

GENXAI ANALYTICS LIMITED

POLICY ON IDENTIFICATION OF GROUP COMPANIES, MATERIAL CREDITORS AND MATERIAL LITIGATIONS/ MATERIALITY POLICY

GENXAI ANALYTICS LIMITED

(Formerly known as GenXAI Analytics Private Limited)

Regd. Address: 3rd floor, SM Tower 7, Baba Market Main DCM, Teachers Colony, Ajmer Road, Jaipur, Rajasthan-302021 |
CIN # U74140RJ2007PLC024587 | Mobile No.: 9216043668 | E-mail ID: secretarial@genxai.com

POLICY ON IDENTIFICATION OF GROUP COMPANIES, MATERIAL CREDITORS AND MATERIAL LITIGATIONS/ MATERIALITY POLICY/MATERIALITY POLICY

Introduction:

This Policy has been formulated to define the materiality policy for identification of (i) outstanding material litigation involving GenXAI Analytics Limited (the “Company”), its Subsidiaries (if any), Directors, and Promoters; (ii) the Group Companies and (iii) the material creditors of the Company (together, the “Policy”), in terms of the disclosure requirements under Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”).

This Policy shall be effective from the date of its approval by the Board of Directors.

In this Policy, the term “Offer Documents” shall mean the Draft Red Herring Prospectus/ Red Herring Prospectus /Prospectus to be filed with the Stock Exchange & Securities and Exchange Board of India (“SEBI”), the Draft Prospectus and the Prospectus.

I. Materiality policy for litigation:

In terms of SEBI ICDR Regulations, the Company is required to disclose the following pending litigation involving itself, its Subsidiaries, its Directors and its Promoters (collectively “Relevant Parties”):

- i. All criminal proceedings;
- ii. All actions by statutory and / or regulatory authorities;
- iii. Claims related to direct and indirect taxes, in a consolidated manner giving details of number of cases and total amount; and
- iv. Other pending litigations/arbitration proceedings - As per the policy of materiality defined by the Board of Directors and disclosed in the Issue Documents.

Additionally, in terms of the SEBI ICDR Regulations, the Company is required to disclose:(a) any disciplinary action (including a penalty) imposed by SEBI or any of the stock exchanges against any of the Promoters in the five financial years preceding the relevant Issue Document, including any outstanding action; and (b) outstanding litigation involving the Group Companies, which may have a material impact on the Company, as applicable.

For the purposes of determining material litigations /arbitration proceedings as mentioned in point (v) above, the following criteria shall apply:

- (i) the omission of an event or information, whose value or the expected impact in terms of value exceeds the limits as prescribed under the SEBI Listing Regulations (as amended from time to time) i.e.
 - a. 2% of turnover, as per the latest annual restated consolidated financial statements of the Company; or
 - b. 2% of net worth, as per the latest annual restated consolidated financial statements of the issuer, except in case of the arithmetic value of the net worth is negative;
 - c. 5% of the average of absolute value of profit or loss after tax, as per the last three annual restated consolidated financial statements of the Company.

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Accordingly, any transaction exceeding the lower of a, b or c above will be considered for the above purpose.; or

- (ii) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in individual litigation does not exceed the amount determined as per clause (a) above, and the amount involved in all of such cases taken together exceeds the amount determined as per clause (i) above; and
- (iii) any such litigation which does not meet the criteria set out in (a) above and an adverse outcome in which would materially and adversely affect the operations or financial position of the Company.

II. Materiality policy for Group Companies

As per Regulation 2(1)(t) of the SEBI ICDR Regulations, Group Companies shall include “such companies (other than promoter(s) and subsidiary(ies)) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards, and also other companies as considered material by the board of the issuer”.

For the purpose of disclosure in the Issue Documents, a company shall be considered and disclosed as a Group Company if:

- a) such companies (other than promoter) and subsidiary(ies)) with which the relevant issuer company had related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and
- b) any other companies considered material by the Board of Directors of the relevant issuer company.

Accordingly, for (a) above, all such companies (other than our Subsidiary) with which there were related party transactions during the periods covered in the Restated Consolidated Financial Statement, as covered under the applicable accounting standards, shall be considered as Group Companies in terms of the SEBI (ICDR) Regulations. For the purpose of avoidance of doubt and pursuant to regulation 2(1)(t) of SEBI (ICDR) Regulations, 2018 it is clarified that our promoters and Subsidiary will not be considered as Group Companies.

Those companies disclosed as having related party transactions in accordance with Accounting Standard (“AS 18”) issued by the Institute of Chartered Accountants of India, in the Restated Consolidated Financial Statements of the Company for the last three financial years and stub period.

All such companies which the Board has deemed to be material to be considered as Group Companies / Associates Companies.

Accordingly, as per the most recently completed fiscal or stub period as per the restated consolidated financial statements (“Restated Consolidated Financial Statements”) of the Company, as disclosed in the Issue Documents, the following entities were identified as Group Companies:

- (a) Harbinger Techaxes Private Limited
- (b) Veeear Analytics Inc
- (c) Predictive Business Intelligence IN

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(d) Proximaray Technologies Private Limited

III. Materiality policy for identification of material creditors

In terms of SEBI ICDR Regulations, the Company shall make the following disclosures in the Issue Documents for outstanding dues to creditors:

- i. based on the policy on materiality adopted by the Board of Directors and as disclosed in the Issue Documents, details of the Company's creditors, including the number of creditors and the aggregate amount involved;
- 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; and
- iii. Web link of the relevant page on the Company's website, which contains complete details on outstanding over dues to material creditors along with the name and amount involved for each such material creditor.

For identification of material creditors, in terms of point (i) above, a creditor of the Company shall be considered to be material for the purpose of disclosure in the Issue Documents, if amounts due to such creditors exceed 5% of the total consolidated trade payables of the Company as per the latest restated consolidated financial statements of the Company, as disclosed in the Issue Documents.

Disclosures in the Issue Documents regarding material creditors

- (i) For creditors identified as 'material' based on the abovementioned Policy, information on outstanding dues to such material creditors shall be disclosed in the Issue Documents along with the details of the material creditors, which include the consolidated number of creditors and amount involved on an aggregate basis, as of the date of the latest restated consolidated financial statements included in the Issue Documents.
- (ii) For outstanding dues to micro, small and medium enterprises ("MSMEs"), the disclosure will be based on information available with the Company regarding the status of the creditors as MSMEs as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the statutory auditors in preparing their audit report. Information for such identified MSMEs creditors shall be provided in the Issue Documents in the following manner:
 - aggregate amounts due to such MSME creditors; and
 - aggregate number of such MSME creditors as of the date of the latest restated consolidated financial statements included in the Issue Document.
- (iii) Complete details about outstanding over dues to the material creditors along with the name and amount involved for each such material creditor shall be disclosed on the website of our Company with a web link in the Issue Documents

General

It is clarified that the Policy is solely from the perspective of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Issue Documents and should not be applied towards any other purpose.

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The Policy shall be without prejudice to any disclosure requirements, which may be prescribed by SEBI and/ or such other regulatory or statutory authority with respect to listed companies or disclosure requirements as may be prescribed by SEBI through its observations on the Issue Documents, or disclosures that may arise from any investor or other complaints. The Policy shall be subject to review/changes as may be deemed necessary and in accordance with regulatory amendments from time to time.

All other capitalized terms not specifically defined in this Policy shall have the same meanings ascribed to such terms in the Issue Documents.

Effective Date: 17/10/2025

Date of Approval by Board of Directors: 17/10/2025

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