

TRANSCRIPT OF MODULEX CONSTRUCTION TECHNOLOGIES LIMITED –51ST ANNUAL GENERAL MEETING HELD AT 12.30 P.M. (IST) ON THURSDAY, 26TH SEPTEMBER, 2024 THROUGH VIDEO CONFERENCING.

Management Participants:

Name	Designation
Mr.Suchit Punnose	Director
Mr.Ajay Palekar	Managing Director
Mr.Aditya Vikram Kanoria	Non- Executive Director
Mr.Jayesh Sheth	Additional Director
Mrs.Rakhee Agarwal	Independent Director
Mr.Raj Kumar Sharma	Independent Director
Mr.Mahendra Kumar Bhurat	Chief Financial Officer
Ms.Bhoomi Mewada	Company Secretary

Ms. Bhoomi Mewada	<p>Good afternoon to all the Members and Directors of Modulex Construction Technologies Limited. I, Bhoomi Mewada, Company Secretary of Modulex Construction Technologies Limited, welcome you all to the 51st AGM of the Company being conducted through video conferencing.</p> <p>Shareholders may please note that this AGM is held in accordance with applicable provisions of the Companies Act, 2013 and various circulars issued by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI).</p> <p>As the requisite quorum is present I call the meeting to order.</p> <p>I would like to introduce all the Directors of the Company who are attending the meeting through video conference i.e.:</p> <ol style="list-style-type: none"> 1. Mr.Suchit Punnose, Whole Time Director, 2. Mr. Ajay Palekar, Managing Director, 3. Mr. Aditya Vikram Kanoria, Non-Executive Director, 4. Mrs. Rakhee Agarwal, Independent Director, 5. Mr.Jayesh Sheth, Additional Director, Chairman of the Audit Committee & Chairman of the Stakeholder Relationship Committee of the Company, 6. Mr.Raj Kumar Sharma, Chairman of the Nomination and Remuneration committee, 7. Mr. Mahendrakumar Bhurat, Chief Financial Officer of the Company. <p>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.</p> <p>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.</p> <p>As per the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the</p>
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	<p>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 yesterday at 5.00 p.m.</p> <p>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 that there will be no voting by show of hands.</p> <p>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.</p> <p>Mr. Dharmesh Zaveri, Practicing Company Secretary has been appointed as Scrutinizer to scrutinize the voting process in a fair and transparent manner.</p> <p>To proceed with the Agenda items as mentioned in the AGM notice, Shareholders may please note that in total there are 5 business items, requiring approval of the General Body.</p> <p>The business items are as follows:</p> <ul style="list-style-type: none"> i. Adoption of Audited Financial Statements (Standalone and Consolidated) and the Directors' Report and Auditors Report thereon. ii. Appointment of Mr. Ajay Palekar (DIN: 02708940) as a Director liable to retire by rotation and eligible for re-appointment to the Board. iii. Appointment of Mr. Jayesh Sheth (DIN: 03506031), as an Independent Director of the Company. iv. Appointment of Mr. Aditya Vikram Kanoria (DIN: 07002410), as a Non-Executive Director of the Company. <p>With permission of all the Directors present, I request Mr. Ajay Palekar to take the chair and brief on item 5 of the notice.</p>
<p>Mr. Ajay Palekar</p>	<p>I now request the Company Secretary to pass the resolution for Mr. Suchit Punnose.</p> <p>v. Re-appointment of Mr. Suchit Punnose, as the Whole-Time Director of the Company (Key Managerial Personnel) for a period of 3 years with effect from 1st October, 2024 along with remuneration payable thereon.</p>
<p>Ms. Bhoomi Mewada</p>	<p>The Notice of 51st AGM, Copy of the Audited Standalone and Consolidated Financial statements of the Company along with Auditors Report and Directors Report of the Company for the Financial Year 2023-24 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 India Private Limited or with the Depository Participants. Additionally, newspaper advertisements were placed all</p>

	<p>India as per Rules.</p> <p>With the permission of the members, I now take the notice of the 51st AGM and the Directors report which was circulated to all the shareholders as read.</p> <p>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.</p>
<p>Mr.Suchit Punnose</p>	<p>Thank you Bhoomi.</p> <p>Thank you to all my fellow Directors and all the members of the Company who took time out to attend this Annual General Meeting.</p> <p>I had a couple of positive updates for the members. As you may have seen in the recent filing, we managed to get plot A 82, MIDC re-allotted to us, and the land fully registered and title was registered with the Company.</p> <p>The Company moved to the next step, which was to conclude the bank finance with the banks we were talking to, and this was also imminent. We expected to secure the bank disbursement before the end of November, and only then would we immediately commence construction. I appreciated all the members who had been extremely patient while we maneuvered through the challenging times we faced since 2022. Most of those hurdles were now behind us.</p> <p>The biggest challenge was to get the land re-allotted, which we successfully managed to do. In the meantime, the parent Company of Modulex in the UK had been working on a significant pipeline of orders.</p> <p>We had a huge pipeline being generated by the promoters in the UK, mainly from the healthcare and affordable social housing sectors. You may have been aware that there was a new government in power in the UK, and they were actively pursuing the objective of tackling the shortage of affordable housing. At that time, there was a shortage of supply in the UK market, with demand outstripping supply. We hoped that our India factory would be able to cater to those demands coming in from the UK as export orders. There were also significant margins involved in the export of the modules manufactured in India, which would place the Company in good stead.</p> <p>The timeline, assuming day 0 was the 1st day of debt disbursement, indicated that we were looking at about 120 days to complete shed two, which was one of the three sheds that was almost half built at that time. We would immediately start trial production and manufacturing of prototypes, which we would then export to the UK to obtain the relevant local accreditations, namely accreditation from the UK authorities that would enable us to export. So, assuming we secured the funding by the end of November, with 1st December as day 0, we were looking at about 120 days from then.</p> <p>So by 1st April, we should have been able to commence trial production.</p>

	<p>Thus, our financial year 2025-26 would have marked the 1st year of COD and operations. When we looked at the cap table, we had strategic investors and partners in the Company who were property developers waiting for us to reach production to cater to the market as well, which we believed would lead to a significant order pipeline.</p> <p>So that was all as an update from me. Bhoomi, you may have moved to the next item. Thank you.</p>
Ms.Bhoomi Mewada	We have received a request from the shareholder, Mr.Kaushal Shah.
Mr.Kaushal Shah	We have consortium of three banks. Am I right?
Mr.Suchit Punnose	That's right.
Mr.Kaushal Shah	And we have sanctioned letter from one bank. Am I correct?
Mr.Suchit Punnose	That's correct,yes.
Mr.Kaushal Shah	So we need more to sanction letters. Am I right? Correct.
Mr.Suchit Punnose	Yeah, that's those two sanctioned letters are imminent.
Mr.Kaushal Shah	What is the probability of the fund being disbursed by November in terms of percentage? Is it more than 80 % or lesser than 80 %?
Mr.Suchit Punnose	We were not conducting any assessment on probability. At that moment, we were simply pursuing the process of financial closure, which essentially meant securing sanction from the other two banks and then completing the financial closure followed by documentation.
Mr.Kaushal Shah	<p>Thank you.</p> <p>If I could ask you about PHP Ventures, we recently updated the timeline there, and in one of the documents I read that the CA was disqualified, which led us to extend those timelines. Could you provide some insight on that?</p>
Mr.Suchit Punnose	<p>PHP Ventures had nothing to do with Modulex.</p> <p>Asked Mr. Kaushal if he had any questions related to MCTL or its subsidiaries.</p>
Mr.Kaushal Shah	My humble request was that whenever we planned to do fundraising in any of the subsidiaries, like MMBPL, we should kindly give the shareholders the opportunity to participate in the fundraising for the progress of the Company.
Mr.Suchit Punnose	<p>Absolutely. We were delighted to know that you are keen to participate Mr.Kaushal.</p> <p>Ms.Bhoomi to make note of it.</p>
Mr.Kaushal Shah	One more thing I wanted to mention was that I would like to meet the management at their convenience at their venue whenever possible. I requested that you look into it.
Mr.Suchit Punnose	<p>We were planning to meet with investors as well; however, at that moment, the key thing we needed to achieve was financial closure of the project and to restart construction, which all of you members had been patiently waiting for.</p> <p>After that, we were definitely planning to hold forums where investors and members could come in, interact with the management, and understand the plans in detail. We were looking forward to that interaction as well.</p>

	But as I mentioned, at that moment, our entire bandwidth was focused on ensuring that we could achieve financial closure.
Mr.Kaushal Shah	What do you mean by financial closure?
Mr.Suchit Punnose	In a project finance terms means closing of equity and debt.
Mr.Kaushal Shah	Thank you for the opportunity.
Ms.Bhoomi Mewada	Next Speaker
Ms.Ashwini	Moderator unmute Mr.Sandeep Khurana
Mr.Sandeep Khurana	<p>In the 2018 Director's Report, it was stated that the completion will happen in 2019-20.</p> <p>In 2019, it is reported that the factory will be completed by June 2020.</p> <p>In 2020 it was shifted to Q1 2021.</p> <p>In 2021, it was stated the factory will recommence in September 2021.</p> <p>In 2023, the shed two will be completed next quarter.</p> <p>In 2024 No commitment has been given.</p> <p>How can we take your statements on face value now?</p> <p>Every year you keep shifting the dates. You haven't even said that your financial closure has been achieved.</p> <p>How do you say that, you will be able to complete the factory? And when you say that financial closure, unless you freeze the project cost, how will the financial closure happen?</p> <p>I think the basics are missing here. Even the project cost has not been informed to the shareholders.</p>
Mr.Suchit Punnose	<p>Right, is that all your questions Mr. Khurana?</p> <p>Okay lovely. Well, thank you for your questions.</p> <p>So, you're right indeed in the fact that we've had our financial closure milestones slip almost every year.</p>
Mr.Sandeep Khurana	That's right sir.
Mr.Suchit Punnose	<p>Despite our best efforts, members ought to have been aware that this project had dragged on beyond reasonable timelines. This was primarily due to the fact that we had not been able to secure bank debt.</p> <p>We believed, as Management, that this had largely been because in the early days, the banking information landscape simply didn't know about the technology and didn't understand it. Even then, we perhaps remained one of the early entrants into the market with the 3D volumetric technology.</p> <p>Having said that, after the listing we did in 2018, in September 2018, we almost had the debt come through, but a week before the debt was sanctioned for us, it fell through.</p> <p>You may recall that we had the IL&FS issue that occurred in September 2018, which led our banks to put a freeze on greenfield projects. We</p>

	<p>then had to re-apply, and we received an in-principle sanction from IndusInd Bank, which, unfortunately, arrived a week before the lockdown happened in 2020.</p> <p>We then moved forward, considering the fact that the debt was becoming a challenge. Mr. Khurana, you were also on the Board at that time. You may recall that we then decided to do a Rights Issue in 2022.</p> <p>From January 2022, if you perused the records, you and the other members would have known that we experienced a series of extraordinary events leading up to today. In fact, most of those events were created by you Mr.Khurana.</p> <p>So, regarding the 2022 Rights Issue, we managed to issue it, and with the painstaking help of the Non-Executive Director, Mr. Kanoria, we worked hard in securing about ₹42,00,00,000. Unfortunately, you yourself blocked the Rights Issue.</p>
<p>Mr.Sandeep Khurana</p>	<p>Can I come in?</p>
<p>Mr.Suchit Punnose</p>	<p>I hadn't completed it , and I would give you a chance after that.</p> <p>Anyway, as far as we were concerned, you may also note that your extraordinary resignation letter from March 2023 created a tremendous debilitating effect on this Company. We had to fight with several stakeholders, clarifying over time, and most of our efforts went into putting out fires largely arising from the events that followed. We regret the fact that these events have taken place, which was unfortunately, but we were where we were.</p> <p>Our primary focus for the last year or so had been to battle with the MIDC to get the land re-allotted.</p> <p>We had thankfully managed to do that because we had been in litigation with MIDC over their cancellation of the lease, which we now have regained. It is a new lease for 95 years.</p> <p>As far as we are concerned, what happened has happened, and we couldn't change time. We were positively looking forward to securing the debt. The stock exchange and SEBI have conducted their relevant investigations, and we are moving forward on a positive footing.</p> <p>We hope that including yourself as a member, Mr. Khurana, along with all other members and Directors, we could now focus on the positive aspects of achieving financial closure.</p> <p>We aim to restart the construction of the factory. As far as the project cost is concern, naturally, with the delays impacting the books of the Company, we ensure that our employees, Directors, and team members remain with us. I am personally grateful to all the Directors and employees who have patiently worked through these extraordinary circumstances.</p> <p>We always wanted to maintain the position that we would keep this</p>

	<p>team and invest capital to ensure that the pre-operative gestation expenses continues. This naturally add to the numbers.</p> <p>For the project costs, we were looking at roughly around ₹100 crore or more in bank debt, which would enable us to complete the project. Now, that ₹100 crore did not include the pre-operative expenses until the time of COD. However, we would freeze that number as soon as the first disbursement happens.</p> <p>So, Mr. Khurana, I fully accept the fact that for the members and the general public—not you in particular, but all members and the public who weren't privy to the detailed workings—they obviously wouldn't be able to take us at face value. The only thing I could say to every member on this call was that our commitment stood firm, as we had not given up on this project after several years.</p> <p>We saw huge prospects ahead. We see every year's delay as a blessing in disguise because the market now accepts the technology and wants it. As you know, we have brought in a few strategic investors and shareholders who are very excited about this technology. We hope that we could finally put all the events of the past behind us and forge ahead to deliver results.</p> <p>This Company have the capacity, with the initial pace of manufacturing infrastructure we are planning to build, to achieve 3,000,000 sq ft of output capacity.</p> <p>If we were to split that 50% into export and 50% into the domestic market, we could potentially achieve a top line of ₹3,000 to ₹4,000 crores, with gross margins ranging, depending on the product, anywhere between an average of 25%. This is considered a good margin for manufacturing.</p> <p>So, in our view, and we were grateful for the questions you raised, Mr. Khurana, was that a series of events had occurred.</p> <p>We as a Company, are not taking a position on who is right or wrong; what has happened has happened, and we are moving forward. We are definitely committed to delivering results, which is what we have been waiting on.</p> <p>I must repeat and register my gratitude to all the existing Directors, Board Members, and Employees who had stood by me steadfastly as we went through this journey. We were looking forward to exciting times ahead.</p>
Mr.Suchit Punnose	Thank you. Come in Mr.Khurana
Mr.Sandeep Khurana	<p>Has never wanted to bring my Directorship into the picture, but you have added insult to the injury by bringing that in the picture and you have stated some incorrect facts.</p> <p>It is important that the shareholders should know that those facts were incorrect. You said that the 42 crore Rights Issue was tied up. The fact of</p>

	<p>the matter is that if the 25 Crore was the right issue, the 42 crore you couldn't have raised at all. It's on record now.</p> <p>The purpose of the Rights Issue was to bail out the shareholders of Give Vinduet and no money would have come in.</p> <p>In that site's issue, I was an Audit Committee Chairman. It was my duty to protect the rights of the shareholders which I did to the best of my ability. So if the resignation letter has been put in my address on that the series of the acts of indiscretion on the part of the other members of the Board.</p> <p>It was my right to resign as a Director which I did and it was my resignation letter, which brought out all the facts. So you cannot really blame, you cannot use this platform to misguide the shareholders, please don't do that.</p> <p>If you had any reply, you should have given the reply to me rather than just addressing to the BSE, which you did.</p> <p>So my concern is that the series of acts which have been there and you have been misleading the shareholders in the name of commencement of the commercial production, and even today you are putting lot of variables that if the financial closure happens, if the bank sanctioned, so everything will happen, but the question is the banks have not sanctioned for 15 years now, what makes you think that they will sanction now? So that is the whole question.</p> <p>So what has changed? Land, you were saying that land re-allotment, land in any case was there a 15 years back also. The shed has, you know, gone to dust now. It is all scrapped now, Now whatever you have built earlier in 2020, it is all scrapped. So please have it structurally tested. There were cracks in that structure. So what makes you think that very structure can be used now? As a shareholder I am not convinced sir.</p>
<p>Mr.Suchit Punnose</p>	<p>Since we are here, and I thought this was for the members, we didn't want to extend discussion, but I wanted to quickly clarify the records regarding the allegations you made to "protect" the interests of the Shareholders. The BSE conducted a detailed investigation, and all they found was a severe conflict of interest in your position.</p> <p>Additionally, you may have forgotten that this Board had shown extreme kindness and leniency in not terminating you after the disciplinary committee hearing that had happened in November. In fact, despite the opposition from all my colleagues, I decided that we shouldn't terminate you, which gave you the option to write that resignation letter. Unfortunately, that has created significant damage to our reputation.</p> <p>Now, to answer your question about why I believe we will secure the debts now: we are confident that the debt will come. We should have had it in 2020 had it not been for the lockdown.</p> <p>Sanction letter from one of the PSU banks, had it not been for the IL&FS situation. These are just events that occurred, which are unfortunate.</p>

	<p>But today, as we stand , modern method of construction is an accepted technology.</p> <p>We have strategic partners that we didn't have 15 years ago, and we have a huge order pipeline from the UK, which we didn't have before. We were very confident that we were now going to secure the bank debt.</p> <p>Your comments about not having access to the factory site and about the shed being in dust were entirely baseless and incorrect, as were many such statements you have made in the past. There were no cracks or fissures or anything of that sort. In fact, as I mentioned earlier, as soon as we achieved financial closure within 90 to 120 days would allow us to complete shed two and commence production. That, in itself, was a key point to note regarding the timelines. If you individually or perhaps other members didn't have any confidence, please, as and when you have an opportunity, sell your shares and move on. Those of you who have confidence stay in because if we haven't given up in such a long time, we're not about to give up now. We will make sure and we'll work with my team and I stand committed to ensure that there are significant enterprise value created.</p> <p>We now have recently Mr. Jayesh Sheth who joined us who is an established corporate leader and Chartered Accountant who would assist us . So we were only enhancing our team and our plans, and we most certainly would be moving ahead to deliver this factory and achieve COD within FY 2024-25.</p> <p>That was all for the time being, Mr. Khurana. Thank you for raising these points. We would now move on to the next speaker. I can't remember—was there another speaker, Bhoomi? I can't recall.</p>
Mr.Ajay Palekar	But he's not here so I think Bhoomi can continue with the meeting now.
Ms.Aswini	So 3 rd speaker Mr. Rahil is not available in the meeting, so we can go ahead please.
Ms.Bhoomi Mewada	The shareholders who have not cast their votes can do so now; the window will be open for the next 15 minutes. We can now conclude this AGM with a vote of thanks to the Chair, the Directors, and the shareholders of the Company. Thank you.
Mr.Suchit Punnose	Thank you all.