

Last Amended – 12th August, 2025

RELATED PARTY TRANSACTIONS POLICY

Scope and Purpose of the policy

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the Company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 ("Act") read with the Rules framed there under and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulation 23"), Modulex Construction Technologies Limited (Company) has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

Also, Regulation 23(1) of the SEBI Listing Regulations requires the Company to formulate a policy on materiality of related party transactions and dealing with related party transactions.

In the light of the above, the Company has framed this Policy on Related Party Transactions ("Policy"). This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee. Going forward, the Audit Committee will review and amend the Policy, as and when required, subject to adoption by the Board.

Definitions

"Act" means the Companies Act, 2013.

"Arm's Length Transaction" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

"Company" means Modulex Construction Technologies Limited.

"Ordinary course of business" means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per Memorandum and Articles of Association.

"Regulation 23" means the Regulation 23 of SEBI Listing Regulations. **"Related Party"** means a person or entity identified as a related party under the Act or SEBI Listing Regulations.

"Related Party Transaction" means any transaction with a Related Party as defined under Regulation 2(1)(zc) of SEBI Listing Regulations. **"SEBI Listing Regulations"** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

"Subsidiary" means a subsidiary as defined under Section 2(87) of the Act and Regulation 2(1)(zm) of SEBI Listing Regulations.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law or regulation.

Materiality Thresholds

A. For the purpose of SEBI Listing Regulations

Material Related Party Transaction means a transaction with a Related Party which is defined as 'Material' under Regulation 23.

Material Modifications

'Material Modifications' in relation to a Related Party Transaction means such modification(s)/ amendment(s) in the terms and conditions of Related Party Transaction(s), which

- (i) constitutes an alteration in the value of the Related Party Transaction exceeding 5% of transaction value or Rs. 10 lakhs, whichever is higher or
- (ii) is otherwise considered material by the Chairman of the Company, in each case, based on the nature of the relevant Related Party Transaction.

B. For the purpose of the Act

A Related Party Transaction shall be considered material if:

- i. the transaction is not in the ordinary course of business or not at arm's length basis; and
- ii. the transaction is falling in one of the categories specified in clause (a) to (g) of sub-section 1 of Section 188 of the Act; and
- iii. the transaction exceeds the threshold limits mentioned in Section 188(1) of the Act read with The Companies (Meeting of Board and its Powers) Rules, 2014.

Manner of dealing with RPT Identification of Related Parties

The Company shall prepare and update from time to time, the list of Related Parties as per the Act and the SEBI Listing Regulations.

Identification of Related Party Transactions

The Company will identify Related Party Transactions in accordance with the Act and the SEBI Listing Regulations. The Company has also formulated criteria for determining whether the transaction is in the ordinary course of business and at arm's length basis, and for this purpose, the Company will seek external expert opinion, if necessary.

Criteria for determination of ordinary course of business and at arm's length or not

When evaluating a proposal for approval, the Audit Committee or Board may review various documents and request information from management to determine whether the transaction is in the ordinary course of business and at arm's length. This includes examining details of the transaction (e.g., goods, services, or property involved), key terms such as price and commercial conditions, any non-commercial covenants in the agreement, and benchmarking information like market trends, industry reports, financial forecasts, third-party valuations, and pricing justifications to assess whether the transaction aligns with market standards.

Procedure for approval of RPT

Approval of the Audit Committee

All Related Party Transactions (under the Act and SEBI Listing Regulations) and subsequent Material Modifications thereof shall require prior approval of the Audit Committee.

For the purposes of SEBI Listing Regulations, a Related Party Transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the Audit Committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a Financial Year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary.

Omnibus Approval

For the purposes of SEBI Listing Regulations, the Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by the Company or its subsidiary subject to the conditions stipulated in Regulation 23.

For the purposes of the Act, the Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by the Company subject to the conditions prescribed under Rule 6A of The Companies (Meetings of Board and its Power) Rules, 2014.

The following criteria has been prescribed by the Board for granting omnibus approval:

- a. The maximum value of the transactions, in aggregate, which can be allowed under omnibus route in a Financial Year will be 30% of the annual turnover of the Company as per its last audited consolidated financial statements.
- b. The maximum value per transaction which can be approved under omnibus route will not exceed 20% of the annual turnover of the Company as per its last audited consolidated financial statements.
- c. The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered by the Company pursuant to each omnibus approval given.
- d. Transaction of following nature will not be subject to the omnibus approval of the Audit Committee:
 1. Transactions which are not at arm's length or not in the ordinary course of business;
 2. Transactions which are not repetitive in nature;
 3. Transactions in respect of selling or disposing off the undertaking of the Company;
 4. Transactions that are not permitted under the Act or the SEBI Listing Regulations through the omnibus route;
 5. Any other transaction the Audit Committee may deem not fit for omnibus approval.

Approval of the Board of Directors of the Company

Following Related Party Transactions shall require prior approval of the Board of Directors of the Company:

1. A Related Party Transaction (under the Act) which is

- (i) not in the ordinary course of business or not at arm's length basis; and
- (ii) is falling in one of the categories specified in clause (a) to (g) of sub-section 1 of Section 188 of the Act; or

2. A Related Party Transaction which the Audit Committee may refer to the Board for approval.

Approval of the Shareholders of the Company

A Material Related Party Transaction (under the Act and SEBI Listing Regulations) and a Material Modification to a Material Related Party Transaction shall require prior approval of the shareholders.

RPT not approved under this policy

In the event the Company becomes aware of a transaction with a related party that has not been approved in accordance with this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all the relevant facts and circumstances regarding the related party transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the related party transaction.

Ratification of related party transactions shall be carried out in accordance with Regulation 23 (for the purposes of SEBI Listing Regulations) and Sections 177 & 188 (for the purposes of the Act).

Transactions approved by other Committees / Board

The transactions or arrangements which are specifically dealt under the separate provisions of the Law and executed under separate approvals/procedures from relevant competent authority or Committee shall be deemed to be approved under this Policy. Such transactions are enumerated below:

- i. Appointment and payment of remuneration, including any variations thereto, to Key Managerial Personnel pursuant to the Nomination and Remuneration Committee approval.
- ii. Payment of remuneration, fees, commission, etc. to directors pursuant to the Nomination and Remuneration Committee approval.
- iii. Share based incentive plans for the benefits of the Directors or Key Managerial Personnel pursuant to shareholders' approval including ESOPs.
- iv. Any benefits, interest arising to Related Party solely from the ownership of Company shares at par with other holders, for example, dividends, right issues, stock split or bonus shares approved by the Nomination and Remuneration Committee or any other Board composed committee.
- v. Contribution with respect to Corporate Social Responsibility to eligible entity pursuant to approval of Board or the Corporate Social Responsibility Committee.

Review of the policy

The adequacy of this Policy shall be reviewed and reassessed by the Audit Committee periodically and appropriate recommendations shall be made to the Board to update the same based on the changes that may be brought about due to any regulatory amendments or otherwise.

Amendment

Any subsequent amendment / modification in the SEBI Listing Regulations or the Act or any other governing Act/Rules/Regulations or re-enactment, impacting the provisions of this Policy, shall automatically apply to this Policy and the relevant provision(s) of this Policy shall be deemed to be modified and/or amended to that extent, even if not incorporated in this Policy. However, the policy has to be reviewed at least once in every three years.

The revised policy was adopted by the Board of Directors in its meeting held on 14th February 2019, and was further amended by the Board in its meeting held on 11th February, 2025.

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