

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION

1. BACKGROUND

Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") which came into effect on December 1, 2015 and which has been amended from time to time. requires Kairosoft AI Solutions Limited (formerly known as Pankaj Piyush Trade and Investment Limited (**the "Company"**)) to frame a Policy for determination of materiality for disclosure of events or information ("**Policy**") to BSE Limited (**the "Stock Exchanges"**), based on the criteria specified in the Listing Regulations. The Policy is also required to be disclosed on the website of the Company.

The Company shall be required to adhere to the reporting/ disclosure requirements, which shall arise out of the provisions of the Listing Regulations. Under the Listing Regulations, every listed Company has to make disclosures in two scenarios, namely, mandatory disclosures in respect of items as outlined in Part A of Schedule III of the above Regulations and disclosures upon application of guidelines for materiality as per list provided in Part B of the above Schedule. The mandatory disclosures have to be made without application of the guidelines for materiality; while in the later circumstance, the Company to make disclosure of events based on application of the guidelines for materiality, as specified in the Listing Regulations.

The events/information that would be disclosed as presently prescribed by Securities and Exchange Board of India vide master circular no. **SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 ("Master Circular")**

The Board of Directors of the Company, at its meeting dated September 20, 2018 had adopted the Policy on determination of materiality of events or information, in supersession of all the previous policies of the Company in this regard, which warrants disclosure to investors and has been framed in compliance with the requirements of the Listing Regulations.

Further, the Board of Directors has amended this Policy, in order to incorporate the changes brought into by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 ("SEBI Amendment Regulations").

2. SCOPE OF THE POLICY

The Policy will be applicable to all the events which fall under the criteria as disclosed under the section relating to “Disclosure of events or information to Stock Exchanges”. This Policy shall be read along with the Company’s Policy on Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (fair disclosure code) framed in adherence to the principles for fair disclosure as outlined in the Listing Regulations.

3. DEFINITION

- a) **“Act”** shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.
- b) **“Board of Directors”** or “Board” means Board of the Directors of the Company.
- c) **“Key Managerial Personnel”** mean key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013;
- d) **“Material Event”** or **“Material Information”** shall mean such event or information as set out in the Schedule or as may be determined in terms of this Policy. In the Policy, the words, “material” and “materiality” shall be construed accordingly.
- e) **“Material Price Movement”(“MPM”)** shall be calculated as per the framework issued by the stock exchanges / SEBI from time to time.
- f) **“Officer”** means any director, manager or key managerial personnel or any person in accordance with whose directions or instructions the Board of Directors are accustomed to act and shall also include promoter of the Company.
- g) **“Policy”** means this Policy on Determination of Materiality of events and information and as may be amended from time to time.
- h) **“Relevant Employees”** shall encompass the Senior Managerial Personnel and Business / Functional Heads of the Company and shall include employees of the Company who deal with or comes into possession of potential material event or information in the course of the performance of their duties.
- i) **“SEBI Listing Regulations”** mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.

j) **“Schedule”** means a Schedule III of (Listing Obligations and Disclosure Requirements) Regulations, 2015.

k) **“Turnover”** shall have the meaning assigned to it in Section 2(91) of the Act;

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement, SEBI Listing Regulations or any other applicable law or regulation to the extent applicable to the Company.

4. KEY MANAGERIAL PERSONNEL AUTHORIZED TO DETERMINE MATERIALITY

The Managing Director, Executive Director, and/or Chief Financial Officer, failing them the Company Secretary & Compliance officer will be the authorized Key Managerial Personnel (“KMP(s) / Authorized Officer(s)”) to determine the materiality of an event or information and for the purpose of advising on the disclosure to the stock exchanges through the Company’s Authorized Official designated under the Company’s code of fair disclosure.

Any decision taken by them jointly or severally shall be valid and binding on the Company. Their contact details shall be disclosed to the stock exchange and also be placed on the Company’s website.

However, wherever required, and considering any specific/ significant circumstances including business exigency/ calamities which may arise, either simultaneously or subsequently, approval of the Board / Executive Committee or Chairperson of the Board may be taken for disclosing any such event or information.

The above Authorized Officer(s) are also empowered to seek appropriate counsel or guidance as and when deemed necessary.

The Authorized Officer(s) shall provide specific and adequate reply to all queries raised by Stock Exchanges with respect to any event/information.

5. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION

The following are the criteria/ guidelines for determination of materiality of events/ information:

All events/information stated in Para A of Part A of Schedule III to the Listing Regulations pertaining to itself or its subsidiary(ies), are deemed to be material.

I. Quantitative Criteria

In respect of events / information stated in Table A, the Authorized Officer(s) shall consider the following criteria for determination of materiality of events/information:

- a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available in public domain; 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; or
- c) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
 - i. 2 (two) percent of turnover, as per the last audited consolidated financial statements of the listed entity;
 - ii. 2 (two) percent of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;
 - iii. 5 (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 listed entity.

In case where the criteria specified in sub-clauses (a), (b) and (c) above is not applicable, an event or information may be treated as being material if in the opinion of the board of directors of the listed entity, the event or information is considered material.

II. Qualitative Criteria:

In addition to above quantitative criteria the following Qualitative factors shall also be considered for determination of materiality of event/ information:

- a) Any event/ information which directly or indirectly may materially affect the reputation of the Company; or
- b) Any event/ information, which if not disclosed promptly may lead to creation of false market in the securities of the Company; or

- c) Whether the event/ information is in the normal course of business or not; or
- d) Whether the event/ information represents a significant shift in strategy; or
- e) Any other factor which is pertinent in the opinion of Authorized Officer(s) of the Company.

III. TABLE A

Following parameters to be applied for determining materiality for the Company and for the subsidiaries:

Events / Information enlisted in	Parameters to be applied for determining materiality
Para A of Schedule III	Deemed material
Para B of Schedule III	Factors prescribed in Clause II.
Items other than Para A & Para B	Factors prescribed in Clause II c and Clause III.
Para A of Schedule III	Factors prescribed in Clause II and Clause III.
Para B of Schedule III	Factors prescribed in Clause II c

- IV. The Company shall also disclose all such events/information with respect to subsidiaries, if any, which are considered material for the Company.
- V. The Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information.
- VI. The Company may on its own initiative also, confirm or deny any reported event/information to stock exchange(s).
- VII. The above policy has been approved by the Board of Directors at their meeting held on July 18, 2023 and shall be in supersession of earlier policies on the subject.

6. VERIFICATION OF MARKET RUMOURS

The Company shall be required to confirm, deny or clarify, upon Material Price Movement, any reported event or information in the Mainstream Media which is not general in nature, and which indicates a rumour of an impending specific event or information. The confirmation, denial or clarification would be made to the Stock

Exchanges as soon as reasonably possible, however, not later than twenty-four hours from the Material Price Movement. Directors, key managerial personnel and senior managerial personnel of the Company shall provide adequate, accurate and timely response to queries raised or explanation sought by the Company / Company Secretary / Compliance Officer / Charman & Managing Director / Executive Director

in order to ensure compliance with the requirements of verification of market rumours and the Company shall disseminate the response received from such individual(s) promptly to the Stock Exchanges. In case there are no rumours as envisaged above, the Company need not clarify to the Stock Exchanges. For the purpose of confirmation, denial or clarification of any reported event or information in the mainstream media, the company shall consider the look back period /review period for disclosure of such event/information.

7. TIMELINES FOR DISCLOSURE OF MATERIAL EVENT OR INFORMATION

- 1) An event or information, required to be disclosed in terms of this policy, or in terms of Regulation 30 of the Listing Regulations, shall be disclosed, as soon as reasonably possible and in any case not later than the following:
 - i. 30 (thirty) minutes from the closure of the meeting of the board of directors, in which the decision pertaining to the event or information has been taken; or
 - ii. 12 (twelve) hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity; or
 - iii. 24 (twenty-four) hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity.

Without prejudice to the above, disclosure with respect to events for which timelines have been specified in Part A of Schedule III of the Listing Regulations, shall be made within such timelines.

Provided further that in case the disclosure is made after the timelines specified above of the occurrence of such event/ information, the Company shall, along with such disclosure(s) provide an explanation for the delay.

- 2) The Company shall disclose to the stock exchange(s) material updates on the events/ information disclosed under this Policy till such time that the event is resolved/ closed, with relevant explanations.

Without prejudice to the generality of provisions of this policy, the Company may make disclosures of any event / information as specified by the Board from time to time.

8. TIMELINES FOR DISCLOSURE OF MATERIAL EVENT OR INFORMATION

The relevant employees of the Company shall be under an obligation, to disclose to the Authorized Officer(s), any event or information, for which they have knowledge, and which may be deemed to be material in terms of this policy.

The Authorized officer(s) shall, in turn determine the materiality of such event or information, according to provisions of this Policy and SEBI Listing Regulations, make necessary disclosures to the Stock Exchange, if required.

9. MECHANISM TO BE ADOPTED FOR IDENTIFYING AND REPORTING POTENTIAL MATERIAL EVENT/INFORMATION BY RELEVANT EMPLOYEES

- i. During the course of performance of one's role, the relevant employee/(s) shall be responsible for identifying pertinent events/information which has potential to be classified as material events/information as per the policy.

Explanation: For the purpose of determination of material events / information, the value or expected impact in terms of value for each event or transaction shall be compared with the quantitative threshold as mentioned in Clause II C specified in this policy.

- ii. Upon identification of potential material events/information, the relevant employee shall promptly report the details of such potential material events/information in the format as mentioned in Annexure I to the Authorized Officer(s).

10. REPORTING

Any event purported to be reportable under Regulation 30 of the Regulations shall be informed to the Key Managerial Personnel authorized by the Board, as defined above, on an immediate basis with supporting data/information to facilitate a prompt and appropriate disclosure. Any other event, even if not covered under the Regulations but is potentially of price sensitive nature, must also be informed, for further evaluation of KMPs.

The KMP authorized by the Board, shall severally be responsible and authorized for ascertaining the materiality of events considering its nature and its disclosure after taking into consideration the various provisions of SEB Listing Regulations and this policy.

After evaluation, the Company Secretary and Compliance Officer in his absence any one of the KMPs shall make disclosure to the Stock Exchanges.

The Company shall use the electronic facilities provided by the Stock Exchanges for dissemination of the information and may subsequently disclose the same via other media, including the press release, website, etc.

Statutory timeframes for disclosure shall be adhered to. Delay, if any, should be sufficiently explained along with the disclosure.

Regular updates, where relevant, shall be made with relevant explanations.

11. DISCLOSURE ON WEBSITE

The Company shall also disclose on its website all such events or information which has been disclosed to the relevant stock exchange under this Policy, and such disclosures shall be hosted on the website of the Company for a minimum period of five years and, thereafter, as per the archival policy of the Company.

12. AMENDMENTS TO THE POLICY

The KMP authorised under this Policy will review the Policy from the perspective of the Listing Regulations and determine the events/information for disclosure as may be amended by the Securities and Exchange Board of India from time to time. All such amendments will be informed to the Board and the approval of the board will be sought to align the policy in line with the Listing Regulations.

Annexure I

Format for Submission of Information to Compliance Officer (to be filled by the Nodal Officer/Designated Person)

S.No.	Question	Remarks
1)	Name of the Department	
2)	Name and Designation of originator of Information	
3)	Details of events/Information	
4)	Analysis/working, if any. (For impact of such information on Company)	
5)	Source of Information	
6)	Calendar of Events/milestones (date wise)	
7)	Name of Persons with whom such information is shared along with PAN/other identifier detail in absence of PAN (internal/external)	

I, _____, hereby undertake that the aforementioned information provided by the undersigned is true and to the best of my knowledge. The information is provided in compliance with the Regulation 30 of the SEBI (Listed Obligations and disclosure requirements). The undersigned is being made aware that the above information will be kept strictly confidential and will not be shared except under the circumstances:

- Under any proceedings or pursuant to any order of courts or tribunals.
- For investigation, inquiry or request for information by statutory or governmental authorities or any other administrative body recognized by law; and
- In compliance with applicable laws, regulations, rules, and requirements.
- In order to fulfil his/her duties/obligations

Name and Signature:

Place:

Date: