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## POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION

*(Pursuant to Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

### 1. PREAMBLE

This Policy for Determination of Materiality of Events or Information (“Policy”) is framed pursuant to Regulation 30 read with Schedule III and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”), including statutory amendments, modifications or re-enactments thereof.

The Policy is adopted by XTGlobal Infotech Limited to ensure timely, adequate and accurate disclosure of material events or information to the Stock Exchanges and to maintain transparency and investor protection.

### 2. OBJECTIVES OF THE POLICY

The objectives of this Policy are:

- a) To determine materiality of events or information in accordance with Regulation 30 of SEBI LODR Regulations;
- b) To ensure timely disclosure of material events/information to Stock Exchanges;
- c) To ensure uniformity and consistency in disclosures;
- d) To protect the interests of investors and stakeholders;
- e) To ensure compliance with Schedule III of SEBI LODR Regulations;
- f) To authorize Key Managerial Personnel for determining materiality and making disclosures.

### 3. DEFINITIONS

Unless the context otherwise requires:

**a) “Act”**

means the Companies Act, 2013 and the rules made thereunder.

**b) “Board”**

means the Board of Directors of the Company.

**c) “Company”**

means XTGlobal Infotech Limited.

**d) “Key Managerial Personnel” or “KMP”**

shall have the meaning assigned under Section 2(51) of the Companies Act, 2013.

**e) “Material Event” or “Material Information”**

means such event or information as specified under Regulation 30 read with Schedule III of SEBI LODR Regulations or determined as material pursuant to this Policy.

**f) “Schedule III”**

means Schedule III to the SEBI LODR Regulations.

**g) “Stock Exchange”**

means National Stock Exchange of India Limited and/or BSE Limited where securities of the Company are listed.

Words and expressions not defined herein shall have the meanings assigned under SEBI LODR Regulations, Securities Contracts (Regulation) Act, 1956, SEBI Act, 1992 and Companies Act, 2013.

### 4. AUTHORITY FOR DETERMINATION OF MATERIALITY

The following officials of the Company are hereby jointly and severally authorized for the purpose of determining materiality of an event or information and for making disclosures to the Stock Exchanges:

1. Managing Director
2. Chief Financial Officer
3. Company Secretary & Compliance Officer

The authorized officials shall:

- a) assess the materiality of events or information;
- b) determine appropriate timing and contents of disclosure;
- c) ensure disclosure within prescribed timelines;
- d) make disclosures to Stock Exchanges;
- e) authorize updates, clarifications and responses to Stock Exchange queries;
- f) ensure continuous disclosure till the event is resolved or closed.

## 5. MATERIALITY THRESHOLDS AND CRITERIA

The Company shall determine materiality of events or information based on the criteria specified under Regulation 30(4) of SEBI LODR Regulations.

An event or information shall be considered material if:

### **5.1 Discontinuity or Alteration Criterion**

The omission of an event or information is likely to result in discontinuity or alteration of event or information already available publicly.

### **5.2 Market Reaction Criterion**

The omission of an event or information is likely to result in significant market reaction if such omission came to light at a later date.

### **5.3 Financial Threshold Criterion**

The omission of an event or information, whose value or expected impact in terms of value exceeds the lower of the following thresholds, shall be considered material:

#### **(i) Turnover Threshold**

Two percent (2%) of turnover, as per the last audited consolidated financial statements of the Company;

#### **(ii) Net Worth Threshold**

Two percent (2%) of net worth, as per the last audited consolidated financial statements of the Company, except where arithmetic value of net worth is negative;

#### **(iii) Profit or Loss Threshold**

Five percent (5%) of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company.

#### **5.4 Residual Materiality**

Where the criteria specified above are not applicable, an event or information may still be treated as material if, in the opinion of the Board of Directors or authorized KMPs, such event/information is considered material.

## **6. DISCLOSURE TIMELINES**

The Company shall disclose all material events or information to the Stock Exchanges as soon as reasonably possible and in accordance with timelines prescribed under SEBI LODR Regulations and SEBI circulars.

Without prejudice to generality:

- a) Events emanating from within the Company shall generally be disclosed within 12 hours from occurrence of event or information;
- b) Events or information not emanating from within the Company shall generally be disclosed within 24 hours from occurrence of the event or information;
- c) In case disclosure is made after prescribed timelines, explanation for delay shall also be provided.

The Company shall also provide:

- regular updates on material developments;
- relevant material changes;
- final outcome or closure of events.

## **7. EVENTS DEEMED MATERIAL UNDER PARA A OF PART A OF SCHEDULE III**

The following events/information shall be deemed material and shall be disclosed without application of materiality guidelines:

### **7.1 Acquisitions, Scheme of Arrangement and Restructuring**

- acquisition(s);
- merger;
- demerger;

- amalgamation;
- restructuring;
- scheme of arrangement;
- sale or disposal of units/divisions/subsidiaries;
- slump sale;
- business transfer.

#### Disclosure shall include:

- name of entity;
- turnover contribution;
- consideration;
- rationale;
- percentage of shareholding/control acquired/disposed.

#### 7.2 Issuance or Forfeiture of Securities

- issue of shares;
- rights issue;
- bonus issue;
- preferential issue;
- qualified institutions placement;
- forfeiture;
- buyback;
- split or consolidation of shares;
- restriction on transferability.

#### 7.3 Revision in Credit Rating

Any revision in ratings assigned by credit rating agencies.

#### 7.4 Outcome of Board Meetings

Disclosure of outcome of Board Meetings relating to:

- dividends;
- buyback;
- fundraising;
- financial results;
- voluntary delisting;
- alteration of capital.

Such disclosures shall be made within 30 minutes from closure of the meeting.

## 7.5 Agreements

Execution, amendment, termination or impact of:

- shareholder agreements;
- joint venture agreements;
- family settlement agreements affecting management/control;
- agreements binding the Company;
- agreements affecting securities or management.

## 7.6 Fraud or Defaults

- fraud by Company/promoters/KMP/senior management;
- arrest of KMP/promoters/directors;
- default in payment obligations;
- default in loans or debt securities.

## 7.7 Change in Directors, KMP, Auditors or Compliance Officer

Appointment, resignation, removal, death or otherwise of:

- directors;
- managing director;
- CFO;
- Company Secretary;
- auditors;

- secretarial auditors;
- compliance officer.

Disclosure shall include detailed reasons and resignation letter where applicable.

## 7.8 Litigation and Regulatory Actions

- litigation;
- disputes;
- tax proceedings;
- regulatory action;
- penalties;
- search/seizure;
- suspension;
- debarment.

## 7.9 Insolvency or Winding Up

- winding up petition;
- insolvency proceedings;
- liquidation;
- bankruptcy proceedings.

## 7.10 Schedule of Analysts/Institutional Investors Meetings

Disclosure of:

- analyst meetings;
- investor presentations;
- transcripts;
- audio/video recordings.

## 8. EVENTS REQUIRING APPLICATION OF MATERIALITY UNDER PARA B OF PART A OF SCHEDULE III

The following events shall be disclosed based on application of materiality criteria specified under Clause 5 of this Policy:

### 8.1 Commencement or Postponement of Commercial Production

Any commencement, postponement or disruption of operations.

### 8.2 Capacity Addition

Any substantial capacity addition, expansion or product line addition.

### 8.3 Product Launches

Launch of new products or services having material impact.

### 8.4 Award or Termination of Contracts

Material contracts, agreements, orders or termination thereof.

### 8.5 Business Disruption

- strikes;
- lockouts;
- natural calamities;
- force majeure events;
- cyber security incidents;
- fire accidents.

### 8.6 Granting or Withdrawal of Licenses

Grant, suspension, cancellation or withdrawal of regulatory approvals or licenses.

### 8.7 Any Other Material Event

Any other event or information which is considered material by the Board or authorized KMPs.

## 9. DISCLOSURE PROCESS

a) Functional heads shall promptly inform the authorized KMPs regarding occurrence of material events.

- b) The authorized KMPs shall evaluate materiality and approve disclosures.
- c) The disclosure shall be filed with Stock Exchanges through electronic platform.
- d) Simultaneously, disclosures shall be uploaded on the website of the Company.
- e) All disclosures shall be preserved in accordance with applicable laws and archival policy.

## **10. WEBSITE DISCLOSURES AND ARCHIVAL**

The Company shall disclose on its website all material events/information disclosed to the Stock Exchanges under Regulation 30.

Such disclosures shall remain hosted on the website for a minimum period of five years and thereafter as per archival policy of the Company.

## **11. AMENDMENT AND REVIEW**

The Board reserves the right to amend, modify or review this Policy from time to time in line with applicable laws, SEBI Regulations and Stock Exchange requirements.

Any statutory amendment or modification to Regulation 30 or Schedule III shall automatically apply to this Policy.