INTERNAL FINANCIAL CONTROL POLICY

1. Introduction

Section 134(5(e) of the Companies Act, 2013 requires, the Board of every listed Company to lay down Internal Financial Control Policy to be followed by the Company which helps in ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the Accounting records and timely preparation of reliable financial information. As per section 177 (4) (vii) of the Companies Act, 2013, the Audit Committee require to evaluate the Internal Financial Control of the Company.

Section 143(3)(i) of the Companies Act, 2013 requires, Statutory Auditors to make statement in their auditor's report, regarding adequacy of Company's Internal Financial Control system and operating effectiveness of such controls.

Accordingly, the Board on 24-12-2025 has adopted the Internal Financial Control Policy ("**Policy**").

2. Objectives

Internal Financial Control is a System and Process which encompasses the Policies, System and procedures that protect the Company assets, ensure reliable financial reporting, correct disclosures and comply with all required rules and regulations applicable in the entire eco system in which Company is operating. Such system and Procedures are not only related to financial or non-financial accounting and reporting but also include company culture and best practices followed towards Social, Environmental and Governance. Internal Financial Control is also designed to facilitate effective risk management system of the company.

Company has reasonable Internal Financial Control in place which facilitate and helps in achieving the following effectively:

- To identify and mitigate risks
- To provide reasonable assurance that operations are efficient and effective
- To Safeguard Company assets (tangible & intangible Both)
- To ensure Financial reporting is accurate, reliable and on time
- To ensure Company's resources are used prudently and in an efficient, effective and economical manner
- To ensure effective internal control and Internal Audit System in place
- To design a framework through which Company's resources are Directed, Monitored and Measured
- To ensure that Company is in compliance with all law, rules and regulations
- To ensure Company policies and procedures are implemented effectively

3. Definitions and Interpretation

In this Policy, words and expressions shall have the meaning assigned to them below:

"***Act***"	shall mean the Companies Act, 2013 and rules framed thereunder, notified by the Ministry of Corporate Affairs, Government of India, as amended from time to time;
"***Board***"	shall mean the Board of Directors of the Company;
"***Books of Accounts***"	shall mean and include records maintained in respect of— (i) all sums of money received and expended by a company and matters in relation to which the receipts and expenditure take place;

	(ii) all sales and purchases of goods and services by the company; (iii) the assets and liabilities of the company; and (iv) the items of cost as may be prescribed under section 148 of the Act in the case of a company which belongs to any class of companies specified under that section;
"***Company***"	shall mean Red Earth Good Living and Hospitality Limited;
"***Directors***"	shall mean all the members of the Board of Directors of the Company, including the Independent Directors;
"***Audit Committee***"	shall means Committee of Board of Directors of the Company constituted under the provisions of the Companies Act, 2013 and the Listing agreement.
"Financial Statement"	As per Section 2(40) of Companies Act, 2013 in relation to a Company means a Statement which includes (I) A balance sheet as at the end of the financial year (II) A profit and loss account, or in the case of a company carrying on any activity not for profit, an income and expenditure account for the financial year (III) Cash flow statement for the financial year (IV) A statement of changes in equity, if applicable; and (V) Any explanatory note annexed to, or forming part of, any document referred to in sub-clause (I) to sub-clause (IV)

4. Elements of Internal Financial Control Framework

The essential elements of an effective internal financial control framework are:

- Culture and environment of Organization
- Delegation of Authority
- Company Policies and procedures
- Trained and properly qualified staff
- Information Technology controls
- Internal audit system
- Senior Management compliance assurance
- Risk identification and assessment

5. Keynotes on Internal Financial Control Policy

Internal Financial Controls include reviews of the following areas:

- Audit Committee to evaluate the Internal Financial Controls of the Company through regular internal control & check assessment process
- Define the scope of Internal audit and have internal audit system in place, to ensure that independent assessments are made encompassing functioning of various compliances under various statues and Rules &

Regulations framed there under, adequate systems and procedures are in place to safeguard the company assets, internal check & controls are in place to avoid error and frauds. Company transactions are checked, verified and documented and as per approving authorities and company policy. Periodic balance confirmation from debtors, creditors and other parties are obtained.

- Internal Audit, to review the operations to ascertain results are consistent in line with company's set goals, Identify the areas to further strengthening the internal controls in fast changing technology and environment change, review the reliability and integrity of financial and operating information and means used to identify measures, classify and report such informations.
- Risk Management and regular review of risk assessment process covering the major risk faced by the company and key controls to manage the same.

This Policy will be communicated to all concerned persons of the Company and shall be placed on the website of the company at https://redearth.in/investor-relations.html