

Last Amended – 12th August, 2025

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

INTRODUCTION

The Board of Directors of Modulex Construction Technologies Limited (MCTL) has adopted the following policy and procedures with regard to determination of material Subsidiaries in accordance with the requirements of the Regulations 16(1)(c) and 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof) ('Listing Regulations'). This policy shall be called 'Policy for determining material subsidiaries'.

OBJECTIVE

The objective of the policy is to determine material subsidiaries of the Company and to provide a governance framework for such material subsidiaries.

DEFINITIONS

'Board of Directors' or **'Board'** means the Board of Directors of MCTL, as constituted from time to time.

'Company' means Modulex Construction Technologies Limited.

'Independent Director' means a Director of the Company, not being a whole-time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Companies Act, 2013 and the Listing Regulations.

'Policy' means this Policy, as amended from time to time.

'Subsidiary' shall mean a subsidiary as defined under the Companies Act, 2013 and Rules made thereunder.

'Material subsidiary' is a subsidiary whose turnover or net worth exceeds ten percent of the consolidated turnover or net worth respectively, of MCTL and its subsidiaries in the immediately preceding accounting year.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, SEBI Listing Regulations or any other applicable law or regulation.

REQUIREMENT REGARDING MATERIAL SUBSIDIARY

The Company, without prior approval of shareholders by way of special resolution, shall not:

- i. Dispose shares in the material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% or
- ii. Dispose shares in the material subsidiary which would cease the exercise of control over that subsidiary or
- iii. Sell, dispose or lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a Financial Year, unless in cases where the

divestment/sale/ disposal / lease is made under a scheme or arrangement duly approved by a Court/Tribunal or under a resolution plan duly approved under the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved. This shall not be applicable if such sale, disposal or lease of assets between two wholly-owned subsidiaries of the Company.

REQUIREMENT REGARDING MATERIAL UNLISTED SUBSIDIARY

At least one Independent Director on the Board of the Company shall be a Director on the Board of the unlisted material subsidiary, whether incorporated in India or not.

For this purpose, the unlisted material subsidiary shall mean a subsidiary, whose turnover or net worth ***exceeds twenty percent*** of consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

MATTERS TO BE REVIEWED BY THE AUDIT COMMITTEE AND BOARD

Audit Committee

- i. Financial statements of subsidiaries, in particular, the investments made by the unlisted subsidiaries.
- ii. Utilization of loans and/ or advances from/investment in the subsidiary exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower.

Board

- i. The minutes of the Board meetings of the Unlisted Subsidiaries.
- ii. Statement of all significant transactions and arrangements entered into by the unlisted subsidiaries.

AMENDMENTS

The Board may, subject to applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new policy. The Board may also establish further rules and procedures, from time to time, to give effect to this Policy and to ensure governance of material subsidiary companies.

SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the SEBI Listing Regulations / Companies Act, 2013 or any other statutory enactments, rules, the provisions of such SEBI Listing Regulations / Companies Act, 2013 or statutory enactments, rules shall prevail over this policy.

DISSEMINATION OF POLICY

This policy shall be hosted on the website of the Company and weblink thereto shall be provided in the annual report of the Company.

Original Policy approved by the Board in their meeting and effective from 14th February, 2019.

Document Name	Policy for Determining Material Subsidiaries
Effective date	14 th February, 2019
Approving Authority	Board of Directors
Current Version	Version 2
Version History	Version 1
Last Review Date	12 th August, 2025
