

**POLICY FOR DETERMINATION OF MATERIALITY FOR DISCLOSURE OF INFORMATION-  
XCHANGING SOLUTIONS LIMITED**

**Background:**

As per Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'), a listed entity is required to frame a policy for determination of materiality for disclosure of events or information to Stock Exchanges, based on the criteria specified in Regulation 30 of the said Regulations and the same is also required to be disclosed on the Company's website.

**Scope:**

- i. The Company shall mandatorily disclose all information pertaining to the events as specified in Para A of Part A of Schedule III of the Listing Regulations, without applying any test of materiality, in the manner required by the Regulations.
- ii. The Company shall make disclosure of events specified in Para B of Part A of Schedule III of the Listing Regulations, based on application of the guidelines for materiality, as specified below.

**Policy:**

Taking into account the aforesaid provisions and other applicable legal provisions, the Policy on determination of materiality for disclosures to events or information is being made as under:

1. The Company shall consider the following criteria for determination of materiality of event or information:
  - (a) the omission of an event or information is likely to result in discontinuity or alteration of event or information already available publicly; or
  - (b) the omission of an event or information is likely to result in significant market reaction, if the said omission came to light at a later date;
  - (c) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
    - (1) two percent of turnover, as per the last audited consolidated financial statements of the Company;
    - (2) two percent of net worth, as per the last audited consolidated financial statements of the Company, except in case the arithmetic value of the net worth is negative;
    - (3) five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company.
  - (d) where the criteria specified in sub-clauses (a), (b) and (c) are not applicable, an event/information may be treated as being material, if in the opinion of the board of directors of the Company, the event / information is considered material.

**Authority to make disclosures (Authorized Persons):**

- (a) The Chairman singly or any two of the CEO, CFO and Company Secretary jointly are authorized persons for the purpose of determining materiality of an event or information.

- (b) The Chairman, CEO, CFO and Company Secretary are severally authorized for making disclosures of such material event or information to the stock exchanges.

**Obligations of Employees/officer and Authorized Persons for Disclosure:**

1. Any event or information, including the information specified in Para A and Para B of Part A of Schedule III of the Listing Regulations shall be forthwith informed to the Authorized Persons upon occurrence, with adequate supporting data/information, to facilitate a prompt and appropriate disclosure to the Stock Exchanges.
2. The Authorized Persons will then ascertain the materiality of such event(s) or information in terms of this Policy.
3. On completion of the assessment, the Authorized Persons shall, if required, make appropriate disclosure(s) to the Stock Exchanges.

Further, following guidance shall be followed in order to determine timing of an event or information:

- In certain instances, the occurrence of material event/information would depend upon the stage of discussion, negotiation or approval and in other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions etc., the occurrence of an event or information would depend upon the timing when the Company became aware of the event/information.
- In the former, the events/information (based on the facts and circumstances), can probably be said to have occurred upon receipt of approval of Board of Directors. However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending Shareholder's approval.
- In the latter, the events/information can be said to have occurred when the Company becomes aware of the events/information, or as soon as, an employee / officer of the Company has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

*Here, the term 'officer' shall have the same meaning as defined under the Companies Act, 2013 and shall also include promoter of the Company. The Company may delay public disclosure of material information if it determines that immediate release would be unduly detrimental to the Company's interests (for example, if it would prejudice negotiations in a corporate transaction). These circumstances should be rare and given the implications and required follow up disclosure should be discussed with counsel.*

**Review / Amendment:**

- (a) This Policy is subject to review from time to time.
- (b) The Board of Directors can amend this Policy as and when deemed fit taking into account the law for the time being in force. Any or all provisions of this Policy would be subject to revision/amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

(c) In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

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Previous reviewed on November 10, 2022

Current reviewed on November 2, 2023