



**RAW EDGE INDUSTRIAL SOLUTIONS LIMITED**

**CIN No: L46201MH2005PLC240892**

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## **Policy for Determining Material Subsidiaries**

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## 1. INTRODUCTION

In accordance with Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this Policy outlines the criteria for identifying "material" subsidiaries of **Raw Edge Industrial Solutions Limited** (the "Company") and sets forth the required governance framework.

## 2. CRITERIA FOR DETERMINING MATERIAL SUBSIDIARY

A subsidiary shall be considered **Material** if its income or net worth exceeds **10%** of the consolidated income or net worth, respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

## 3. GOVERNANCE AND COMPLIANCE REQUIREMENTS

In the event the Company acquires or forms a subsidiary that meets the materiality criteria, the following governance requirements shall apply:

- **Board Representation:** At least one Independent Director of the Company shall be appointed to the board of an unlisted material subsidiary (whether incorporated in India or not) if its income or net worth exceeds 20% of the consolidated income or net worth.
- **Review of Financials:** The Audit Committee of the Company shall review the financial statements and investments made by the unlisted subsidiary.
- **Minutes Review:** Minutes of the board meetings of the unlisted subsidiary shall be placed before the Board of the Company for review.
- **Significant Transactions:** The management of the unlisted subsidiary shall periodically present a statement of all "Significant Transactions and Arrangements" (exceeding 10% of its own revenues/expenses/assets/liabilities) to the Company's Board.
- **Secretarial Audit:** Every material subsidiary incorporated in India shall undertake a secretarial audit by a Peer Reviewed Company Secretary.

## 4. DISPOSAL OF MATERIAL SUBSIDIARY

The Company shall not take the following actions without a special resolution passed by shareholders in a General Meeting:

- Reducing its shareholding (individually or with other subsidiaries) to less than or equal to **50%** or ceasing to exercise control.
- Selling, disposing, or leasing assets amounting to more than **20%** of the subsidiary's assets on an aggregate basis during a financial year.

## 5. CURRENT APPLICABILITY STATUS

**Note on Non-Applicability:** As of the date of adoption of this Policy, **Raw Edge Industrial Solutions Limited does not have any subsidiary companies**. Therefore, the operative governance and disposal requirements of this Policy are currently not applicable to the Company. This Policy is maintained and uploaded on the Company's website to ensure regulatory compliance with SEBI (LODR) Regulations and to provide a framework should any subsidiary be acquired or formed in the future.

## 6. DISCLOSURE AND REVIEW

- This Policy shall be disclosed on the Company's website, and a web link shall be provided in the Annual Report.
- The Board shall review and amend this Policy from time to time to ensure compliance with any changes in the SEBI (LODR) Regulations.

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