



POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION

I. Legal Framework and Background

Xtranet Technologies Limited (the “**Company**”) is committed to being open and transparent with all stakeholders and believes in disseminating information in a fair and timely manner. This Policy for Determination of Materiality of Events or Information (“**Policy**”) is aimed at providing guidelines to the management of Company, to determine the materiality of events or information, which could affect investment decisions and to ensure timely and adequate dissemination of information to the Stock Exchange(s) (as hereinafter defined).

This policy (“**Policy**”) has been formulated to define the respective materiality policies pursuant to the disclosure requirements prescribed under Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015(as amended from time to time) (“**SEBI ICDR Regulations**”), in respect of the following:

- A. Identification of companies to be disclosed as Group Companies in the Offer Documents (as defined below);
- B. Identification of ‘material’ litigation (excluding disciplinary actions against the promoters, criminal proceedings, statutory/regulatory actions and taxation matters); and
- C. Identification of ‘material’ creditors.
- D. Identification of events or information which are consider to be material events.

The board of directors of the Company (“**Board**”) at their meeting held on September 4, 2025 discussed and approved this Policy. This Policy shall be effective from the date of approval of policy by the Board.

II. Objective

The objective of this Policy is to serve as a guiding charter to the management of the Company to ensure that timely and adequate disclosure of events or information that are material in nature and could affect investment decisions, is made to the investor community timely and appropriately as mandated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

III. Definitions

- (a) “**Act**” means the Companies Act, 2013 and as amended, modified or replaced from time to time and includes any statutory replacement or re-enactment thereof, and to the extent that any provisions of the Companies Act, 2013, including any rules made thereunder.
- (b) “**Board of Directors**” means the Board of Directors of the Company.
- (c) “**Company**” means Xtranet Technologies Limited.
- (d) “**Key Managerial Personnel**” means key managerial personnel as defined under sub-section (51) of section 2 of the Companies Act, 2013.
- (e) “**Offer Documents**” shall mean the draft red herring prospectus, the red herring 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
- (f) “**SEBI Listing Regulations / SEBI (LODR)**” means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

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- (g) “**Policy**” means this policy, as amended from time to time.
- (h) “**SEBI**” means the Securities and Exchange Board of India.
- (i) “**Rules**” means the rules made under the Act.
- (j) “**Stock Exchange**” means such stock exchange where the equity shares of the Company are listed.

All other words and expressions used but not defined in this Policy, but defined in the SEBI Act, 1992, Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

A. Identification of companies to be disclosed as group companies in the Offer Documents

Requirement:

As per the requirements of the SEBI ICDR Regulations, ‘group companies’ include such companies (other than the subsidiaries and the promoters) with which there were related party transactions, during the period for which financial information is disclosed in the Offer Document(s), as covered under Ind AS 24, and also other companies as considered material by the Board.

The policy on the identification of companies to be disclosed as group companies (other than those covered under Ind AS 24), as below, shall be disclosed in the Offer Documents.

Policy on materiality:

For the purpose of disclosure in the Offer Documents, a company shall be considered material and will be disclosed as a ‘Group Company’ in the Offer Documents if:

- (i) such companies (other than the corporate promoter) have entered into related party transactions with the Company as described under Ind AS 24 during any of the financial year/periods being included in the Offer Documents; and
- (ii) any other company as may be identified as material by the Board.

In respect of (ii) above, pursuant to the Materiality Policy a company has been identified as a group company if:

- (i) such company is a member of the promoter group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations; and
- (ii) our Company has entered into one or more transactions with such company during the last fiscal year, in respect of which Restated Consolidated Financial Information are included in the Issue Documents, which individually or cumulatively in value exceeds 10% of the consolidated revenue from operations of our Company for the last fiscal year as per the Restated Consolidated Financial Information, and any other company as may be identified as material by the Board.

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B. Identification of ‘material’ litigation (excluding disciplinary actions against the promoters, criminal proceedings, statutory/regulatory actions and taxation matters)

As per the requirements of SEBI ICDR Regulations, the Company shall disclose the following pending litigation involving the Company, its directors and promoters (collectively “**Relevant Parties**”):

- (i) All outstanding criminal proceedings (including first information reports);
- (ii) All outstanding actions (including penalties and show cause notices) by regulatory authorities and statutory authorities;
- (iii) Disciplinary actions including penalties imposed by SEBI or stock exchanges against the promoters in the last five financial years including outstanding action;
- (iv) Outstanding claims related to direct and indirect taxes, in a consolidated manner, giving the number of cases and total amount; and
- (v) Other pending litigations based on lower of threshold criteria mentioned below-

(i) As per the policy of materiality defined by the board of directors of the issuer and disclosed in the offer document; or

(ii) Litigation where the value or expected impact in terms of value, exceeds the lower of the following:

- (a) two percent of turnover, for the most recent financial year based on the Restated Financial Statements; or
- (b) two percent of net worth, as at the end of the most recent financial year based on the Restated Financial Statements; or
- (c) five percent of the average of absolute value of profit or loss after tax, for the last three financial years based on the Restated Financial Information, whichever is lower.

Policy on materiality:

Other than litigations mentioned in points (i) to (iv) above, for the purpose of point (v) above, any other pending litigation involving the Relevant Parties would be considered ‘material’ for the purpose of disclosure in the Offer Documents, if:

Monetary threshold:

For the Company, its directors and promoters (except listed promoter)

The monetary amount of claim by or against the Company, its directors or promoters (except listed promoter), in any such pending proceeding is equivalent to or in excess of 1% of the net worth of the Company, as per last full year restated financial statements included in the Offer Documents;

For the listed promoter

In accordance with Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR Regulations**”), an event may be considered ‘material’ if the value or expected impact in terms of value, exceeds the lower of the following:

- (a) 2% of turnover, as per last audited consolidated financial statements;
- (b) 2% of net worth, as per last audited consolidated financial statements, except in case arithmetic value of net worth is negative; or
- (c) 5% of average of absolute value of profit/ loss after tax, as per last three audited consolidated financial statements.

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Further, the following shall also be considered material litigation in relation to the listed promoter and the Relevant Parties: litigations where the decision in one litigation is likely to affect the decision in similar litigations and the cumulative amount involved in all such litigations exceeds the amount.

(ii) *Subjective threshold*: all outstanding litigation which may not meet the monetary threshold and/or such pending matters which are not quantifiable, involving the Relevant Parties, whose outcome would materially and adversely affect the business, prospects, operations, performance, financial position or reputation of the Company.

It is clarified that for the purpose of this Policy, pre-litigation notices received by the Relevant Parties and group company(ies) from third parties (excluding those notices issued by governmental, statutory, regulatory, judicial, quasi-judicial or taxation authorities or notices threatening criminal action) shall, in any event, not be considered as litigation until such time that Relevant Parties are impleaded as defendants in proceedings before any judicial/arbitral forum including any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Further, as per the requirements of SEBI ICDR Regulations, the Company shall also disclose such outstanding litigation involving the group companies which has a material impact on the Company.

C. Identification of 'material' creditors

Requirement:

As per the requirements of the SEBI ICDR Regulations, the Company shall make relevant disclosures in the Offer Documents and on the website of the Company for outstanding dues to creditors as follows:

- (i) Based on the policy on materiality defined by the Board, details of the creditors which include the consolidated number of creditors and the aggregate amount involved, will be disclosed in the Offer Documents;
- (ii) Consolidated information on outstanding dues to micro, small and medium enterprises and other creditors, separately giving details of number of cases and amount involved will be disclosed in the Offer Documents; and
- (iii) Complete details about outstanding dues to material creditors along with the name and amount involved for each such material creditor shall be disclosed on the website of the Company with a web link thereto in the Offer Documents.

Policy on materiality:

For identification of material creditors, a creditor of the Company shall be considered to be material for the purpose of disclosure in the Offer Documents, if the amounts due to such creditor exceeds 5% of the restated [total trade payables of the Company] as of the end of the latest financial period covered in the restated financial statements disclosed in the Offer Documents.

D. Identification of events or information which are consider to be material events

I. Events or information which are deemed to be material events

The Company shall, disclose all such events pertaining to itself and/or its material subsidiary(ies), which are specified in **Para A of Part A of Schedule III of the SEBI Listing Regulations** (as may be applicable / amended from time to time). Notwithstanding anything contained in this Policy, the Company shall at all times be required to disclose all such events as are specified under sub-regulation (2) of Regulation 30 of the Listing Regulations.

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II. Events or information which are dependent on application of guidelines for materiality

The Company shall, disclose all such events pertaining to itself and/or its material subsidiary(ies), which are specified in **Para B of Part A of Schedule III of the SEBI Listing Regulations** pursuant to this Policy.

The guidelines for determining materiality of events or information are set out below.

- (i) **Quantitative criteria:** An event or information, whose value or the expected impact in terms of value, exceeds the lower of the following: a) two percent of turnover, as per the last audited consolidated financial statements of the Company; b) 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; c) 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;
- (ii) **Qualitative criteria:** a) An event or information which is likely to result in discontinuity or alteration of event or information already available publicly; or; b) An event or information which is likely to result in significant market reaction if the said event or information came to light at a later date; and
- (iii) In case where the criteria specified in sub-clauses (i) and (ii) is not applicable, an event or information may be treated as being material if the Board of Directors of the Company or any Key Managerial Personnel authorized by Board of Directors to determine materiality of an event or information is of the opinion that, such event or information is considered material.

III. Any other information or event which is to be disclosed by the Company

Events of the Company to which neither Para A nor B of Schedule III apply, should be disclosed if such events are considered as material by the Company.

The Company shall disclose major developments that are likely to affect its business, e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc. and any other information which is exclusively available with the Company and which may be necessary to enable the holders of securities to review their position and to avoid creation of a false market for equity shares of the Company.

The Company may at its own discretion, confirm or deny any reported event or information to the Stock Exchange(s).

IV. Key managerial personnel (KMP) for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange

The following KMPs are hereby severally authorized by Board of Directors for the purpose of determining materiality of an event or information and for the purpose of making disclosures to Stock Exchange(s) (“**Authorised Person(s)**”):

- a. Chief Executive Officer (CEO) or Managing Director or the manager
- b. Chief Financial Officer
- c. Company Secretary
- d. Whole time director
- e. such other officer, not more than one level below the Directors who is in whole-time employment, designated as

key managerial personnel by the Board.



The Authorised Person shall have the powers and responsibilities as specified in this clause:

- (a) To take a view on the materiality of an event which may qualify for disclosure and resolve any computation and interpretation issues whilst making the materiality assessment.
- (b) To determine the appropriate time at which the disclosures are to be made to the stock exchanges, based on an assessment of actual time of occurrence of an Event to be reported.
- (c) To review and finalise the details to be disclosed, in consultation with CEO or Managing Director of the Company.
- (d) To make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- (e) To consider such other events that may require disclosure to be made to the stock exchanges which are not explicitly defined in the SEBI Listing Regulations and determine the materiality, appropriate time and contents of disclosure for such matters.
- (f) To formulate operational guidelines for deployment of this Policy.

The materiality of events outlined above are indicative in nature. Accordingly, the Authorized Person/s shall exercise his/her own judgment while assessing the materiality of events / information associated with the Company.

V. Disclosure Process

- a. Any event purported to be reported under Regulation 30 of SEBI Listing Regulations shall be informed to the Authorised Person on an immediate basis upon occurrence, with adequate supporting data/information to facilitate a prompt and appropriate disclosure. Any other Event, even if not covered under the SEBI Listing Regulations but is potentially of price sensitive nature or non-disclosure of which would result in discontinuity or alteration of publicly available information or is likely to result in a significant market reaction if disclosed at a later date, must also be informed, for further evaluation to the Authorised Person.
- b. The Authorised Person will be responsible for ascertaining whether an event is to be reported on the basis of nature of information, applicability of deeming provisions, relevant impact in terms of discontinuity of market information and materiality. The secretarial, finance and compliance teams shall assist the Authorised Person in such assessment.
- c. After evaluation, the Authorised Person shall issue a suitable disclosure notification to the stock exchanges, in consultation with the Managing Director or CEO. The secretarial team shall assist Authorised Person in such issuance.
- d. The Company shall use the electronic facilities provided by the stock exchanges for dissemination in the first instance. Information may subsequently also be disclosed via other media, including the press, website and direct email.
- e. The Company shall disclose all events or information to the stock exchange(s) and upload on Company's website within the timelines as prescribed under the SEBI Listing Regulation. Delay, if any, should be sufficiently explained along with the disclosure.
- f. The Company shall, with respect to events/information mentioned in Part A and Part B of Schedule III, make disclosures updating material developments on a regular basis, till such time the Event is resolved/closed, with relevant explanations.
- g. The Company shall make disclosures of events/information as specified in Part B of Schedule III based on application of guidelines for determining materiality as per Clause V of this Policy.



- h. The Company shall disclose all events or information with respect to subsidiaries which are material for the Company.

VI. Amendments

The Board may amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy with or without changes in applicable laws. Any subsequent amendment/modification in the Act or the rules framed thereunder or the SEBI Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.

VII. Scope and limitation

In the event of any conflict between the provisions of this Policy and the Act or Listing Regulations or any other statutory enactments, modification or rules, the provisions of Listing Regulations / Act or statutory modification, enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to be severed from the Policy and the rest of the Policy shall remain in force.

VIII. Dissemination of policy

This Policy shall be hosted on the website of the Company for such minimum period as mandated by the provisions of Listing Regulations and thereafter as per the archival policy of the Company.

IX. Contact details

Any questions or clarification about the policy or disclosures made by the company should be referred to the Company Secretary, who is in charge of administering, enforcing and updating this policy

Xtranet Technologies Limited

Email ID: Compliance@xtranetindia.com

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POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. Preamble and objective:

The Board of Directors of Xtranet Technologies Limited (“**Company**”) in pursuance of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**SEBI Listing Regulations**”), adopted the policy for determining ‘material’ subsidiaries (“**Policy**”) vide its Board meeting held on September 4, 2025.

The primary purpose of this Policy is to lay down the criteria for identification of Material Subsidiary(ies) (*as defined below*) and disclosure and governance thereof as required under the SEBI Listing Regulations.

The Policy shall come into force with effect from the date the SEBI Listing Regulations takes effect with respect to the Company.

2. DEFINITIONS:

“**Audit Committee**” means Audit Committee constituted by the Board of Directors of Company, from time to time, under Section 177 of the Companies Act, 2013 and SEBI Listing Regulations.

“**Board**” means the board of directors of Company, as constituted from time to time.

“**Insolvency Code**”, means Insolvency and Bankruptcy Code, 2016, as amended.

“**Material Subsidiary**” means a material subsidiary of the Company as defined under the Regulation 16(c) of the SEBI Listing Regulations.

“**Subsidiary**” shall mean a subsidiary as defined under the Companies Act, 2013.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI Listing Regulations or any other applicable regulation, as amended from time to time.

3. Criteria for determining the Material Subsidiaries:

A subsidiary of the Company shall be regarded as a Material Subsidiary if it falls under the definition provided above.

The Audit Committee shall review such details / information as may be required to determine the ‘Material Subsidiaries’.

4. Guiding principles

Material Subsidiary of the Company would be identified, if any, as one time exercise which shall be done during each financial year. The identification should happen soon after preparation of annual accounts and the outcome should be placed before the Audit Committee or Board, as the case may be, in the meeting where the annual audited accounts of the Company are considered.

5. Governance of Material Subsidiaries:

- a) At least one independent director on the Board shall be appointed as a director on the board of directors of an unlisted Material Subsidiary, whether incorporated in India or not.

Notwithstanding anything contained in this Policy, for the purpose of above, the term “Material Subsidiary” shall mean a subsidiary, whose income or net worth exceeds 20% of the consolidated

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income or net worth respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.

- b) The Audit Committee shall review the financial statements, in particular, the investments made by the unlisted Material Subsidiary.
- c) The minutes of the meetings of the board of directors of the unlisted Material Subsidiary shall be placed at the meeting of the Board.
- d) The management of the unlisted Material Subsidiary shall periodically bring to the attention of the Board, a statement of all significant transactions and arrangements entered into by the Material Subsidiary.

Explanation: The term “significant transaction or arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year, and shall be in accordance with any meaning as may be provided for “significant transaction or arrangement” under Regulation 24(4) of the SEBI Listing Regulations, from time to time.

- e) The Company shall not dispose of shares in its Material Subsidiary which would reduce the shareholding of the Company (either on its own or together with other subsidiaries) to less than or equal to 50% or cease the exercise of control over such Material Subsidiary without passing a special resolution in its general meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal, or under a resolution plan duly approved under Section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
- f) The Company shall not sell, dispose and lease of assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year without prior approval of shareholders by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
- g) The unlisted Material Subsidiaries incorporated in India shall undertake secretarial audit; and the Company shall annex with its annual report, a secretarial audit report, given by a company secretary in practice.
- h) The Company shall disclose all events or information with respect to its Subsidiaries which are material for the Company as per Regulation 30(9) of the SEBI Listing Regulations.

6. Disclosure

This Policy shall be disclosed on the Company’s website pursuant to Regulation 46(2) of the SEBI Listing Regulations and a web link thereto shall be provided in the annual report of the Company.

7. Policy review

The Board, subject to applicable laws, is entitled to amend, suspend or rescind this Policy at any time. Any difficulties or ambiguities in the Policy will be resolved by the Board in line with the broad intent of the Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy.

In the event of any conflict between the provisions of this Policy and of the applicable law, such applicable law in force from time to time shall prevail over this Policy.

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