MATERIALITY POLICY FOR IDENTIFICATION OF GROUP COMPANIES

A. INTRODUCTION

This Policy has been formulated to define the materiality for identification of group companies, in respect of **Red Earth Good Living and Hospitality Limited** (the "**Company**"), pursuant to the disclosure requirements under Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time ("**SEBI ICDR Regulations**").

This Policy has been adopted by the Board at its meeting held on 24-12-2025 and has come into effect on 24-12-2025

B. APPLICABILITY AND OBJECTIVE

This policy shall be called the 'Policy on Identification of Group Companies' ("**Policy**").

The Company has adopted this Policy for identification and determination of Group Companies pursuant to the provisions of SEBI ICDR Regulations, details of which shall be disclosed in the Issue Documents.

"**Issue Documents**" means the Draft Prospectus and the Prospectus to be filed by the Company in connection with the proposed initial public offering of its equity shares with the Securities and Exchange Board of India, Registrar of Companies, Bangalore ("**RoC**") and stock exchanges where the equity shares of the Company are proposed to be listed, as applicable.

All other capitalised terms not specifically defined in this Policy shall have the same meanings ascribed to such terms in the Issue Documents.

In this Policy, unless the context otherwise requires:

(i) Words denoting the singular shall include the plural and vice versa.

(ii) References to the words "include" or "including" shall be construed without limitation.

C. POLICY PERTAINING TO THE IDENTIFICATION OF MATERIAL GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term 'group companies' includes (i) such companies (other than promoter(s) and subsidiary(ies)) with which the issuer company had related party transactions during the period for which financial information is disclosed in the issue document, as covered under the applicable accounting standards, and (ii) any other companies as considered material by the board of directors of the issuer.

Therefore, as per the requirements of the SEBI ICDR Regulations, Group Companies shall include:

(i) companies (other than the subsidiary) with which there were related party transactions, during the period for which financial information is disclosed in the Issue Document(s), as covered under the Indian Accounting Standard (Ind AS) 24, i.e., financial information for the period ended March 31, 2025, 2024 and 2023; and

(ii) companies as considered material by the Board*.

*A company shall be considered material and disclosed as 'Group Company' if a material adverse change in such company, can lead to a material adverse effect on the Company and its revenues and profitability.

D. AMENDMENT

The Board (including its duly constituted committees wherever permissible) shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy. This Policy shall be subject to review/changes as may be deemed necessary and in accordance with regulatory amendments from time to time.