export to the UK at a fairly significant margins. So the opportunities in the UK export markets, which is the market that understands, and has the technology, and that's where it took birth and evolved and are quite simply very interested in a UK certified module that's manufactured in India. With regard to the prospects of market and the client base in India, as you all know, we have four or five prestigious industrial houses and real estate groups that have come in as strategic investors, and they have in their own rights validated the technology. They have visited the UK to see modular factories, modular buildings, and also an insitu consumption and order pipeline for their real estate requirements. The USP of the product range of Modulex as far as the UK market is concerned is based on the advantages of low cost manufacturing in India and, of course, exporting at a high margin into the UK market. The benefits in India are the direct impact in terms of nation building I must say that, to all the Members here that we Directors here are

passionate about this project, because we think this is what will build the nation. We need hospitals, hotels, schools, good quality prisons. I think we can do with a few prisons for sure, in India. And that is what we are looking to do with this technology, but the current technology that exists in the UK modular industry that has been taken by our system promoters. This is now relevant asset management is the, the incubation house who is also an ultimate shareholder that I represent; we looked at this technology and said, this is reducing the carbon footprint about thirty to forty percent. A normal concrete building is hundred tonnes of carbon dioxide per square meter. We are about fifty to sixty tonnes. So effectively, what we are saying is that we want to be looking at upgrading the technology and we've been looking at various aspects of how to do that. And we're bringing in the four elements to the technology, the first one being the fact that we're using AI to optimize design in a matter of couple of seconds, as opposed to months or weeks. So, taking basic core data of a piece of land, generating a product strategy and then optimizing that to give a maximum efficiency to construction design and then that being a modularise for instant manufacturing, that's why we're using AI. So in the period of lock down, which I'm sure was unpleasant for all of us, our tech team has been working hard towards accelerating on the framework related to the design of block chain for quality assurance. Every module manufactured and installed by Modulex would be running on a private block chain, which is accessible to the clients (the owners of the asset) and that will track everything from day one on the production line right through the maintenance schedules for preventive maintenance schedules that you would do after handover. Block chain for quality assurance, and block chain enabled asset owners in future to be able to roll it into a reat. And if the veracity of the assets to incoming large institution messes because some block chain. The third is IoT. We've keenly been following IoT and the application of for us in is by the use of sensors to collect live data, which terminates in an app, including blueprint of where the ducts are, where the cables are etc. We developing immersive tech, which is virtual reality to look at how we could give virtual reality videos of skeletons and aware if somebody is coming in, for maintenance to be coming in. Then they can look at that using this loss and then very quickly doing. So, we're trying to upgrade the existing proven established the margin of building technology using, like steel with these layers. The fourth element that we are adding onto this is that carbon neutrality all our buildings will be certified carbon neutral. We have to appreciate and I, I think we all have been during this locked down about flattening the curve, but the, the curves of a negative consequences of impact on environment because of the, as a consequence of the value created for society by companies there is a problem that we have to tackle. So we can't continue to build as mankind and we must raise it appreciate that we're in the midst of pandemic. And I'm sure there's nature telling us that we are a little too many, or we're making the planet a little too dirty, but you have a pandemic and we do and we must look at how we can be looking at saving the environment. And I would refer to the latest documentary by David Attenborough on the threat that the planet is facing. Modulex will ensure that it is developing AI enabled design, IoT optimized and enabled smart buildings that can then take the infrastructure for India, a country to the next level. So, the power of the technology currently lies in the fact that we

can have and forty bed hospital which is six stories comprising of roughly about one hundred and sixty modules can be completed and handed over in one hundred and sixty days from day zero when the client places the work order, and through to forty five days of construction or eight hour shifts fourteen days, eight hour shifts for installation and how to handle what within twenty four weeks that's one hundred and sixty days. And for something like a seventy or eighty bed will probably take another maybe like twenty four weeks or so probably thirty weeks in fact, but the, the timing of that, and the ability to provide for the asset owner and asset that is certified as carbon neutral, which smart building that last them and give them a no carbon footprint on an on-going basis because of the superior installation. These things is where the construction has got ahead and we all there right at the cusp with the technology. So assuming that based on the fact that hopefully, I mean, one cant tell, but there is a pandemic and there is definitely a recession coming. There's no doubt about that. We see indications in the in the New York market receipt in the London market, we are seeing it in Tokyo. Everybody knows that the writing on the wall is that there is a recession coming. So a recession proof market. What would that be? That's the question that we will have to look at, in our own relevant businesses and to us, that is looking at government funded affordable housing in, in the UK as the primary market government is gonna be spending a lot of money. And we can get a very good product into the UK and this is also works to what's the benefit of the, the realignment of UK as, as a country as well post brexit with them hopefully increase engagement between UK and India. Having the opportunity to cater to that particular market means that our projected numbers in relation to what we are looking at turnover, post achieving commercial operation date that they should be manageable. We also think that will be some projects in India that we could we have in our order pipeline, where we think the stake stakeholders would continue to invest to build those commercial buildings. And that means, and then we should hopefully be on track for the projected revenue. Now, I know that there is one member who has taken the effort and thank you for that, too. Ask a few questions received from Mr. Rahul Paliwal. I'm just going to pull that up and then go through one by one. So the first question, and Thank you. So, the first question is, how does the Modulex business model create value for shareholders? Our business plan is to become India's leading steel modular buildings manufacturer, starting with the regional factory in Maharashtra and then branching out into a factory in the North East and South factories, which are themselves, carbon, neutral producing, roughly around eighteen to twenty lakh sq feet of buildings is what we are trying to get to. So, what about the share prices today, which is basically at par is not what you should be sitting at as shareholders who need to be in this for the fact that we're going to first get the proof of concept with the first factory. Our British team gets settled in the Indian environment. We tweak the technology for the local market, and then we can go kick out right? So this is definitely in stock, I can't give investment advice, but if you are looking at a stock to hold in a medium period, then this is stuff that should definitely give you some value. So, that's hopefully answers that question and see high equity capital already from such a tiny company. So, we have invested our monies in at ten rupees while when it got swapped with the listed entity, we paid thirteen

rupees, fifty bands. We, as an, our promoters, we have not charged any of the shareholders, a premium, because all of the channels, as on books today. Or come in at par, and the reason this, we believe that if you're coming in Pre revenue, normally there is the norm to be going out there and raising it at the premium. We don't think it, it deserves a premium at the end of the day. You're investing your cash into shares that we, as directors think, we can create value for based on the strategy that we operate. And we are saying that the share where it stands at the moment is not where it's going to be as we progress with the business plan. So that's just where the capitalization is at the moment. What is a loan in the book? We don't have any debt on the books. It's all equity as you can see, that's the reason why and I must hasten to add in the fact that project funding. We are under leverage and that we're gonna be about Ninety Crores of equity and Seventy of Debt. More equity less debt and we're going into a contracting economy for economies for the next few quarters. I would definitely think that we, we are, we are in a comfortable position by being under leverage and stretched out. So, the next question is how capital funded will come from, or for current and future plans. The current just simply we draw down the debt we complete the factory and we get the production going. Future plans will be a function of whether we would do it from internal accruals, or whether we would raise part equity and partly debt in other factories, like a North and South. Please also remember we have the ability, and the remaining twenty acres to put three sheds. Each of those sheds should give about twenty lakh square feet. So, the status of the plant, as I said, earlier on, just to recap, as soon as day zero we have the draw down on the debt ninety days we have shed two, next ninety days we will get modules shipped to the UK for accreditation. Please refer to the company website and you can see, except that now the ninety days for the test modules to be shipped to UK for accreditation, another ninety days for trial and small units in India a further, ninety days later. We'd be ready to go up to ten story floors and then we will incrementally go up to twenty four or thirty floors as and when we bed in the team, we have today confirmed orders from within our company. There are two hotels starting to carbon neutral hotels for Eco hotels in the UK. One is our hundred room hotel Shrewsbury, and the others an eighty room hotel near Telford, which is North England. And it's it is two properties that we need to deliver by Q4 of 2023. So we are under pressure to actually deliver projects. We've also got a project for 111 flats in London. But it's a small developer here who does these projects back to back and they're currently using a modular contractor on the and they are happy to ship to us based on our pricing and the quality we plan to do. So the order book for us at the moment, and by order book I mean clients that we've engaged with, we have discussed within and have a rough idea of indication of costs, and projects that they are ready to invest in. Add also, we're looking at the order pipeline coming in from the strategic investors that we have on our order books. So, between these and the U. K. We conservatively think we have an order pipeline in the region of about SixHundred to Seven Hundred Crores. So, as soon as we finish the factory, we will be able to thankfully hit the ground running. Our team led by Mr. Ajay Palekar, as the MD will be training up the Indian team, while liaising with the U. K team and setting up a team to function as efficiently as possible in a factory environment. So we need

about twenty five Crores to break even. So that's a question that's been asked. What kind of growth shareholder can expect? All I can say Mr.Paliwal is we can't as directors predict anything, but I gave you an idea about the the business plan, and you know, the future is for you to predict if we are to maintain the operations of the company in professional hands and let it grow to up to four factories in India, this should be having a significant multiple. Why management is not responding minority shareholders. I don't know what that is. I can ask our company secretary to look into it. All our communication is through our company secretary so if there are questions send them to our company secretary, please. And we will come back to you as soon as we can. Why management not communicating frequently. We don't have much to communicate, as we say these milestones. But as the debt is syndicated, we will be making an announcement to that effect. And then, of course, our Company website will have an update section, which will show you the update as it goes by. You may recall if you went to the website, there were weekly updates of the progress of the construction. So it is already there for the members to see and understand. So on that basis I think we have answered the shareholders questions. I think, can be answered if you have any more please feel free we take on board your feedback in terms of whatever inquiries Bhoomi will make sure that we come back to you surprise. So, with that, I don't think I have anything further to say, other than to extend my thanks to my colleagues, my fellow directors for supporting us through the financial year and beyond. I think the next three to four quarters are going to be very interesting for the company. Not just for the company for the country but for the world, and we definitely have a very topical and relevant technology that we think will transform construction dedicated to the construction and needs of a broad market like India. That's essentially what our offering is. Thank you for attending the meeting over to now to Bhoomi

Ms.Bhoomi Mewada

Thank you so much Suchit sir and thank you Directors, auditors and shareholders for attending this meeting.

Now, I request the shareholders who have not casted their can e-voting mode. Thank you.

This meeting is completed.