



NEWGEN SOFTWARE TECHNOLOGIES LIMITED

CIN: L72200DL1992PLC049074

A-6, Satsang Vihar Marg, Qutab Institutional Area, New Delhi - 110 067, INDIA

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POSTAL BALLOT NOTICE

To,
The Members
Newgen Software Technologies Limited

Pursuant to the provisions of Section 110 of the Companies Act, 2013 (the "Act") read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the relaxations and clarifications issued by the Ministry of Corporate Affairs ("MCA") vide General Circular No. 14/2020 dated 8th April 2020, 17/2020 dated 13th April 2020, 33/2020 dated 28th September 2020 together called ("**MCA Circulars**") and pursuant to other applicable laws and regulations, Newgen Software Technologies Limited (the "**Company**") hereby seeks your approval by way of Special resolutions through Postal Ballot / Electronic voting (E-voting) in respect of the special business items as stated in this Postal Ballot Notice.

The detailed explanatory statement setting out the material facts concerning the resolution and instructions for E-voting are annexed to the Notice of Postal Ballot (the "**Notice**").

SPECIAL BUSINESS:

ITEM NO. 1: APPROVAL OF NEWGEN SOFTWARE TECHNOLOGIES RESTRICTED STOCK UNITS SCHEME – 2021.

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT**, pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any amendment(s) thereto or re-enactment(s) thereof), the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("**SEBI (SBEB) Regulations**"), the applicable provisions of the Securities and Exchange Board of India (**Listing Obligations and Disclosure Requirements**) Regulations, 2015 ("**SEBI (LODR) Regulations**"), relevant provisions of the Memorandum of Association and Articles of Association of the Company and subject to such other approval(s), permission(s) and sanction(s) as may be necessary and such condition(s) and modification(s) as may be prescribed or imposed while granting such approval(s), permission(s) and sanction(s), the consent of the members of the Company be and is hereby accorded for approval of the Newgen Software Technologies Restricted Stock Units Scheme – 2021 ("**Scheme**") and the Board of Directors of the Company (hereinafter referred to as the "**Board of Directors**" which term shall be deemed to include any Committee, including the Nomination & Remuneration Committee, which the Board of Directors has constituted to exercise its powers, including the

powers, conferred by this resolution) be and is hereby authorised to create, grant, offer, issue and allot under the Scheme, in one or more tranches, 14,00,000 (*Fourteen Lakhs*) Restricted Stock Units ("**RSUs**") (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time) to such Employee(s), and who are in permanent employment whether working in India or outside India, and to the Directors whether a Whole time Director or not but excluding Independent Director, of the Company and its Subsidiary Company(ies) in India or outside India, but excluding an Employee who is a Promoter or a person belonging to the Promoter Group; or a Director who either himself/herself or through his/her Relative or through any Body Corporate, directly or indirectly, holds more than 10 (ten) percent of the outstanding Equity Shares of the Company and to such other persons as may from time to time be allowed to be eligible for the benefits of the Scheme under applicable laws and regulations prevailing from time to time ("**Eligible Employees**"), exercisable into 14,00,000 (*Fourteen Lakhs*) Equity Shares of face value Rs. 10/- each (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time) on such terms and conditions as may be fixed or determined by the Board of Directors in accordance with the Scheme.

RESOLVED FURTHER THAT, the Scheme shall be administered by the Nomination & Remuneration Committee of the Company who shall have all the necessary powers as defined in the Scheme and is hereby designated as Compensation Committee in pursuance of the SEBI (SBEB) Regulations for the purpose of administration and superintendence of the Scheme.

RESOLVED FURTHER THAT, the Scheme shall be implemented through trust route wherein an irrevocable Trust by the name Newgen RSU Trust, set-up by the Company in compliance with the SEBI (SBEB) Regulations, shall acquire the Equity Shares either from direct allotment by the Company at an exercise price, or from secondary acquisition from the market and the Equity Shares so acquired by the Trust will either be transferred to the Employees as and when the RSUs are exercised or will be sold by the Trust and the corresponding sale proceeds after adjustment of Exercise Price, applicable income tax amounts and other charges, if any, will be transferred in accordance with the terms and conditions of the Scheme.

RESOLVED FURTHER THAT, the new Equity Shares, if any, to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT, the Company shall conform to the applicable Accounting Policies, Guidelines or Accounting Standards as may be applicable from time to time, including the disclosure requirements prescribed therein.

RESOLVED FURTHER THAT, the Board of Directors of the Company subject to compliance of the applicable laws and regulations, be and is hereby authorized to modify, change, vary, alter, amend, suspend or terminate the Scheme and to do all such acts, deeds, matters and things as it may in its absolute discretion deems fit for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members and to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Scheme and do all other things incidental to and ancillary thereof.

RESOLVED FURTHER THAT, the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary including but not limited to appoint Advisors, Merchant Bankers, Consultants or Representatives, being incidental for the effective implementation and administration of the Scheme and to make applications to the appropriate Authorities, for their requisite approvals and take all necessary actions and to settle all such questions, difficulties or doubts whatsoever that may arise while implementing this resolution.

RESOLVED FURTHER THAT, the Board of Directors of the Company, be and is hereby authorised to delegate all or any of the powers conferred herein, to any Committee of the Board of Directors to do all such acts, deeds, matters and things as also to execute such documents, writings, etc. as may be necessary in this regard."

ITEM NO. 2: TO APPROVE EXTENDING THE BENEFITS TO THE EMPLOYEES OF SUBSIDIARY COMPANY(IES) UNDER NEWGEN SOFTWARE TECHNOLOGIES RESTRICTED STOCK UNITS SCHEME – 2021.

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT, pursuant to the provisions of Regulation 6(3)(c) and other applicable provisions, if any, of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("**SEBI (SBEB) Regulations**"), applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any amendment(s) thereto or re-enactment(s) thereof), the applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI (LODR) Regulations**"), relevant provisions of Memorandum of Association and Articles of Association of the Company and subject further to such other approval(s), permission(s) and sanction(s) as may be necessary and such condition(s) and modification(s) as may be prescribed or imposed while granting such approval(s), permission(s) and sanction(s), the consent of the members of the Company be and is hereby accorded to extend the benefits of Newgen Software Technologies Restricted Stock Units Scheme – 2021 ("**Scheme**") including the grant of Restricted Stock Units ("**RSUs**") and issuance of Equity Shares thereunder, to such Employee(s) who are in permanent employment whether working

in India or outside India, and to the Directors whether a Whole time Director or not but excluding Independent Director, of the Subsidiary Company(ies) in India or outside India, but excluding an Employee who is a Promoter or a person belonging to the Promoter Group; or a Director who either himself/herself or through his/her Relative or through any Body Corporate, directly or indirectly, holds more than 10 (ten) percent of the outstanding Equity Shares of the Company and to such other persons as may from time to time be allowed to be eligible for the benefits of the Scheme under applicable laws and regulations prevailing from time to time ("**Eligible Employees**"), on such terms and conditions as may be fixed or determined by the Board of Directors in accordance with the Scheme.

RESOLVED FURTHER THAT, the new Equity Shares, if any, to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT, the Company shall conform to the applicable Accounting Policies, Guidelines or Accounting Standards as may be applicable from time to time, including the disclosure requirements prescribed therein.

RESOLVED FURTHER THAT, the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary for the effective implementation and administration of the Scheme and to make applications to the appropriate authorities, for their requisite approvals and take all necessary actions and to settle all such questions, difficulties or doubts whatsoever that may arise while implementing this resolution.

RESOLVED FURTHER THAT, the Board of Directors of the Company, be and is hereby authorised to delegate all or any of the powers conferred herein, to any committee of the Board of Directors to do all such acts, deeds, matters and things as also to execute such documents, writings, etc. as may be necessary in this regard."

ITEM NO. 3: TO APPROVE ACQUISITION OF EQUITY SHARES BY WAY OF SECONDARY ACQUISITION UNDER NEWGEN SOFTWARE TECHNOLOGIES RESTRICTED STOCK UNITS SCHEME – 2021.

To consider and if thought fit, to pass, with or without modifications(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT, pursuant to the provisions of Regulation 6(3)(a) and other applicable provisions, if any, of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("**SEBI (SBEB) Regulations**"), applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any amendment(s) thereto or re-enactment(s) thereof), the applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI (LODR) Regulations**"), relevant provisions of Memorandum of Association and Articles of Association of the Company and subject further to such other approval(s), permission(s) and sanction(s) as may be necessary and such condition(s) and modification(s) as may be prescribed or imposed while granting such approval(s), permission(s) and sanction(s), the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "**Board of Directors**") which term shall be deemed to include any Committee, including the Nomination & Remuneration Committee, which the Board

of Directors has constituted to exercise its powers, including the powers, conferred by this resolution) for secondary acquisition of upto 14,00,000 (Fourteen Lakhs) Equity Shares ("**Shares**") of the Company, if required, by Newgen RSU Trust ("**Trust**"), in one or more tranches, and at such price or prices and on such terms and conditions, as may be determined by the Board of Directors provided that the total number of Shares under secondary acquisition held by the Trust does not exceed, at any time, 5 (five) percent of the Paid-up Equity Capital of the Company as at the end of the previous financial year for the purpose of implementation of the Newgen Software Technologies Restricted Stock Units Scheme – 2021 ("**Scheme**") and in due compliance with the provisions of the SEBI (SBEB) Regulations.

RESOLVED FURTHER THAT, the secondary acquisition by the Trust in any financial year shall not exceed 2 (two) percent of the Paid-up Equity Capital as at the end of the respective previous financial year in due compliance with the provisions of the SEBI (SBEB) Regulations.

RESOLVED FURTHER THAT, in case of any corporate action(s) such as bonus issue, rights issue, stock splits or consolidations or other re-organisation, if any, where additional Equity Shares are required to be issued by the Company to the members, then the maximum number of Equity Shares to be acquired by the Trust from the secondary market in any financial year as well as the maximum number of Equity Shares acquired from the secondary market and held by the Trust at any point of time, as aforesaid, shall be increased in the same proportion as the number of such additional Equity Shares issued bears to the number of Equity Shares outstanding immediately prior to such issue.

RESOLVED FURTHER THAT, Board of Directors of the Company, be and is hereby also authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary and incidental for the effective implementation and administration of the Scheme and to make applications to the appropriate Authorities, for their requisite approvals and take all necessary actions and to settle all such questions, difficulties or doubts whatsoever that may arise while implementing this resolution."

ITEM NO. 4: PROVISION OF MONEY BY THE COMPANY FOR PURCHASE OF ITS OWN SHARES BY THE TRUST / TRUSTEES FOR THE BENEFIT OF EMPLOYEES UNDER NEWGEN SOFTWARE TECHNOLOGIES RESTRICTED STOCK UNITS SCHEME – 2021.

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT, pursuant to the provisions of Sections 67, 62(1) (b), Rule 16 of the Companies (Share Capital and Debentures) Rules, 2015 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any amendment(s) thereto or re-enactment(s) thereof) ("**Companies Act, 2013**"), the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("**SEBI (SBEB) Regulations**"), the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI (LODR) Regulations**"), relevant provisions of Memorandum of Association and Articles of Association of the Company and subject further to such other approval(s), permission(s) and sanction(s) as may be necessary and such condition(s) and modification(s) as may be prescribed or imposed while granting such approval(s), permission(s) and sanction(s), the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "**Board of Directors**"

which term shall be deemed to include any Committee, including the Nomination & Remuneration Committee, which the Board of Directors has constituted to exercise its powers, including the powers, conferred by this resolution) to grant loan, to provide guarantee or security in connection with a loan granted or to be granted to Newgen RSU Trust ("**Trust**") as set-up by the Company in one or more tranches subject to that the value of shares to be purchased or subscribed in the aggregate together with the money provided by the Company shall not exceed 5 (Five) percent of the aggregate of the Paid-Up share capital and Free Reserves for the purpose of subscription and/or purchase of Equity Shares of the Company by the Trust/ Trustees, in one or more tranches, subject to the ceiling of Equity Shares ("**Shares**") as may be prescribed under Newgen Software Technologies Restricted Stock Units Scheme – 2021 ("**Scheme**") or any other share based employee benefit plan which may be introduced by the Company from time to time ("**Employee Benefit Scheme(s)**") with a view to deal in such Shares in line with contemplated objectives of the Scheme or for any other purpose(s) as permitted under and in due compliance with the provisions of the SEBI (SBEB) Regulations, Companies Act, 2013 and any other applicable laws and regulations.

RESOLVED FURTHER THAT, any loan provided by the Company shall be repayable to and recoverable by the Company from time to time by utilising the proceeds realised from exercise of RSUs during the term of the Scheme and/or Employee Benefit Scheme(s), as the case may be, and the accruals of the Trust at the time of termination of the Scheme.

RESOLVED FURTHER THAT, the Trust shall not deal in derivatives and shall undertake transactions as permitted by SEBI (SBEB) Regulations.

RESOLVED FURTHER THAT, the Trustees of the Trust shall not vote in respect of the Shares held by such Trust.

RESOLVED FURTHER THAT, for the purposes of disclosures to the stock exchange, the shareholding of the Trust shall be shown as non-promoter and non-public shareholding.

RESOLVED FURTHER THAT, the Trustees of the Trust shall ensure compliance of the provisions of the SEBI (SBEB) Regulations, Companies Act, 2013 and all other applicable laws at all times in connection with dealing with the Shares of the Company including but not limited to maintenance of proper books of account, records and documents as prescribed.

RESOLVED FURTHER THAT, the Board of Directors of the Company, be and is hereby also authorized to comply with the legal provisions and do all ancillary and consequential matters and to take such steps and to do such acts, deeds, matters and things as they may deem proper and give/send such notices, directions as may be necessary to give effect to the above resolution.

By order of the Board
For Newgen Software Technologies Ltd

Sd/-

Aman Mourya
Company Secretary

FCS: 9975

Date: 23rd November 2020

Registered Office:

A-6, Satsang Vihar Marg,
Qutab Institutional Area,
New Delhi-110067

NOTES:

1. An Explanatory Statement pursuant to Sections 102 and 110 of the Act, which sets out details of material facts relating to the Special Businesses to be transacted by way of Postal Ballot/E-voting, is annexed hereto.
2. In view of the continuing COVID-19 pandemic and MCA Circulars, the Company has extended E-voting facility to the members of the Company to cast their votes electronically instead of submitting the Postal Ballot Form physically. Therefore, the hard copy of the Notice along with the Postal Ballot Form and pre-paid business reply envelope will not be sent to the members for this Postal Ballot. However, the members may send the scanned signed copy of the Postal Ballot Form as explained in this Notice.
3. The Notice along with Postal Ballot Form is being sent to the members whose names appear on the Register of Members / List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on Friday, 20th November 2020 (cut-off date). Each member's voting rights shall be reckoned in proportion to his/her share of the Paid-up Equity Share Capital of the Company as on cut-off date i.e. Friday, 20th November 2020, which will only be considered to avail the facility of Postal Ballot/ E-voting. A person who is not a member as on cut-off date shall treat this notice for information purpose only.
4. The Notice along with the Postal Ballot Form is being sent electronically only to those members, whose E-mail address is registered with their Depository Participants (in case of electronic shareholding) / the Company's Registrar (in case of physical shareholding). Additionally, the Notice will also be available on the website of the Company, BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") at <https://newgensoft.com/>, <https://bseindia.com> and <https://nseindia.com> respectively.
5. Pursuant to the MCA Circulars, members who have not registered their E-mail address with the Company and in consequence could not receive the notice may temporarily get their E-mail address registered with the KFin, at the following website/page:<https://ris.kfintech.com/clientservices/postalballot/> and follow the registration process as provided thereat. Post successful registration of the E-mail address, the member would receive a soft copy of the Notice along with the Postal Ballot Form and the procedure for E-voting along with the user ID and password to enable E-voting for this Postal Ballot. In case of any queries, members may write to: einward.ris@kfintech.com.
6. Members may send an E-mail request at einward.ris@kfintech.com along with scanned signed copy of the request letter providing the E-mail address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for the Notice along with Postal Ballot Form and the E-voting instructions.
7. As required under Rule 20 & 22 of the Companies (Management and Administration) Rules, 2014 read with MCA Circulars & SEBI Regulations, the details pertaining to this Postal Ballot will be published in one English national daily newspaper circulating throughout India and one Regional daily newspaper circulating in New Delhi.
8. The period for voting through Postal Ballot/E-voting starts from Friday, 27th November 2020 [9:00 AM onwards (IST)] and ends on Saturday, 26th December 2020 [up to 5:00 PM (IST)]. Members can opt for only one mode of voting, i.e., either by sending scanned signed copy of the Postal Ballot Form or E-voting. In case members cast their votes through both the modes, voting done by E-voting shall prevail and votes cast through Postal Ballot Form will be treated as invalid.
9. The Board has appointed M/s Kundan Agrawal & Associates, Practicing Company Secretary, as the Scrutinizer for conducting the Postal Ballot / E-voting process in a fair and transparent manner. Members desiring to exercise their vote by Postal Ballot are requested to carefully read the instructions, as enumerated as part of the Notice, and return the scanned signed copy of same duly completed by marking E-mail to cskundanagrawal@gmail.com and copy to investors@newgensoft.com not later than 5:00 PM (IST) on Saturday, 26th December 2020, failing which it will be strictly considered that no reply has been received from the member.
10. In compliance with Sections 108 and 110 of the Companies Act, 2013 and the Rules made thereunder, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided the facility to the members to exercise their votes electronically and vote on all the resolutions through the E-voting service facility arranged by KFin Technologies Private Limited (Formerly Known as Karvy Fintech Private Limited) ("Registrar"). Accordingly, instead of sending scanned signed copy of Postal Ballot Form, members may choose to cast their vote through E-voting. Instructions on E-voting are enumerated as part of the Notice. Members opting for E-voting are requested to cast their vote on or before 5.00 PM (IST) on Saturday, 26th December 2020. E-voting shall be disabled by Company's Registrar for voting beyond the said date & time.
11. The Resolution(s), if passed by requisite majority, shall be deemed to have been passed as on the last date for receipt of scanned signed copy of Postal Ballot Form/E-voting, i.e. Saturday, 26th December 2020.
12. The votes should be cast either in favour or against by putting the tick (✓) mark in the column provided for assent or dissent. Postal Ballot Form bearing (✓) in both the columns will render the form invalid. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
13. A member cannot exercise his/her vote by proxy on Postal Ballot. There will be only one Postal Ballot Form for every folio irrespective of the number of Joint Shareholder(s). In case of joint holding, the Postal Ballot Form should be completed and signed by the first named member or his/her duly authorized attorney registered with the Company and in his/her absence, by the next named member. In case of shares held

by Companies, Trusts, Societies etc. the duly completed Postal Ballot Form should be accompanied by a certified true copy of the Board Resolution/Authority Letter.

14. The Scrutinizer will submit his report to the Chairman of the Company or to any other person authorized by the Chairman after the completion of the scrutiny of voting through Postal Ballot Forms /E-voting. The result of the voting shall be declared on or before Monday, 28th December 2020 and communicated to the Stock exchanges, Company's Registrar and shall also be displayed on the Company's website <https://newgensoft.com>.
15. Newgen Software Technologies Restricted Stock Units Scheme-2021 and other documents as referred to in the aforesaid resolutions are available for inspection and such documents shall be so made available for inspection in physical or in electronic form during business hours at the Registered Office of the Company on all working days except Saturday, Sunday and Public holidays.

VOTING THROUGH ELECTRONIC MEANS / E-VOTING:

- a) Open your web browser during the voting period by typing the URL: <https://evoting.kfintech.com/>
- b) Enter the login credentials (i.e. User ID and password). The Event No., Folio No./DP ID Client ID will be your User ID. The said login credentials shall be valid only in case you continue to hold the shares on the cut-off date. Your Folio No./DP ID Client ID will be your User ID. However, if you hold shares in demat form and you are already registered with KFin for E-voting, you shall use your existing User ID and password for casting your vote.
- c) Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of the Postal Ballot and holding shares as on the cut-off date i.e. Friday, 20th November 2020, may obtain the User id and password in the manner as mentioned below:
 - a. If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: MYEPWD <space> Event number+Folio No. or DP ID Client ID to 9212993399
Example for NSDL :
MYEPWD <SPACE> IN12345612345678
Example for CDSL :
MYEPWD <SPACE> 1402345612345678
Example for Physical :
MYEPWD <SPACE> XXXX1234567
 - b. If E-mail or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "forgot password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - c. Member may call KFin's toll free number 1-800-3454-001.
 - d. Member may send an E-mail request to evoting@kfintech.com.

If the member is already registered with KFin for E-voting, he/she can use his/her existing User ID and password for casting the vote without any need for obtaining any new User ID and password.

- a. After entering these details appropriately, click on "LOGIN".
- b. You will now reach password changing Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, E-mail address, etc. on first login. You will also be required to enter a secret question and answer of your choice to enable you to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**
- c. You need to login again with the new credentials.
- d. On successful login, the system will prompt you to select the Event Number for **NEWGEN SOFTWARE TECHNOLOGIES LIMITED**.
- e. On the voting page you will see the Resolution Description and the options "FOR/AGAINST/ABSTAIN" for voting. Enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date, as mentioned above. You may also choose the option "ABSTAIN" in case you do not want to cast vote.
- f. You may then cast your vote by selecting an appropriate option and click on "Submit".
- g. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).
- h. Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- i. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly

authorized representative(s), to the Scrutinizer at cskundanagrawal@gmail.com with a copy to evoting@kfintech.com and investors@newgensoft.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."

- j. Once the vote on a resolution is casted by a member, the member shall not be allowed to change it subsequently.
- k. In case of any query pertaining to E-voting, please contact KFin's toll free no. 1-800-34-54-001 or visit the FAQ's section available at KFin's website <https://evoting.kfintech.com/>.
- l. In case of grievances connected to the E-voting, please contact Mr. Anandan K, Manager at

KFin Technologies Private Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032 at Anandan.k@kfintech.com contact no. - +91-9618243551.

By order of the Board
For Newgen Software Technologies Ltd

Sd/-

Aman Mourya
Company Secretary
FCS: 9975

Date: 23rd November 2020

Registered Office:
A-6, Satsang Vihar Marg,
Qutab Institutional Area,
New Delhi-110067

EXPLANATORY STATEMENT PURSUANT TO SECTIONS 102 AND 110 OF THE COMPANIES ACT, 2013

The following Explanatory Statement pursuant to Sections 102 and 110 of the Companies Act, 2013 ("the **Act**") sets out all material facts relating to the special business(es) mentioned at Item Nos. 1 to 4 of the accompanying Notice of Postal Ballot dated 23rd November 2020.

Item No. 1, 2 and 3

Equity based remuneration includes alignment of personal goals of the Employees with Organisational objectives by participating in the ownership of the Company. The Board of Directors of your Company understands the need to enhance the Employee engagement, to reward the Employees for their association and performance as well as to motivate them to contribute to the growth and profitability of the Company.

In order to reward and retain the key Employees and to create a sense of ownership and participation amongst them, the Board of Directors in its meeting held on 21st October 2020, based on the recommendation of the Nomination & Remuneration Committee approved the Newgen Software Technologies Restricted Stock Units Scheme – 2021 ("**Scheme**") to or for the benefit of such Employee(s) who are in permanent employment whether working in India or outside India, and to the Directors whether a Whole Time Director or not but excluding Independent Director, of the Company and its Subsidiary Company(ies) in India or outside India, but excluding an Employee who is a Promoter or a person belonging to the Promoter Group; or a Director who either himself/herself or through his/her Relative or through any Body Corporate, directly or indirectly, holds more than 10 (ten) percent of the outstanding Equity Shares of the Company and to such other persons as may from time to time be allowed to be eligible for the benefits of the Scheme under applicable laws and regulations prevailing from time to time ("**Eligible Employees**").

In terms of Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("**SEBI (SBEB) Regulations**") and Section 62 and other applicable provisions

of the Act, for issue of Equity Shares to the Employees of the Company, the approval of the existing members by way of Special Resolution is required. The Special Resolution set out at Item No. 1 is seeking your approval for the formulation and implementation of the Scheme and issuance of Equity Shares thereunder.

Further, as per Regulation 6(3)(c) of SEBI (SBEB) Regulations, approval of the members by way of separate Special Resolution is also required for grant of RSUs to the Employees of Subsidiary Company(ies). The Special Resolution set out at Item No. 2 is seeking your approval for the said purpose.

Furthermore, as per Regulation 6(3)(a) of SEBI (SBEB) Regulations, approval of the members by way of separate Special Resolution is also required for secondary acquisition of Shares by the Trust for proper implementation of the Scheme. The Special Resolution set out at Item No. 3 is seeking your approval for the said purpose.

The salient features and other details of the Scheme as required pursuant to Regulation 6(2) of SEBI (SBEB) Regulations are as under:

1. Brief description of the Scheme:

The Scheme shall be called as Newgen Software Technologies Restricted Stock Units Scheme – 2021.

The Purpose of the Scheme includes the following:

- a. To ensure the Continuity and retention of employees;
- b. To reward the Employees for their association and performance;
- c. To achieve sustained growth and the creation of Shareholder value by aligning with the long-term interests of the Company; and
- d. To create a sense of ownership and participation amongst the Employees to share the value they create for the Company in the years to come.

2. Total number of Options/RSUs to be granted under the Scheme:

The maximum number of RSUs that may be granted pursuant to this Scheme shall not exceed 14,00,000 (*Fourteen Lakhs*) which shall be convertible into equal number of Equity Shares.

If any RSUs granted under the Scheme lapses or is forfeited or surrendered under any provision of the Scheme, such RSUs shall be available for further grant under the Scheme unless otherwise determined by the Board of Directors (which term shall be deemed to include the Nomination & Remuneration Committee).

Further, the maximum number of RSUs that can be granted, and the Shares arise upon exercise of these RSUs shall stand adjusted in case of corporate action (as defined in the Scheme).

3. Identification of classes of Employees entitled to participate and be beneficiaries in ‘Newgen Software Technologies Restricted Stock Units Scheme – 2021’:

- a. A permanent Employee of the Company who has been working in India or outside India; or
- b. Director of the Company, whether a Whole Time Director or not but excluding an Independent Director; or
- c. an Employee as defined in clause (a) or (b) of a Subsidiary, in India or outside India, of the Company

But does not include:

- a. an Employee who is a Promoter or a person belonging to the Promoter Group; or
- b. a Director who either himself or through his Relative or through any Body Corporate, directly or indirectly, holds more than 10 (ten) percent of the outstanding Shares of the Company.

4. Requirements of Vesting and period of Vesting:

Vesting period shall commence after minimum 3 (Three) year from the grant date and it may extend upto maximum of 5 (Five) years from the grant date, at the discretion of and in the manner prescribed by the Board of Directors.

Vesting of RSUs / vesting schedule will be as follow, subject to the performance metric and eligibility and cannot vary from Grantee to Grantee.

Time Period	% of RSUs to be vested
At the end of 3 rd year from the grant date	50% of the RSUs Granted
At the end of 5 th year from the grant date	50% of the RSUs Granted

Performance metric and eligibility for vesting of RSUs

Category: - A

Vesting conditions	Performance Metric - 1	Performance Metric - 2
Nature of the Metric	Aggregate Consolidated Actual Revenue/ (% of Aggregate Consolidated Target Revenue)	Aggregate consolidated Actual PBT/ (% of Aggregate Consolidated Target PBT)
Weight of the Metric	50%	50%
	Performance (% of Target)	Payout (% of Target)
Threshold	<80%	Nil
Target	80% to 100%	Pro- rata
Maximum	100% and above	100%

Category: - B

Vesting conditions	Performance Metric - 1	Performance Metric - 2	Performance Metric - 3
Nature of the Metric	Aggregate Consolidated Actual Revenue/ (% of Aggregate Consolidated Target Revenue)	Aggregate consolidated Actual PBT/ (% of Aggregate Consolidated Target PBT)	Aggregate of Actual Individual/ department/ function achievement of own target/ (% of Aggregate Consolidated target)
Weight of the Metric	25%	25%	50%
	Performance (% of Target)	Payout (% of Target)	
Threshold	<80%	Nil	
Target	80% to 100%	Pro- rata	
Maximum	100% and above	100%	

Provided that: -

- a) for first vesting, the performance metric 1,2 and/or 3 shall be based on three years’ aggregate revenue/target/PBT, immediately preceding the year of vesting.
- b) for second vesting, the performance metric 1,2 and/or 3 shall be based on five years’ aggregate revenue/target/PBT/ achievement, immediately preceding the year of vesting.

5. Maximum period within which the Options/RSUs shall be vested:

The RSUs granted under the Scheme shall vest within a maximum period of 5 years from the grant date.

6. Exercise Price or Pricing Formula:

Under this Scheme, the exercise price of the RSUs shall be the face value of the Shares which is presently Rs. 10/-.

7. Exercise period and process of Exercise:

The overall exercise period shall be 5 (five) years from the date of last vesting. Within the exercise period, the Committee shall open exercise windows as per its own discretion in which the Grantees can exercise / cashless exercise. Failure to comply within this time period shall result in lapsing of vested RSUs in the hands of Grantee.

After vesting, the RSUs can be exercised in either of the following routes:

- a. Cash Route: - In this route, the Grantee (being a Resident of India or Non Resident of India) will receive the Shares equivalent to the number of the RSUs exercised in accordance with the terms and conditions of the Scheme and as mentioned in grant letter after the Grantee has made the payment of the Exercise Price and applicable income tax.
- b. Cashless Route: In this case, the Grantee (being a Foreign Citizen excluding Person of Indian Origin) will receive the sale proceeds of the Shares equivalent to the number of the RSUs exercised in accordance with the terms and conditions of the Scheme after deduction of the Exercise Price, applicable Income Tax and other charges, including remittance charges, if any, as applicable.

The mode and manner in which RSUs can be exercised i.e. Cash Route or Cashless Route will be specified in the grant letter.

8. Appraisal process for determining the eligibility of the Employees to Newgen Software Technologies Restricted Stock Units Scheme – 2021:

The appraisal process for determining the eligibility of the Employees will be in accordance with the Scheme or as may be determined by the Nomination & Remuneration Committee at its sole discretion. Further, the Committee shall also on the basis of all or any of the following criteria, decide on the Employees / Grantees who are eligible for the grant of RSUs under the Scheme and the terms and conditions thereof.

- Key Employees at level CEO / Managing Director;
- Key Employees at one level below CEO / Managing Director and covering COO, Sr. Vice President, Executive Vice President, Vice President (hereinafter referred as "N-1");
- Key Employees at two level below CEO/ Managing Director (hereinafter referred as "N-2");
- Key Employees at Associate Vice President and Sr. General level Manager;

- Other business critical employees may be covered (having potential leadership pipeline), as may be considered by the Committee;
- Extended to all new hires who will join at N-1 and N-2 level or key business critical roles in (Sales, Product and Marketing), as may be considered by the Committee.

9. Maximum number of Options/RSUs to be granted/issued per employee and in aggregate:

The maximum number of RSUs that can be granted to any eligible Employee during any one year shall not be equal to or exceed 1 (one) percent of the issued capital of the Company at the time of grant. The Committee may decide to grant such number of RSUs equal to or exceeding 1 (one) percent of the issued capital to any eligible Employee as the case may be, subject to the separate approval of the members in a general meeting.

The maximum number of RSUs, in aggregate, that may be granted pursuant to this Scheme shall not exceed 14,00,000 (fourteen lakhs) which shall be convertible into equal number of Equity Shares.

10. Maximum quantum of benefits to be provided per Employee under the Scheme:

The maximum quantum of benefits that will be provided to every eligible Employee under the Scheme will be the difference between the market value of Company's Share on the Stock Exchanges as on the date of exercise of RSUs and the Exercise Price paid by the Employee.

11. Implementation and administration of the Scheme:

The Scheme shall be implemented by Trust Route wherein the Trust shall acquire the Shares by:

- a. Direct allotment from the Company and/or
- b. From secondary acquisition from the market

The Shares so acquired by the Trust will either be:

- a. transferred to the Grantees as and when the RSUs are exercised and/or
- b. will be sold by the Trust and the sale proceeds after adjustment of Exercise Price, applicable income tax amounts and other amounts, if any will be transferred to the Grantees in accordance with the terms and conditions of the Scheme.

The Scheme shall be administered by the Nomination & Remuneration Committee which shall delegate some or all of its power to the Trust or any other Committee or Persons for proper administration of the Scheme.

12. Whether the scheme involves new issue of shares by the Company or secondary acquisition by the Trust or both:

The Scheme involves both i.e. new issue of Equity Shares by the Company and/or Secondary Acquisition of Equity Shares by the Trust.

13. The amount of loan to be provided for implementation of the scheme by the Company to the trust, its tenure, utilization, repayment terms, etc.:

The amount of loan to be provided for implementation of the Scheme by the Company to the Trust shall not exceed 5 (five) percent of the Paid-up Equity Capital and Free Reserves as provided in Companies Act, 2013. The tenure of such loan shall be the point where the objects of the Trust are accomplished or the repayment of loan is made, whichever is earlier. The utilization of such loan shall be for the objects of the Trust as mentioned in the Trust Deed. The Trust shall repay the loan to the Company by utilising the proceeds realised from exercise of RSUs by the Employees and the accruals of the Trust at the time of termination of the Scheme.

14. Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the Scheme:

The total number of Shares under secondary acquisition held by the Trust shall at no time exceed 5 (Five) percent of paid up equity capital as at the end of the financial year immediately prior to the year in which the member approval is obtained for such secondary acquisition.

Further, the secondary acquisition in a financial year by the Trust shall not exceed 2 (Two) percent of the Paid-up Equity Capital as at the end of the previous financial year.

15. Disclosure and accounting policies:

The Company shall comply with the disclosures requirements and the accounting policies prescribed under Regulation 15 of the SEBI (SBEB) Regulations or as may be prescribed by regulatory authorities from time to time.

16. The method which the Company shall use to value its Options:

The Company shall comply with the requirements of IND-AS and shall use Fair Value method.

17. Statement with regard to Disclosure in Director's Report:

The company is adopting fair value method.

It is hereby confirmed that the details as required herein will be disclosed in the Directors' Report.

In case the Company opts for expensing of share based employee benefits using the intrinsic value, then the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report.

None of the Directors, Key Managerial Personnel of the Company, and any relatives of such Director, Key Managerial Personnel is in any way concerned or interested, financially or otherwise, in these resolutions except to the extent of Equity Shares held by them in the Company or the RSUs those may be granted, based on their eligibility, under the said Scheme.

The Board of Directors of the Company recommends the Resolutions to be passed as Special Resolutions as set out at Item No. 1, 2 and 3 for approval of the members.

Item No. 4

In order to execute Newgen Software Technologies Restricted Stock Units Scheme – 2021 through Trust Route, the Company need to make provisioning of funds to the Trust so as to enable it to subscribe to the Shares of the Company. Accordingly, Item No 4 which is proposed for approval of the members is set out in this Notice.

The disclosures as per Rule 16 of the Chapter IV of the Companies Act, 2013, are as under:

1.	The class of Employees for whose benefit the Scheme is being implemented and money is being provided for purchase of or subscription to Shares	The class of Employees for whose benefit the Scheme is being implemented and money is being provided for purchase of or subscription to Shares is as follow:	
		a.	A permanent Employee of the Company who has been working in India or outside India; or
		b.	a Director of the Company, whether a Whole Time Director or not but excluding an Independent Director; or
		c.	an Employee as defined in clause (a) or (b) of a Subsidiary, in India or outside India, of the Company
		But does not include:	
		a.	an Employee who is a Promoter or a person belonging to the Promoter Group; or
		b.	A Director who either himself or through his Relative or through any Body Corporate, directly or indirectly, holds more than 10 (ten) percent of the outstanding Shares of the Company.
2.	The particulars of the Trustee or Employees in whose favor such Shares are to be registered.	Name of the Trustees:	
		1.	Mr. Arvind Kaul
		2.	Mr. Rajesh Pathak
3.	Particulars of Trust.	Name of the Trust: Newgen RSU Trust Address of the Trust: E-44/13, Okhla Phase-II, Near C Lal Chowk, New Delhi-110020	
4.	Name, Address, Occupation and Nationality of Trustees.	1.	Name: Arvind Kaul Address: A-571, Indira Nagar, Lucknow-226016 Occupation: Business Nationality: Indian
		2.	Name: Rajesh Pathak Address: Deo-001, Ahinsha Khand 1, Shipra Sristhi, Indirapuram, Ghaziabad-201014 Occupation: Employed Nationality: Indian
5.	Relationship of Trustees with Promoters, Directors or Key Managerial Personnel, if any.	None	
6.	Any interest of Key Managerial Personnel, Directors or Promoters in such Scheme or Trust and effect thereof.	The Key Managerial Personnel and Directors are interested in the Newgen Software Technologies Restricted Stock Units Scheme – 2021 only to the extent, to the RSUs that may be granted to them, if any, under the Scheme.	
7.	The detailed particulars of benefits which will accrue to the Employees from the implementation of the Scheme	•	To ensure the Continuity and retention of employees;
		•	To reward the Employees for their association and performance;
		•	To achieve sustained growth and the creation of Shareholder value
8.	The details about who would exercise and how the voting rights in respect of the shares to be purchased or subscribed under the scheme would be exercised	The Trust would be considered as the registered member of the Company till the date of transfer of Shares to the Employees. However, the Trustees will not have any right to vote on the Equity Shares held by the Trust. Once the shares are transferred to the Employees upon their Exercise, then the Employees will be treated as the member of the Company and shall exercise the right to vote in respect of such shares.	

In terms of the Act, read with Rule 16 of Chapter IV of the Act, the approval of the members is sought by way of Special Resolution for the approval for the provisioning of money to the Trust to fulfil the requirements of Newgen Software Technologies Restricted Stock Units Scheme – 2021. Therefore, your Directors recommend the Resolutions as set out at item no. 4 for your approval by way of Special Resolution.

None of the Directors, Key Managerial Personnel and Relatives of such Director, Key Managerial Personnel is in anyway concerned or interested in the resolution except to the extent of Equity Shares held by them in the Company. However, Directors / Key Managerial Personnel may be deemed as interested up to the number of RSUs/ Shares that may be granted, if any, to them under the Newgen Software Technologies Restricted Stock Units Scheme – 2021.

By order of the Board
For Newgen Software Technologies Ltd

Date: 23rd November 2020
Registered Office:
A-6, Satsang Vihar Marg,
Qutab Institutional Area,
New Delhi-110067

Sd/-
Aman Mourya
Company Secretary
FCS: 9975