POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

OBJECTIVE

- The objective of this Policy is to lay down criteria for identification of material subsidiaries of Kairosoft AI Solutions Limited (formerly known as Pankaj Piyush Trade And Investment Limited) (**"the Company"**) and formulate a governance framework for dealing with such material subsidiaries.
  The Board of Directors ("Board") of the Company has adopted the following policy and procedures with regard to determination of "Material Subsidiaries" in order to comply with the requirements of Regulation 16(1)(c) and Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "SEBI Listing Regulations").

DEFINITIONS

- "Subsidiary(s)" shall mean subsidiary of the Company as defined under the Companies Act, 2013 ("2013 Act").

- "Audit Committee" means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of 2013 Act and Regulation 18 of the Listing Regulations. Material Subsidiary: A Subsidiary shall be considered as material whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

- "Significant transactions or arrangements": Significant transactions or arrangements 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. All capitalized terms used in this Policy but not defined herein shall have the meaning ascribed to such term in 2013 Act and the Rules framed there under or in the Listing Regulations, as amended from time to time.

- "Independent Director" means an independent director referred to in Section 149(5) of the Companies Act, 2013.

- "Material Subsidiary" means a Subsidiary which shall be considered as Material Subsidiary if it fulfils the conditions for being classified as Material Subsidiary as mentioned in this Policy.

- "Companies Act" means the Companies Act, 2013 read with the rules thereunder, as amended.

REQUIREMENT REGARDING MATERIAL SUBSIDIARY

The Company, without passing a special resolution in its General Meeting, shall not:

i. dispose shares in the material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% or;
ii. dispose shares in the material subsidiary which would cease the exercise of control over the subsidiary or (except in cases where the 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);
iii. sell, dispose or lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year, unless in cases where 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.

Nothing contained in this sub-regulation shall be applicable if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the listed entity.

ADDITIONAL REQUIREMENT FOR UNLISTED MATERIAL SUBSIDIARY

a. at least 1 Independent Director on the Board of the company shall be appointed as a Director on the Board of unlisted Material subsidiary, whether incorporated in India or not;

   For the purpose of this requirement, the term "Material Subsidiary" shall mean a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

b. Material unlisted subsidiaries of the Company incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice, in such form as may be specified.

REQUIREMENT REGARDING UNLISTED SUBSIDIARY COMPANY:

a. Minutes of the Board meetings of all unlisted subsidiary companies shall be placed before the Board of Directors of the company;

b. A statement of all significant transactions and arrangements entered into by the subsidiary companies shall be brought to the attention of the Board of Directors of the company on a periodic basis;

c. Audit Committee of the company shall review the financial statements, in particular, the investments made by unlisted subsidiary companies on a periodic basis;

d. Majority of Directors on the Board of a Material subsidiary incorporated outside India shall be nominated by the company

REVIEW & AMENDMENTS

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