

Turbocharged for a  
**QUANTUM  
LEAP**

Speed · Scale · Innovation



# What's Inside

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## Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

**Enterprises worldwide are witnessing immense pressure to automate all aspects of their business to be agile, reduce their turnaround time, and create efficiencies in operations, especially in the context of continuously developing their business processes and customer journeys and incorporating advanced technologies into their business landscape faster. They are now finding themselves at a critical juncture, where the ability to adapt and innovate has become vital for growth. This is leading them to expedite their digital transformation efforts.**

At Newgen, we recognize this transition and are taking charge of what we can offer to be at the forefront of this digital revolution and enterprise transformation. We are now geared to take a quantum leap forward by turbocharging the business with **speed, scale and innovation.**

When it comes to speed, our priority is not merely completing tasks; instead, we strive to provide our clients with the velocity they need to thrive. Our expertise enables us to automate customer journeys faster and enhance customer experiences, which, in turn, helps our clients dedicate more time to their businesses.

Aspiring to scale big, we are now focused on getting deeper in the traditional markets and strengthening our capabilities in the mature markets, leveraging our expanded offerings, skilled team, partnerships and executing our focused go-to market strategies—all with the objective of accelerating towards new frontiers.

Next comes innovation—this has been the cornerstone of all that we have achieved and all that we aim to achieve. We continue to dedicate substantial resources to R&D to keep raising the bar for ourselves. Whether it is through tapping into the power of Gen AI or next-gen machine learning, we continue to focus on harnessing new technologies that can fast-track business innovation.

**As more businesses continue to embark on their digital transformation journeys, we at Newgen stand poised to be their trusted partner; helping them gain momentum in the digital age. Together, we are turbocharged for a quantum leap, shaping a future that is bold, innovative and filled with limitless possibilities.**

# A Quantum Leap into the Future

At Newgen Software (Newgen), we are the leading service provider of enterprise-wide unified digital transformation platform with native process, content, communication, intelligence and low code capabilities that drive end-to-end automation at scale.

For over three decades, we have been working relentlessly to realize our vision of building a connected world. Throughout our journey, we have developed products, which consistently delivered exceptional customer experiences, driving forward the digital transformation journeys of our clients. Our path has been shaped by our passion and purpose, positioning us to take a quantum leap forward, while remaining true to our commitment to excellence, innovation, customer success and consistent growth.

Trusted by enterprises worldwide, our low code application platform is the go-to solution for developing and deploying complex, content-driven and customer-engaging business applications. From streamlining onboarding processes to managing service requests and facilitating lending and underwriting procedures, we have addressed myriad other use cases, delivering simplicity with speed and agility across industries.

Our transformation journey has made us more agile, resilient and innovative. This transformation has bolstered our capabilities, preparing us for the next orbit of our evolution.



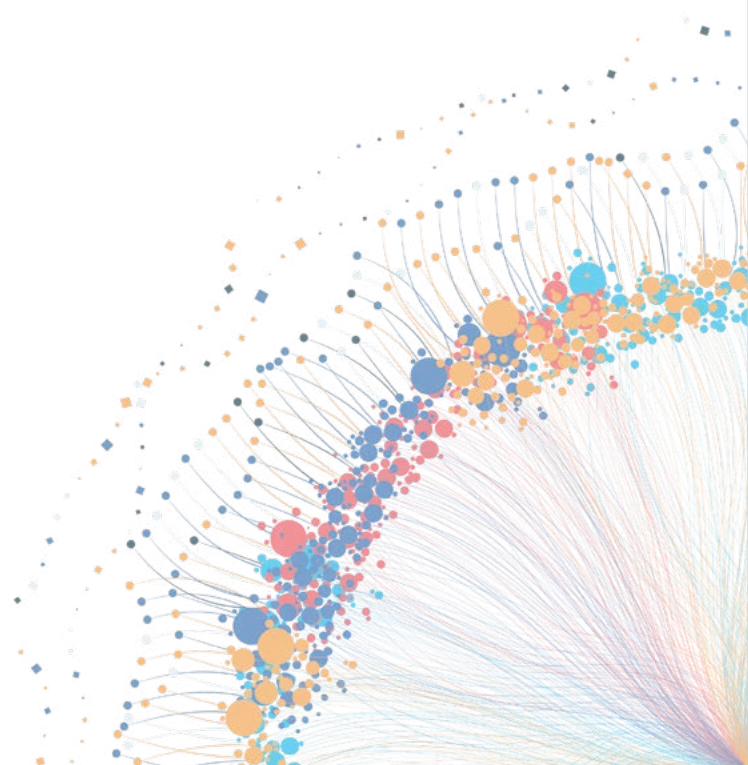
## Vision

To be the first choice of every growing business globally, with our cutting-edge products and things.



## Mission

To transform business by innovatively connecting systems, processes, people and things



**32 years**

Of innovation, passion and excellence

**~4,500**

Personnel

**17**

Verticals, including BFSI, Government etc

**51**

New Logo additions

**65**

Customers with over Rs 50mn billing

Direct presence in  
**8**

Countries

(Customers across 76 countries)

Consistently recognized by

**Gartner and Forrester**

**29%**

Increase in revenue per customer

**24**

Patents granted

# Partnering to Build a World of Automation

Our financial stewardship that speaks volumes about our growth...

(FY'24 Financials)

**₹12,438**

million

Revenues



**28%**

YoY growth

**₹2,883**

EBITDA



**36%**

YoY growth

**₹7,498**

million

Annuity Revenues<sup>1</sup>



**26%**

YoY growth

**₹2,516**

million

Profit After Tax



**42%**

YoY growth

**₹12,235**

million

Network

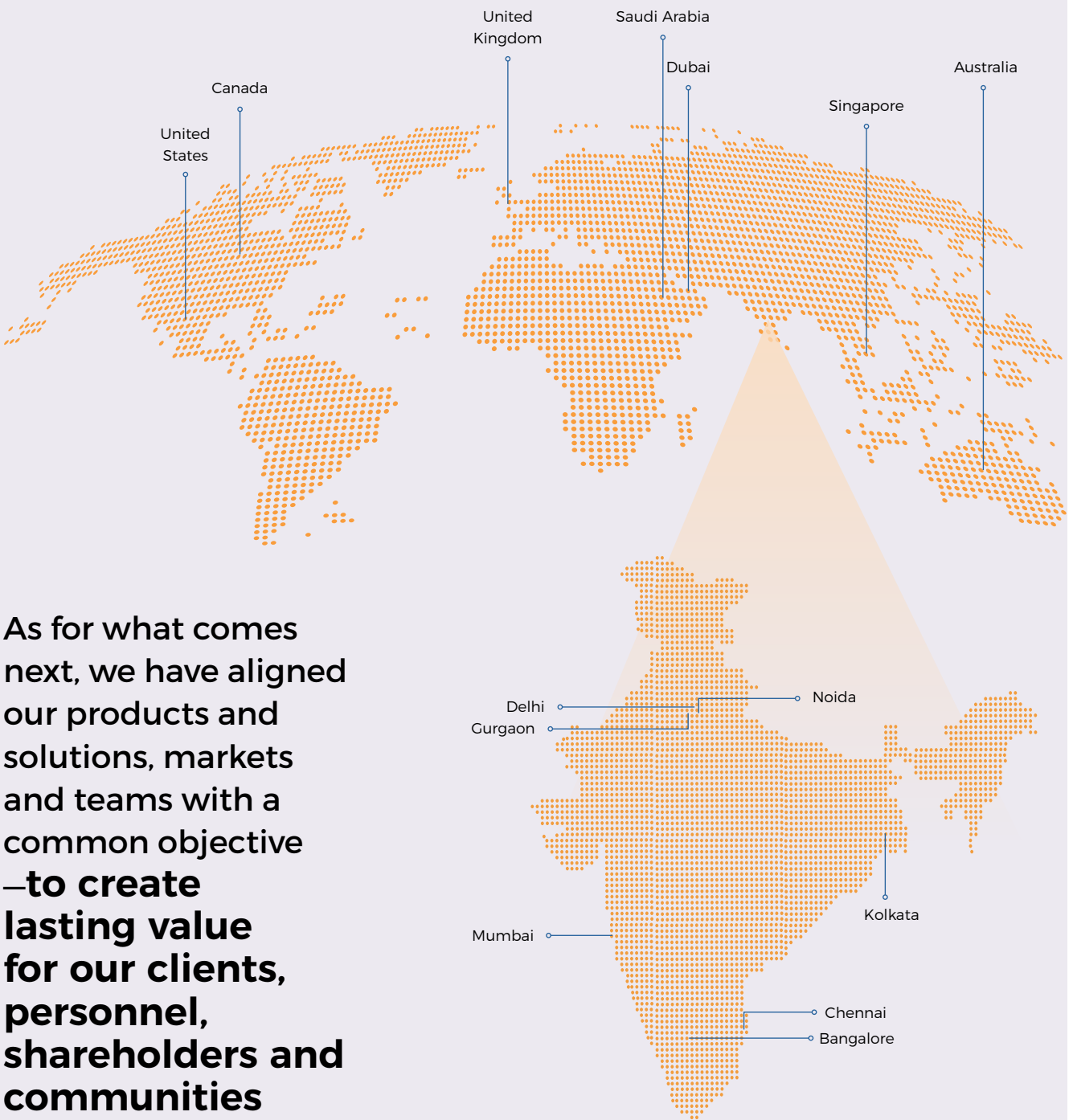
**₹2,814**

million

Cash Flow from Operations



<sup>1</sup>Annuity revenues comprise of ATS/AMC, Cloud/Subscription License revenue and Support revenue streams



As for what comes next, we have aligned our products and solutions, markets and teams with a common objective **—to create lasting value for our clients, personnel, shareholders and communities alike.**

# Chairman and Managing Director’s Message



Our ability to conceptualize and deliver cutting-edge digital platforms has empowered us to cater to the evolving needs of a broad customer base.

## Dear Stakeholders,

As I look back on our progress over the past year, I feel extremely content with our achievements. We have navigated a dynamic business landscape with agility and foresight, achieving significant milestones that reflect our strength and resilience – preparing us to take the next leap forward with speed, scale and innovation.

With the rapid adoption of digitalization across every facet of our lives, streamlining customer digital journeys has become a norm for organizations seeking future readiness. Our ability to conceptualize and deliver cutting-edge digital platforms has empowered us to cater to the evolving needs of a broad customer base. Our goal has always been to build long-lasting relationships with our clients, providing them with innovative solutions that drive their success.

## Key Milestones

We reported stellar financial performance in FY'2024. Our revenues for the reporting year, stood at ₹12,438 million, with a year-on-year growth of 28%. We have also witnessed robust profitability and healthy cash flow generation. This year, we also achieved a remarkable milestone by reaching a market capitalization of over \$1 billion.

Customer relationships have always been key for us and have been instrumental in our growth across all geographies. We are doing end-to-end automation for our customers by tying up the front, middle and back-office processes for them. Our solutions continue to be received well across geographies by customers including Trade Finance, Digital Lending, Customer Onboarding, Card Origination and Supply Chain Finance solutions, reaffirming our commitment to delivering value and innovation.



We are pleased to see ongoing growth in commitments from our existing banking customers, as well as healthy new logo additions to our portfolio. We are making deeper engagements with our clients, leading to a notable increase in the revenue per customer. We now have over 65 clients billing over ₹ 50 million compared to 51 clients in FY'2023. This underscores our conscious emphasis on catering to larger-scale clients and those who significantly contribute to our business.

At the same time, we have added 51 new logos during the year.

### Innovation at the core

At Newgen, we firmly believe that innovation is vital for our success. We have been making significant investments in research and development to bring forth an enhanced product portfolio. With our focus on key areas like cloud adoption, microservices architecture, robust security and empowering our System Integrator/Partners, we are creating platforms that are future-proof and enabling the creation of next-generation use cases that enhance user experience and optimize resource utilization.

In FY'2024, we enhanced our Newgen ONE platform with Generative AI capabilities and tools. We have also released new versions of our robust ECM (Contextual Content Services) and CCM (Omnichannel Customer Engagement) platforms, to further improve our existing solutions. The launch of IDP Studio (Intelligent Document Processing) leverages advanced machine learning algorithms to automate document processing and contribute to seamless workflows.

Our connected banking solutions for digital lending and digital trade finance, leveraging Newgen's low code digital automation platform, have done well and we continue to build on that base. Further, we

are penetrating into the insurance vertical and strengthening our teams for it.

During the year, we continued to be recognized by industry analysts, Gartner in the Magic Quadrants and Forrester in the Wave reports. Newgen has been positioned as a Leader in Everest Group's Low-code Technology Providers in Insurance - Products PEAK Matrix® Assessment 2023.

### Committed Team

We are leveraging the collective strength of our global workforce, which has now grown to around 4,500 individuals and continues to expand and mature in alignment with our business growth trajectory. Central to our commitment to organizational success is our steadfast focus on talent management and learning initiatives. We believe that by empowering our employees with the skills, knowledge, and tools they need to succeed, we can foster a culture of excellence and drive innovation and growth to achieve our shared vision.

### Global Footprint

We are constantly working on increasing our global footprint and brand presence. We opened new offices in New York and Saudi Arabia during the financial year beyond our existing presence in India, United States, Canada, Australia, Dubai and United Kingdom. We also continue to work on enhancing customer engagements, strengthening our sales team and partnership network and expanding our digital presence.

### Commitment to Sustainability and Community

At Newgen, we believe in using technology as a force for good. We are also cognizant of our responsibility towards society and diligently strive to engage in initiatives that make a holistic difference to communities.

Committed to sustainability, we continue to work on strengthening our community engagement through various initiatives, supporting digital education, quality education, skill development and promoting diversity and inclusion within the sector. During the year, we were awarded with the prestigious Mahatma Awards in Quality Education for our Newgen Digital Discovery Paathshala Program and we were also acknowledged in the Best CSR Initiative category for our education, nutrition and holistic development efforts.

### Way forward

Our strategic roadmap for the coming year includes further expanding our global footprint, enhancing our product offerings, and forging stronger partnerships with key stakeholders.

As we step into the future, the landscape of enterprise automation continues to evolve rapidly. Newgen is well-positioned to capitalize on these exciting developments. With our consistent focus on innovation, customer-centricity and global expansion, we are confident of our ability to deliver sustainable growth, create long-term value for all our stakeholders and become turbocharged for a quantum leap.

I want to express my sincere gratitude to our people for their relentless dedication and tremendous commitment to fulfill organizational objectives. I also want to thank our esteemed customers for their continued trust and faith in Newgen. Finally, I extend my appreciation to our valued investors, shareholders, vendors and partners for their unwavering support. Together, we are prepared to strengthen the foundation of a future-focused Company.

Sincerely,

**Diwakar Nigam**

Chairman and Managing Director

# CEO's Message



**In FY'2024, we witnessed healthy growth across key facets of our business. Our revenue reached ₹12,438 million, registering a growth of 28% YoY.**

**Dear stakeholders,**

**I am extremely glad to share with you the remarkable achievements of Newgen in the past year. It is an important milestone year for us, as we prepare ourselves for a quantum leap, on our strong foundation. We are now working on transformation charters for driving a new and exciting chapter in the Newgen story.**

In FY'2024, we witnessed healthy growth across key facets of our business. Our revenue reached ₹12,438 million, registering a growth of 28% YoY. Our traditional markets have performed very well, and we have established leadership positions in these markets with strong acceptance of our products. The EMEA region led the way at 39% YoY revenue growth, followed closely by India at 33% YoY revenue growth.

We continue to have customer-centricity and service excellence at the core of our business. Pivoting towards larger deals, our revenue per account has also improved by 29% on an overall basis. We are happy to report a significant increase in our large client base, with 65 customers exceeding ₹50 million in annual billing compared to 51 in the previous year.

**Innovation - the Cornerstone of our strategy**

As an organization, we have always focused on innovation and excellence in our product offerings. Our products are centered around creating superior customer journeys and supported by cutting-edge technologies. We invest heavily in research and development, which enables us to stay ahead of technological advancements and understand evolving customer requirements. In FY'24 as well, we invested 9% of our revenues on



Our traditional markets have performed very well, and we have established leadership positions in these markets with strong acceptance of our products. The EMEA region led the way at 39% YoY revenue growth, followed closely by India at 33% YoY revenue growth.

research and development initiatives. During the year, we have seamlessly integrated emerging technologies such as Robotic Process Automation, Cloud, Artificial Intelligence & Machine Learning and Generative AI into our platforms and solutions and rolled out several new versions with enhanced features, improved design and deployment journeys, enhanced AI/ML capabilities, improved security, and user-centric upgrades.

Leveraging our investment in Number Theory, we have incorporated Generative AI across our platforms and solutions. In FY'24, we introduced NewgenONE Marvin – a GenAI-powered enhancement to the NewgenONE platform, for smarter and faster application development, real-time extraction of insights, and next-level content automation. NewgenONE Marvin spans the entire digital transformation journey and acts as a comprehensive digital assistant, that seamlessly guides from process designing with just intelligent prompts to content management and enables personalized communication, revolutionizing productivity and transforming operations with AI-driven efficiency.

Furthermore, harnessing the power of Artificial Intelligence and Machine Learning, we also released IDP Studio (Intelligent Document Processing) with advanced Machine learning algorithms and Newgen AI Data science Studio. We have also introduced Gen AI-Powered Hyper-Personalization platform for Banking

sector named LumYn and conversion intelligence platform for the retail sector named NewgenONE Hyper AI.

On the accelerator side, major developments were made in next generation low-code Trade Finance Solution, Retail Loan Origination System, Agri-loan and SME loan accelerators.

### Unwavering commitment of the team

Our success is largely pivoted on our people. Newgen's global workforce comprises a strong pool of around 4,500 personnel, steering our Company to newer heights everyday. Their hard work and commitment have been the backbone of our

growth. I want to extend my heartfelt gratitude to our employees, whose passion, entrepreneurial spirit and hard work have been instrumental in our success.

### Focus on responsible growth

As we move forward, I am excited about the possibilities that lie ahead and confident in our ability to continue to deliver excellence. In the year ahead, we will focus on strengthening our leading position in the traditional markets and making deeper inroads in the mature markets. We are also working on increasing the depth and penetration in the Banking vertical and offerings in the Insurance vertical. We continue to work on building stronger partnerships across the globe.

We are constantly striving to deliver exceptional value to our customers, partners, shareholders, investors, employees and the communities we serve. We are also cognizant of our responsibility towards society and diligently strive to engage in initiatives that make a meaningful impact on our local communities. By harnessing the power of innovation, we are confident of scaling new peaks of excellence and positioning Newgen for sustained success in the years ahead.

Thank you for your continued trust and support.

**Virender Jeet**  
Chief Executive Officer



We are happy to report a significant increase in our large client base, with 65 customers exceeding INR 50 million in annual billing compared to 51 in the previous year.



# Value Creation Model

What we depend on → What we do



**Financial Resources**

<b>₹12,235 million</b> Networth	<b>₹16,865 million</b> Total Assets
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**Countries with Direct Presence: 8**

Overall presence in **76** countries



**People**

<b>₹6,283 million</b> Total expenditure on employee benefits	<b>~4,500</b> Total employees
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**Relationships**

<b>Community</b>	<b>Customers</b>	<b>Shareholders</b>
<b>₹37.5 million</b> CSR Budget	<b>500+</b> Active customers	<b>1 lakh+</b>



**Intangible**

<b>45</b> Patents filed	<b>~600</b> Employees in R&D
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**9%**  
of Revenues invested in R&D



**We help our customers...**

**...with holistic transformation...**

 Intelligent Process Automation	 Contextual Content Services	 Omnichannel customer engagement
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**...across all major industries...**

 Banking and Financial Services	 Insurance	 Government
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**...and functions**

 Supply Chain	 Finance and Accounting	 Human Resource Operations
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→ **Output achieved**

→ **The value we create for stakeholders**

Strong and profitable growth

<b>₹12,438 million</b> Revenue	<b>₹2,516 million</b> PAT	<b>23%</b> EBITDA margin
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<b>28%</b> Revenue Growth	<b>42%</b> PAT Growth	<b>23%</b> Return on Equity
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Resilient and Diversified Business Model  
(% share of revenues)

<b>35%</b> EMEA	<b>32%</b> India	<b>21%</b> USA	<b>12%</b> APAC
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**60%**  
Annuity Revenues

Safe and inclusive workplaces

<b>24%</b> Women employees	<b>ISO 9001:2015</b> certified	<b>ISO 27001:2013</b> certified
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**CMMi 2.0 for**  
**Dev Level 3**

Positive impact on Communities & Stakeholders

**Beneficiaries**

**6,700+ students**  
Enroled in the remedial & Digital Education Program

**3,500+ students**  
Gained access to digital Education

**5,200+ students**  
Benefitted from the mid-day Meal Program

**1,700+ students**  
Were positively impacted by the life Skills & Personality Development & Peer Leadership Program

**51**  
New logo additions

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Dividend  
**₹4 per share**  
adjusted for Bonus issue

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**₹112,002 million\***  
Market Capitalisation

<b>24</b> Patents granted	Consistently recognized by <b>Gartner and Forrester</b>
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**Customers**

**Investors/Shareholders**

**Employees**

**Partners**

**Suppliers**

**Governments/Regulators**

**Communities**

**Low code Application development**

**AI and Data Science**

**Healthcare**

**Shared Services**

**Corporate Governance**

**Enterprise Service Management**

\*As of April 26, 2024

# Know our Platforms

## AI Powered Digital Transformation Platform: NewgenONE

We are leading the charge in transforming business processes with NewgenONE, our unified low-code platform for end-to-end automation at scale for enterprises.

It facilitates seamless information flow across the organization by connecting the front-office, mid-office, and back-office. Moreover, the platform drives intelligence into operations for rapid innovation and responsiveness. NewgenONE includes and integrates, cutting-edge technologies across process, content, communication, intelligence and low code – all delivered through a single, unified platform.

Our platform automates business needs that are complex, content-driven, and involve sophisticated, omnichannel customer interactions. We possess multi-vertical industry expertise and provide purpose-built applications to meet the requirements of many different verticals.

### Transformation

#### Objectives



**Streamline end-to-end customer journeys**



**Automate enterprise-wide rapidly at scale**



**Innovate continuously with intelligence**

#### How we are achieving it

- Automate processes end-to-end
- Personalize every interaction
- Empower customers with self-service

- Automate thousands of applications
- Accelerate DevOps with low code
- Respond to market conditions fast

- Inject intelligence in processes
- Tap insights for real-time decisions
- Discover new business models

### Newgen ONE platform



#### AI and Data Science

Leverage AI for rapid innovation and intelligent operations

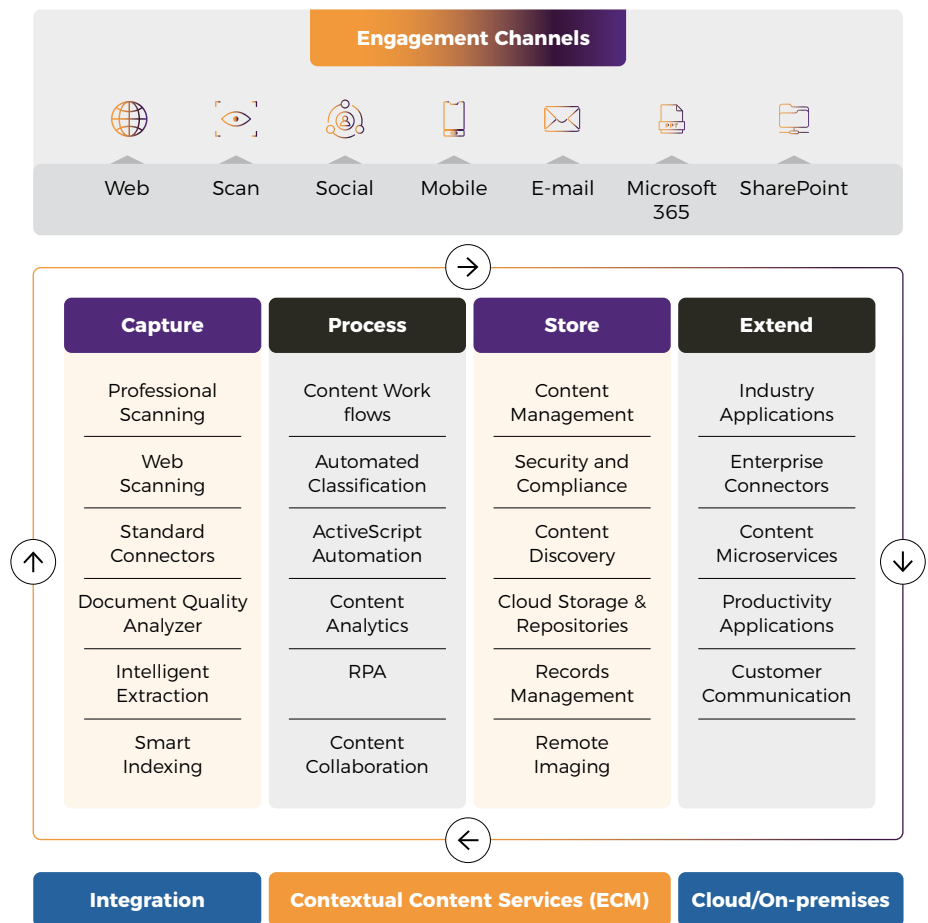
#### Low Code Application Development

Compose enterprise-grade applications at speed and scale

## Contextual Content Services (ECM)

Newgen's Contextual Content Services platform streamlines the end-to-end management of enterprise content throughout the lifecycle, from creation to disposal

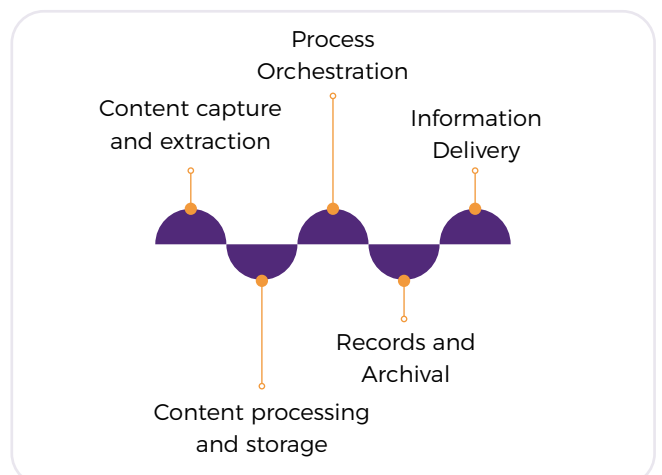
The platform connects content with context and enables organizations to go digital. It helps in deriving real-time outcomes through automated processing of documents and digital media in content centric processes. The platform extracts valuable insights from the content in real-time, providing actionable data to drive informed decision-making.



### Platform capabilities

Content capture from diverse sources	Mobile and cloud accessibility for a connected workplace
Secure centralized repository for streamlined management	Business risk mitigation by ensuring compliance and data security

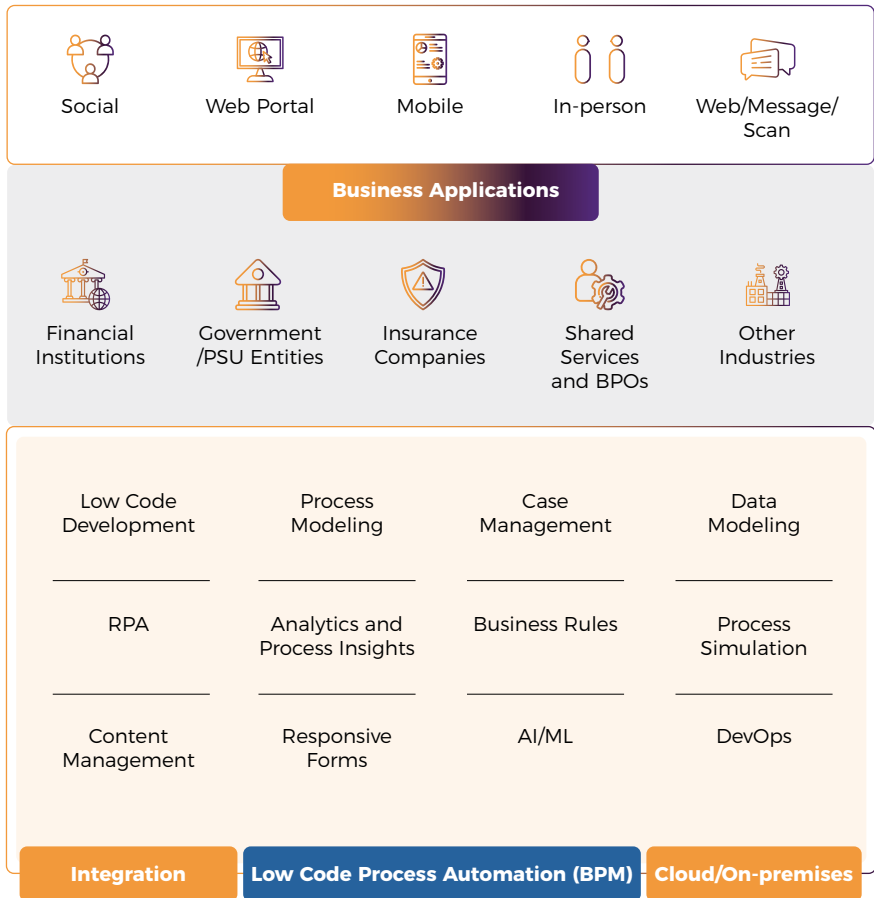
### Core components



# Intelligent Process Automation (BPM)

Our platform is trusted by clients for developing complex applications that are both intelligent and customer-centric.

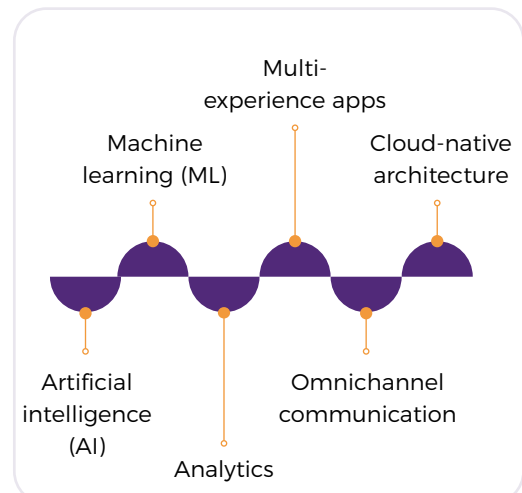
By incorporating context-awareness and ensuring that applications adapt to specific situations for better decision-making, we focus beyond basic automation. Our platform automates workflows at all levels to streamline end-to-end customer journeys.



## Platform capabilities

Design, execute, monitor and optimize processes	Deliver intelligent and context-aware applications	Optimize processes using comprehensive insights and drill-down dashboards
Easily scale across thousands of processes	Use business rules for agile policy implementation	

## Core components



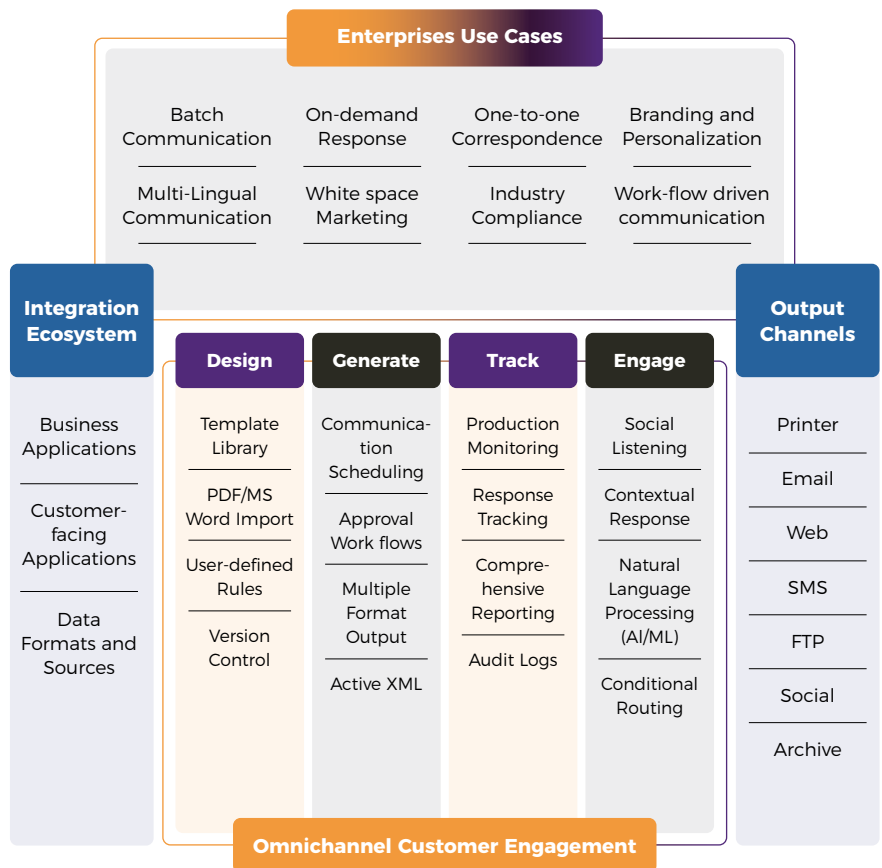


# Omnichannel Customer Engagement (CCM)

We are transforming customer interactions with our Omnichannel Customer Engagement (CCM) platform.

This platform delivers customized, content-rich communication across various channels, including email, SMS, web and print while helping build stronger customer relationships.

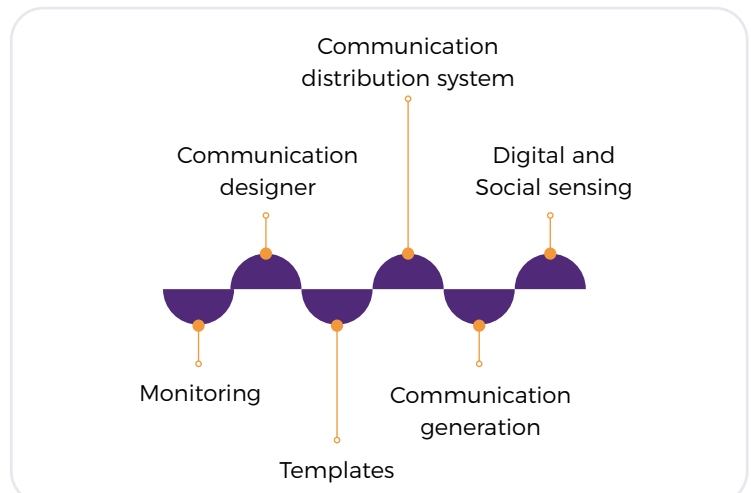
Our objective is to enhance customer engagement and sales and manage all customer communications from a single platform by streamlining the processes and ensuring consistency.



## Platform capabilities

Automated document generation	Enabling connecting with disparate systems and applications, to engage customers through back-office, front-office and self-service channels
Multi-channel distribution and tracking of communications	

## Core components



## **Low Code Application Development**

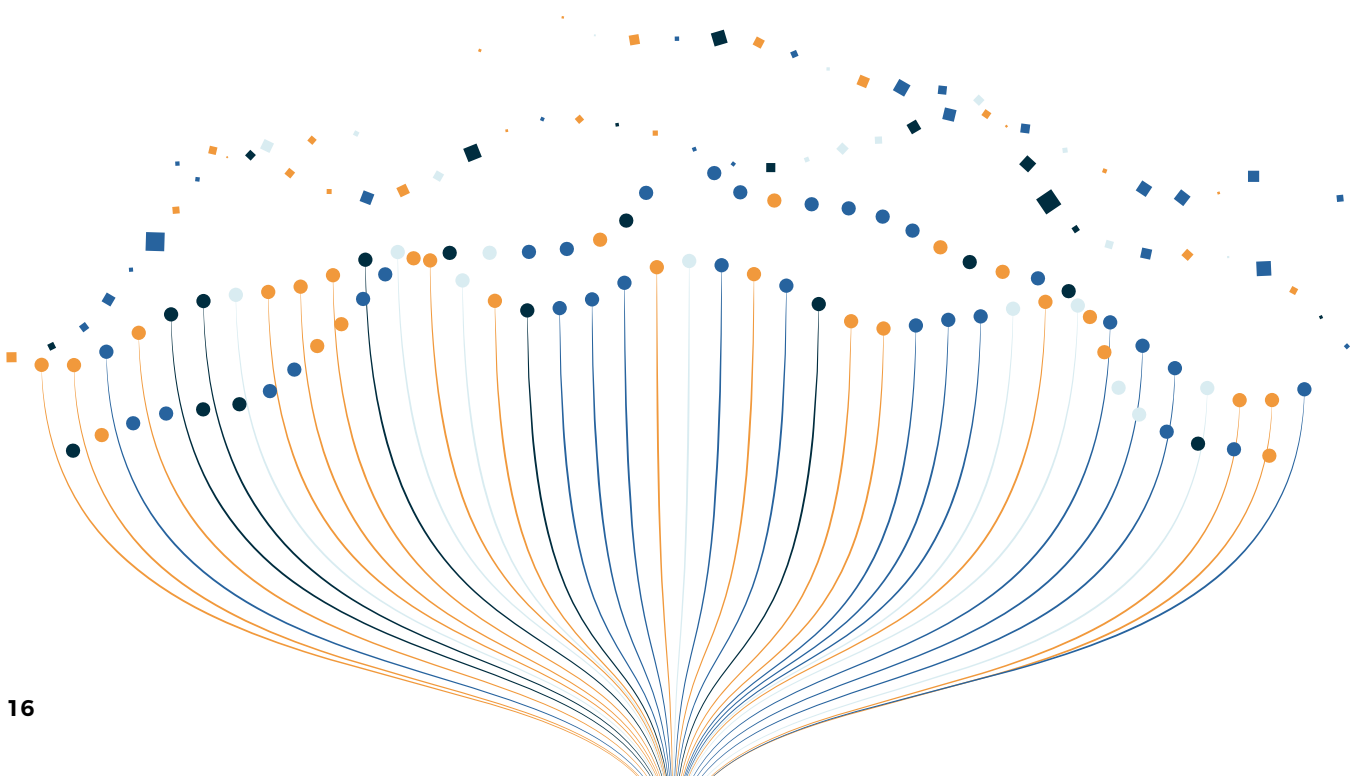
Low Code Application Development helps in rapidly composing complex mission-critical applications with enterprise-grade sturdiness and built-in agility for change by leveraging low code across process, content, communication, and AI.

## **AI and Data Science**

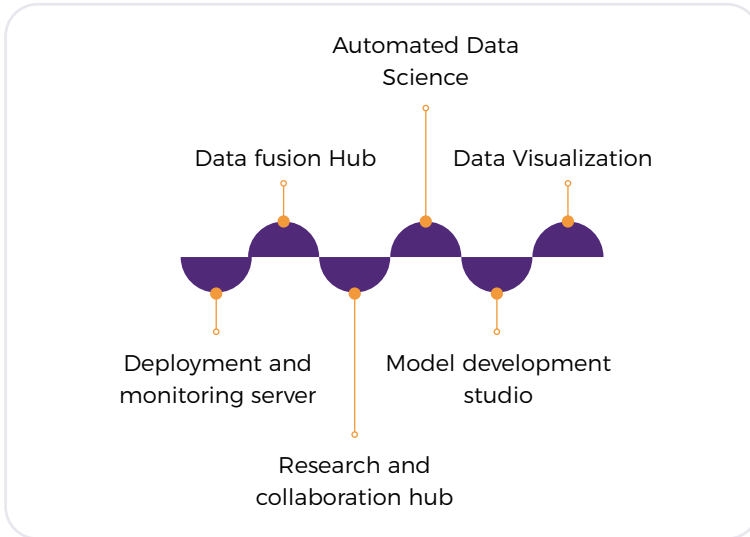
Newgen, with its AI Cloud platform, automates the entire life cycle of data science projects. By leveraging an intuitive AI Studio, the platform increases productivity, fosters collaboration, and speeds up data science project execution to accelerate data to insights journey.

### **Platform capabilities**

<b>Intuitive interface for easy data preparation at scale for enterprises</b>	<b>Streamlined model development, experimentation and evaluation with a user-friendly interface</b>	<b>Leverage diverse visualizations (bubble charts, scatter plots) for clear data understanding</b>	<b>Built-in model recalibration and single-click deployment for optimal performance</b>	<b>Automate recurring tasks like feature engineering, model development and selection</b>
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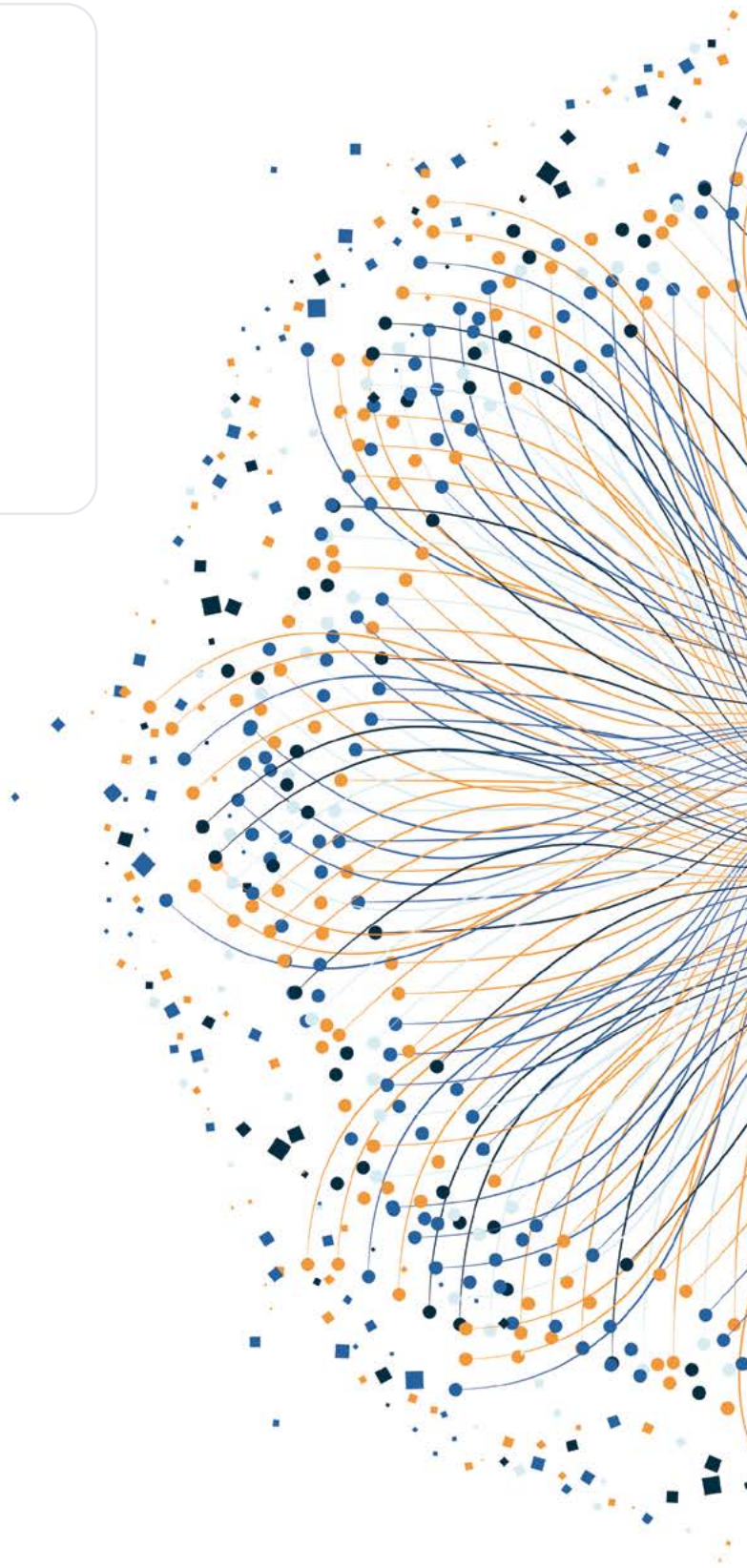


### Core components



### Our Solutions

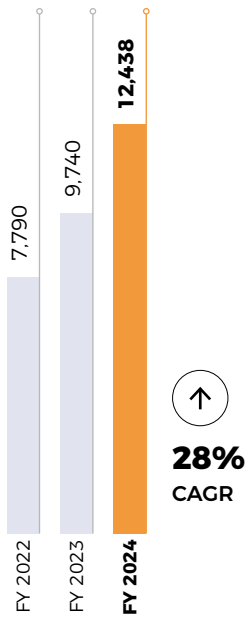
Our purpose-built solutions, built on our platform and deployed on cloud, on-premises, or in a hybrid environment, can help streamline end-to-end processes and future proof an organization. We provide vertical solutions in Banking and Financial Services, Insurance, Government/ PSU, Healthcare, Shared services and other industries.



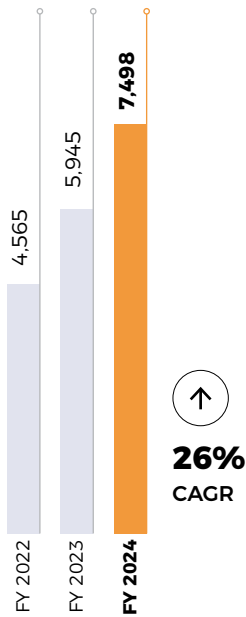
# Turbocharging - SPEED

## Financial Performance

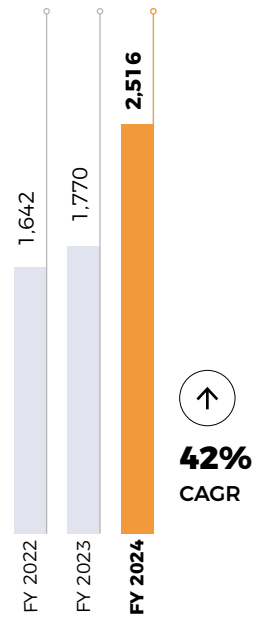
### Revenue (₹ in million)



### Annuity Revenues (₹ in million)



### PAT (₹ in million)



### Revenue Streams by Segment FY 2024 (%)



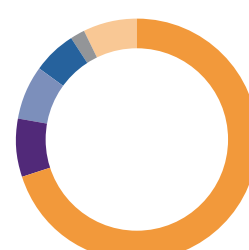
● Sale of Products	18
● SaaS	10
● ATS/AMC	20
● Support	30
● Implementation & Scanning	22

### Revenue Concentration by Geography FY 2024 (%)



● India	32
● EMEA	35
● USA	21
● APAC (Ex-India)	12

### Revenue split by vertical FY 2024 (%)



● Banking	70
● Govt/ PSUs	8
● Insurance	7
● Healthcare	6
● BPO/IT	2
● Others	7

# Enabling Growth for our Customers

Our goal is to shape the enterprises of tomorrow by facilitating enterprise-wide digital transformation and bringing about the desired outcomes. Through our innovative solutions, we empower businesses to adapt and thrive in the digital age, enabling them in achieving their transformation goals efficiently and effectively.

## Objective



We believe in creating exceptional customer experiences at every interaction. The focus on customer delight is our key strategy for driving business growth. We go beyond just offering digital transformative products; we partner with our customers to achieve their digital transformation goals, ultimately helping them deliver value to their own customers.



We strive for operational excellence, ensuring the consistent delivery of business results every day. We are providing our customers and stakeholders with high-quality service that is both fast and exceeds expectations. Further, we focus on optimizing processes and reducing costs, ultimately enhancing our profitability. Our operational excellence allows us to deliver more value while keeping costs under control, leading to sustainable business growth.



Our platform is designed to identify missed opportunities, accelerate product launches, and adapt to changing market conditions. We focus on creating seamless end-to-end customer journeys, driving enterprise-wide digital transformation. Our scalable and flexible solutions enable holistic process automation, empowering our clients' teams to deliver exceptional customer experiences.

# Turbocharging – SCALE

## Accelerating Towards New Horizons

We are consistently increasing our global footprint and brand presence and strengthening our ecosystem.

### Market Expansion

Our focus remains on maintaining our leadership in traditional markets, including India, the Middle East, Africa and other Asian countries. We are prioritising catering to large-scale clients and those who significantly contribute to our business, with a strong emphasis on Banking and Insurance verticals and solutions. Additionally, we are resetting our sales strategy for the US market

During the year, we have inaugurated new offices in New York (United States of America) and Riyadh (Kingdom of Saudi Arabia) as part of our expansion into the US and Middle East markets.

We are also consistently working on strengthening our Sales and Marketing team globally.

### Go-To-Market Strategy

In order to improve our go-to-market strategy, we continue to make disciplined investments. We undertake several in-person and digital initiatives and events, analyst and consultant engagements and customer interactions to further enhance the brand presence and visibility, generate leads and accelerate the sales pipeline. During the year, we participated in multiple industry events and conducted customer meets across Mumbai and Singapore.

### New Partnerships

We continue to work on forging strategic partnerships with technology partners, Global System Integrators, Consulting and Advisory Partners, Value-added Channel Partners and more. During the year, we have entered into several new partnerships to offer a more comprehensive solution to our clients.

#### Duck Creek Technologies

Together, we are offering insurers our industry leading NewgenONE OmniDocs platform for contextual content services.

#### Mambu

We are partnering with Mambu, a cloud banking platform, to complement their core banking systems.

#### Finastra

We have joined forces with Finastra, a leader in financial software, to enhance their loan origination solutions and integrate lending with their LaserPro product.

#### Coforge

This collaboration enables us to deliver transformative insurance lifecycle management solutions.

#### InsureMO

By merging our underwriting and policy administration expertise with InsureMO's platform, we are creating powerful insurance solutions.

**Newgen platform and solutions are now also available on AWZ and Azure marketplace, Guidewire Marketplace and Temenos Exchange.**

# Turbocharging – INNOVATION

At Newgen, innovation is the cornerstone of our operations—from investments in R&D to cultivating a culture of creativity and experimentation.

We firmly believe that consistent improvement is essential for achieving excellence and meeting customer expectations.

To stay at the forefront of technological advancements, we dedicate significant resources to R&D. Besides exploring emerging technologies, including artificial intelligence, machine learning and automation, our teams continue to seek ways to seamlessly integrate them into our solutions.

We strive to ensure that our commitment to learning and development (L&D) never wavers. Towards that end, we invest heavily in L&D programs, equipping our people with the latest technological insights, understanding of customer requirements and deep learning skills.

## FY 2024 Highlights

- We have a strong track record of innovation, with 45 patent filings, of which 24 have been granted in India and the US
- In a ground-breaking move, we introduced NewgenONE Marvin—a GenAI-powered enhancement—to NewgenONE, for smarter and faster application development, real-time extraction of insights, and next-level content automation
- We have also launched the newer version of ECM and CCM platforms
- We have released the next generation IDP Studio (Intelligent Document Processing) with advanced Machine learning algorithms and Newgen AI Data science Studio
- Major developments were also made in Retail Loan Origination System, Agri-loan, SME loan accelerators and low-code Trade Finance solution.

# 9% of revenues

R&D expenditure in FY 2024



# The Year That Was







# Human Resources- Working Better Together

At Newgen, we understand the prevalent challenges in the ever-evolving corporate landscape, which leads us to build a close-knit community for better collaboration and collective growth.

As one of the prominent software technology companies, we recognize that our success hinges on our ability to create an inclusive and engaging workplace culture that fuels innovation, collaboration and employee development. Embracing this ethos, we have introduced a series of initiatives aimed at shaping the way we work and empowering our people to thrive in a dynamic business environment.

**4,500**

Employees

## Enabling Change Through Cultural Transformation

We understand that cultural transformation is essential for our success in the long run. In keeping with this, we emphasize aligning our internal systems, processes and policies with our core values and Newgen Tenets—Leading Self, Leading Others, Ownership & Accountability, Customer Centricity and Global Mindset.

Through a comprehensive training program, we engage all Newgenites to embody these tenets and collectively progress towards realizing our vision. We have adopted a hybrid work model considering the changing needs of our workforce and to provide them with a conducive working environment. We believe in collective development, where our employees have the opportunity to learn and grow together. We encourage collaboration across teams and departments, creating a spirit of teamwork and knowledge sharing that allows us to achieve our goals more effectively.

## Embracing Diversity and Inclusion (D&I)

We recognize that a diverse and inclusive workforce is crucial for

driving innovation, enhancing employee engagement and promoting a culture that reflects our values. Our D&I vision aims to create an inclusive work environment where every individual feels valued and supported, regardless of gender, race, religion, or other factors.

Additionally, we prioritize empowering women in leadership

positions. To that end, we have crafted inclusive policies that promote equal employment opportunities for all, including People with Disabilities (PwDs) and transgender people. We have undertaken various initiatives, including training on unconscious bias and encouraging the adoption of inclusive conduct among our managers and personnel.



**We have recently introduced our Women Inspired Networking and Group Success (WINGS) program. It focuses on offering mentorship and support to women in leadership positions, ensuring better representation and opportunities for growth.**



### **Investing in Talent Management and Learning**

To enable the career advancement of our people, we offer a range of career development opportunities, mentorship programs and leadership development initiatives. In alignment with this, our capability management initiatives focus on identifying skill gaps, promoting skill development and leveraging employee strengths to enhance our organizational capabilities. Our talent management framework establishes clear career paths and offers regular performance feedback as well as targeted learning opportunities. This approach empowers our talent pool to excel in their roles and drive our organization forward.

### **Upholding Ethics, Promoting Diversity and Ensuring Compliance**

We believe that operating with integrity and transparency is essential to building trust with our team members, customers and stakeholders. By implementing comprehensive compliance policies and procedures, we ensure adherence to all applicable regulations and the protection of our brand reputation. We are committed to promoting diversity, preventing discrimination and harassment and safeguarding the rights of all our people, including those with disabilities or belonging to underserved communities.

As we look ahead, we are confident that our strategic initiatives will continue to shape the future of work at Newgen, fostering a culture of collaboration, innovation, and growth. Our employees are our most valuable asset, and we remain steadfast in our commitment to creating a workplace where every individual feels valued, supported, and empowered to succeed. Together, we will continue to drive positive change and make a meaningful impact on our organization and the world around us.

# CSR - Making an Impact, Leading with Purpose

Newgen CSR works towards elevating the nation's Human Development Index (HDI) by actively contributing to the social and economic advancement of the communities. The initiatives under the umbrella of CSR include-

- Digital Education - Newgen Digital Discovery Paathshala
- Digital Remedial Education with KHUSHII NGO
- Holistic Education with KK Academy Samiti
- Mid-day Meal Program with The Akshaya Patra Foundation
- Personality Development with I Am Wellbeing

## Newgen Digital Discovery Paathshala (NDDP)

Newgen initiated its flagship CSR program, Newgen Digital Discovery Paathshala (NDDP), in 2016. It is designed to promote digital literacy, equitable education, and quality learning among less privileged students.

NDDP currently extends to around 3,000 girls studying at the government schools in Harkesh Nagar and Tekhand, Delhi, from Classes 6 to 8.

Under the aegis of NDDP, students get digital devices, including iPads, tablets, and smart phones, to make

education more accessible. So far, free access to digital devices (tablets) and data cards has helped over 2,400 students and instilled a habit of self-learning through online research.

The NDDP program adopted hybrid education, using both offline and online digital learning platforms, after the pandemic. Along with their school curriculum, students are also offered age-appropriate sessions around mental well-being and personality development, which help them realize their self-worth, gain confidence, and become self-reliant.

NDDP Alumni (Graduates from NDDP from Classes 9 to 12)- The focus is on the personality development, mental well-being, and career counseling of the NDDP alumni. Professionals from different walks of life are invited to share the experiences that inspired their careers.

Scholarships are offered for higher education to ensure these students continue their learning journey even after school. Around 76 students of the Class 12 batch have been able to secure scholarships this year.



## Engagement with Stakeholders

NDDP involves the primary stakeholders, that is, the teachers and the parents, to strengthen the program and make it sustainable in the following ways:

### NDDP Samarth Saarthis (Mothers' Program)

The mothers of the NDDP students have been a part of the digital literacy, skill development, and mental health awareness journeys. For skill development, mothers created handcrafted items such as crochet table mats, coasters, door hangings, plate covers, colorful paintings, and more, which were then displayed in exhibitions. Earning through these handmade creations encouraged the mothers to generate a source of income. In the upcoming financial year, the project plans to set up a skill development resource centre for women in Okhla.

### NDDP Samarth Shikshaks (Teachers' Program)


Samarth Shikshaks are the guides for NDDP students.

Structured interviews of the teachers and principals in the Newgen-adopted schools are conducted regularly. This aids in aligning the NDDP classes with respect to the curriculum topics taught in school, thereby rendering NDDP sessions an add-on remedial supportive class for the students.




## Testimonials


### Students

 Science used to be a complex subject for me. Ever since I joined the NDDP online and offline sessions, I enjoy Science classes.

 - Rita, Class 7


 I can attend online classes with the help of the tablet. I can research various topics like tribes around the world, seven wonders, and fun facts about the environment over the internet.

 - Prisha, Class 6


 My parents now take my career choices seriously. I often find them discussing my future goals, which did not happen earlier.

 - Akansha, Class 11

**Students**


 Initially, my parents were not aware of how important these NDDP classes were. Over time, they have realized its value and do not let me miss any session.

 - Misha, Class 8


 I have all the necessary information about the first menstrual period. When the day comes, I will be prepared to handle it like an adult.

 - Ritu, Class 7


**Mothers**

 I have discovered the wonders of Google through the mic and image scan features.


 - NDDP mother

 I learned cooking, and plan to have my own You Tube channel.

 - NDDP mother

 NDDP made me realize I can use my handicraft skills to earn a livelihood.


 - NDDP mother

 The NDDP sessions have helped me discover my innate skills and empowered me.


 - NDDP mother



**Teachers**

 Our students are always excited to attend the NDDP sessions in school. They have also become more disciplined after regularly attending the lab sessions.

 - Tekhand school teacher

 Students have promisingly shown improvement in their knowledge. Now, most of them can discuss various topics that are not limited to the book.

 - Harkesh Nagar school teacher

## Remedial Education Program with KHUSHII

Newgen, in association with the NGO KHUSHII (Kinship for Humanitarian, Social and Holistic Intervention in India), offers remedial and digital classes to students in government schools. The project reaches over 6,500 students in Harkesh Nagar and Tekhand in Delhi, Nandambakkam in Chennai, and Ramgarh in Uttarakhand.

The interventions in the project included remedial subject-based sessions, STEM, creative and critical thinking classes, digital classes, sessions on WASH (Water, Sanitation, and Hygiene), and related topics. The engaging sessions through innovative approaches imparted a deeper understanding of the subject to students.



### Holistic Education Program with KK Academy

Newgen's partnership with the KK Academy in Lucknow supports the holistic development of the students within an environment of inclusivity. The program benefits 240 students, from kindergarten to Class 8. The program includes a variety of components like STEM, the language development program, life

skills training, creative activities, and digital learning.

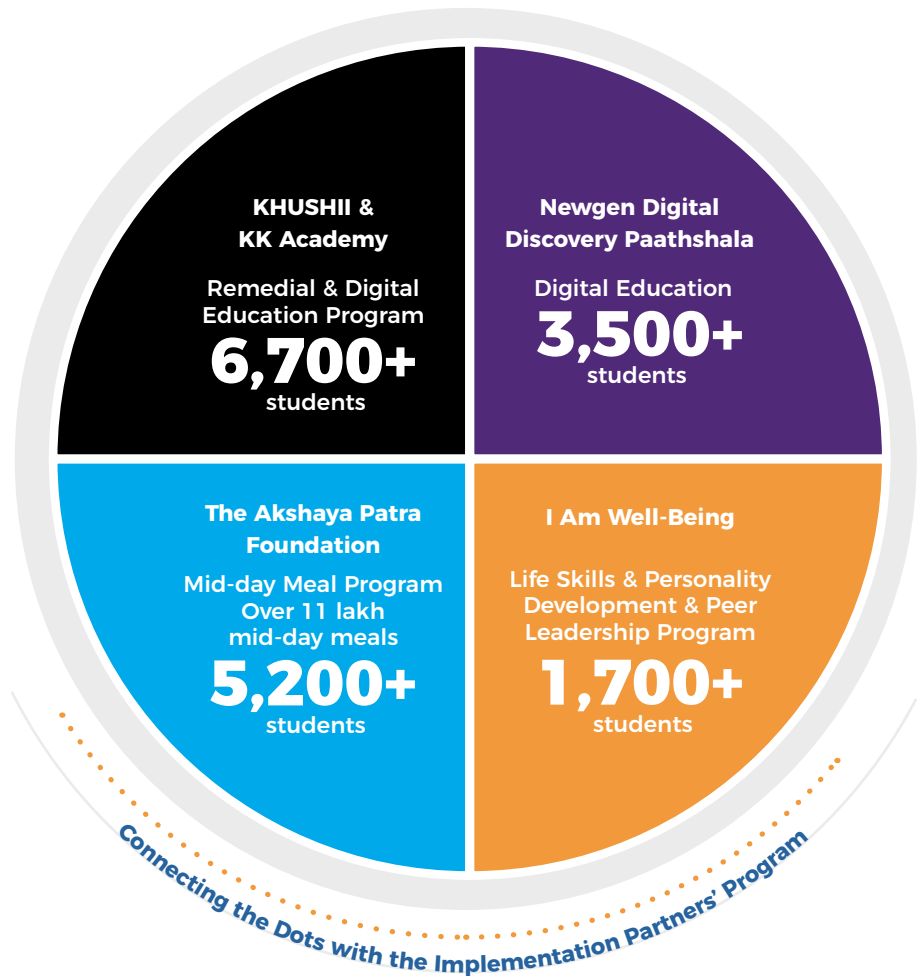
### Mid-Day Meal Program with The Akshaya Patra Foundation

Newgen, in collaboration with The Akshaya Patra Foundation, ensures children get healthy and nutritious mid-day meals during their formative years. The project

provided over 11 lakh mid-day meals to more than 5,200 school students in the remote areas of Baran and Nathdwara in Rajasthan, Bhilai in Chhattisgarh, Mangalgiri in Andhra Pradesh, and Gorakhpur in Uttar Pradesh.

### Life Skills Development and Peer Leadership with I Am Wellbeing

Newgen collaborated with I Am Wellbeing, a mental health organization, to support students with various aspects of mental well-being through self-evaluation and practical sessions. The program covers over 1,700 NDDP students and NDDP alumni through monthly online sessions. The sessions benefit the students with techniques to maintain sound physical and psychological health.



### Engagement with Newgen Volunteers

Newgen volunteers attended various programs as role models, judges, speakers, and audiences, throughout the year. They participated in activities, such as students' debate competitions, career counseling sessions, special day celebrations, and handicraft exhibitions.

### CSR Week 2023

During the annual CSR Week, Newgen – in partnership with India STEM Foundation – conducted a week-long 'STEM Tinkering Through Robotics' training using Lego Mindstorms. Over 120 female students participated in it and learned about building a Lego robot, design thinking, coding, and real-world application skills.

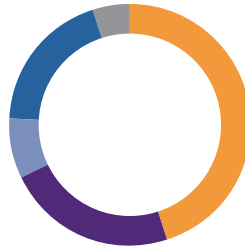
Throughout the week, volunteers engaged with the students to encourage them. All the volunteers were thanked with a token of appreciation.





### Accolades Won by Newgen CSR: 2023-2024

For its innovative initiatives in education, Newgen CSR has been recognized on the national and international levels with the 'Mahatma Award for Quality Education' and 'National Awards for Excellence in CSR & Sustainability for Best CSR Impact Initiative', respectively.



● NDDP (Digital Education)	45%
● Khushi (Remedial Education)	23%
● KK Academy (Holistic Education)	8%
● The Akshaya Patra Foundation (Mid day Meal)	19%
● I am Well Being (Personality Development)	5%

CSR 2023-2024 Budget:  
**INR 37.5 million**

### Miscellaneous Activities Facilitated by CSR

- Donated 50 refurbished desktops to Project Computer Shiksha for enabling them to build computer labs in resource-poor schools
- Held the annual collection drive for Goonj



## Key Recognitions

### Forrester

- A "Leader" in Forrester Wave™ Content Platforms, Q1 2023
- A "Strong Performer" in The Forrester Wave™: Digital Process Automation Software, Q4 2023
- "Strong Performer" in Forrester Wave™: Robotic Process Automation, Q1 2023
- A "Strong Performer" in The Forrester Wave™: Robotic Process Automation, Q1 2023 Report
- Recognized in Forrester's P&C Claims Management Systems Landscape on 21<sup>st</sup> February 2024
- Recognized in Forrester's 'The Digital Process Automation Landscape, Q2 2023' on 2<sup>nd</sup> June 2023
- Recognized in Forrester's 'The Accounts Payable Invoice Automation Landscape, Q4 2023' on 11<sup>th</sup> December 2023
- Mentioned in Forrester's Trends Report 'The State Of Digital Lending In India, 2023' on 16<sup>th</sup> October 2023

### Gartner

- A "Niche Player" in Gartner® Magic Quadrant™ for Enterprise Low-Code Application Platforms, October 2023, published on 17<sup>th</sup> October, 2023, et al.
- Recognized in the Gartner® Market Guide for State and Local Government Grant Management Solutions by Apeksha Kaushik, on 6<sup>th</sup> May 2024.
- Recognized in the Gartner® Market Guide for Commercial Loan Origination Solutions on 6<sup>th</sup> Nov 2023.
- Recognized in the Gartner® Market Guide for Commercial Banking Cash Management and Trade Finance Solutions on 26<sup>th</sup> October 2023
- Recognized in the Gartner® Market Guide for Business Process Automation Tools on 23<sup>rd</sup> October 2023

- Recognized in Gartner® Critical Capabilities for Enterprise Low-Code Application Platforms on 18<sup>th</sup> October 2023
- Recognized in the Gartner® Market Guide for Accounts Payable Invoice Automation Solutions published on 7<sup>th</sup> August 2023 by Micky Keck

### D&B

Awarded with an indicative risk rating of 5A2 by Dun & Bradstreet and overall status on Composite Appraisal/Condition was certified as 'Good'



### CRISIL

Assigned a short-term rating of CRISIL A1 for debt instruments/ facilities of the Company

**Key Certifications**

- ISO 9001:2015
- ISO 27001:2013
- CMMi 2.0 for Dev Level 3.
- SOC 1 Type 2 & SOC 2 Type 2 Attestation

### Key Recognitions

Honoured with the prestigious Mahatma Award for Social Good and Impact towards Quality Education



Recognized under the Best CSR Impact Initiative' category in National Awards for Excellence in CSR & Sustainability



Newgen receives Special Recognition at Dun & Bradstreet - Business Excellence Awards 2023



Recognized as the Best AML/ KYC Solutions Provider at the MEA Finance Banking Technology Awards 2023.



# Board of Directors



## Diwakar Nigam

**Chairman and Managing Director**

Diwakar Nigam co-founded Newgen in 1992. He is also a founding member of NASSCOM, India’s apex information technology industry association and was a member of NASSCOM’s Anti-piracy Task Group. Prior to joining Newgen, he founded Softek and was associated with the Company for 12 years.

Diwakar has served on Newgen’s Board of Directors since 1993 and has around 40 years of experience in the information technology industry.

He holds a Bachelor’s degree in Science from the University of Allahabad; Master’s degree in Science (Mathematics) from IIT, Delhi and Master’s degree in Technology (Computer Science) from IIT, Madras.



## T S Varadarajan

**Founder and Whole-time Director**

T.S. Varadarajan co-founded Newgen in 1992 and has been on the Company’s Board of Directors since incorporation. Prior to Newgen, he promoted Softek Private Limited and was associated with it for about 12 years. He has around 40 years of experience in the field of software designing and development. He did his Bachelor’s in science from Bangalore University and engineering (electrical technology) from the Indian Institute of Science, Bengaluru. He holds a Master’s degree in technology (computer science) from IIT, Madras.



## Priyadarshini Nigam

**Whole-time Director**

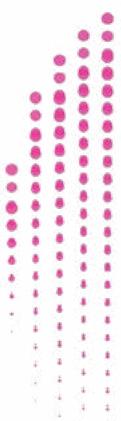
Priyadarshini Nigam has served on Newgen’s Board of Directors since 1997. Previously, she was a journalist with over 10 years of experience in the IT field. She has freelanced and published with the South-North News Service and Depthnews Press Foundation Asia. She holds a Bachelor’s and a Master’s degree in economics.



## Kaushik Dutta

**Independent Director**

Kaushik Dutta is the founder and co-director of the Thought Arbitrage Research Institute with more than 25 years of experience in finance and accounting. He previously served as a partner at Lovelock and Lewes and then at Price Waterhouse. He has consulted as an expert with the Indian Institute of Corporate Affairs and the Serious Fraud Investigation Office within the Ministry of Corporate Affairs. Kaushik has authored books including The Handbook of Independent Directors: Upholding the Moral Compass; co-authored Corporate Governance: Myth to Reality; and India Means Business: How the Elephant Earned Its Stripes besides being a contributing author of CR Data and Company Law (VII Edition). He graduated in commerce from St. Xavier’s College, University of Calcutta. He is a qualified chartered accountant and a fellow member of ICAI.





**Saurabh Srivastava**  
Independent Director

Saurabh Srivastava is one of India's leading IT entrepreneurs, angel investors and venture capitalists. He has more than 40 years of experience in the field of Information Technology. He is a founder director of Indian Angel Network and a former chairman of NASSCOM. He has also been honoured with Padma Shri by the Government of India. He is an alumnus of the Indian Institute of Technology, Kanpur, and Harvard University, USA.



**Padmaja Krishnan**  
Independent Director

Padmaja Krishnan has over 40 years of industry experience as a global business leader and innovator in the technology space. She has led multiple business portfolios for organizations like Tata Consultancy Services, CSC, Sopra-Steria, Dell-Perot Systems, and Genisys Group. She provides business mentoring services and is a certified executive coach at Marshall Goldsmith Stakeholder Centered Coaching. She is a certified Tick IT lead assessor from UK.



**Subramaniam Ramnath Iyer**  
Independent Director

Subramaniam Ramnath Iyer is a founder partner of Amtrak Consultants LLP which provides financial and corporate law advisory services to various entities. He has over 40 years of post-qualification experience in the fields of finance, accounting, and corporate laws. He is qualified as a Chartered Accountant, Company Secretary, and Cost Accountant.

# Management Team



**Virender Jeet**  
Chief Executive Officer

Virender Jeet has been with Newgen for over 30 years and manages the overall strategic and operational functions for the company's entire portfolio of offerings. He oversees product development, global sales and marketing, besides business enablement. He has spearheaded the filing of various patents in India and the U.S. He holds a Bachelor's degree in Engineering from Savitribai Phule, Pune University.



**Tarun Nandwani**  
Chief Operating Officer

Tarun Nandwani has been with Newgen for over 30 years and manages the company's existing customer and commercial business areas. He is responsible for customer relationship management, commercial activities, contract management, new business solutions, and application development, besides driving business from existing customers. He holds a Bachelor's degree in engineering from Delhi University.



**S J Raj**  
EVP- Global Business Strategy and HR

Dr. SJ Raj has been with Newgen for over 30 years and manages the company's human resources (HR) strategy, global operations, and programs aligned with HR strategy. Before joining Newgen, he worked with Eicher Goodearth, SRF Nippondenso, PCS Data Products, and Semiconductor Complex Limited. He holds a M.A., with specialization in social work, from Jamia Millia Islamia University and a Ph.D. from Chandigarh University.



**Anand Raman**

Executive Vice President and Chief Operating Officer, Newgen Software Inc.

Anand Raman has been with Newgen for over 25 years. He oversees Newgen’s operations in the Americas and is responsible for driving the company’s scale, growth, and profitability in the region. He is also a director on the Board of Newgen Software Inc. Previously, Anand headed Newgen’s sales and marketing, global marketing, and product development teams. He holds a Bachelor’s in Computer Engineering from Pune University and a certificate in advanced management from the Wharton School at University of Pennsylvania.



**Arun Kumar Gupta**

Chief Financial Officer

Arun Kumar Gupta has been with Newgen since 2010. He oversees financial planning, treasury, global taxation, investor relations, business finance, compliances, and financial reporting. He has over 25 years of experience in finance, having previously worked with companies like Maersk, Thermax, and Satyam. He holds a Bachelor’s degree in science from the University of Calcutta and is a qualified company secretary, cost and works accountant, and chartered accountant.



**Rajvinder Singh Kohli**

Senior Vice President, Sales

Rajvinder Singh Kohli drives global sales with a focus on GSI relationships in his current role. With three decades of solution sales experience, he is keenly interested and has strong knowledge of existing and emerging technologies in digital process automation and transformation. He was associated with Newgen during 2002-09 in a sales leadership position for India and APAC. He has also been associated with Automation Anywhere, Microsoft, and IBM. He did his Master’s in management from IRMA, Anand and global advance management programme from ISB-Kellogg.



# Management Team



**Sunil Pandita**  
VP, Sales (India)



**Vivek Bhatnagar**  
VP. Sales (EMEA)



**R. Krishna Kumar**  
VP, Sales (Australia)



**Prashant Sahai**  
VP, Sales (Middle East)



**Pramod Kumar**  
VP, Sales (APAC)



**Sandeep Hinduja**  
VP, Sales (US)



**Manish Jaiswal**  
VP - Healthcare (Americas)



**Amitava Ganguli**  
VP - Insurance (Americas and Matured Markets)



**Runki Goswami**  
VP - Marketing



**Ashok Kapoor**  
VP - Product Management-Banking



**Atin Kumar**  
Head - Global Delivery



**Vivek Mani Tripathi**  
VP - HRD & Operations





**Anurag Kumar Shah**  
VP - Product & Solutions  
(Americas)



**Nitin Gupta**  
VP - Customer Success  
(Americas)



**Arpan Bansal**  
VP - Marketing (Govt. & GSI  
Initiatives)



**Nikhil Sawhney**  
VP - Customer Relations  
(EMEA, APAC)



**Manojit Majumdar**  
VP - Channel Sales



**Ritesh Varma**  
VP - Product & Solutions  
(India, EMEA, APAC)



**Shikha Bhatt**  
VP - Delivery (India)



**Sanjay Pandey**  
VP - Engineering



**Varun Goswami**  
VP - Product Management

# Corporate Information

## Directors

### Mr. Diwakar Nigam

Chairman & Managing Director

### Mr. T.S. Varadarajan

Founder and Whole-time Director

### Ms. Priyadarshini Nigam

Whole-time Director

### Mr. Kaushik Dutta

Independent Director

### Mr. Saurabh Srivastava

Independent Director

### Mr. Subramaniam Ramnath Iyer

Independent Director

### Ms. Padmaja Krishnan

Independent Director

## Key Managerial Personnel

### Mr. Virender Jeet

Chief Executive Officer

### Dr. S.J. Raj

EVP- Global Business  
Strategy and HR

### Mr. Tarun Nandwani

Chief Operating Officer

### Mr. Arun Kumar Gupta

Chief Financial Officer

### Mr. Aman Mourya

Company Secretary & Compliance Officer

# Bankers

## Standard Chartered Bank Citi Bank

### Statutory Auditors

Walker Chandiook & Co LLP,  
Chartered Accountants, Gurgaon  
(Firm Registration No.: 001076N/N500013)

### Internal Auditors

PricewaterhouseCoopers Services LLP,  
Noida

### Secretarial Auditors

M/s Aijaz & Associates  
Practicing Company Secretaries, Delhi  
Membership No. F6563  
C.P. No. 7040

### Registered Office & Corporate Office

E-44/13, Okhla Phase 2,  
New Delhi - 110020

# Boards' Report

## Dear Members,

The Board of Directors is pleased to present the 32<sup>nd</sup> Annual Report on Business and Operations of your Company Newgen Software Technologies Limited ("the Company" or "Newgen") along with the Audited Standalone and Consolidated Financial Statements for the financial year ended 31<sup>st</sup> March 2024.

## 1. Company's Affairs and Financial Performance:

Newgen Software Technologies Limited is a provider of enterprise-wide unified digital transformation platform with native process, content, communication, intelligence and low code capabilities that drives end-to-end automation at scale. Large enterprises globally leverage Newgen's cutting edge technologies to innovate and transform their operations to serve their customers better and faster. Newgen focuses on delivering best-in class platforms and solutions to its global clientele, thus facilitating their digital initiatives, streamlining operations and improving customer experiences. The key platforms of Newgen include Contextual Content Services (ECM), Intelligent Process Automation

(BPM), Omnichannel Customer Engagement (CCM), Low Code Application Development and Artificial Intelligence and Data Science.

Newgen has been at the forefront of transforming businesses for over 500 active customers across 76 countries. With a marquee clientele from India, USA, Canada, UAE, Saudi Arabia, UK, Philippines, Indonesia, Singapore and Australia, the Company offers enterprise solutions tailored to the needs of different business verticals. Newgen has emerged as a preferred partner for leading banks, insurance firms, healthcare organisations, governments, telecom companies, shared service centres and BPOs worldwide. For more details, kindly refer to the Management Discussion and Analysis Report highlighting the important aspects of the business of the Company as annexed to this Report.

Key highlights of the Financial Results of the Company prepared as per the Indian Accounting Standards (Ind-AS) for the financial year ended 31<sup>st</sup> March 2024 are as under. Wherever applicable, the Consolidated Financial Statements are also being presented in addition to the Standalone Financial Statements of the Company.

(₹ in Lakh)

Particulars	Standalone		Consolidated	
	Financial Year	Financial Year	Financial Year	Financial Year
	2023-24	2022-23	2023-24	2022-23
Revenue from Operations	1,13,611.93	88,780.06	1,24,382.86	97,397.88
Other Income	4,550.01	3,291.11	48,06.43	3,398.57
<b>Total Income</b>	<b>1,18,161.94</b>	<b>92,071.17</b>	<b>1,29,189.29</b>	<b>1,00,796.45</b>
Operating Expenditure	86,731.15	69,029.09	95,551.85	76,176.16
Profit/ loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	<b>31,430.79</b>	<b>23,042.08</b>	<b>33,637.44</b>	<b>24,620.29</b>
Less: Depreciation/ Amortisation/ Impairment	2,585.09	2,263.72	2,796.77	2,467.14
Less: Finance Costs	410.65	389.18	418.18	425.1
Profit/loss before Exceptional items and Tax Expenses	<b>28,435.05</b>	<b>20,389.18</b>	<b>30,422.49</b>	<b>21,728.05</b>
Add/(less): Exceptional items	-	-	-	-
Profit/loss before Tax Expense	<b>28,435.05</b>	<b>20,389.18</b>	<b>30,422.49</b>	<b>21,728.05</b>
Less: Provision for Current Tax	5,270.70	3,872.52	5,953.49	4,276.98
Less: Provision for deferred tax (credit)/ charge	(569.2)	(277.43)	(691.5)	(250.08)
Profit after Tax (A)	<b>23,733.55</b>	<b>16,794.09</b>	<b>25,160.50</b>	<b>17,701.15</b>
Total Comprehensive Income/Loss (B)	(355.49)	(224.66)	(214.92)	520.87
<b>Total (A+B)</b>	<b>23,378.06</b>	<b>16,569.43</b>	<b>24,945.58</b>	<b>18,222.02</b>
Balance of profit/loss for earlier years	<b>70,401.96</b>	<b>56,755.87</b>	<b>74,981.31</b>	<b>60,428.17</b>
Less: Dividend paid on Equity Shares during the year for the previous financial year	3497.79	3,148.01	3,497.79	3,148.01
Add: Adjustment of deferred tax	-	-	-	-
<b>Profit available for Appropriation</b>	<b>90,637.72</b>	<b>70,401.96</b>	<b>96,644.02</b>	<b>74,981.31</b>
<b>Balance carried to Balance Sheet</b>	<b>90,637.72</b>	<b>70,401.96</b>	<b>96,644.02</b>	<b>74,981.31</b>

- On a consolidated basis, the Company's revenue from operations stood at ₹ 1,24,382.86 lakh reflecting an increase of 27.70% in the financial year 2023-24 as against ₹ 97,397.88 lakh in the financial year 2022-23.

- Consolidated Profit after Tax for the year stood at ₹ 25,160.50 lakh compared to ₹ 17,701.15 Lakh reflecting an increase of 42.10 % in the financial year 2023-24.
- On account of the merger of Number Theory Software Private Limited, the Company has accounted for the merger under the Pooling of Interest method retrospectively for all periods presented in the above financial statements as prescribed in the IND AS 103- Business Combination of entities under common control. Previous year numbers have been accordingly restated. There is no material impact on the Standalone and Consolidated financial statements of the Company for the comparative periods.

## 2. Material Changes, if any, Affecting the Company:

There have been no occurrences of any material changes and commitments, which affect the financial position of the Company between the end of the financial year to which the Financial Statements relate and the date of this Report. There is no change in the nature of business of the Company during the financial year 2023-24.

## 3. Industry overview:

Important changes in the industry, business, external environment and economic outlook are detailed in the Management Discussion and Analysis Report as annexed with this Report.

## 4. Transfer to General Reserve:

Your directors have decided not to transfer any amount to the general reserve during the financial year 2023-24.

## 5. Dividend:

Considering the Company's financial performance, and the Dividend Policy of the Company, the Board of Directors has recommended a payment of dividend at a rate of ₹ 4/- per Equity Share (on face value of ₹ 10/- each on the expanded capital base post bonus issue of 1:1) i.e. 40% on the paid up equity capital of the Company for the financial year ended 31<sup>st</sup> March 2024. This is payable to Shareholders whose names appear in the Register of Members as on record date, subject to the approval of the Members at the ensuing 32<sup>nd</sup> Annual General Meeting of the Company ("AGM"). The total outgo for such a dividend will amount to ₹ 5,611.67 Lakh in comparison to the previous year's ₹ 3,497.79 Lakh (In the previous year dividend was declared at a rate of Rs.5/- per Equity Share).

The Company has formulated a Dividend Distribution Policy, which includes the circumstances under which the member may/may not expect dividends, the financial parameters, internal and external factors, utilization of retained earnings, parameters with regard to different classes of shares. The provisions of this Policy are in line with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the Policy is available

on the website of the Company at <https://investors.newgensoft.com/wp-content/uploads/2021/06/Dividend-Distribution-policy.pdf>.

The Details of unpaid and unclaimed amounts, related to earlier years, lying with the Company is uploaded on Company's website at <https://investors.newgensoft.com/#corporate-governance> and IEPF Authority website at <http://www.iepf.gov.in/>.

Pursuant to the provisions of Section 124 of the Companies Act, 2013 ("Act"), those dividend amounts which have remained unpaid or unclaimed for a period of seven consecutive years are required to be transferred to the Investor Education and Protection Fund ("IEPF") established pursuant to Section 125 of the Act. As on 31<sup>st</sup> March 2024, no such unpaid or unclaimed dividend amount is required to be transferred to IEPF. The contact details of the Nodal Officer, Mr. Aman Mourya, Company Secretary of the Company, as required under the provisions of IEPF rules, are available on the website of the Company at <https://newgensoft.com/Company/investor-relations/#contact>.

## 6. Subsidiary Companies:

As on 31<sup>st</sup> March 2024, the Company had eight wholly -owned subsidiaries, as below. There has been no material change in the nature of the business of these subsidiaries in the financial year 2023-24.

1. Newgen Software Inc. USA. (Incorporated in USA)
2. Newgen Software Technologies Pte. Ltd. (Incorporated in Singapore)
3. Newgen Software Technologies Canada Ltd. (Incorporated in Canada)
4. Newgen Software Technologies (UK) Limited. (Incorporated in UK)
5. Newgen Software Technologies Pty Ltd. (Incorporated in Australia)
6. Newgen Computers Technologies Limited. (Incorporated in India)
7. Newgen Software Technologies L.L.C. (Incorporated in Dubai)
8. Newgen Software Technologies Company Limited (Incorporated in Saudi Arabia).

During the year, a new wholly-owned Subsidiary was incorporated in Saudi Arabia namely Newgen Software Technologies Company Limited on 20<sup>th</sup> July 2023. There are no associate companies or joint venture Companies within the meaning of Section 2(6) of the Act.

Number Theory Software Technologies Limited, a wholly-owned subsidiary of the Company merged with the Company pursuant to the Certified Order dated 04<sup>th</sup> October 2023 issued by Hon'ble National Company Law Tribunal (NCLT), New Delhi. The Company has also made the necessary filing with the Registrar of Companies.

There are no other companies that have become or ceased to be subsidiaries, associates, or joint ventures of the Company during the financial year 2023-24.

The Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2024 are prepared in compliance with the applicable provisions of the Act, including Indian Accounting Standards specified under Section 133 of the Act. The audited Consolidated Financial Statements together with the Auditors' Report thereon form part of this Board Report. The statement containing salient features of the Financial Statement of subsidiaries is enclosed herewith in form AOC-1 as "Annexure -1" to this Report.

Financial Statements of the aforesaid subsidiary companies are kept open for inspection by the Members at the Registered Office of the Company during business hours on all days except Saturday & Sunday up to the date of the AGM as required under Section 136 of the Act. Any Member desirous of obtaining a copy of the said Financial Statements may write to the Company at its Registered Office or to the Compliance Officer of the Company. The Financial Statements of the subsidiaries including the Consolidated Financial Statements and all other documents required by law to be attached thereto have also been uploaded on the website of the Company at <https://investors.newgensoft.com/Company/investor-relations/disclosures-under-regulation-46-of-sebi/>.

To comply with the provisions of Regulation 16(c) of SEBI Listing Regulations, the Board of Directors of the Company has adopted a Policy for determining Material Subsidiary. The policy on Material Subsidiary has been uploaded on the website of the Company at <https://investors.newgensoft.com/wp-content/uploads/2021/06/Policy-for-determining-Material-Subsidiaries-1-1.pdf>.

## 7. Capital Structure:

### Authorized Share Capital as on 31<sup>st</sup> March 2024

As on 31<sup>st</sup> March 2024, the Authorised share capital of the Company is ₹180,10,00,000 (Rupees One Hundred Eighty Crore and Ten Lakh only) divided into 16,81,00,200 (Sixteen Crore Eighty One Lakh and Two Hundred) Equity Shares of ₹ 10 each (Rupees Ten only), aggregating to ₹ 168,10,02,000/- (Rupees One Hundred Sixty-Eight Crore Ten Lakh and Two Thousand only) and 1,19,99,800 (One Crore Nineteen Lakh Ninety Nine Thousand Eight Hundred) preference shares of ₹ 10/- (Rupees Ten only) each aggregating to ₹ 11,99,98,000/- (Rupees Eleven Crore Ninety Nine Lakh and Ninety Eight Thousand Only).

Following are the details of changes in the Authorized Share Capital of the Company during the financial year: -

- a) Pursuant to the merger of Number Theory Software Technologies Limited with the Company, the Authorised share capital of the Company increased from ₹ 110,00,00,000/- (Rupees One Hundred Ten Crore only) to ₹ 110,10,00,000/- (Rupees One Hundred Ten Crore and Ten Lakh only).
- b) Pursuant to the Ordinary Resolution passed through postal ballot by the Members on 02<sup>nd</sup> January 2024, the Authorised Share Capital of the Company was also increased from ₹ 110,10,00,000/- (Rupees One Hundred Ten Crore and Ten Lakh only) to ₹ 180,10,00,000 (Rupees One Hundred Eighty Crore and Ten Lakh only).

### Paid up Equity Share Capital as on 31<sup>st</sup> March 2024

As on 31<sup>st</sup> March 2024, the Issued, Subscribed and Paid up share capital of the Company is ₹ 1,40,29,18,020/- (Rupees One Hundred Forty Crore Twenty Nine Lakh Eighteen Thousand and Twenty) divided into 14,02,91,802 (Fourteen Crore Two Lakh Ninety One Thousand Eight Hundred Two) Equity Shares of face value of ₹ 10/- (Rupees Ten only) each.

Following are the details of changes in the Issued, Subscribed, and Paid up share capital of the Company during the financial year: -

- a) On 17<sup>th</sup> October 2023, the Company has allotted 1,13,700 (One Lakh Thirteen Thousand Seven Hundred) Equity Shares to the Newgen ESOP Trust under Newgen Software Technologies Limited Employee Stock Option Scheme-2022, which led to an increase in paid-up share capital of the Company to ₹ 70,06,94,010/-

(Rupees Seventy Crore Six Lakh Ninety-Four Thousand and Ten).

- b) Pursuant to the approval of the Board of Directors dated 27<sup>th</sup> November 2023, and Members' approval by way of postal ballot dated 02<sup>nd</sup> January 2024, the Company allotted 7,00,69,401 (Seven Crore Sixty-Nine Thousand and Four Hundred One) fully paid up Bonus Equity Shares of Face Value of 10/- (Rupees Ten only) each to its existing Equity Shareholders in 1:1 ratio which led to an increase in paid-up share capital of the Company to ₹ 1,40,13,88,020/- (Rupees One Hundred Forty Crore Thirteen Lakh Eighty- Eight Thousand and Twenty).
- c) On 20<sup>th</sup> March 2024, the Company has allotted 13,000 (Thirteen Thousand) Equity Shares to the Newgen ESOP Trust under Newgen Software Technologies Limited Employee Stock Option Scheme-2022 and 1,40,000 (One Lakh Forty Thousand) Equity Shares to the Newgen ESOP Trust under Newgen Employees Stock Option Scheme-2014 which led to an increase in paid-up share capital of the Company to ₹ 1,40,29,18,020/- (Rupees One Hundred Forty Crore Twenty-Nine Lakh Eighteen Thousand and Twenty).

The Equity Shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India (NSE).

## 8. Issue Of Bonus Shares

The Board of Directors in its meeting held on 27<sup>th</sup> November 2023, recommended the issue of Bonus Equity Share, in the proportion of 1:1, i.e. 1 (One) bonus Equity Share of ₹ 10/- (Rupees Ten only) each for every 1 (One) fully paid-up Equity Shares of ₹ 10/- (Rupees Ten only) each held by the Members of the Company. The said bonus issue was approved by the Members of the Company vide Ordinary resolution passed through Postal Ballot dated 02<sup>nd</sup> January 2024. Subsequently, the Finance and Operations Committee of the Company at its meeting held on 13<sup>th</sup> January 2024, approved allotment of 7,00,69,401 (Seven Crore Sixty-Nine Thousand Four Hundred One) bonus Equity Shares to those Members whose name appeared in the list of NSDL, CDSL and RTA on record date i.e. 12<sup>th</sup> January 2024. The said Bonus shares rank pari-passu in all respects with the existing Equity Shares of the Company, including entitlement to dividend thereon.

## 9. Employee Share Based Scheme:

As on 31<sup>st</sup> March 2024, the Company has in place following Schemes: -

### a) Newgen Employees Stock Option Scheme-2014 ("Newgen ESOP Scheme 2014"):

The details on Options granted, exercised, vested and lapsed during the financial year 2023-24 and other particulars as required under the Act, read with its rules and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 in respect to this Scheme are enclosed herewith as "Annexure - 2" to this Report.

### b) Newgen Software Technologies limited Employees Stock Option Scheme-2022 ("Newgen ESOP Scheme 2022"):

The details on Options granted, exercised, vested and lapsed during the financial year 2023-24 and other particulars as required under the Act, read with its rules and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 in respect to this Scheme are enclosed herewith as "Annexure - 2A" to this Report.

### c) Newgen Software Technologies Restricted Stock Units Scheme - 2021 ("Newgen RSU Scheme 2021"):

Particulars required under the Act, read with its rules and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 in respect to this scheme are enclosed herewith as "Annexure - 2B" to this Report.

## 10. Credit Rating and Liquidity:

The Company has not issued any debt instruments or accepted any fixed deposits and was therefore, not required to obtain credit ratings in respect of the same. The credit rating received from CRISIL Limited during the financial year 2023-24 for bank facilities is CRISIL A1 for the short term.

Our principal sources of liquidity are existing cash and cash equivalents and the cash flow that we generate from our operations. The Company follows a conservative investment policy and invests in high-quality debt instruments and bonds. As on 31<sup>st</sup> March 2024, on a standalone basis, cash and cash equivalents were ₹ 4,990.98 Lakh and in addition to that ₹ 36,498.89 Lakh was invested in mutual funds & bonds and ₹ 27,385.49 Lakh in current and non-current fixed deposits with Banks and NBFC.

As of 31<sup>st</sup> March 2024, on a consolidated basis, cash and cash equivalents were ₹ 12,457.31 Lakh and in addition to that ₹ 36,498.89 Lakh was invested in mutual funds & bonds and ₹ 32,500.56 Lakh in current and non-current fixed deposits with Banks and NBFC.

## 11. Directors and Key Managerial Personnel:

The Company has a professional Board with an optimum combination of executive and non

executive directors who bring to the table the right mix of knowledge, skills and expertise. The Board provides strategic guidance and direction to the Company in achieving its business objectives and protecting the interests of stakeholders.

The current terms of Executive Directors viz. Mr. Diwakar Nigam, Chairman & Managing Director, Mr. T.S. Varadarajan, Whole-time Director, and Mrs. Priyadarshini Nigam, Whole-time Director would be expiring on 31<sup>st</sup> May 2024, accordingly, on the recommendation of the Nomination & Remuneration Committee, the Board of the Company has, subject to the approval of the shareholders in the ensuing 32<sup>nd</sup> AGM, approved the reappointment of the aforesaid Executive Directors for a further period of five years i.e with effect from 1<sup>st</sup> June 2024 to 31<sup>st</sup> May 2029.

In accordance with Section 152 of the Act, Mr. T.S. Varadarajan (DIN: 00263115), who has been longest in the office, is liable to retire by rotation at the ensuing 32<sup>nd</sup> AGM and being eligible, seeks re-appointment. The Board recommends his appointment for the approval of the members of the Company in the ensuing 32<sup>nd</sup> AGM.

The details required pursuant to sub-section 12 of Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI Listing Regulations in respect of employees of the Company, are enclosed herewith as “**Annexure -3**” to this Report.

### **Declaration of Independence by Independent Directors**

During the year under review, all Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and have complied with the Code of Conduct for Independent Directors prescribed in Schedule IV of the Act. The Independent Directors have also given declaration(s) of compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to their name appearing in the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs In the opinion of the Board of Directors, all the Independent Directors have relevant integrity, skills, expertise, experience and proficiency.

### **Board and Committee Meetings**

The number and dates of meetings of the Board and its Committees are set out in the Corporate Governance Report which forms the part of this Report. The intervening gap between Board Meetings was within the period prescribed under the provisions of Section 173 of the Act and SEBI Listing Regulations.

The Composition of Audit Committee and other Statutory Committees constituted by the Board under the provisions of the Act, & SEBI Listing Regulations along with number and dates of meetings of such committees are set out in the Corporate Governance Report which forms part of this Report.

All the recommendations by the Audit Committee and other Statutory Committees were accepted by the Board of Directors.

### **The salient features of the Remuneration policy and criteria for selection of candidates for appointment as Directors and Senior Management Personnel.**

The Company has in place a policy on the Nomination & Remuneration of Directors and key Managerial and Senior Management Personnel which is framed with the object of attracting, retaining, and motivating talent that is required to run the Company successfully. It primarily lays down a framework in relation to the appointment, remuneration and performance evaluation of the Directors, Key Managerial Personnel (KMP), and Senior Management Personnel as well as provide guidance to the Board of Directors (Board) and Nomination & Remuneration Committee (NRC) in relation to appointment/ removal to the said positions, which has been approved by the Board of Directors. The key objectives and purposes of the Policy inter alia are:

- a) Formulating the criteria for determining qualifications, positive attributes, and independence of a Directors including Key Managerial Personnel and recommending to the Board a policy/ framework relating to the remuneration of Directors, Key Managerial Personnel, Senior Management Personnel, and other employees.
- b) To provide guidance to the Board and the Committee in relation to the appointment/ removal of Directors, Key Managerial Personnel, and Senior Management Personnel.
- c) Formulating the criteria for evaluation of the performance of the Chairperson, Independent Directors, non-Independent Directors, and the Board of Directors as a whole.
- d) To devise a policy on diversity of the Board of Directors and to build a Succession Plan for appointment to the Board of Directors, KMPs, and Senior Management Personnel.
- e) To retain, motivate and promote talent and to ensure long-term retention of talented managerial persons and create competitive advantage.

The Company's Policy on Directors' appointment and remuneration including criteria for determining qualification, positive attributes, independence of a director and other matters provided under section 178(3) of the Act, is available on the website of the Company at <https://investors.newgensoft.com/wp-content/uploads/2021/06/doc00744720230509144545.pdf>.

#### **Board effectiveness:**

##### **a) Familiarization program for Independent Directors:**

Over the years, the Company has developed a familiarization process for the newly appointed Directors with respect to their roles and responsibilities. The process has been aligned with the requirements under the Act and other related regulations. This process inter alia includes providing an overview of the Company's business model, industry, risks and opportunities, new products, Innovations, sustainability measures etc.

##### **b) Annual evaluation of the performance of the Board, its committees, and of individual directors:**

The Board carries out annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its various Committees as mandated under the Act and the SEBI Listing Regulations.

The details of training and familiarisation programs and the annual evaluation process for directors, Board, and its Committees are set out in the Corporate Governance Report which forms part of this Report.

### **12. Internal Control Systems and their Adequacy:**

The Company follows a robust system of internal controls to ensure that all assets are safeguarded and protected against loss from any unauthorized use or disposition and that the transactions are authorized, recorded and reported quickly. Based on the framework of internal financial controls and compliance systems established and maintained by the Company and the work performed by the internal, statutory and secretarial auditors, external consultants, including but not limited to the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that adequacy of the Company's internal financial controls commensurate with the nature and size of the Company and were effective during the financial year 2023-24.

For more description, kindly refer the Management Discussion and Analysis Report as annexed with this Report.

### **13. Quality Systems & Information Security Initiative and Compliance:**

Newgen has consistently maintained its commitment to the highest levels of quality, robust information security, and privacy management practices. These efforts have culminated in achieving a significant milestone during the financial year 2023-24. The standards and compliances are embedded in our Systems and Framework for a risk-based approach to management and ongoing risk assessment. In combination, they help the Company bring the products and services that are safe and effective to our markets, meet the regulatory requirements, and meet customer expectations consistently. They enable our business to protect its reputation, accelerate change, and meet customer needs reliably. They also enable us to demonstrate effective governance, risk management, requisite compliance, and adoption of evolving industry best practices.

Newgen's Quality and Information Security System has been a steady journey starting from 1997. The same is evident from implementing the best of industry standards, namely ISO 9001, CMMi Dev, ISO 27001, ISO 27017, ISO 27018, SOC 1 Type 2, SOC 2 Type 2, and PCI-DSS with process improvement and resulting Customer/Employee benefits as the core objective. Emphasis has been on System-driven, transparent processes, which deliver exceptional Quality first time right with the required level of security. Additionally, our policies aligned with the Data Privacy regulations like GDPR, protect personal data and respect individual privacy rights.

Our Management Systems help our business manage and protect not only the Newgen assets but also the Customer assets. ISMS outlines and enforces the Company's policies, procedures, and guidelines to ensure confidentiality, integrity, and availability of information and information processing assets.

At Newgen, we continue to demonstrate effective governance, risk management, and requisite compliance while embracing evolving industry best practices.

### **14. Audit Reports And Auditors:**

#### **Secretarial Auditors and their Report**

The Board of Directors of your Company in its meeting held on 02<sup>nd</sup> May 2023 re-appointed M/s Aijaz & Associates, Company Secretaries in Practice, as Secretarial Auditors of the Company to conduct Secretarial Audit for the financial year 2023-24. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March 2024, is enclosed herewith as "**Annexure-4**" to this Report. The Secretarial Audit Report for the financial year 2023-24 does not contain any qualification, reservation or adverse remarks.



**Statutory Auditors and their Report**

M/s Walker Chandio & Co LLP, Chartered Accountants (Firm Registration No 001076N/N500013), have been appointed at the 29<sup>th</sup> AGM to hold office as statutory auditors till the conclusion of the 34<sup>th</sup> AGM of the Company.

There are no qualifications, reservations or adverse remarks or disclaimers in the Auditor’s Report for the financial year ended 31<sup>st</sup> March 2024.

**Cost Auditors**

In terms of Section 148 of the Act and the Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable to the Company for the financial year ended 31<sup>st</sup> March 2024.

**15. Reporting Of Frauds By Auditors:**

During the financial year 2023-24, the Internal Auditors, Statutory Auditors and Secretarial Auditors have not reported to the Audit Committee under sub-section (12) of section 143 of the Act, any instances of fraud committed against the Company by its officers or employees.

**16. Deposits:**

During the financial year 2023-24, the Company has not accepted any fixed deposit within the meaning of Section 73 of the Act and the rules made thereunder.

**17. Particulars of Loans, Guarantees or Investments Under Section 186 of the Act:**

The particulars of loans, guarantees and investments, if any, as per Section 186 of the Act by the Company, have been disclosed in the financial statements (refer note no. 6, 10 and 14).

**18. Particulars of Contracts or Arrangements with Related Parties:**

There were no contracts or arrangements, or transactions entered with related parties during the financial year 2023-24, which were not at arm’s length. There are no material related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel (“KMPs”) or others which may have a potential conflict with the interest of the Company.

None of the Directors and KMPs has any material pecuniary relationships or transactions vis-à-vis the Company except for remuneration paid as per terms of their respective appointments. A statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors on a quarterly basis. The disclosure of related party transactions, as required under Section 134(3)(h) of the Act in Form AOC-2 is enclosed herewith as “Annexure-5” to this Report.

Disclosures in compliance with the applicable Accounting Standard on “Related Party Disclosures” and other transactions, if any, of the Company, with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company, have been given in the Financial Statements.

The policy on Related Party Transactions as approved by the Board of Directors is uploaded on the website of the Company at <https://investors.newgensoft.com/wp-content/uploads/2021/06/Policy-on-Related-Party-Transaction-2.pdf>.

**19. Details of CSR Policy And Initiatives taken during the Financial Year 2023-24:**

Company’s CSR Policy is established by the Board of Directors with the recommendation of the CSR Committee. Corporate Social Responsibility (CSR), for Newgen, for creating greater good and having a holistic social impact and inclusive development. CSR is an integral part of our Company’s culture, rooted in our values as an organization. Newgen is committed for making a meaningful contribution towards the nation’s social, economic, and environmental goals. The objective of the CSR Policy is to make CSR a key process for the sustainable development of whole communities, and we actively contribute to the holistic development of underprivileged children. Our efforts are concentrated on raising the human development index in India specifically by enhancing children’s quality of education and life.

The CSR policy lays down the principles/ process for the identification, selection, and implementation of CSR activities & programs keeping in mind the Company’s CSR vision. It also provides the framework to monitor & evaluate the CSR activities & programs in accordance with the provisions of the Act. Further brief outline on the initiatives undertaken by the Company on CSR activities during the financial year 2023-24, is enclosed herewith as “Annexure-6”. Other details regarding Company’s CSR activities and CSR Policy are available on the website of the Company at: <https://investors.newgensoft.com/wp-content/uploads/2020/05/Policy-on-Corporate-Social-Responsibility.pdf>.

**CSR Awards and Recognition:**

During the financial year, the Company received the following awards for its efforts in education, nutrition, and holistic development under CSR initiatives: -

Award Name	Theme	Award sponsor
1) National Awards for Excellence in CSR & Sustainability	Best CSR Impact Initiative	Aditya Birla Group

Award Name	Theme	Award sponsor
2) Mahatma Award	Mahatma Award for Social good and impact for quality education	Mahatma Foundation

## 20. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings And Outgo:

The particulars as prescribed under section 134 of the Act, read with the Companies (Accounts) Rules, 2014 are as follows:

### a. Details of Conservation of energy.

As a corporate responsible citizen, the Company recognizes its responsibility to future generations and acknowledges its crucial role in tackling global challenges such as climate change and environmental sustainability. The Company is committed to conserving the environment by adopting the "Go Green Initiatives" and being responsible for energy and water management in its area of operations and performing energy efficiency by consuming energy and water in an efficient, economical, and environment friendly manner throughout all its premises. Although the operations of the Company does not consume high levels of energy, as the cost of energy consumed by the Company forms a very small portion of the total costs, the impact of changes in energy cost on total costs is not significant. The Company is on a constant look out for newer and efficient energy conservation technologies and introduces them appropriately. Following Key Sustainability Initiatives have been taken by the Company time to time: -

#### (i) Energy Consumption Reduction Measures:

- Majority of offices have transitioned to LED lights. Motion sensor lights are being installed in common areas, meeting rooms, and private offices.
- While a 19 KW-3 phase Rooftop solar power system is already functional at our Delhi office with a Net metering system, the Company is in the process of installing additional inhouse solar power capacity at the Noida and Chennai offices.
- At our Delhi office, the Company have also converted the diesel based generator to a CNG-based generator which will help reduce our carbon emissions.

#### (ii) Water/ Waste Management Initiatives/ Practises:

- In Chennai office, Newgen have implemented a Zero Liquid Discharge mechanism to ensure responsible water management.
- Following E-waste Management guidelines and disposing of E-waste through authorized dealers
- Collecting and reusing rejected water from RO plants within our facilities for tasks such as mopping and cleaning.
- Introduced stationery made from recycled paper which can be recycled further.
- Minimising the use of single-use plastic especially plastic bottles in office premises. Encouraging employees to switch to reusable water bottles and also glass water bottles have been introduced for meeting rooms and visitors.
- Reduction in food waste in cafeterias with the help of a sustained campaign to sensitize employees.
- Installation of Padcare machine at Mumbai office to recycle sanitary pads into sterilized paper and plastic.
- Implementation of reusable cups and glasses for employees to use for tea and coffee consumption, reducing the need for disposable paper products and minimizing waste.

### b. Technology Absorption, Adaptation and Innovation.

With "innovation" at its core, Newgen has leveraged technology across all internal processes to deliver an enhanced stakeholder experience, improved engagement, and better data visibility for informed decision-making.

#### 1. Product Improvement:

- To enhance user experience and facilitate seamless business decision-making from anywhere, Newgen's cutting-edge products like NEMF have been incorporated, making internal applications accessible on any device.
- The UI/UX of portals has been revamped to enrich user engagement, improve system visibility, and boost employee productivity.

- Portals are transitioning to the latest cutting-edge products, Newgen ONE and Gen AI – Marvin, to leverage new AI/ML capabilities.

## 2. Cost Reduction:

- Many complex internal processes have been digitized, resulting in more efficient processing and workflow management (e.g., Hire to Retire, Sales to Delivery, P2P).
- The Company is investing in ESG goals to ensure an energy-efficient IT infrastructure.

## 3. Standard Tools:

- Microsoft Power BI has been integrated with internal applications to create a data mart and provide a holistic view of application data to relevant stakeholders.
- The travel system has been integrated with the “Yatra” portal for smooth travel bookings and scheduling.

Information in case of imported technology (imports during the last five years) - Not applicable

### c. Research and Development.

The Company has made and will continue to make, significant investments in software product research and development to enable and high level of client engagement and satisfaction. For fiscal 2024 and 2023 the Company spent 11.34% and 12.38% respectively (as a proportion of our total expenditure) on research and development. We believe that the industry, in which we compete, witnesses rapid technological advances in software development due to constantly evolving customer and industry preferences and needs.

The Company is focused on continuous innovation and technology absorption to develop and deliver compelling solutions. We are not only adopting new technology but leading it with an exemplary team of innovators and domain experts. With a keen understanding of technology trends, our development teams work closely with delivery functions to identify areas where we can scale up our products and meet the needs of our customers. With a well-structured product development process, from ideation to implementation, we ensure that the most advanced technologies are integrated with our solutions and services.

We consistently invest in research and development to expand the technology stack and boost digital transformation for our customers. As of March 31, 2024, Newgen has been granted 24 patents across India and US. Moreover, in line with our commitment to leading-edge technology adoption, we have seamlessly integrated emerging technologies such as Robotic Process Automation (RPA), Cloud, Artificial Intelligence (AI), Machine Learning (ML) and Generative AI into our solutions.

NewgenONE RPA seamlessly complements our low-code application development capabilities, empowering our customers to achieve end-to-end process automation. Our RPA engine is designed to accelerate process automation through desktop recorders and scripting tools, integrating seamlessly with our entire process model. Moreover, our RPA solution can integrate with legacy applications lacking APIs, enabling effective bot deployment and intelligent document processing through AI bots, ultimately enhancing customer experiences.

Recognizing the imperative for secure, efficient, and cost-effective content storage platforms, we introduced the NewgenONE Content Cloud (NCC). NCC revolutionizes content management by offering a cloud-based platform that centralizes content from various applications securely. Its robust Microservices APIs and micro-UIs make it easier to develop business apps centered around content, aligning seamlessly with modern digital workspace trends. NCC’s 14-day trial period allows organizations to explore its capabilities risk-free, while its “pay-as-you-use” pricing plans ensure cost optimization.

Furthermore, our commitment to harnessing the power of AI and ML is evident with the release of the NewgenONE IDP Studio. This visual data science platform facilitates efficient document processing by extracting typed content, categorizing documents, and saving them to specified locations. Additionally, it empowers users to extract meaningful information from documents, facilitating the training of Neural Network (NN) and ML models, thus enhancing automation and productivity.

Leveraging technologies like generative AI, we have created cutting-edge products and solutions that can lead to substantial improvements in processes and productivity. We introduced NewgenONE Marvin – a GenAI-powered enhancement – to its end-to-end automation platform, NewgenONE, for smarter and faster application development, real-time extraction of insights, and next-level content automation.

NewgenONE Marvin is not limited to individual components but spans the entire digital transformation journey. It acts as a comprehensive digital assistant that seamlessly guides from process designing with just intelligent prompts to content management, and enables personalized communication, revolutionizing productivity and transforming operations with AI-driven efficiency.

Our industry-recognized products and platforms for intelligent process automation (BPM), contextual content services (ECM), omnichannel customer engagement (CCM), low-code application development, and Artificial Intelligence cloud with an intuitive visual studio have enabled organizations to achieve time-bound transformation, impactful customer communication and flawless document management. The enhanced modules also support cost reduction by elevating automation.

Pursuing a goal of adding value to our offerings, we have partnered with various technology providers that will benefit our customers, specifically in the financial sector. The Company has been serving several industries, including banking, insurance, healthcare, and government organizations, and with rapid changes in market conditions, we have helped them lead with the most innovative offerings.

Our success in technology absorption and innovation is reflected in the fact that we have emerged as a 'Strong Performer' in analyst assessments for Digital Process Automation Software and Robotic Process Automation. Our enterprise low-code application platforms have been recognized for completeness of vision and ability to execute the technology in the most efficient way possible.

#### d. Foreign Exchange Earnings and Outgo.

Particulars	(₹ in Lakh)	
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Foreign Exchange Earnings	73,692.946	58,164.35
Foreign Exchange Outgo	18,693.35	16,107.30

## 21. Risk Management:

The Board of Directors of the Company has constituted a Risk Management Committee to, inter-alia, assist the Board in overseeing the responsibilities with regard to identification, evaluation and mitigation of strategic, operational and other inherent risk.

This Committee has developed and approved a Risk Management Policy. The details of Risk Management

Committee are included in the Corporate Governance Report which forms the part of this report.

The Company has also laid down a Risk Management Policy, defining Risk profiles involving Strategic, Technological, Operational, Financial, Organizational, Legal, and Regulatory risks within a well-defined framework. The Risk Management Policy acts as an enabler of growth for the Company by helping its businesses to identify the inherent risks, assess, evaluate and monitor these risks continuously and undertake effective steps to manage these risks. The Board evaluates the risk management systems through Risk Management Committee. More details on Risk Management including identification of risks and their mitigation are covered in the Management Discussion & Analysis Report, which forms part of this report.

Risk Management policy is available on the website of the Company at: <https://investors.newgensoft.com/wp-content/uploads/2021/06/Risk-Management-Policy.pdf>.

#### Cyber Security Incident update:

On 8<sup>th</sup> March 2024, the Company reported a Cyber security incident (the "incident") that affected a few of the Company's IT assets. The Company engaged with independent cyber security consulting firms, for comprehensive analysis, providing immediate recommendations and remediation steps. The management took all the necessary measures to prevent damage to the IT systems of the Company. It was concluded that the incident did not result in any ransom and the Management believes that there is no financial, legal, or regulatory impact of the incident reported herein.

## 22. Whistle Blower Policy/Vigil Mechanism for Directors And Employees:

The Company is committed to develop a culture of the highest standards of ethical, moral, and legal business conduct wherein it is open to communication regarding the Company's business practices for employees to raise concerns about any poor or unacceptable practice and to protect employees from unlawful victimization, retaliation or discrimination for their having disclosed or reported fraud, unethical behavior, violation of Code of Conduct, questionable accounting practices, grave misconduct etc. To implement the above, the Company has adopted a Whistle Blower Policy and Vigil Mechanism that provides a framework to report violations, any unethical behaviour, suspected or actual fraud, violation of the Code of Conduct, including providing adequate safeguards against victimisation. The Code/ Policy provides for adequate safeguards against victimization of director(s)/ employee(s) who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases.

During the financial year 2023-24, No complaint was reported under Whistle Blower Policy of the Company.

S. No.	Category	No. of complaints pending as on 1 <sup>st</sup> April 2023	Number of Complaints filed during the year	Number of complaints pending as on 31 <sup>st</sup> March 2024	Brief matter of complaints	Any order passed by the internal Committee or any other authority
1.	Complaint through Whistle Blower Mechanism	Nil	Nil	Nil	Nil	Nil

The Company hereby affirms that it has not denied access to any person to the Audit Committee and that it has mechanism to provide protection to the Whistle Blower as per the Whistle Blower Policy of the Company.

Whistle Blower Policy/ Vigil Mechanism is available on the website of the Company at: <https://investors.newgensoft.com/wp-content/uploads/investor/Whistle%20Blower%20Policy.pdf>.

**23. Details of Significant and Material Orders Passed by the Regulators or Courts or Tribunals Impacting the Going Concern Status and Company’s Operations in Future:** Nil

**24. Web Address for Annual Return:**

In terms of Section 92(3) of the Act, and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company at: <https://investors.newgensoft.com/Company/investor-relations/annual-return/>.

**25. Business Responsibility and Sustainability Report:**

At a time and age when enterprises are increasingly seen as critical components of the social system, they are accountable not merely to their shareholders from a revenue and profitability perspective but also to the larger society which is also its stakeholder. The Business Responsibility and Sustainability Report seeks disclosure on the performance of the Company against nine principles of the “National Guidelines on Responsible Business Conduct” (‘NGRBCs’).

Business responsibility and sustainability report describing the initiatives taken by the Company from an environmental, social and governance perspective, in the format as specified by SEBI is enclosed herewith as “Annexure - 7” to this Report.

**26. Corporate Governance:**

The report on Corporate Governance as stipulated under the SEBI Listing Regulations forms an integral

part of this Report and the same is enclosed herewith as “Annexure - 8” to this Report. The requisite compliance certificate from the Secretarial Auditor confirming compliance with the conditions of Corporate Governance is also attached to the Corporate Governance Report.

**27. Management Discussion and Analysis:**

The Management Discussion and Analysis Report, highlighting the important aspects of the business of the Company is enclosed herewith as “Annexure 9” to this Report.

**28. Other Disclosures:**

- a) Your Company has complied with the provisions, including those relating to the Constitution of Internal Complaints Committee, of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The details related with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is set out in the Corporate Governance Report which forms the part of this report.
- b) There are no significant and material orders passed by the regulators or courts or tribunal impacting the going concern status and the Company’s operations in the future. Further, No application was made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year 2023-24.
- c) The details of the difference between the amount of the valuation done at the time of one-time settlement and the valuation done while taking a loan from the Banks or Financial Institutions along with the reasons thereof. - Not Applicable
- d) No case/ complaint was reported under Child labour/ forced labour/ involuntary labour and Discriminatory employment related matters in the financial year 2023-24.
- e) The Company complies with all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

- f) During the financial year, the Company has not changed its Registered Office.

## 29. Directors' Responsibility Statement:

In terms of Section 134(5) of the Act, the Directors would like to state that:

- I. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any.
- II. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- III. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV. The Directors had prepared the annual accounts on a going concern basis.
- V. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

- VI. The Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 30. Cautionary Statements:

Statements in the Board's Report and the Management Discussion & Analysis Report describing the Company's objectives, expectations or forecasts may be forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the statements.

## 31. Appreciation:

Your directors take this opportunity to thank all the members, customers, vendors, investors, bankers and other stakeholders for their confidence and continued support during the financial year 2023-24. Directors place on record their appreciation to the contribution made by employees through their hard work, dedication, competence, support and co-operation towards the growth of the Company

For and on behalf of Board of Directors

**Diwakar Nigam**

Chairman & Managing Director

DIN: 00263222

Date: 24.05.2024

Place: New Delhi

# Annexure 1

## Form AOC-I

**Statement containing salient features of the financial statement of subsidiaries  
(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of  
Companies (Accounts) Rules, 2014)**

### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

S. No.	1	2	3	4	5	6	7	8
<b>Name of the subsidiary</b>	<b>Newgen Computers Technologies Limited</b>	<b>Newgen Software Technologies (UK) Ltd.</b>	<b>Newgen Software Inc. USA</b>	<b>Newgen Software Technologies Canada Ltd.</b>	<b>Newgen Software Technologies Pte Ltd.</b>	<b>Newgen Software Technologies Pty Ltd.</b>	<b>Newgen Software Technologies L.L.C.</b>	<b>Newgen Software Technologies Company Limited</b>
The date since when subsidiary was acquired	20-01-1993	24-09-2015	03-11-1997	25-04-2012	25-04-2012	30-04-2019	15-06-2022	20-07-2023
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	INR	GBP @ 105.23	USD @ 83.35	CAD @ 61.55	SGD @ 61.78	AUD @54.37	AED @22.69	SAR @22.23
Share capital	21,00,000	2,10,46,000	10,00,20,000	61,55,000	1,54,45,000	5,43,70,000	6,80,70,000	2,22,30,000
Reserves & surplus	58,71,198	2,13,02,162	49,13,30,859	4,28,34,253	16,65,31,478	1,91,21,219	49,16,750	37,41,331
Total Assets	81,83,699	15,29,21,220	1,69,92,35,261	8,82,32,684	52,51,28,120	9,71,91,242	19,23,69,289	17,10,29,915
Total Liabilities	2,12,500	11,05,73,058	1,10,78,84,385	3,92,43,432	34,31,51,643	2,37,00,024	11,93,82,540	14,50,58,584
Investments	-	2,10,46,000	37,50,75,000	2,50,20,075	8,34,03,000	54,37,000	-	-
Turnover	-	27,39,23,271	2,99,39,38,364	15,72,41,129	91,19,09,063	11,56,19,352	51,24,65,409	12,18,05,822
Profit before taxation	3,66,217	98,03,476	15,75,07,442	1,38,03,013	3,22,74,918	99,12,311	45,56,695	45,50,484
Provision for taxation	70,117	26,73,796	3,93,69,879	36,39,507	64,82,063	29,73,693	-	8,39,447
Profit after taxation	2,96,100	71,29,680	11,81,37,563	1,01,63,506	2,57,92,854	69,38,618	45,56,695	37,11,037
Proposed Dividend	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%

\*Number theory Software Technologies Limited ceased to be subsidiary of the Company effective from 04.10.2023, due to its merger with the Company.

### 2 Names of subsidiaries which are yet to commence operations

None

### 3 Names of subsidiaries which have been liquidated or sold during the year.

None

**Part "B": Associates and Joint Ventures****Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

NOT APPLICABLE

**Names of associates or joint ventures which are yet to commence operations**

None

**Names of associates or joint ventures which have been liquidated or sold during the year.**

None

For Newgen Software Technologies Limited

**Diwakar Nigam**Chairman & Managing Director  
DIN: 00263222**Virender Jeet**Chief Executive Officer  
PAN No:AAOPJ2433N**Arun Kumar Gupta**Chief Financial Officer  
Membership No: 056859**Aman Mourya**Company Secretary  
FCS: 9975Date: 24.05.2024  
Place: New Delhi



# Annexure 2

## Disclosure regarding Employees Stock Option Scheme (ESOS) pursuant to Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021.

### 1) Details related to the Scheme:

As on 31<sup>st</sup> March 2024, the Company has in place the Newgen Employees Stock Option Scheme - 2014 ("Newgen ESOP Scheme 2014"). This scheme complies with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("Regulations") and Companies Act 2013. All the relevant details as prescribed under above Rule and Regulations are provided below and the same is also available on the website of the Company at <https://newgensoft.com/company/investor-relations/#corporate-governance>.

#### A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.

Please refer Note 35- Share Based Payment, of Notes to the Standalone Financial Statements forming part of the Annual Report.

#### B. Diluted EPS on the issue of shares pursuant to the scheme covered under the regulations in accordance with 'Indian Accounting Standard (Ind AS) - 33 - Earnings Per Share' or any other relevant accounting standards as prescribed from time to time.

Fully diluted EPS pursuant to issue of Equity Shares on exercise of ESOPs calculated in accordance with Ind AS - 33 'Earning Per Share' (Consolidated)	Basic: 18.02 Diluted: 17.50
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#### C. Other Details relating to Newgen ESOP 2014.

S. No.	Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015
i)	a) Date of shareholders' approval	As on 31 <sup>st</sup> March 2024, the Company has in place the Newgen Employee Stock Option Scheme - 2014 ("Newgen ESOP Scheme 2014"), as approved by the shareholders on 13 <sup>th</sup> November 2014, which was further amended and modified on 28 <sup>th</sup> July 2017 by the shareholders of the Company, to be compliant with the SEBI (Share Based Employee Benefits) Regulations, 2014 during IPO procedure. Post initial public offer of the Company, the shareholders ratified the Newgen ESOP 2014 on 9 <sup>th</sup> August 2018, as required under SEBI (Share Based Employee Benefits) Regulations, 2014. This Scheme was further amended by the Board of Directors on 25 <sup>th</sup> October 2021 and by the Shareholders of the Company on 23 <sup>rd</sup> June 2022, to be compliant with the SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021.									
	b) Total number of options approved	37,83,800 options are approved under the Scheme subject to necessary adjustment in case of any corporate action.									
	c) Vesting requirements	Set forth below is the vesting schedule, subject to there being a gap of at least one year between the date of grant of options and the vesting of such options.									
		<b>Number of options vested</b>					<b>Vesting schedule</b>				
		10% of the options granted					One year from the date of grant				
		20% of the options granted					Two years from the date of grant				
		30% of the options granted					Three years from the date of grant				
		40% of the options granted					Four years from the date of grant				
	d) Exercise price or pricing formula	₹ 63									
	e) Maximum term of options granted	Once the options have vested, such options have to be exercised within a period of five years from the date on which the last of the options vest. The Vesting period shall be as stated in above point (c).									
	f) Source of shares (primary, secondary or combination)	The Company uses Trust Route for implementing this Scheme. The source of Share to the Trust as on 31 <sup>st</sup> March 2024 is Primary. For more information, please refer details related to Newgen ESOP Trust as provided in this disclosure.									
	g) Variation in terms of options	NIL									
ii)	Method used to account for NEWGEN ESOP 2014(Intrinsic or fair value)/	Fair Value Method using Black-Scholes Model									

S. No.	Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015
iii)	Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	During the financial year 2023-24 Company followed fair value accounting of stock options.									

#### iv) Option movement during the year

Fiscal Year	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
a) Number of options outstanding at the beginning of the year	4,49,102	6,03,212	9,01,406	8,84,598	15,57,524	22,43,483	30,61,209	33,84,305	36,53,525	-
b) Number of options granted during the year	5,000	20,000	NIL	2,33,000	NIL	NIL	5,62,550	NIL	NIL	36,53,525
c) Number of options forfeited / lapsed during the year	24,880	58,625	64,008	NIL	40,723	1,12,466	1,26,096	1,66,525	2,13,175	NIL
d) Number of options vested during the year *(Bonus adjustment is not considered)	41,700	29,600	1,68,777	1,34,171	90,605	12,68,724	9,43,211	7,77,170	2,88,188	NIL
e) Number of options exercised during the year	2,19,732	1,15,485	2,34,186	2,16,192	6,32,203	5,73,493	12,54,180	1,56,571	56,045	NIL
f) Number of shares arising as a result of exercise of options	2,19,732	1,15,485	2,34,186	2,16,192	6,32,203	5,73,493	12,54,180	1,56,571	56,045	NIL
g) Money realized by exercise of options (INR), if scheme is implemented directly by the company	1,38,43,116	72,75,555	1,47,53,718	1,25,17,407	4,09,31,478	3,61,30,059	7,90,13,340	98,63,973	35,30,835	NIL
h) *Loan repaid by the Trust during the year from exercise price received	Nil	Nil	1,52,82,434.99	NIL	2,04,75,000	1,48,05,000	8,53,02,000	1,82,10,000	19,50,000	NIL
i) Number of options outstanding at the end of the year (post adjustment of Bonus issue)	4,25,180	4,49,102	6,03,212	9,01,406	8,84,598	15,57,524	22,43,483	30,61,209	33,84,305	36,53,525
j) Number of options exercisable at the end of the year	2,80,980	3,28,102	4,20,012	4,89,498	5,71,519	11,22,797	4,45,616	7,77,170	2,88,188	36,53,525

\*no loan is outstanding under this Scheme.

- v. Weighted-average exercise prices and weighted-average fair values of options are disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.
  - Weighted-average exercise prices: ₹ 63/-
  - Weighted-average fair values of options granted during the year: NA

**vi. Employee wise details of the options granted:**

a. Option granted to Senior Managerial Personnel & KMPs during the year	Nil		
b. Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	<b>Name</b>	<b>Designation</b>	<b>Fiscal 2024</b>
	**Rahul Chandmal Kabra	Regional Manager	5000
c. Identified employees who were granted option during any one year equal to or exceeding 1% of the issued capital of the Company (excluding outstanding warrants and conversions) at the time of grant.	NIL		

\*The exercise price at which options were granted was ₹ 63/-

\*\*During the financial year the grant under this Scheme is made to only one employee.

**vii. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:**

Particulars	Newgen ESOP 2014 Grant - VII
Date of grant	02-May -2023
Fair value of options at grant date	216.60
*Share price at grant date	251.08
Exercise price	31.50
Expected volatility (weighted-average)	42.90%
Expected life (weighted-average)	5.75 years
Expected dividends	0.95%
Risk-free interest rate (based on government bonds)	6.95%-7.00%
*post consideration of Bonus impact	
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	Historical volatility for the entire period has been taken since the shares are listed in the stock exchange.
The method used and the assumptions made to incorporate the effects of expected early exercise	The fair value of the employee share options has been measured using the Black-Scholes formula which presumes the option will be exercised at the end of the term.
whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	Yes. That has already taken effect through volatility and risk-free rate.

**2) Details Related to Trust:**

Newgen ESOP 2014 will continue to be implemented through the Trust Route and accordingly, Newgen ESOP Trust was constituted for Newgen ESOP 2014. In Trust Route, the Trust will utilize the shares already held by it and will acquire the shares of the company either through fresh allotment from the company or by way of secondary acquisition, if any.

**(i) Details:**

S. No.	Particulars	Newgen ESOP Trust (For Newgen ESOP 2014)
1.	Name of the Trust	Newgen ESOP Trust
2.	Details of the Trustee (s)	Mr. Amarendra Kishore Sharan and Mr. Arvind Kaul

S. No.	Particulars	Newgen ESOP Trust (For Newgen ESOP 2014)
3.	Amount of loan disbursed by the company/ any company in the group during the year	NIL
4.	Amount of loan outstanding (repayable to company/ any company in the group) as at the end of the year	NIL
5.	Amount of loan, if any, taken from any other source for which the company or any company in the group has provided any security or guarantee	NIL
6.	Any other contribution made to the Trust during the year	NIL

**(ii) Brief details of transactions in shares by the Trust:**

S. No.	Particulars	Newgen ESOP Trust (For Newgen ESOP 2014)
1.	Number of shares held at the beginning of the year	3,00,025
2.	Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid-up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share	Primary issuance including Bonus: 2,26,493
3.	Number of shares transferred to the employees / sold along with the purpose thereof	2,19,732
4.	Number of shares held at the end of the year.	3,06,786

**(iii) In case of secondary acquisition of shares by the Trust:**

Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
	Newgen ESOP Trust
Held at the beginning of the year	NIL
Acquired during the year	NIL
Sold during the year	NIL
Transferred to the employees during the year	NIL
Held at the end of the year	NIL

For and on behalf of Board of Directors

Date: 24.05. 2024  
Place: New Delhi

**Diwakar Nigam**  
Chairman & Managing Director  
DIN: 00263222

# Annexure 2A

## Disclosure regarding Employees Stock Option Scheme (ESOS) pursuant to Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021.

### 1) Details related to the Scheme:

As on 31<sup>st</sup> March 2024, the Company has in place the Newgen Employees Stock Option Scheme - 2022 ("Newgen ESOP Scheme 2022"). This scheme complies with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("Regulations") and Companies Act 2013. All the relevant details as prescribed under above Rule and Regulations are provided below and the same is also available on the website of the Company at <https://newgensoft.com/company/investor-relations/#corporate-governance>.

#### A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.

Please refer Note 35- Share Based Payment, of Notes to the Standalone Financial Statements forming part of the Annual Report.

#### B. Diluted EPS on issue of shares pursuant to the scheme covered under the regulations in accordance with 'Indian Accounting Standard (Ind AS) - 33 - Earnings Per Share' or any other relevant accounting standards as prescribed from time to time.

Fully diluted EPS pursuant to issue of Equity Shares on exercise of ESOPs calculated in accordance with Ind AS - 33 'Earning Per Share' (Consolidated)	Basic: 18.02 Diluted: 17.50
--	--------------------------------

#### C. Other Details relating to Newgen ESOP 2022

S. No.	Particulars	Fiscal 2024										
i)	a) Date of shareholders' approval	As on 31 <sup>st</sup> March 2024, the Company has in place the Newgen Employee Stock Option Scheme - 2022 ("Newgen ESOP Scheme 2022"), as approved by the shareholders on 23 <sup>rd</sup> June 2022.										
	b) Total number of options approved	The maximum number of 28,00,000 shares* can be issued under NEWGEN ESOP 2022.  *Consequent to the adjustment related to the Bonus issue in the ratio of 1:1, as approved by the members of the Company on 2 <sup>nd</sup> January 2024 the pool of the Scheme was increased from 14,00,000 to 28,00,000 ESOPs convertible into the equal number of Equity Shares.										
	c) Vesting requirements	Set forth below is the vesting schedule, subject to there being a gap of at least one year between the date of grant of options and the vesting of such options <table border="1" data-bbox="699 1473 1481 1630"> <thead> <tr> <th>Number of options vested</th> <th>Vesting schedule</th> </tr> </thead> <tbody> <tr> <td>10% of the options granted</td> <td>One year from the date of the grant</td> </tr> <tr> <td>20% of the options granted</td> <td>Two years from the date of the grant</td> </tr> <tr> <td>30% of the options granted</td> <td>Three years from the date of the grant</td> </tr> <tr> <td>40% of the options granted</td> <td>Four years from the date of the grant</td> </tr> </tbody> </table>	Number of options vested	Vesting schedule	10% of the options granted	One year from the date of the grant	20% of the options granted	Two years from the date of the grant	30% of the options granted	Three years from the date of the grant	40% of the options granted	Four years from the date of the grant
Number of options vested	Vesting schedule											
10% of the options granted	One year from the date of the grant											
20% of the options granted	Two years from the date of the grant											
30% of the options granted	Three years from the date of the grant											
40% of the options granted	Four years from the date of the grant											
	d) Exercise price or pricing formula	The Exercise Price of the Shares in the Scheme will be based upon the Market Price, along with a maximum discount of 10%, as approved by the Nomination & Remuneration Committee.										
	e) Maximum term of options granted	Once the options have vested, such options have to be exercised within a period of five years from the date on which the last of the options vest. The vesting period shall be as stated in above point (c).										
	f) Source of shares (primary, secondary or combination)	Company uses Trust Route for implementing this Scheme. The source of Share to the Trust as on 31 <sup>st</sup> March 2024 is Primary. For more information, please refer details related to Newgen ESOP Trust as provided in this disclosure.										
	g) Variation in terms of options	NIL										
ii)	Method used to account for NEWGEN ESOP 2022(Intrinsic or Fair value)	Fair Value Method using Black-Scholes Model										

S. No.	Particulars	Fiscal 2024
iii)	Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	During the financial year 2023-24 Company followed fair value accounting of stock options.

**iv) Option movement during the year**

S. No.	Fiscal Year	2024
a)	Number of options outstanding at the beginning of the year	917,650
b)	Number of options granted during the year	613,400
c)	Number of options forfeited / lapsed during the year	131,570
d)	Number of options vested during the year *(bonus adjustment is not considered)	83,670
e)	Number of options exercised during the year	34,703
f)	Number of shares arising as a result of exercise of options	34,703
g)	Money realized by exercise of options (INR), if the Scheme is implemented directly by the company	₹ 63,19,598/-
h)	Loan repaid by the Trust during the year from exercise price received	Nil
i)	Number of Bonus Adjustments in active grant	10,41,150
	Number of options outstanding at the end of the year	24,05,927
j)	Number of options exercisable at the end of the year	1,31,737

v.	Weighted-average exercise prices and weighted-average fair values of options disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	<ul style="list-style-type: none"> <li>Weighted-average exercise prices: ₹ 364.20/-</li> <li>Weighted-average fair values of options granted during the year: NA</li> </ul>
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**vi. Employee wise details of the options granted:**

a.	Option granted to Senior Managerial Personnel & KMPs during the year	Nil
b.	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Not Applicable
c.	Identified employees who were granted option during any one year equal to or exceeding 1% of the issued capital of the Company (excluding outstanding warrants and conversions) at the time of grant.	Not Applicable

**Vii. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:**

Particulars	ESOP Grant in Financial Year 2023-24		
	Grant II	Grant III	Grant IV
Date of grant			
Fair value of options at grant date	123.26	167.59	350.79
*Share price at grant date			
	251.08	341.65	711.20
Exercise price	226.00	307.50	640.10
Expected volatility (weighted-average)	42.90%	42.72%	43.14%
Expected life (weighted-average)	5 years	5 years	5 years
Expected dividends	0.95%	0.93%	0.95%
Risk-free interest rate (based on government bonds)	6.95% - 7.00%	6.90%-6.96%	7.00%-7.03%

\*post impact of bonus shares

How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	Historical volatility for the entire period has been taken since the shares are listed in the stock exchange.
The method used and the assumptions made to incorporate the effects of expected early exercise	The fair value of the employee share options has been measured using the Black-Scholes formula which presumes the option will be exercised at the end of the term.
whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	Yes. That has already taken effect through volatility and risk-free rate.

## 2) Details Related to Trust:

Newgen ESOP 2022 will continue to be implemented through the Trust Route and accordingly, Newgen ESOP Trust was constituted for Newgen ESOP 2022. In Trust Route, the Trust will utilize the shares already held by it and will acquire the shares of the company either through fresh allotment from the company or by way of secondary acquisition, if any.

### (i) Details:

S. No.	Particulars	Newgen ESOP Trust (For Newgen ESOP 2022)
1.	Name of the Trust	Newgen ESOP Trust
2.	Details of the Trustee (s)	Mr. Amarendra Kishore Sharan and Mr. Arvind Kaul
3.	Amount of loan disbursed by the company/ any company in the group during the year	4,66,97,700
4.	Amount of loan outstanding (repayable to the Company/ any company in the group) as at the end of the year	4,66,97,700
5.	Amount of loan, if any, taken from any other source for which the company or any company in the group has provided any security or guarantee	NIL
6.	Any other contribution made to the Trust during the year	NIL

### (ii) Brief details of transactions in shares by the Trust under this specific Scheme:

S. No.	Particulars	Newgen ESOP Trust (For Newgen ESOP 2022)
1.	Number of shares held at the beginning of the year (for this Scheme)	Nil
2.	Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid-up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share	Primary issuance: 2,40,400 shares. Secondary acquisition: Nil
3.	Number of shares transferred to the employees / sold along with the purpose thereof	34,703
4.	Number of shares held at the end of the year.	2,05,697

**(iii) In case of secondary acquisition of shares by the Trust:**

Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
	Newgen ESOP Trust
Held at the beginning of the year	NIL
Acquired during the year	NIL
Sold during the year	NIL
Transferred to the employees during the year	NIL
Held at the end of the year	NIL

For and on behalf of Board of Directors

Date: 24.05. 2024  
Place: New Delhi

**Diwakar Nigam**  
Chairman & Managing Director  
DIN: 00263222



# Annexure 2B

## Disclosure regarding Restricted Stocks Units (RSU) pursuant to Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

### 1) Details related to the Scheme:

As on 31<sup>st</sup> March 2024, the Company has also in place the Newgen Software Technologies Restricted Stock Units Scheme - 2021 ("Newgen RSU - 2021"). This scheme complies with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("Regulations") and Companies Act 2013. All the relevant details as prescribed under the above Rule and Regulations are provided below and the same is also available on the website of the Company at <https://newgensoft.com/company/investor-relations/#corporate-governance>.

#### A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.

Please refer Note number 35 - Share-Based Payment, of Notes to the Standalone Financial Statements forming part of the Annual Report.

#### B. Diluted EPS on issue of shares pursuant to the scheme covered under the regulations in accordance with 'Indian Accounting Standard (Ind AS) - 33 - Earnings Per Share' or any other relevant accounting standards as prescribed from time to time:

Fully diluted EPS pursuant to issue of Equity Shares on exercise of RSUs calculated in accordance with Ind AS - 33 'Earning Per Share' (Consolidated)	Basic: 18.02 Diluted: 17.50
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#### C. Other Details relating to Newgen RSU - 2021

S. No.	Particulars	Fiscal 2024						
i	a) Date of shareholders' approval	The Newgen Software Technologies Restricted Stock Units Scheme - 2021 ("Newgen RSU - 2021"), was approved by the shareholders on 26 <sup>th</sup> December 2020, which was further amended on 25 <sup>th</sup> October 2021 by the Board of Directors of the Company, to be compliant with the SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021.  This Scheme is further amended on 23 <sup>rd</sup> June 2022 by the Shareholders of the Company, to be compliant with the SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021.						
	b) Total number of RSUs approved	The maximum number of 28,00,000 shares* can be issued under this Scheme.  *Consequent to the adjustment related to the Bonus issue in the ratio of 1:1, as approved by the members of the Company on 2 <sup>nd</sup> January 2024 the pool of the Scheme was increased from 14,00,000 to 28,00,000 RSUs convertible into the equal number of Equity Shares.						
	c) Total number of RSUs granted during the year.	30,000						
	d) Vesting requirements	Set forth below is the vesting schedule, subject to the performance matrix and eligibility: <table border="1" data-bbox="746 1765 1471 1926"> <thead> <tr> <th>Time Period</th> <th>% of RSUs to be vested</th> </tr> </thead> <tbody> <tr> <td>At the end of 3<sup>rd</sup> year from the grant date</td> <td>50% of the RSUs Granted</td> </tr> <tr> <td>At the end of 5<sup>th</sup> year from the grant date</td> <td>50% of the RSUs Granted</td> </tr> </tbody> </table> *Vesting schedule is subject to the performance matrix as defined in the Scheme.	Time Period	% of RSUs to be vested	At the end of 3 <sup>rd</sup> year from the grant date	50% of the RSUs Granted	At the end of 5 <sup>th</sup> year from the grant date	50% of the RSUs Granted
Time Period	% of RSUs to be vested							
At the end of 3 <sup>rd</sup> year from the grant date	50% of the RSUs Granted							
At the end of 5 <sup>th</sup> year from the grant date	50% of the RSUs Granted							
	e) Exercise price or pricing formula	₹ 10/- each RSU						

S. No.	Particulars	Fiscal 2024
	f) Maximum term of RSUs granted	Once the RSUs have vested, such RSUs have to be exercised within a period of five years from the date on which the last of the RSUs vest. The vesting period shall be as stated in above point (d).
	g) Source of shares (primary, secondary or combination)	Company uses Trust Route for implementing this Scheme. For more information, please refer to details related to Newgen RSU Trust as provided in this disclosure.
	h) Variation in terms of RSUs	NIL
<b>ii</b>	Method used to account for NEWGEN RSU 2021 (Intrinsic or Fair value)	Fair value method
<b>iii</b>	Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed	During the financial year 2023-24 Company followed fair value accounting of stock RSUs.
<b>iv</b>	RSUs movement during the year	

S. No	Fiscal Year	2023-24
a	Number of RSUs outstanding at the beginning of the year	13,05,000
b	Number of RSUs granted during the year	30,000
c	Number of RSUs forfeited / lapsed during the year	15,000
d	Number of RSUs vested during the year	Nil
e	Number of RSUs exercised during the year	Nil
f	Number of shares arising as a result of exercise of RSUs	Nil
g	Money realized by exercise of RSUs (INR), if scheme is implemented directly by the Company	Nil
h	Loan repaid by the Trust during the year from exercise price received	Nil
i	Number of Bonus adjustments in the active Grant	13,20,000
	Number of RSUs outstanding at the end of the year	26,40,000
j	Number of RSUs exercisable at the end of the year	Nil
<b>v</b>	Weighted-average exercise prices and weighted-average fair values of RSUs disclosed separately for RSUs whose exercise price either equals or exceeds or is less than the market price of the stock	Not Applicable

<b>vi i. Employee wise details of the RSUs granted:</b>		
<b>a. RSUs granted to Senior Managerial Personnel &amp; KMPs during the year</b>		NIL
<b>b. Any other employee who receives a grant in any one year of RSUs amounting to 5% or more of RSUs granted during that year*.</b>		
<b>Name</b>	<b>Designation</b>	<b>Fiscal 2024</b>
Balaji Babuappa Chikrale	Business Head-Singapore and Indonesia	10,000
Sandeep Hinduja	Vice President- Sales	20,000
<b>c. Identified employees who were granted RSUs during any one year equal to or exceeding 1% of the issued capital of the Company (excluding outstanding warrants and conversions) at the time of grant.</b>		NIL

\*During the year, the Company granted the RSUs under this Scheme only to the above employees of its subsidiaries

**vii. A description of the method and significant assumptions used during the year to estimate the fair value of RSUs including the following information:**

Particulars	Newgen RSU - 2021 Grant - IV	Newgen RSU - 2021 Grant - V
Date of grant	02-05-2023	19-07-2023
Fair value of options at grant date	231.78	317.14
Share price at grant date	251.08	341.65
Exercise price	10.00	10.00
Expected volatility (weighted-average)	42.90%	42.72%
Expected life (weighted-average)	7 years	7 years
Expected dividends	0.95%	0.93%
Risk-free interest rate (based on government bonds)	7.00%-7.03%	6.96%-6.99%
The method used and the assumptions made to incorporate the effects of expected early exercise	The fair value of the employee share RSUs has been measured using the Black-Scholes formula which presumes the RSUs will be exercised at the end of the term.	
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	The fair value of the employee share options has been measured using the Black-Scholes formula which presumes the RSUs will be exercised at the end of the term	
Whether and how any other features of the RSUs grant were incorporated into the measurement of fair value, such as a market condition	Yes. That has already taken effect through volatility and risk-free rate.	

**2) Details Related to Trust:**

Newgen RSU - 2021 will continue to be implemented through the Trust Route and accordingly, Newgen RSU Trust was constituted to implement the Scheme. In the Trust Route, the Trust will acquire the shares of the Company either through fresh allotment from the Company or by way of secondary acquisition, if any.

**(i) Details:**

1	Name of the Trust	Newgen RSU Trust
2	Details of the Trustee (s)	Mr. Arvind Kaul Mr. Rajesh Pathak
3	Amount of loan disbursed by the company/ any company in the group during the year	NIL
4	Amount of loan outstanding (repayable to Company/ any company in the group) as at the end of the year	NIL
5	Amount of loan, if any, taken from any other source for which the company or any company in the group has provided any security or guarantee	NIL
6	Any other contribution made to the Trust during the year	NIL

**(ii) Brief details of transactions in shares by the Newgen RSU Trust**

1.	Number of shares held at the beginning of the year	NIL
2.	Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid-up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share	NIL
3.	Number of shares transferred to the employees / sold along with the purpose thereof	NIL
4.	Number of shares held at the end of the year.	NIL

**(iii) In case of secondary acquisition of shares by the Trust:**

Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained Newgen RSU Trust
Held at the beginning of the year	NIL
Acquired during the year	NIL
Sold during the year	NIL
Transferred to the employees during the year	NIL
Held at the end of the year	NIL

For and on behalf of Board of Directors

Date: 24.05. 2024  
Place: New Delhi**Diwakar Nigam**  
Chairman & Managing Director  
DIN: 00263222

## Annexure 3

### Details pertaining to Remuneration as required to be disclosed under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- i. Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2023-24

S. No.	Name of the Director	Ratio to the median remuneration of the employees
1.	Mr. Diwakar Nigam, Chairman & Managing Director	59.78
2.	Mr. T. S. Varadarajan, Whole - time Director	32.49
3.	Mrs. Priyadarshini Nigam, Whole - time Director	19.41
4.	Mr. Kaushik Dutta, Independent Director	9.49
5.	Mrs. Padmaja Krishnan, Independent Director	8.30
6.	Mr. Saurabh Srivastava, Independent Director	8.84
7.	Mr. Subramaniam Ramnath Iyer, Independent Director	9.49

- ii. Percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, and Company Secretary during the financial year 2023-24: -

S. No.	Name of the Person	% Increase in Remuneration
1.	Mr. Diwakar Nigam, Chairman & Managing Director	38.7%
2.	Mr. T. S. Varadarajan, Whole - time Director	42.7%
3.	Mrs. Priyadarshini Nigam, Whole-time Director	47.6%
4.	Mr. Kaushik Dutta, Independent Director	28.4%
5.	Mrs. Padmaja Krishnan, Independent Director	27.1%
6.	Mr. Saurabh Srivastava, Independent Director	23.2%
7.	Mr. Subramaniam Ramnath Iyer, Independent Director	26.5%
8.	Mr. Virender Jeet, Chief Executive Officer	24.37%
9.	Mr. Arun Kumar Gupta, Chief Financial Officer*	19.11%
10.	Mr. Aman Mourya, Company Secretary*	8.87%

The remuneration of Independent Directors includes a sitting fee and commission on profit.

\*The remuneration of Key Managerial Personnel includes ESOP perquisites, if any, to the extent options exercised during the year and includes the amount outstanding at year-end.

- iii. Percentage increase in the median remuneration of employees in the financial year 2023-24: 3%
- iv. The number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March 2024 was 3410 (Standalone). Permanent Employees exclude probation, Temporary, Casual, Contractual & Third-Party Employees, Trainees.
- v. The average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year was 14.73 % and the average percentile increase in the remuneration of managerial personnel i.e executive directors was 41.34% *The increase in salaries* during the year is based on the remuneration policy/reward philosophy of the Company and due to annual appraisals of employees.
- vi. The key parameters for any variable component of remuneration availed by the directors:

Executive Directors - Nomination & Remuneration Committee recommends to the Board the commission amount being the variable component of their compensation annually based on their individual responsibilities and contributions to the performance of the organization.

Non-Executive Directors - Board determines the variable compensation being commission on profit, based on a few parameters such as involvement and time spent in carrying out duties and responsibilities, contributions in their areas of expertise, besides their activities in committees and allied areas for the benefit of the organization.

- vii. The remuneration is in accordance with the Remuneration Policy of the Company which is available on the website of the Company at: <https://investors.newgensoft.com/wp-content/uploads/2021/06/doc00744720230509144545.pdf>.

**Statement of particulars under Section 197(12) of the Companies Act, 2013 and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the year ended 31<sup>st</sup> March 2024 (also includes the details of top ten employees of the Company)**

- i. The names of top employees in terms of remuneration drawn (remuneration paid in the financial year 2023-24) and the name of every employee of the Company, who - if employed throughout the financial year 2023-24, was in receipt of remuneration which, in the aggregate, was not less than One Crore and Two Lakh rupees:

S. No.	Name	Designation	Nature of employment, whether contractual or otherwise	Remuneration Received	Age	Qualification	Experience in years	Last Employment	Date of Commencement of Employment
1.	Diwakar Nigam	Chairman & Managing Director	Permanent	5,53,95,658	69	MSC, M. Tech	48	NA	He has been on the Board of the Company since 01-04-1993
2.	Virender Jeet	Chief Executive Officer	Permanent	3,99,69,957	55	B.E	30	NIE - Jaipur	01-12-1992
3.	Tarun Nandwani	Chief Operating Officer	Permanent	3,20,69,899	52	B.E	30	NA	15-07-1993
4.	Surender Jeet Raj	EVP - Global Business Strategy & HR	Permanent	3,14,70,964	66	Ph.D - Business Management	43	PCS DG	16-08-1993
5.	T.S. Varadarajan	Whole-time Director	Permanent	3,01,04,925	71	BE, M.Tech.	49	NA	He has been on the Board, since inception of the Company.
6.	Sunil Pandita	Vice President	Permanent	2,09,70,165	53	BE MBA	24	Samsung India Electronics Limited	03-06-2019
7.	Priyadarshini Nigam	Whole-Time Director	Permanent	1,79,82,520	67	Master's degree in Economics.	33	Not Applicable	20-09-1997
8.	Vivek Bhatnagar	Vice President Sales International	Permanent	1,67,90,543	53	MBA	33	TCS Ltd	24-08-2011
9.	Arun Kumar Gupta	Chief Financial Officer	Permanent	1,64,15,022	54	CA, CS, CMA	25	Interra Infotech	15-10-2010
10.	Rajvinder Singh Kohli	Sr.Vice President	Permanent	1,51,32,973	58	PGDRM	37	Tecnova	23-11-2020
11.	Vivek Mani Tripathi	Vice President	Permanent	1,39,89,598	58	B.Sc PGDM	31	Biba Apparels Pvt Ltd	05-04-2021
12.	Ashok Kapoor	Vice President	Permanent	1,23,88,467	58	PGDM	32	NIIT	06-04-2015
13.	Atin Kumar**	Vice President	Permanent	1,23,52,963	50	MCA	27	N.A	03-06-1997
14.	Nikhil Sawhney	Vice President	Permanent	1,03,12,121	49	B.E	23	N.A.	04-06-2001
15.	Ritesh Varma	Vice President	Permanent	96,47,039	49	PGDBM	25	NA.	15-06-1999

- \*Remuneration also includes provisions for bonuses, variable incentives and ESOP perquisites to the extent options exercised during the year and includes the amount outstanding at the year-end.

- \*\* ESOP perquisites amounting to Rs. 16.89 lakhs is added in his salary.

ii. Employees having a salary of more than 1.02 Cr due to ESOP perquisites arised pursuant to the exercise of their stock option rights under the Newgen ESOP Scheme 2014.

S. No.	Name	Designation	Nature of employment, whether contractual or otherwise	Remuneration Received	Age	Qualification	Experience in years	Last Employment	Date of Commencement of Employment
1.	Gagandeep Sodhi*	Associate Vice President	Permanent	2,89,65,115	48	12 & B.E	26	Bersoft Infotech Pvt Ltd.	01-Feb-2002
2.	K.Srikanth**	Deputy General Manager	Permanent	1,77,60,936	51	B.Sc & MCA	25	NA	01-Apr-1999
3.	Vinod Kumar Mishra***	General Manager	Permanent	1,64,20,515	52	B.E & PGDM	27	NA	01-Apr-1997
4.	Anand Sivaraman****	General Manager	Permanent	1,41,30,052	43	B.Sc & M.SC	20	NA	01-Aug-2006
5.	Alvin David*****	Senior General Manager	Permanent	1,38,01,734	48	B.A (H) & M.A (Psy)	25	Liquid, CGA & DIPR	01-May-2004
6.	Varun Goswami*****	Vice President	Permanent	1,29,48,926	47	B.Sc & MDIT	26	NA	01-Apr-1999
7.	Somnath Swain*****	Deputy General Manager	Permanent	1,07,20,552	58	B.Com MA (PMIR)& LLB	33	PC Das & CO, Howe (India) Pvt Ltd and Indo Hong Kong Group	01-Apr-1997

- \*ESOP perquisites amounting to Rs. 2.09 Cr is added in his salary.
- \*\*ESOP perquisites amounting to Rs. 1.40 Cr is added in his salary.
- \*\*\*ESOP perquisites amounting to Rs. 1.17 Cr. is added in his salary.
- \*\*\*\*ESOP perquisites amounting to Rs. 1.05 Cr is added in his salary.
- \*\*\*\*\*ESOP perquisites amounting to Rs. 91.79 lakh is added in his salary.
- \*\*\*\*\*ESOP perquisites amounting to Rs. 50.91 lakh is added in his salary.
- \*\*\*\*\*ESOP perquisites amounting to Rs. 84.11 lakh is added in his salary.

iii. Details of an employee if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Eight Lakh and Fifty Thousand rupees per month

S. No.	Name	Designation	Nature of employment, whether contractual or otherwise	Remuneration Received	Age	Qualification	Experience in years	Last Employment	Date of Commencement of Employment
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Not Applicable

iv. Particulars of Employees posted and working in a country outside India, not being Director or their relatives, drawing more than sixty lakh rupees per financial year 2023-24 or five lakh rupees per month:

S. No.	Name	Designation	Nature of employment, whether contractual or otherwise	Remuneration Received	Age	Qualification	Experience in years	Last Employment	Date of Commencement of Employment
1.	Prashant Sahai	Vice President	Permanent	2,95,42,382	48	MBA	25	Vicisoft Technologies Pvt.Ltd	15-06-1998
2.	Anup Varma	Business Development Manager	Permanent	1,91,14,896	47	MBA	16	Oracle Inc	07-07-2019
3.	Mayank Sharma	Deputy General Manager	Permanent	1,36,77,143	33	MBA	11	N.A	03-06-2013

S. No.	Name	Designation	Nature of employment, whether contractual or otherwise	Remuneration Received	Age	Qualification	Experience in years	Last Employment	Date of Commencement of Employment
4.	Glitty Paul	Regional Manager Sales International	Permanent	1,29,23,552	40	MBA	15	Intertec System	23-02-2016
5.	Deepak Kumar	Project Leader	Permanent	95,17,261	34	B.Tech	12.6 years	Astrol Infotech.	02-07-2013
6.	Zainual Bashir Bhutto	Deputy General Manager Products & Solutions	Permanent	89,85,298	38	MBA	11	NA	01-12-2011
7.	Vivek Kumar Gupta	Senior Manager Products & Solutions	Permanent	85,32,820	45	M.Tech	18	TCS	01-04-2010
8.	Mohd. Ashhad Raza Qadri	Deputy General Manager	Permanent	70,55,099	42	MBA	19	3i Infotech.	09-08-2021
9.	Angad kumar shah	Project Leader	Permanent	70,23,777	34	MCA	10.5	NA	10-09-2014
10.	Sanal Grover	Project Manager	Permanent	69,81,237	34	B.Tech	11	N.A	07-01-2013
11.	Gaurav Berry	Project Leader	Permanent	69,56,354	37	MCA	12	Cloudoptix Pvt. Ltd.	06-08-2014

\*All above ten employees are posted in Dubai and getting remuneration in AED. The given remunerations are converted and reported herewith in ₹.

**Notes:**

- a) Above remunerations also include provisions for the bonus, variable incentives, and ESOP perquisites to the extent options exercised during the year and includes the amount outstanding, if any, at the year end.
- b) Except Mr. Diwakar Nigam, Chairman & Managing Director (holding 22.35% of Equity Shares himself and 9.37% of equity shares through his spouse) and Mr. T.S. Varadarajan (holding 21.40 % of equity shares himself and 1.90% of equity shares through his spouse), no other employees, as listed above, holding, by himself or herself along with his/her spouse and dependent children, 2% or more of equity shares of the Company.
- c) None of the employees as listed above is a relative of the Director of the Company except below:-
  - Mrs. Priyadarshini Nigam, Whole-time Director is the spouse of Mr. Diwakar Nigam, Chairman & Managing Director of the Company.
- v. Details of the employee if employed throughout the financial year 2023-24 or part thereof, was in receipt of remuneration in that year which is in excess of that drawn by the Managing Director and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company, except the details of employees forming part of this annexure.

Nil

For and on behalf of Board of Directors

Date: 24.05. 2024  
Place: New Delhi

**Diwakar Nigam**  
Chairman & Managing Director  
DIN: 00263222



# Annexure 4

## SECRETARIAL AUDIT REPORT

(For the financial year ended 31<sup>st</sup> March 2024)

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
**Newgen Software Technologies Limited**  
E-44/13, Okhla Phase II  
New Delhi-110020

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Newgen Software Technologies Limited (hereinafter called “the Company”). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion, subject to Annexure ‘A’ to this report thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit and on the basis of the written representations/explanations received from the management, we hereby report that in our opinion the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2024 (‘audit period’) complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2024, according to the provisions of:

- (i) The Companies Act, 2013 (‘the Act’) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of foreign direct investment, overseas direct investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **not applicable during the period under review**
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **not applicable during the period under review**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **not applicable during the period under review**
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) The company carries business of software development and related activities for which it has registration with the SEZ Noida and the Management has identified and confirmed the following laws as specifically applicable to the Company:

- a) The Information Technology Act, 2000;
- b) The Special Economic Zone Act, 2005;
- c) The Indian Copyright Act, 1957;
- d) The Patents Act, 1970; and
- e) The Trade Marks Act, 1999.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

During the period under review the company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

#### **We further report that:-**

- The Board of directors of the company is duly constituted with proper balance of executive directors, non-executive directors and independent directors. There were no changes in the composition of the Board of Directors during the audit period.
- Advance notice is given to all directors to schedule the board meetings, agenda and detailed notes on agenda (except items related to UPSI) were sent normally at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at Board Meetings and Committee Meetings are normally carried out unanimously as recorded in the minutes of the meetings of the Board or Committees of the Board, as the case may be.
- The Company has complied with the requirements of Structured Digital Database (SDD) pursuant to provisions of Regulation 3(5) and 3(6) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations).
- During the period under review, Price water house Coopers Services LLP (LLPIN (Registration Number: AAI-8885) re-appointed as Internal Auditors of the Company for the financial year 2023-2024.
- During the financial year, pursuant to the approval of the Board of Directors dated 27<sup>th</sup> November 2023, and Members' approval by way of postal ballot dated January 02, 2024, the authorized share capital of the Company has been increased from Rs. 110,10,00,000

(Rupees One Hundred Ten Crore and Ten Lakhs only) to Rs. 180,10,00,000 (Rupees One Hundred Eighty Crore and Ten Lakh only)

- Pursuant to the approval of the Board of Directors dated 27<sup>th</sup> November 2023, and Members' approval by way of postal ballot dated January 02, 2024, the Company allotted 7,00,69,401 (Seven Crore Sixty Nine Thousand Four Hundred One) fully paid up Bonus Equity Shares of Face Value of 10/- each to its existing Equity Shareholders in 1:1 ratio as on Record date i.e. 12<sup>th</sup> January 2024.
- The Board of Directors of the Company on 17<sup>th</sup> October 2023 allotted 1,13,700 equity shares under Newgen ESOP Scheme 2022 to Newgen ESOP Trust through primary issue. Further, Board of Directors of the Company on 20<sup>th</sup> March 2024 allotted 13,000 equity shares and 1,40,000 equity shares under ESOP Scheme 2022 and Newgen ESOP Scheme 2014, respectively, to Newgen ESOP Trust through primary issue.
- During the financial year, the Hon'ble NCLT has approved merger of Number Theory Software Private Limited with the Company vide its certified order dated 04<sup>th</sup> October, 2023. Accordingly, the related compliances have been made and required forms/documents have been filed with the concerned authorities.
- During the financial year, Company has incorporated a new wholly-owned Subsidiary in Saudi Arabia namely Newgen Software Technologies Company Limited on 20<sup>th</sup> July 2023.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no specific events/actions having a major bearing on Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards, etc.

Place: New Delhi  
Date : 26.04.2024

Name : **M. Aijaz**  
FCS No.: 6563  
C.P. No.: 7040  
P.R.C. No.: 2632  
UDIN: F006563F000255350

# Annexure 'A'

**To,**

**The Members**

**Newgen Software Technologies Limited**

E-44/13, Okhla Phase II

New Delhi-110020

Our report of even date is to be read along with this Annexure.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: New Delhi.

Date : 26.04.2024

# Annexure 5

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

### 1. Details of contracts or arrangements or transactions not at arm’s length basis

Not Applicable. Newgen Software Technologies Limited (the Company) has not entered into any contract/arrangement/transaction with its related parties which is not in ordinary course of business or not at arm’s length basis during FY 2023-24.

### 2. Details of material contracts or arrangement or transactions at arm’s length basis

The details of transactions with wholly owned subsidiaries are set out in the standalone financial statements forming part of the Board’s Report. The same may be referred for this purpose. The pricing of the transactions with wholly owned subsidiaries are based on the Independent Transfer Pricing Report given by Price Waterhouse & Co., Chartered Accountants which determined the arms-length pricing and are under ordinary course of business. All transactions, based on respective master service agreements, with wholly owned subsidiaries, were placed before the Audit Committee and the Board of Directors on quarterly basis for its review, approval and noting, as the case may be

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any:	Aggregate Transaction Value during Financial Year (if Material) (Amount in Lakh)	Amount paid as advances, if any:
Newgen Software Inc. USA (Material Wholly Owned Subsidiary)	Sale of products and services	Ongoing (duration of transaction	Pursuant to the Master service agreement executed between Company and Newgen Software Inc. USA, the Company provides licensed software products, including support, maintenance and other services to the clients of Newgen Software Inc. (USA). Newgen Software Inc. (USA) provides marketing and sales support to the Company. The Company provides back-office support services, Management Support services and also charged cost for any employee transfer from NSTL to Subsidiary.	Not applicable, since the contract was entered into in the ordinary course of business and on arm’s length basis.	18120.11	
	Back office support services	1 <sup>st</sup> April 2023-			180.00	
	Employee Transfer Cost	31 <sup>st</sup> March 2024)			29.90	
	Management Support Service				422.93	
	Outsourced Technical Expenses				5422.15	

Aggregated transaction with a related party shall be considered material if the transaction(s) entered during the financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity. Aggregate transactions, during the financial year 2023-24 with other respective subsidiaries are not material.

\*Since these RPTs are in the ordinary course of business and are at the arm’s length basis, approval of the Members is not applicable. However, these are reported to the Audit Committee / Board at their quarterly meetings.

For and on behalf of Board of Directors

**Diwakar Nigam**

Chairman & Managing Director

DIN: 00263222

Date: 24.05. 2024

Place: New Delhi

# Annexure 6

## Annual Report on Corporate Social Responsibility (“CSR”) Activities or Programmes pursuant to Section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2022.

### 1. Brief outline on CSR Policy of the Company:

Newgen’s CSR mission is to actively contribute to the social and economic development of the communities in which we operate. The core philosophy is to empower the lesser privileged sections of society through a holistic approach to help them realize their full potential and ensure a good quality of life.

In line with the sustainable development goals (SDGs) and nationwide outcry to promote education, Newgen contributes to the Schedule VII thematic areas of promotion of education and eradication of hunger, poverty, and malnutrition.

#### Newgen CSR Programs:

##### a. Newgen Digital Discovery Paathshala (NDDP)

Newgen initiated its flagship CSR program, Newgen Digital Discovery Paathshala (NDDP), in 2016. It is designed to promote digital literacy, equitable education, and quality learning among less privileged students.

NDDP currently extends to around 3,000 girls studying at the government schools in Harkesh Nagar and Tekhand, Delhi, from Classes 6 to 8.

Under the aegis of NDDP, students get digital devices, including iPads, tablets, and smartphones, to make education more accessible. So far, free access to digital devices (tablets) and data cards has helped over 2,400 students and instilled a habit of self-learning through online research.

The NDDP program adopted hybrid education, using both offline and online digital learning platforms, after the pandemic. Along with their school curriculum, students are also offered age-appropriate sessions around mental well-being and personality development, which help them realize their self-worth, gain confidence, and become self-reliant.

NDDP Alumni (Graduates from NDDP from Classes 9 to 12): The focus is on the personality development, mental well-being, and career counseling of the NDDP alumni. Professionals from different walks of life are invited to share the experiences that inspired their careers.

Scholarships are offered for higher education to ensure these students continue their learning journey even after school. Around 76 students of the Class 12 batch have been able to secure scholarships this year.

### Engagement with Stakeholders

NDDP involves the primary stakeholders, i.e., the teachers and the parents, to strengthen the program and make it sustainable in the following ways:

#### NDDP Samarth Saarthis (Mothers’ Program)

The mothers of the NDDP students have been a part of the digital literacy, skill development, and mental health awareness journeys. For skill development, mothers created handcrafted items such as crochet table mats, coasters, door hangings, plate covers, colorful paintings, etc., which were then displayed in exhibitions. Earning through these handmade creations encouraged the mothers to create a source of income. In the upcoming financial year, the project plans to set up a skill development resource center for women in Okhla.

#### NDDP Samarth Shikshaks (Teachers’ Program)

Samarth Shikshaks are the guides for NDDP students.

Structured interviews of the teachers and principals in the Newgen-adopted schools are conducted regularly. This aids in aligning the NDDP classes with respect to the curriculum topics taught in school, thereby rendering NDDP sessions an add-on remedial supportive class for the students.

##### b. Remedial Education Program.

Newgen, in association with NGO KHUSHII (Kinship for Humanitarian, Social and Holistic Intervention in India), offers remedial and digital classes to students in government schools. The project reaches over 6,500 students in Harkesh Nagar and Tekhand in Delhi, Nandambakkam in Chennai, and Ramgarh in Uttarakhand.

The interventions in the project included remedial subject-based sessions, STEM, creative and critical thinking classes, digital classes, sessions on WASH (Water, Sanitation, and Hygiene), and related topics. The engaging sessions through innovative approaches imparted a deeper understanding of the subject.

##### c. Partnership with KK Academy, Lucknow

Newgen’s partnership with KK Academy in Lucknow supports the holistic development of the students within an environment of inclusivity. The program benefits 240 students,

from kindergarten to Class 8. The program includes a variety of components like STEM, the language development program, life skills training, creative activities, and digital learning.

**d. Mid-Day Meal Programme.**

Newgen, in collaboration with The Akshaya Patra Foundation, ensures children get healthy and nutritious mid-day meals during their formative years. The project provided over 11 lakh mid-day meals to more than 5,200 school students in the remote areas of Baran and Nathdwara in Rajasthan, Bhilai in Chhattisgarh, Mangalgiri in Andhra Pradesh, and Gorakhpur in Uttar Pradesh.

**e. Personality Development Sessions.**

Newgen collaborated with I Am Wellbeing, a mental health organization, to support students



**CSR 2023-2024 Budget: INR 37.5 million**

**CSR Budget Allocation 2023-2024**

● NDDP (Digital Education)	45%
● KHUSHII (Remedial Education)	23%
● KK Academy (Holistic Education)	8%
● The Akshaya Patra Foundation (Mid-Day Meal)	19%
● IAm Well Being (Personality Development)	5%

with various aspects of mental well-being through self-evaluation and practical sessions. The program covers over 1,700 NDDP students and NDDP alumni through monthly online sessions. The sessions benefit the students with techniques to maintain sound physical and psychological health for themselves.

**f. Engagement with Newgen Volunteers**

CSR Week 2023: During the annual CSR Week, Newgen - in partnership with India STEM Foundation - conducted a week-long 'STEM Tinkering Through Robotics' training using Lego Mindstorms. Over 120 female students participated and learned about building a Lego robot, design thinking, coding, and real-world application skills.

Throughout the week, volunteers engaged with the students to encourage them. All the volunteers were thanked with a token of appreciation.

Newgen volunteers also attended various programs as role models, judges, speakers, and audiences, throughout the year. They participated in activities, such as students' debate competitions, career counseling sessions, special day celebrations, and handicraft exhibitions.

**g. Miscellaneous Activities Facilitated by CSR**

- Donated 50 refurbished desktops to Project Computer Shiksha for enabling them to build computer labs in resource-poor schools
- Held the annual collection drive for Goonj

**h. Accolades Won by Newgen CSR: 2023-2024**

For its innovative initiatives in education, Newgen CSR has been recognized on the national and international levels with 'Mahatma Award for Quality Education' and 'National Awards for Excellence in CSR & Sustainability for Best CSR Impact Initiative', respectively.

**2. Composition of the CSR Committee:**

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mrs. Priyadarshini Nigam (Chairperson of the Committee)	Whole-Time Director	1	1
2	Mr. Kaushik Dutta (Member of the Committee)	Independent Director	1	1
3	Mr. T.S. Varadarajan (Member of the Committee)	Whole-Time Director	1	1

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:**

<https://newgensoft.com/company/corporate-social-responsibility/>.

**4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:**

Not Applicable

**5. (a) Average net profit of the company as per sub-section (5) of section 135: ₹ 187,96,01,062**

**(b) Two percent of average net profit of the company as per section sub-section (5) of section 135:**

₹ 3,75,92,000

**(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:**

Not Applicable.

**(d) Amount required to be set off for the financial year, if any: ₹ 3,28,584.54**

**(e) Total CSR obligation for the financial year (5b+5c-5d): ₹ 3,72,63,415.46**

**6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):**

₹ 3,77,40,335.64

**(b) Amount spent in Administrative Overheads: ₹ 1,50,392**

**(c) Amount spent on Impact Assessment, if applicable: Not Applicable**

**(d) Total amount spent for the Financial Year [(6a)+(6b)+(6c)]: ₹ 3,78,90,727.64**

**(e) CSR amount spent or unspent for the financial year:**

Amount Unspent (in ₹)					
Total Amount Spent for the Financial Year. (in ₹)	Total Amount transferred to Unspent CSR Account as sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of Transfer
3,78,90,727.64	Not Applicable				

**(f) Excess amount for set off, if any:**

S. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135.	3,75,92,000
(ii)	Total amount spent for the Financial Year	3,78,90,727.64
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2,98,727.64
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	2,98,727.64

**7. Details of Unspent CSR amount for the preceding three financial years:**

S. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6)	Balance Amount in Unspent CSR Account under section 135(6)	Amount spent in the Financial Year	Amount transferred to a fund specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any	Amount remaining to be spent in succeeding financial years.	Deficiency, if any
					Amount	Date of transfer	

Not Applicable

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

Yes  No

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

S. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address

Not applicable

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

**9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135:**

Not Applicable

For Newgen Software Technologies Limited

**Diwakar Nigam**

Chairman & Managing Director  
DIN: 00263222

Date: 24.05.2024  
Place: New Delhi

**Priyadarshini Nigam**

Chairperson (CSR Committee)  
DIN:00267100



# Annexure 7

## Business Responsibility & Sustainability Reporting

### SECTION A: GENERAL DISCLOSURES

#### I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Company:	L72200DL1992PLC049074
2.	Name of the Company:	Newgen Software Technologies Limited
3.	Year of Incorporation:	05-06-1992
4.	Registered Office Address:	E-44/13 Okhla Phase II, New Delhi South Delhi DL 110020
5.	Corporate Address:	E-44/13 Okhla Phase II, New Delhi South Delhi DL 110020
6.	E-mail id:	<a href="mailto:cs.compliance@newgensoft.com">cs.compliance@newgensoft.com</a>
7.	Telephone:	+91 11 46533200
8.	Website:	<a href="https://newgensoft.com">https://newgensoft.com</a>
9.	Financial Year reported:	1 <sup>st</sup> April 2023 to 31 <sup>st</sup> March 2024
10.	Name of the Stock Exchange(s) where shares are listed:	Bombay Stock Exchange (BSE) National Stock Exchange of India (NSE)
11.	Paid-up Capital:	Rs. 14,029 lakhs
12.	Name and contact detail (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:	Arun Kumar Gupta <a href="mailto:cs.compliance@newgensoft.com">cs.compliance@newgensoft.com</a> +91 11 46533200
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Disclosures made in this report are on a standalone basis and pertain only to Newgen Software Technologies Limited
14.	Name of assurance provider	Not applicable
15.	Type of assurance obtained	Not applicable

#### II. Products/services

##### 16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Software & IT services	Software application development Services and related activities	99%

##### 17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Sale of Software/SaaS/ATS/AMC	9983	48%
2.	Sale of Services/ Others	9983	52%

#### III. Operations

##### 18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	NA	17	28
International	NA	11	

**19. Markets served by the entity:****a. Number of locations**

Locations	Number
National (No. of States)	28 States and 8 Union Territories
International (No. of Countries)	76

**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

65%

**c. A brief on types of customers:**

Our customers are Business to Business Customers or Enterprise Customers in the Banking and Financial Services, Government, Shared Services, Healthcare, Insurance and other domains.

**IV. Employees****20. Details as at the end of Financial Year:****a. Employees and workers\*\*\* (including differently abled):**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent* (D)	3890	2957	76.0%	933	24.0%
2.	Other than Permanent** (E)	521	381	73.1%	140	26.9%
3.	<b>Total employees (D + E)</b>	<b>4411</b>	<b>3338</b>	<b>75.7%</b>	<b>1073</b>	<b>24.3%</b>

\*Permanent Employees include on-roll employees of Newgen including those who are on Probation.

\*\*Other than Permanent Employees include Temporary, Casual, Contractual & named Third-Party Employees dedicatedly deployed at Newgen premises, Trainees.

\*\*\* All employees are categorized as Employees and none as Workers.

**b. Differently abled Employees and workers:**

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)*	7	7	100%	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	<b>Total differently abled employees (D + E)</b>	<b>7</b>	<b>7</b>	<b>100%</b>	<b>0</b>	<b>0</b>

\*Diversity, Equity & Inclusion at workplace policy came into effect on 1 March 2023, and the Company started the process of collecting the Unique Disability ID of persons with disabilities thereafter. During the year, the Company had 29 differently abled employees as per the self-declaration in our internal survey, however only 7 of them have provided their Unique Disability ID

**21. Participation/Inclusion/Representation of women**

	Total (A)	No. and Percentage of Females	
		No. (B)	% (B/A)
Board of Directors	7	2	29%
Key Management Personnel*	8	1	13%

\* Key Managerial Personnel includes Managing Director and Whole Time Directors

**22. Turnover rate for permanent employees and workers:**

	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees*	16%	20%	<b>17%</b>	30%	30%	<b>30%</b>	48%	56%	<b>50%</b>

\*Turnover Rate computed as per the SEBI formula which is different from the industry practice and voluntary attrition calculations. Based on calculations as per industry practices, the Turnover rate is 10.4% for Males and 15.2% for Females for FY23-24, 22.4% for Males and 26.3% for Females for FY22-23, 41.6% for Males and 47.7% for Females for FY21-22

**V. Holding, Subsidiary and Associate Companies (including joint ventures)**

**23. (a) Names of holding / subsidiary / associate companies / joint ventures**

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ subsidiary/ associate/ joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in Business Responsibility initiatives of the listed entity? (Yes/No)
1	Newgen Software Inc. USA	WOS	100 %	Yes
2	Newgen Software Technologies Pte. Ltd.	WOS	100 %	Yes
3	Newgen Software Technologies Canada Ltd.	WOS	100 %	Yes
4	Newgen Software Technologies (UK) Limited	WOS	100 %	Yes
5	Newgen Software Technologies Pty Ltd.	WOS	100 %	Yes
6	Newgen Computers Technologies Limited.	WOS	100 %	Yes
7	Newgen Software Technologies LLC	WOS	100 %	Yes
8	Newgen Software Technologies Company Limited	WOS	100 %	Yes

WOS- Wholly owned Subsidiary

- During the year, Number Theory Software Technologies Limited, a wholly-owned subsidiary of the Company merged with the Company pursuant to the Order issued by Hon'ble National Company Law Tribunal (NCLT), New Delhi.

**VI. CSR Details**

**24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)** Yes

**(ii) Turnover (in Rs.)** 1,13,611.93 lakhs

**(iii) Net worth (in Rs.)** 1,14,757.71 lakhs

**VII. Transparency and Disclosures Compliances**

**25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	NA	NA	NA		NA	NA	=
Investors (other than shareholders)	Yes <a href="https://newgensoft.com/company/investor-relations/">https://newgensoft.com/company/investor-relations/</a>	NA	NA		NA	NA	-
Shareholders	Yes <a href="https://scores.sebi.gov.in/scores-home">https://scores.sebi.gov.in/scores-home</a> <a href="https://smartodr.in/login">https://smartodr.in/login</a> <a href="https://newgensoft.com/company/investor-relations/">https://newgensoft.com/company/investor-relations/</a>	10	0		16	0	-
Employees and workers	Yes <a href="https://investors.newgensoft.com/wp-content/uploads/investor/Whistle%20Blower%20Policy.pdf">https://investors.newgensoft.com/wp-content/uploads/investor/Whistle%20Blower%20Policy.pdf</a>	82	0		1	0	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Customers	Yes, we have a mechanism in place to understand and resolve customer complaints	10	0		6	0	-
Value Chain Partners	NA	NA	NA		NA	NA	-
Other (please specify)	NA	NA	NA		NA	NA	-

**26. Overview of the entity’s material responsible business conduct issues**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk Or opportunity (R/O)	Rationale for Identifying the risk / opportunity	In case of risk, Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	GHG Emissions and Climate Change	Risk and Opportunity	Linked to Climate Change Risk  Opportunity in engaging clients on climate actions through our solutions	Undertake initiatives on energy efficiency, renewable energy	Increased operating costs in meeting the environmental standards/ initiatives  Scope to capitalize on the opportunity through our solutions
2.	Diversity, Equity and Inclusion	Risk and opportunity	Linked to Human Capital risk	Clear policies, processes and governance structures to monitor	This could have a positive and negative impact on Productivity, innovation or retention of talent thus having employee cost implications
3.	Employee Engagement	Risk and opportunity	Linked to Human Capital risk	Increased initiatives for Employee engagement, retention and support. Focus on career and leadership development. Occupational health and safety measures	Impact on employer reputation, increased cost of talent, etc.  Scope to create and retain a talent pool and support in customer’s digital journeys
4.	Data Privacy and Information Management	Risk and opportunity	Linked to Business and Continuity Risk/ Reputation Risk	Ensuring robust cybersecurity and data privacy frameworks and controls. Continued investment in technology	Increased operational cost for technological investments and hiring and training talent. Impact on reputation and business  Build a competitive edge through adoption of stringent data privacy standards
5.	Corporate Governance and Business Ethics	Risks and opportunity	Linked to Business and Continuity Risk/ Reputation Risk	Stipulated policies, processes and systems to ensure ethical conduct and strong governance.	Positive and negative legal and financial implications and reputational consequences impacting business

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

**This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.**

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>									
<b>1.</b> a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	No*	No*	Yes	Yes	Yes	No	Yes	Yes
c. Web Link of the Policies, if available	#	#	#	#	#	#	#	#	#
<b>2.</b> Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>3.</b> Do the enlisted policies extend to your value chain partners? (Yes/ No)	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes
<b>4.</b> Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 9001:2015- Quality Management System ISO 27001:2013- Information Security Management ISO 27017- Information Security Controls in Cloud environment ISO 27018- Personal Data Security Controls SOC-1 Compliance- System and Organization Controls SOC-2 Compliance- Service organization Control GDPR - General Data Protection Regulation HIPAA- The Health Insurance Portability and Accountability Act of 1996 PCI DSS- PCI Data Security Standard								
<b>5.</b> Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company is working towards defining the goals and targets.								
<b>6.</b> Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Not applicable								
<b>Governance, leadership and oversight</b>									
<b>7.</b> Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Please refer to the Chairman's Speech for the same								
<b>8.</b> Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Arun Kumar Gupta Chief Financial Officer <a href="mailto:cs.compliance@newgensoft.com">cs.compliance@newgensoft.com</a> +91 11 46533200								
<b>9.</b> Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, Mr. Diwakar Nigam (Chairman and Managing Director)								

\*Approved by the Senior Management

#Weblink of the Policies:

**Principle 1: Ethics, Transparency and Accountability: Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable.**

- Anti-Bribery and Anti-corruption Policy\*
- Whistleblower Policy- <https://investors.newgensoft.com/wp-content/uploads/investor/Whistle%20Blower%20Policy.pdf>
- Code of Ethics and Business Conduct-[https://landing.newgensoft.com/hubfs/\\_2020%20Website%20files/IR/Code%20of%20Ethics%20&%20Business%20Conduct%20Ver%203.0.pdf](https://landing.newgensoft.com/hubfs/_2020%20Website%20files/IR/Code%20of%20Ethics%20&%20Business%20Conduct%20Ver%203.0.pdf)
- Disciplinary Action Policy\*

**Principle 2: Product Life Cycle Sustainability: Businesses should provide goods and services in a manner that is sustainable and safe:**

- Information Security Policy\*
- Policy on Disposal and Reuse of Equipment\*
- Policy on Environment Sustainability\*
- Policy on Incident Reporting\*
- Supplier Code of Conduct\*
- Purchase Policy\*

**Principle 3: Employee Well Being: Businesses should respect and promote the well-being of all employees, including those in their value chains:**

- Code of Ethics and Business Conduct - [https://landing.newgensoft.com/hubfs/\\_2020%20Website%20files/IR/Code%20of%20Ethics%20&%20Business%20Conduct%20Ver%203.0.pdf](https://landing.newgensoft.com/hubfs/_2020%20Website%20files/IR/Code%20of%20Ethics%20&%20Business%20Conduct%20Ver%203.0.pdf)

**Principle 4: Stakeholder Engagement: Businesses should respect the interests of and be responsive to all its stakeholders:**

- CSR Policy - <https://investors.newgensoft.com/wp-content/uploads/2020/05/Policy-on-Corporate-Social-Responsibility.pdf>

**Principle 5: Businesses should respect and promote human rights:**

- Code of Ethics and Business Conduct - [https://landing.newgensoft.com/hubfs/\\_2020%20Website%20files/IR/Code%20of%20Ethics%20&%20Business%20Conduct%20Ver%203.0.pdf](https://landing.newgensoft.com/hubfs/_2020%20Website%20files/IR/Code%20of%20Ethics%20&%20Business%20Conduct%20Ver%203.0.pdf)
- Supplier Code of Conduct\*
- Nomination and Remuneration Policy - <https://investors.newgensoft.com/wp-content/uploads/2021/06/doc00744720230509144545.pdf>
- Prevention of Sexual Harassment of Women at workplace (POSH) - <https://investors.newgensoft.com/wp-content/uploads/2021/06/POSH-compressed.pdf>
- Diversity Equity & Inclusion at Workplace Policy - [https://landing.newgensoft.com/hubfs/\\_2020%20Website%20files/IR/Diversity%20Equity%20&%20Inclusion%20at%20Workplace%20Policy.pdf](https://landing.newgensoft.com/hubfs/_2020%20Website%20files/IR/Diversity%20Equity%20&%20Inclusion%20at%20Workplace%20Policy.pdf)

**Principle 6: Environment: Businesses should respect and make efforts to protect and restore the environment:**

- Policy on Environmental Sustainability\*
- Risk Management Policy - <https://investors.newgensoft.com/wp-content/uploads/2021/06/Risk-Management-Policy.pdf>
- Policy on Disposal and Reuse of Equipment\*

**Principle 7: Policy Advocacy: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent:**

- Code of Ethics and Business Conduct - [https://landing.newgensoft.com/hubfs/\\_2020%20Website%20files/IR/Code%20of%20Ethics%20&%20Business%20Conduct%20Ver%203.0.pdf](https://landing.newgensoft.com/hubfs/_2020%20Website%20files/IR/Code%20of%20Ethics%20&%20Business%20Conduct%20Ver%203.0.pdf)

**Principle 8: Inclusive Growth: Businesses should promote inclusive growth and equitable development:**

- CSR Policy - <https://investors.newgensoft.com/wp-content/uploads/2020/05/Policy-on-Corporate-Social-Responsibility.pdf>
- Purchase Policy\*

**Principle 9: Customer/Consumer Value: Businesses should engage with and provide value to their consumers in a responsible manner:**

- Policy on Disposal and Reuse of Equipment\*
- Policy on Incident Reporting\*
- Risk Management Policy - <https://investors.newgensoft.com/wp-content/uploads/2021/06/Risk-Management-Policy.pdf>

\*The Policies are available on Newgen’s Intranet Platform.

**10. Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether Review was Undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other- please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes									Annually								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes									Annually								

<b>11. Has the Company carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.</b>	P1	P2	P3	P4	P5	P6	P7	P8	P9
	No	No	No	No	No	No	No	No	No

**12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:**

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The Company does not consider the Principles material to its business	Not Applicable								
The Company is not at a stage where it is in a position to formulate and implement the policies on specified principles									
The Company does not have the financial or/human and technical resources available for the task									
It is planned to be done in the next financial year									
Any other reason									

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.



### BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

#### ESSENTIAL INDICATORS

#### 1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness Programmes
Board of Directors	1	Below training programs are regularly conducted for Board of Directors and Key Managerial Personnel:	100%
Key Managerial Personnel	1	<ul style="list-style-type: none"> <li>• Awareness sessions on Newgen’s revised Code of Conduct</li> <li>• Familiarization program on various</li> <li>• Governance Topics like Anti bribery and corruption disclosures, stakeholders’ engagements.</li> <li>• Social topics like welfare benefits, D&amp;I initiatives, etc are also covered.</li> </ul>	100%
Employees other than BoD and KMPs	352	<p>Inductions programs are conducted for all new employees, which cover topics like:</p> <ul style="list-style-type: none"> <li>• Newgen’s Code of Conduct</li> <li>• Policies like Anti-Bribery, Anti-corruption Policy, Conflict of Interest, Vigil Mechanism, Whistleblower Policy, D&amp;I Policy, Prevention of Sexual Harassment of Women at workplace (POSH) etc.</li> </ul> <p>All existing employees at Newgen are required to undergo refresher training on annual basis.</p> <p>Additionally, Health and Safety trainings such as Fire Safety, Information Security etc. are periodically conducted at all our office locations.</p>	96.8%

#### 2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website):



Monetary					
	NGRBC Principle	Name of regulatory/enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/fine					
Settlement			Not Applicable		
Compounding fees					

Non-Monetary				
	NGRBC Principle	Name of regulatory/enforcement agencies/judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/fine				
Settlement			Not Applicable	
Compounding fees				

**3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not applicable	

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, there is an Anti-Bribery & Anti-Corruption (ABAC) policy as well as Code of Conduct for preventing, detecting, and addressing bribery and corruption issues within the organization. Organisational processes have been designed and regularly reviewed to follow the policy.

Newgen adheres to the UN Global Compact’s principles for prevention, deterrence and detection of fraud, bribery and other corrupt practices within the organisation. Our aim is to carry out all business activities with complete honesty, integrity, and the utmost ethical standards.

The policy applies to all individuals associated with Newgen worldwide, regardless of their level or grade, ensuring that our commitment to combatting bribery and corruption is upheld across the board.

The policy is available on Newgen’s intranet platform

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2023-24	FY 2022-23
Directors	None	None
KMPs		
Employees		
Workers		

**6. Details of complaints with regard to conflict of interest:**

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	Not applicable	0	Not Applicable
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	Not applicable	0	Not Applicable

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Not applicable

**8. Number of days of accounts payables ((Accounts payable \*365) / Cost of goods/services procured) in the following format:**

	FY 2023-24	FY 2022-23
Number of days of accounts payables*	21	26

- Excluding accrued expenses

**9. Open-ness of business**

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023- 24	FY 2022- 23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	N/A	N/A
	b. Number of trading houses where purchases are made from	N/A	N/A
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	N/A	N/A
Concentration of Sales	a. Sales to dealers /distributors as % of total sales	N/A	N/A
	b. Number of dealers / distributors to whom sales are made	N/A	N/A
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers / distributors	N/A	N/A
Share of RPTs in sales	a. Purchases (Purchases with related parties /Total Purchases)	20.7%	25.7%
	b. Sales (Sales to related parties / Total Sales)	29.3%	30.5%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	-	-
	d. Investments (Investments in related parties / Total Investments made)	7.3%	15.1%

- Total investments include investment in treasury instruments
- All Related Party Transactions are with the wholly owned subsidiaries on arms-length basis in ordinary course of business.



**BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE.**

**ESSENTIAL INDICATORS**

**1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	Not measured	Not measured	Since our products and services are designed and developed with the purpose of digitizing business processes of our customers, we continue to invest in Development of enhanced solutions that could help reduce carbon footprint of our customers, however, we do not currently measure specific project based R&D investments.
Capex	Not measured	Not measured	Majority of our Capital Expenditure (Capex) in IT infrastructure is allocated towards upgrading our existing laptops, desktops and servers. This investment focuses on acquiring more energy-efficient and technologically advanced equipment, aligning with our commitment to sustainability and innovation. In addition, we are making specific investments in solar and other areas to become more sustainable, however, they are not captured separately

**2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes. Newgen has Supplier Code of Conduct and Procurement policy which specifies procedures for sustainable sourcing.

The policy has clear guidelines about requirements of Human rights, Health & safety, Business Ethics and Environment policy from suppliers. Higher weightage is given to Suppliers with sustainability practices of

the suppliers during selection. Through our procurement policy and suppliers' code of conduct, we enforce adherence to the sustainability framework across our entire value chain.

**b. If yes, what percentage of inputs were sourced sustainably?**

As an IT company dealing predominantly with intangible inputs and products, we have integrated principles of sustainable sourcing into all our supply chains, where applicable.

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Not applicable

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Not applicable



**BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS.**

**ESSENTIAL INDICATORS**

**1. a. Details of measures for the well-being of employees:**

Newgen remains committed to prioritizing the well-being of our employees. Newgen along with the voluntary employee committee (NEWS) supports and encourages employees through various programs/ interventions to maintain physical and mental/ emotional wellness. Programs to ensure physical and mental wellness includes Regular Health Check-ups and Preventive Screenings, tie-ups with hospitals to benefit employees, Fitness Programs/ Sports activities and other awareness sessions and mindfulness and meditation programs from time to time. Additionally, comprehensive medical benefits are extended to all employees and their family. Furthermore, we have established partnerships with external childcare facilities across all office locations to support the needs of new parents.

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent employees</b>											
Male	2957	2957	100%	2957	100%	-	-	2957	100%	2957	100%
Female	933	933	100%	933	100%	933	100%	-	-	933	100%
<b>Total</b>	<b>3890</b>	<b>3890</b>	<b>100%</b>	<b>3890</b>	<b>100%</b>	<b>933</b>	<b>100%</b>	<b>2957</b>	<b>100%</b>	<b>3890</b>	<b>100%</b>

\*Coverage of category of employees in Health Insurance include Permanent, probation, casual, temporary employees for NSTL. Coverage of category of employees in Accident Insurance- Permanent, probation, casual, temporary employees for NSTL

Vendors and contractors are required to adhere to statutory compliances as per the State rules for other than permanent categories

**b. Details of measures for the well-being of workers:**

Not applicable

**c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format -**

	FY 2023-24	FY 2022-23
Cost incurred on well- being measures as a % of total revenue of the Company*	0.9%	Not Calculated

- Includes deemed cost of parental leaves, contribution to employee fund, day care cost, staff welfare and transport cost.

**2. Details of retirement benefits, for Current FY and Previous Financial Year.**

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	NA	Yes	100%	NA	Yes
Gratuity	100%	NA	Yes	100%	NA	Yes
ESI *	0.05%	NA	Yes	0.03%	NA	Yes
Others – please specify	NA	NA	NA	NA	NA	NA

\*Only 2 employees are eligible for ESIC benefits

**3. Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, majority of our office premises have following provisions for differently abled employees and visitors:

- Ramps and handrails
- Accessible washrooms
- Wheelchair
- Designated accessible seats, parking etc.

Newgen is constantly evaluating the accessibility of offices and gathering feedback from employees to identify any gaps and address issues pointed out. Based on evaluation and feedback, we are continuously working towards improving infrastructure for eliminating barriers to ensure that they remain compliant with any changes to accessibility requirements either statutory or otherwise.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes, Newgen upholds a Diversity, Equity and Inclusion at workplace policy that is accessible to all our employees on the intranet. This policy ensures no discrimination based on disability, race, gender, age, religion, sexual orientation, or other beliefs.

We persist in our efforts to provide equal opportunities for individuals with disabilities across all employment facets, encompassing recruitment, training, promotions, and working conditions. The link to our Diversity Equity and Inclusion at Workplace policy is [https://landing.newgensoft.com/hubfs/\\_2020%20Website%20files/IR/Diversity%20Equity%20&%20Inclusion%20at%20Workplace%20Policy.pdf](https://landing.newgensoft.com/hubfs/_2020%20Website%20files/IR/Diversity%20Equity%20&%20Inclusion%20at%20Workplace%20Policy.pdf)

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees	
	Return to work rate	Retention rate
Male	100%	83%
Female	97%	71%
<b>Total</b>	<b>99%</b>	<b>76%</b>

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes. Newgen offers a single platform for reporting various concerns including matters relating to <ul style="list-style-type: none"> <li>Code of Ethics and Business Conduct</li> <li>Protected disclosures, insider trading, bribery and corruption</li> <li>Human rights, discrimination, harassment etc.</li> </ul> This ensures that employees are able to raise their concerns and they are promptly and effectively addressed. <p>For serious matters, a grievance redressal committee is convened within the company. This committee is composed of members from management, HR, Legal, or other pertinent departments, tailored to the specific nature of the grievance at hand.</p> Additionally, Newgen has an Independent External Ombudsman under our Whistle-blower mechanism that ensures routing of all complaints to the relevant body for investigation and action. The designated Ombudsman administers the entire process – from recording, reviewing and investigating concerns raised and taking all necessary actions to get the issue resolved.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

**7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:**

There are no Unions/Associations in Newgen that Employees are affiliated to.

Category	FY 2023-24			FY 2022-23		
	Total employees/workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/C)
<b>Total Permanent Employees</b>						
- Male						
- Female						
<b>Total Permanent Workers</b>						
- Male						
- Female						

Not Applicable

Not Applicable

**8. Details of training given to employees and workers:**

**a) Wellbeing and safety:**

Employee Health, Wellbeing and Safety has always remained paramount at Newgen. For ensuring this, we regularly conduct following activities:

- Newgen along with the voluntary employee committee (NEWS) supports and encourages employees through various programs/ interventions to maintain physical and mental/ emotional wellness. Programs to ensure physical and mental wellness includes Regular Health Check-ups and Preventive Screenings, tie-ups with hospitals to benefit employees, Fitness Programs/ Sports activities and other awareness sessions and mindfulness and meditation programs from time to time.
- Regular fire safety sessions and fire safety training is conducted for or employees, to equip them with knowledge and skills necessary to respond effectively in case of an emergency. Clear evacuation routes and emergency exit signs are prominently displayed, and regular drills are also conducted to familiarize the employees with evacuation procedures.

**b) Skill Upgradation Training:**

We at Newgen take pride in the skills and knowledge of our employees which is always in line with the evolving technology for them to cater to the needs of our customers. Measures for constant Skill upgrade among employees include:

- Regular training sessions to update skills and knowledge.
- Providing access to online learning platforms and resources.
- Offering Certification programs to validate expertise.
- In-house Workshops: Conducting workshops to introduce new technologies and tools.
- Collaboration with Experts: Partnering with industry experts for insights and updates.
- Feedback Mechanism: Encouraging feedback to identify technological gaps and address them promptly.
- Tech Updates: Communicating updates and advancements in technology through internal channels.
- Hands-on Experience: Facilitating opportunities for hands-on experience with new technologies.
- Leadership, soft skills, quality trainings etc.

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and safety measures		On Skill Upgradation*		Total (D)	On Health and safety measures		On Skill upgradation	
		No.(B)	% (B/A)	No.(C)	% (C/A)		No.(E)	% (E/D)	No. (F)	% (F / D)
<b>Employees</b>										
Male	3338	1475	33%	3125	94%	2835	2835	100%	2053	72.42%
Female	1073			1014	95%	926	926	100%	656	70.84%
<b>Total</b>	<b>4411</b>	<b>1475</b>	<b>33%</b>	<b>4139</b>	<b>94%</b>	<b>3761</b>	<b>3761</b>	<b>100%</b>	<b>2709</b>	<b>72.03%</b>

- On Skill upgradation trainings, all trainings related to Newgen Products, Accelerator/ domain, Quality Standards, Leadership Skills and other soft skills are included in FY'24. Employees who have undergone one or more trainings are included in the coverage

**9. Details of performance and career development reviews of employees and worker:**

Category	FY 2023-24*			FY 2022-23*		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	2957	2663	90.0%	2400	2048	85.3%
Female	933	873	93.6%	790	714	90.4%
<b>Total</b>	<b>3890</b>	<b>3536</b>	<b>90.9%</b>	<b>3190</b>	<b>2762</b>	<b>86.6%</b>

\*Data is for Permanent employees only, based on assessments

**10. Health and safety management system:****a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?**

Yes, we work diligently to maintain high standard of occupational health and safety across our offices. Some of the practices include:

- Fire and Safety Measures: Installation of apparatus and regular drills to ensure preparedness.
- Provision of Defibrillators: Equipping offices with defibrillators for emergency medical situations.
- Safe Transport Practices: Regular inspection of Company-Provided Transport Facilities for ensuring safe commutes for employees, with a special focus on the safety of female employees.
- Providing training and raising awareness among employees regarding occupational health and safety protocols.
- Adhering to relevant regulations and standards to ensure comprehensive safety measures.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

In order to proactively address safety hazards, and ensure a secure work environment, the Company employs a comprehensive approach for Preventive Action and Emergency Management. We conduct regular safety inspections, assessments and identify potential risks. These inspections help in formulating and implementing effective standard operating procedures/ preventive measures to mitigate hazards and promote safety protocols across the organization.

At our office locations, we have provision and maintenance of fire detection, alarm, and suppression systems. We also conduct regular mock drills for fire evacuation as well as medical emergencies.

We periodically conduct checks and preventive maintenance of our electrical equipment and Fire detection, alarm and suppression system to prevent fire hazard.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Yes, Safety incident reporting and management processes have been designed and implemented to ensure that all work-related incidents are reported and closed after taking necessary corrective actions.

**d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, an Annual Health Check-up is provided for preventive healthcare of our employees. We also conduct awareness sessions on mental health and various lifestyle diseases for our employees.

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category*	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NIL	NIL
Total recordable work-related injuries	Employees	NIL	NIL
No. of fatalities	Employees	NIL	NIL
High consequence work-related injury or ill-health (excluding fatalities)	Employees	NIL	NIL

\*Including in the contract workforce

**12. Describe the measures taken by the entity to ensure a safe and healthy work place.**

For ensuring safe and healthy workplace, Newgen has taken measures such as:

- Installation and upkeep of fire detection, alarm, and suppression systems in office locations to ensure swift response in emergencies.
- Conducting routine mock drills for fire evacuation and medical emergencies to maintain preparedness and efficiency in response.
- Provision of safe transport practices for employees using Company provided transport.
- Programs to ensure physical and mental wellness includes Regular Health Check-ups and Preventive Screenings, tie-ups with hospitals to benefit employees, Fitness Programs/ Sports activities and other awareness sessions and mindfulness and meditation programs from time to time.

These measures collectively contribute to creating a secure and conducive workplace environment for our employees.

**13. Number of Complaints on the following made by employees and workers:**

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions Health & Safety		Nil			Nil	

**14. Assessments for the year:**

	<b>% of your plants and offices that were Assessed (by Company or Statutory Authorities or Third Parties)</b>
Health and safety practices Working Conditions	We assess most of our offices internally on a regularly basis on Health and Safety practices and working conditions. Most of the Health and Safety and Working Conditions aspects are covered under ISO 27001 Certification as well.

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

No such incidents were reported during the year

**LEADERSHIP INDICATORS**

**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

Yes, Newgen has Group Term Insurance policy to support employees’ families in the event of death of an employee.



**BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS.**

**ESSENTIAL INDICATORS**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

Newgen engages with a diverse range of stakeholders including customers, employees, investors/shareholders, vendors, government and statutory bodies, and the community at large as part of its business activities, CSR, ESG and other engagements. These stakeholders could be individuals, business entities, or other organizations that are touched by Company’s business activities or its products/ platform or other activities like CSR undertaken by it as part of its operations. The Company engages with these stakeholders with an objective to understand their needs and requirements and their impact on the business, future outlook and risks in order to enhance the strategic and operational decisions.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

<b>Stakeholders Group</b>	<b>Whether identified as Vulnerable &amp; Marginalised Group</b>	<b>Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement Community Meetings, Notice Board, website, Others)</b>	<b>Frequency of engagement (Annually/ Half yearly/ quarterly/ others- please specify)</b>	<b>Purpose and scope of engagement including Key topics and concerns raised during such engagement</b>
Customers	No	<ul style="list-style-type: none"> <li>- Customer meetings/ visits/ reviews</li> <li>- Industry Events</li> <li>- Customer Satisfaction Surveys</li> <li>- Customer Meets</li> <li>- Brochures/ Case Studies/ Website/ Social media/ Mailers</li> </ul>	<ul style="list-style-type: none"> <li>• Continuous: Website/ Social Media/ Meetings/ Mailers/ Industry Events</li> <li>• Annual: Customer Satisfaction Surveys/ Customer Meet</li> </ul>	Updates on New products, Resolving Queries, Seeking Customer Feedback & Satisfaction
Employees	No	<ul style="list-style-type: none"> <li>- NEWS Committee/ Events</li> <li>- Townhall</li> <li>- HR Surveys</li> <li>- Mailers/ Internal Communications</li> <li>- Intranet</li> </ul>	<ul style="list-style-type: none"> <li>• Continuous: NEWS Committee/ Events/ Mailers/ Internal Communications/ Intranet</li> <li>• Annual: Townhall/ HR Surveys</li> </ul>	Learning & Development, Employee recognition and Engagement activities, Employee performance review and career development, Employee Safety and Well Being



Stakeholders Group	Whether identified as Vulnerable & Marginalised Group	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement Community Meetings, Notice Board, website, Others)	Frequency of engagement (Annually/ Half yearly/ quarterly/ others- please specify)	Purpose and scope of engagement including Key topics and concerns raised during such engagement
Investors	No	<ul style="list-style-type: none"> <li>Quarterly Results/ Earnings Call</li> <li>Roadshows</li> <li>Annual General Meeting</li> <li>Financial Reports</li> <li>Press Releases and Presentations</li> <li>Mails</li> <li>Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>Continuous: Website/ Social media/ Meetings</li> <li>Quarterly: Quarterly Results/ Earnings Call/ Roadshows/ Financial Reports/ Presentations</li> <li>Event basis: Press Releases</li> </ul> Annual: Annual General Meeting, Annual Report	Dividend Updates, Financial Performance, Resolving Queries etc.
Government and Regulatory Bodies	No	<ul style="list-style-type: none"> <li>Engagement in global forums</li> <li>Interacting with statutory/ regulatory bodies</li> </ul>	As and when required	Discussions with regards to various regulations and amendments, inspections, approvals.
Suppliers and Business Partners	No	Meetings/ Mails/ visits/ Events	As and when required	Resolving queries and operational challenges
Communities	No	<ul style="list-style-type: none"> <li>School/ Site visits</li> <li>Press Releases</li> <li>Social Media</li> <li>Website</li> </ul>	As and when required (continuous efforts)	Implementation of CSR projects.



**BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS.**

**ESSENTIAL INDICATORS**

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	3890	3824	98.3%	3190	3011	94.4%
Other than permanent	521	502	96.4%	571	490	85.8%
<b>Total Employees</b>	<b>4411</b>	<b>4326</b>	<b>98.1%</b>	<b>3761</b>	<b>3501</b>	<b>93.1%</b>

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal Minimum Wage to		More than Minimum Wage		Total (D)	Equal Minimum Wage to		More than Minimum Wage	
		No.(B)	% (B/A)	No. (C)	% (C/A)		No.(E)	% (E/D)	No.(F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>										
Male	2957	-	-	2957	100%	2400	-	-	2400	100%
Female	933	-	-	933	100%	790	-	-	790	100%
<b>Other Than Permanent</b>										
Male	313	-	-	313	100%	351	-	-	351	100%
Female	134	-	-	134	100%	125	-	-	125	100%

\* Excluding third party, contract, partner role and onsite employees

**3. Details of remuneration/salary/wages**

**a. Median remuneration / wages:**

	Male		Female	
	Number	Median remuneration/salary/ wages of respective category	Number	Median remuneration/salary/ wages of respective category
Board of Directors (BoD)	5	87,92,332	2	1,28,37,426
Key Managerial Personnel*	7	3,14,70,964	1	1,79,82,520
Employees other than BoD and KMP	2952	9,50,053	933	8,97,084

- KMP includes Managing Director and Whole Time Directors

**b. Gross wages paid to females as % of total wages paid by the entity, in the following format:**

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	20.66%	Not calculated

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

Yes, we have a mechanism available to receive and redress any grievances to maintain a work culture that is healthy, fair, and inclusive. This ensures that employees feel heard and valued, and their concerns are addressed promptly and effectively.

Newgen offers a single platform for reporting various concerns including matters relating to

- Code of Ethics and Business Conduct
- Protected disclosures, insider trading, bribery and corruption
- Human rights, discrimination, harassment etc.

This ensures that employees are able to raise their concerns and they are promptly and effectively addressed.

When needed, a committee is formed within the company to resolve the grievance. Committees established work in line with the company’s policies on Code of Ethics and Business Conduct, POSH, Whistle-Blower, and Disciplinary Action Protocol (DAP).

**6. Number of Complaints on the following made by employees and workers:**

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	Nil		Nil	Nil	-
Discrimination at workplace	Nil	Nil		Nil	Nil	-
Child Labour	Nil	Nil		Nil	Nil	-
Forced Labour / Involuntary Labour	Nil	Nil		Nil	Nil	-
Wages	Nil	Nil		Nil	Nil	-
Other human Rights related issues	Nil	Nil		1	Nil	-

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	Nil
Complaints on POSH as a % of female employees / workers	0.09 %	Nil
Complaints on POSH upheld	1	Nil

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

- Our Diversity, Equity and Inclusion at workplace Policy ensures unbiased treatment at all stages of employment at all levels, regardless of disability, race, gender, age, religion, sexual orientation, or other beliefs. We conduct training and awareness sessions for employees to educate them about their rights and responsibilities.
- In the event of a complaint, we conduct confidential investigations, with members required to sign a Non-Disclosure Agreement to maintain confidentiality.
- Our company policies, including the Code of Ethics and Business Conduct, Prevention of Sexual Harassment of Women at Workplace (POSH), Whistle-Blower, and Disciplinary Action Protocol (DAP), outline detailed mechanisms for handling complaints. Our whistle-blower policy also clearly states that irrespective of the findings of the investigation, Complainant will be protected from any adverse actions from the Company.
- Additionally, we have an external Ombudsman for the Whistle-Blower Mechanism, ensuring impartiality and transparency in grievance resolution.

**9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, as per applicable Labour Laws

**10. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	100%*
Wages	
Others - please specify	

\* Internal Assessment

**11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

No concerns or risks were identified during these assessments.



**BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT.**

**ESSENTIAL INDICATORS**

**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter (In GJ)	FY 2023-24	FY 2022-23
<b>From renewable sources</b>		
Total electricity consumption (A)	6.27	6.48*
Total fuel consumption (B)		
Energy consumption through other sources (C)		
<b>Total energy consumed from renewable sources (A+B+C)</b>	6.27	6.48
<b>From non-renewable sources</b>		
Total electricity consumption (D)	11,503.63	11000.74*
Total fuel consumption (E)	1368.33	501.35

Parameter (In GJ)	FY 2023-24	FY 2022-23
Energy consumption through other sources (F)		-
<b>Total energy consumed from non- renewable sources (D+E+F)</b>	12,871.96	11,502.09
<b>Total energy consumed (A+B+C+D+E+F)</b>	12,878.22	11,508.57
<b>Energy intensity per rupee of turnover</b> (Total energy consumed / Revenue from operations)	0.11 GJ/ Lakh rupees	0.13 GJ/ Lakh rupees
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)*</b> (Total energy consumed / Revenue from operations adjusted for PPP)	2.54 GJ/ Lakh Rupees	2.87 GJ/ Lakh Rupees
<b>Energy intensity in terms of physical output (Per Employee)</b>	2.92 GJ/ Employee	3.06 GJ/ Employee

\* Total electricity consumption for last year modified based on updated information.

\*For the purpose of PPP adjustment, conversion rate of INR 22.167/ USD (for 2023) and INR 22.401/ USD (for 2024) has been taken as per the latest information available on the Implied PPP Conversion Rate page of International Monetary Fund website.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not applicable

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2023-24	FY 2022-23
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	39,236.65	36,028.94
(iv) Seawater / desalinated water	-	-
(v) Others	126.82	238.79
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	39,363.47	36,267.72
<b>Total volume of water consumption (in kilolitres)</b>	38,197.47	35,202.72
<b>Water intensity per rupee of turnover</b> (Total water consumption / Revenue from operations)	0.34 Kilolitre / Lakh rupees	0.40 Kilolitre / Lakh rupees
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)*</b> (Total water consumption / Revenue from operations adjusted for PPP)	7.53 KL/ Lakh Rupees	8.79 KL/ Lakh Rupees
<b>Water intensity in terms of physical Output (Per Employee)</b>	8.66 KL / Employee	9.36 KL / Employee

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

\*For the purpose of PPP adjustment, conversion rate of INR 22.167/ USD (for 2023) and INR 22.401/ USD (for 2024) has been taken as per the latest information available on the Implied PPP Conversion Rate page of International Monetary Fund website.

4. **Provide the following details related to water discharged:**

Parameter	FY 2023-24	FY 2022-23
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(iii) To Seawater		
- No treatment	NA	NA
- With treatment - please specify level of treatment	NA	NA

Parameter	FY 2023-24	FY 2022-23
(iv) Sent to third parties		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
(v) Others		
- No treatment		
- With treatment – please specify level of Treatment	1166	1065
<b>Total water discharged (in kiloliters)</b>	<b>1166</b>	<b>1065</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

**5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Majority of our offices are located in multi-tenanted buildings, where the developer or building management is responsible for water treatment and discharge.

In our Chennai office, we have implemented a Zero Liquid Discharge mechanism to ensure responsible water management. We operate our own water treatment plant with a capacity of 12 KLD (Kilo Litres per Day) based on a Batch process Sewage Treatment Plant (STP). This innovative technology combines traditional anaerobic digestion with modern disinfection systems. The water, once free of bio pollutants, undergoes disinfection through Ozonation and filtration. Presently, the treated water is utilized for gardening and other cleaning purposes, contributing to our sustainability efforts.

**6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	KG	140.43	108.09
Sox	KG	8.42	2.08
Particulate matter (PM)	KG	24.67	11.59
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others - (CO)	KG	58.49	63.4

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

**7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2023-24	FY 2022-23
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	466.06	290.53
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	2,642.64	2,490.45
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover</b>	tCO2 e/lakh rupees	0.03	0.03
<b>(Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)</b>			
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b>	tCo2e/Lakh Rupee adjusted for PPP	0.61 tCo2E / Lakh Rupee (adjusted for PPP)	0.69 tCo2E / Lakh Rupee (adjusted for PPP)
(Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)			
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output (Per Employee)</b>	tCo2e/employee	0.70/ employee	0.74/ employee

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

\*For the purpose of PPP adjustment, conversion rate of INR 22.167/ USD (for 2023) and INR 22.401/ USD (for 2024) has been taken as per the latest information available on the Implied PPP Conversion Rate page of International Monetary Fund website.

**8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

Yes, we have adopted number of measures to reduce our Green House Gas emissions:

**Energy Consumption Reduction Measures:**

- Majority of our offices have transitioned to LED lights. Motion sensor lights are being installed in common areas, meeting rooms and private offices.
- While a 19 KW-3 phase Rooftop solar power system is already functional at our Delhi Okhla Phase-II office with Net metering system, we are in the process of installation of additional inhouse solar power capacity at Noida and Chennai offices.
- We have also planned to install a Heat pump at our Noida office which will help us save significant amount of electricity during winter months.
- At our Okhla Phase-2 office, we have also converted our diesel based generator to a CNG based generator which will help reduce our carbon emissions
- At our new office space in Mumbai, we have designed it in such a manner that entire seating area gets natural sunlight thus eliminating the need for electrical lights during the day

These concerted efforts are towards our commitment to environmental sustainability and reducing our carbon footprint.

**9. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2023-24	FY 2022-23
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	0.001	0.13
E-waste (B)	5.9	3.32
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	0.1	-
Battery waste (E)	6.01	4.04
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	-	-
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>12.02</b>	<b>7.49</b>
<b>Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)</b>	0.0001058 MT/ Lakh Rupees	0.0000844 MT/ Lakh Rupees
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)</b>	0.00237 MT/ Lakh Rupees	0.00187 MT/ Lakh Rupees
<b>Waste intensity in terms of physical output (Per Employee)</b>	0.003 MT/ employee	0.002 MT/ employee
<b>Waste intensity (optional) - the relevant metric may be selected by the entity</b>		
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	11.92*	6.91*
(ii) Re-used		0.58
(iii) Other recovery operations		-
<b>Total</b>	<b>11.92</b>	<b>7.49</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	NA	NA
(ii) Landfilling	NA	NA
(iii) Other disposal operations	NA	NA
<b>Total</b>	<b>NA</b>	<b>NA</b>

\*We sell our plastic waste and battery waste in a responsible manner to the authorized dealer for recycling.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

\*For the purpose of PPP adjustment, conversion rate of INR 22.167/ USD (for 2023) and INR 22.401/ USD (for 2024) has been taken as per the latest information available on the Implied PPP Conversion Rate page of International Monetary Fund website.

**10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Being an IT company, our inputs, products and processes do not involve the usage of hazardous or toxic material or chemicals. Newgen has adopted Reduce-Reuse-Recycle philosophy to minimize its auxiliary waste. All waste, including Plastic Waste, Battery Waste, and E-waste, is responsibly disposed of through authorized dealers for recycling, following the guidelines set forth in the E-waste Management Rules, 2016.

Our waste management practices encompass:

- Following E-waste Management guidelines and disposing E-waste through authorised dealers
- Collecting and reusing rejected water from RO plants within our facilities for tasks such as mopping and cleaning.
- Introduced stationary made from recycled paper which can be recycled further
- Minimising the use of single use plastic especially plastic bottles in office premises. Encouraging employees to switch to reusable water bottles and also glass water bottles have been introduced for meeting rooms and visitors
- Reduction in food waste in cafeterias with the help of sustained campaign to sensitize employees
- Installation of Padcare machine at Mumbai office to recycle sanitary pads into sterilized paper and plastic
- Implementation of reusable cups and glasses for employees to use for tea and coffee consumption, reducing the need for disposable paper products and minimizing waste.

These waste management initiatives exemplify our commitment to environmental sustainability and responsible resource management.

**11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

S No.	Location of operations/offices	Types of operations	Whether the conditions of environmental approval/clearance are being complied with?
Not Applicable			

**12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of projects	EIA Notification No.	Date	Whether conducted by independent external agency	Results communicated in public domain	Relevant Web link
Not Applicable					

**13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

Newgen operates with the philosophy of transparency and compliance, we have teams responsible to ensure Compliance to all applicable laws and regulations.



**BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT.**

**ESSENTIAL INDICATORS**

**1. a. Number of affiliations with trade and industry chambers/ associations.**

The company has affiliations with three trade and industry chambers/ associations.

**b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	NASSCOM	National
2.	PHD Chamber of Commerce	National
3.	TiE Delhi-NCR	NCR Region

**2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
Not Applicable		



**BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT.**

**ESSENTIAL INDICATORS**

**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
The company has not undertaken any SIAs in the current financial year.					

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S. No.	Name of Project for which R&R is Ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

**3. Describe the mechanisms to receive and redress grievances of the community.**

Not Applicable

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

The company supports local and small suppliers (MSMEs) by procuring goods and services in proximity to its offices/ locations. First Preference is given to local vendors to the extent possible.

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	10.1%	10.4%
Sourced within India	99.1%	98.7%



**5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following location, as % of total wage cost**

Location	FY 2023-24	FY 2022-23
Rural	-	Not Calculated
Semi-urban	-	
Urban	-	
Metropolitan	100%	

Newgen offices are located in metropolitan areas however we recruit people from all over India. Above numbers are for % of wages paid to new hires in 2023-24 as of total wage bill of new hires only.

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)



**BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER**

**ESSENTIAL INDICATORS**

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

We have structured approach and mechanism to track and respond to customer complaints and feedback. We conduct regular Business Reviews with our major clients to take their feedback and identify any opportunities for improvement. We also conduct customer satisfaction surveys.

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	
Recycling and/or safe disposal	

**3. Number of consumer complaints in respect of the following:**

	FY 2023-24		Remarks	FY 2022-23		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber-security	3	Nil	-	Nil	Nil	-
Delivery of essential services	NA	NA	-	NA	NA	-
Restrictive Trade Practices	NA	NA	-	NA	NA	-
Unfair Trade Practices	Nil	Nil	-	NA	NA	-
Other*	Nil	Nil	-	Nil*	Nil	-

\*Modified based on updated methodology

**4. Details of instances of product recalls on account of safety issues:**

Newgen, being a software product and services company does not have any physical products thus product recall is not applicable. With the help of strong QC process involving rigorous testing, any software defect is rectified before release and deployment.

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes, Newgen has a well-defined and documented Policy on Risk Management. Refer to the URL: <https://investors.newgensoft.com/wp-content/uploads/2021/06/Risk-Management-Policy.pdf>

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

Newgen experienced a security incident related to ransomware in March 2024. Our Emergency response team got into action and worked diligently to contain the attack and mitigate any potential damage. None of our critical services or data were impacted. The Company engaged with global cyber security consulting firms, for comprehensive analysis, providing immediate recommendations and remediation steps. Accordingly, we took all the necessary measures to prevent damage to the IT systems of the Company and to safeguard the integrity and security of our systems. Basis the inputs provided by the consulting firms, the Company has set a roadmap to further investment in this area, to emerge stronger.

**7. Provide the following information relating to data breaches:**

- a. Number of instances of data breaches NIL
- b. Percentage of data breaches involving personally identifiable information of customers NIL
- c. Impact, if any, of the data breaches NA

# Annexure 8

## Report on Corporate Governance

### I Company's Philosophy on Corporate Governance:

Your Company's philosophy on Corporate Governance envisages the accomplishment of a high level of transparency, integrity and accountability in the conduct of its businesses and accords importance to regulatory compliances. These principles have evolved, over the years, from the Company's culture of continuous innovation and rich experiences gathered from the past. We acknowledge that effective governance is an ongoing endeavour, and we reaffirm our dedication to upholding the highest standards of corporate governance, prioritizing the holistic welfare of our stakeholders.

Our core principles represent the edifice of our two-tier governance model, with the Board of Directors and the Committees of the Board at the apex, and the management structure at the operational level. The Board and its Committees guide, support, and complement the management team's ideas and initiatives, which in turn assumes accountability, strives to achieve the set objectives, and enhances value creation for all.

### II Board of Directors:

The composition of the Board is in conformity with the requirements of the Companies Act, 2013 (the "Act") including the rules framed thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The composition of the Board represents an optimal mix of professionalism, knowledge, and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business. The Board is fully aware of its fiduciary responsibilities and is committed to represent the long-term interest of the Stakeholders.

(i) As on 31<sup>st</sup> March 2024, the Board comprises of 7 (seven) Directors, out of which 3 (three)

Directors are Executive Directors and 4 (four) Directors are Non-Executive Directors. 2 (two) Executive Directors are Promoter Directors, and 1 (one) Executive Director is the member of the promoter group. All 4 (four) of Non-Executive Directors are Independent Directors including 1 (one) woman Independent Director.

- (ii) Based on the declarations received from the Independent Directors, the Board of Directors confirms that they meet the criteria of Independence as mandated by Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. The Company had issued formal letters of appointment to Independent Directors, whenever required, in the manner as provided in the Act and SEBI Listing Regulations.
- (iii) None of the Directors on the Board holds directorships in more than 10 (ten) public companies (Listed or Unlisted). None of the Independent Directors serves as an independent director on more than 7 (seven) listed entities. Necessary disclosures about their Directorship(s) and status of Committee's Membership(s)/ Chairpersonship(s) in other Companies (Listed or Unlisted) have been made. The number of Directorships/Committee memberships held by Executive and Non-Executive Independent Directors are within the permissible limits under SEBI Listing Regulations and Companies Act, 2013.
- (iv) The names and categories of the Directors on the Board, their attendance at the last Annual General Meeting ("AGM"), number of Directorships(s) and the status of Committee Membership(s)/ Chairperson(s) held by them in other Companies (Listed or Unlisted), as on 31<sup>st</sup> March 2024 are given hereinbelow:

Name of the Director	Category of Director	Whether attended last AGM held on 27 <sup>th</sup> June 2023	Number of Directorship(s) in Companies other than Newgen#1	Number of Membership(s) of Committee(s) in other Companie#2	Chairmanship(s) of Committee(s) in other Companie#2
Mr. Diwakar Nigam	Promoter/ Executive/ Chairman and Managing Director	Yes	1	0	0
Mr. T. S. Varadarajan	Promoter/ Executive/ Whole - Time Director	Yes	2	0	0

Name of the Director	Category of Director	Whether attended last AGM held on 27 <sup>th</sup> June 2023	Number of Directorship(s) in Companies other than Newgen#1	Number of Membership(s) of Committee(s) in other Company#2	Chairmanship(s) of Committee(s) in other Company#2
Mrs. Priyadarshini Nigam	Promoter Group/ Executive/ Whole - Time Director	Yes	1	0	0
Mr. Kaushik Dutta	Non - Executive/ Independent Director	Yes	7	4	3
Mr. Saurabh Srivastava	Non - Executive/ Independent Director	No	3	0	0
Mr. Subramaniam Ramnath Iyer	Non - Executive/ Independent Director	Yes	0	0	0
Mrs. Padmaja Krishnan	Non - Executive/ Independent Director	Yes	1	0	0

#1 Above list of other Directorship(s) is based on a declaration given by respective Director(s) and does not include Directorship(s) in foreign companies, Limited Liability Partnership (LLP) and Section 8 Company under the Act.

#2 Committees considered are the Audit Committee & Stakeholders' Relationship Committee of Listed Company and Public Companies only, excluding that of Newgen Software Technologies Limited.

- (v) Details of Directorship(s) held by the Directors on the Board in other Listed Companies during the financial year 2023-24:

Name of Director	Name of Other Listed Companies	Category of Directorship(s) in such other listed Companies
Mr. Diwakar Nigam	NIL	NIL
Mr. T.S. Varadarajan	NIL	NIL
Mrs. Priyadarshini Nigam	NIL	NIL
Mr. Kaushik Dutta	1. PB Fintech Limited 2. Zomato Limited 3. HCL Infosystems Limited	1. Independent Director 2. Independent Director 3. Independent Director
Mr. Saurabh Srivastava	NIL	NIL
Mr. Subramaniam Ramnath Iyer	NIL	NIL
Mrs. Padmaja Krishnan	NIL	NIL

- (vi) During the financial year 2023-24, 6 (Six) meetings of the Board of Directors were held, the details of attendance of each Director at the Board meetings are given below:

Name of the Director	Category of the Director	Date(s) of the Board meeting <sup>#1</sup>					
		02-05-2023	19-07-2023	17-10-2023	27-11-2023	16-01-2024	20-03-2024
Mr. Diwakar Nigam	Promoter/ Executive/ Chairman and Managing Director	Yes	Yes	Yes	Yes	Yes	No
Mr. T.S. Varadarajan	Promoter/ Executive/ Whole - Time Director	Yes	Yes	Yes	Yes	Yes	Yes
Mrs. Priyadarshini Nigam	Promoter Group/ Executive/ Whole - Time Director	Yes	Yes	Yes	Yes	Yes	Yes

Name of the Director	Category of the Director	Date(s) of the Board meeting <sup>#1</sup>					
		02-05-2023	19-07-2023	17-10-2023	27-11-2023	16-01-2024	20-03-2024
Mr. Kaushik Dutta	Non - Executive/ Independent Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Saurabh Srivastava	Non - Executive/ Independent Director	Yes	Yes	No	Yes	Yes	Yes
Mr. Subramaniam Ramnath Iyer	Non - Executive/ Independent Director	Yes	Yes	Yes	Yes	Yes	Yes
Mrs. Padmaja Krishnan	Non - Executive/ Independent Director	Yes	Yes	Yes	Yes	Yes	Yes

<sup>#1</sup> Including attendance by Videoconference.

- (vii) The Board is updated on the discussions held at the Committee meetings and the recommendations made by various Committees.
- (viii) Except for Mr. Diwakar Nigam and Mrs. Priyadarshini Nigam, none of the Directors is related to any other Director(s). Mrs. Priyadarshini Nigam a Whole-time Director is the spouse of Mr. Diwakar Nigam who is the Chairman & Managing Director of the Company.
- (ix) As on 31<sup>st</sup> March 2024 none of the Non-Executive Directors holds Equity Shares of the Company, and the Company does not have any outstanding convertible instruments.
- (x) The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Technology	Reasonable knowledge and experience in technology with an ability to foresee technological trends and changes, apply new technology and bring about innovations in business strategies.
Strategic Planning and Analysis	Ability to critically identify and assess strategic opportunities and threats and develop effective strategies in the context of long-term objectives and the organizations' relevant policies and priorities.
Financial Management	Wide-ranging knowledge and financial skills, oversight for risk management and internal controls and proficiency in financial management and financial reporting processes.
Global Business	Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities.
Governance	Understanding of the various governance and compliance requirements under various applicable laws, supporting a strong Board base and management accountability, transparency, and protection of stakeholder interests.
Leadership	Leadership experience for understanding the needs of the organization, risk management systems and succession planning for the organization.
Diversity	Representation of gender, ethnic, geographic, cultural, or other perspectives that expand the Board's understanding of the needs and viewpoints of our customers, partners, employees, governments, and other stakeholders worldwide.

The table below expresses the specific areas of focus skills/expertise/competencies which are currently possessed by the Directors of the Company. However, the absence of a tick mark does not necessarily mean the member does not possess the corresponding skills/expertise.

Name of Directors	Technology	Strategic Planning and Analysis	Financial Management	Global Business	Governance	Leadership	Diversity
Mr. Diwakar Nigam	√	√	√	√	√	√	√
Mr. T S Varadarajan	√	√	√	√	√	√	√
Mrs. Priyadarshini Nigam	-	√	-	√	√	√	√
Mr. Kaushik Dutta	-	√	√	-	√	√	√
Mrs. Padmaja Krishnan	√	√	-	√	√	√	√
Mr. Saurabh Srivastava	√	√	√	√	√	√	√
Mr. Subramaniam Ramnath Iyer	-	√	√	-	√	√	√

The profiles of the Directors are available on the Company's website at: <https://newgensoft.com/company/leadership-team/> and shall also be included in the Annual Report of the Company.

### III Independent Directors:

At Newgen, the appointment of Independent Directors is carried out in a structured manner in accordance with the provisions of the Act and the SEBI Listing Regulations. The Nomination & Remuneration Committee of the Board identifies candidates based on certain laid down criteria and takes into consideration the need for diversity of the Board and accordingly makes its recommendations to the Board.

Independent Directors play a significant role in the governance processes of the Board. By virtue of their varied experience & expertise, they enrich the Board's decision-making and prevent possible conflicts of interest that may emerge in such decision-making. They also interact proactively with Key Managerial Personnel and Auditors of the Company to make matters more transparent in the best interest of the Company.

#### (i) Meeting of Independent Directors:

The Independent Directors met once in a financial year, without the presence of Non-Independent Directors or Management representatives. Independent Directors, inter alia, evaluated:

- the performance of the Chairperson of the Company taking into account the views of the Executive and Non-executive Directors; and
- the performance of Non-Independent Directors and the Board of Directors as a whole.

During the period under review, meeting of Independent Directors was held on 1<sup>st</sup> May 2023.

In addition, they also discussed the issues arising out of Committee Meetings and Board discussions including the quality, quantity and timely flow of information between the Company Management and the Board, which are essential for the Board members to effectively and reasonably perform their duties.

#### (ii) The details of the familiarisation programme for Independent Directors are given below:

With a view to familiarizing the Independent Directors, the Company arranges programs, time to time, to familiarize the Independent Directors with the Company, their roles, rights and responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company, etc.

The Company has divided the familiarization initiatives into two parts viz. orientation program upon induction of new Independent Director and other initiatives and other important developments to update the directors on a continuing basis.

Meetings with the Company's officials have been arranged as and when necessary, to understand the business and operations of the Company. The presentations at the Board meetings include updates on the industry, business operations and financial performance, working capital and foreign exchange management,

senior management changes, compliances, cash flow, budgets, and various aspects of the operations of the Company and of its subsidiaries.

The details of the familiarization program of the Independent Directors can be found on the Company's website at: [https://landing.newgensoft.com/hubfs/\\_2020%20Website%20files/IR/Familiarization-Programme-for-Independent-Directors.pdf](https://landing.newgensoft.com/hubfs/_2020%20Website%20files/IR/Familiarization-Programme-for-Independent-Directors.pdf).

**(IV) Particulars of Senior Management including the changes therein since the closure of the previous Financial Year.**

As on 31<sup>st</sup> March 2024, the details of Senior Management of the Company are as follows: -

S. No.	Name of Senior Management	Designation
1	Mr. Virender Jeet	Chief Executive Officer
2	Mr. S J Raj	EVP - Global Business Strategy and HR
3	Mr. Tarun Nandwani	Chief Operating Officer
4	Mr. Arun Kumar Gupta	Chief Financial Officer
5	Mr. Aman Mourya	Company Secretary & Legal Head
6	Mr. Abhay Kant Tiwari	CSD - Head
7	Mr. Ashok Kapoor	Marketing - Head
8	Mr. Atin Kumar	Delivery - Head
9	Mr. Manojit Majumdar	Channel Sales - Head
10	Mr. Nem Chand Jain	EPS Group - Head
11	Mr. Nitin Agarwal	Process Digitisation - Head
12	Mr. Rajvinder Singh Kohli	GSI Sales- Head
13	Mr. Ritesh Varma	Pre-sales - Head (Marketing I)
14	Mr. Sanjay Pandey	Genesis 1 (VP)
15	Mrs. Shikha Bhatt	AP- 1 (VP)
16	Mr. Soni Neelankavil	Cloud Management & Risk Officer - Head
17	Mr. Sunil Pandita	Domestic Sales - Head
18	Mr. Varun Goswami	Genesis 2 (VP)
19	Mr. Vineet Dev	Admin - Head
20	Mr. Vivek Bhatnagar	Sales International - Head
21	Mr. Vivek Mani Tripathi	HRD - Head
22	Mrs. Runki Goswami	Marketing - Head

\*Mr. Mukesh Bhatnagar, Senior Management of the Company has retired from the Company with effect from 29<sup>th</sup> March 2024.

**V Composition of Committees of the Board:**

The Committees of the Board play an indispensable role in the governance structure of the Company. These Committees are set up under the formal approval of the Board to carry out clearly defined roles that are considered to be performed by Members of the Board, as a part of good governance practice. The minutes of the meetings of all Committees are placed before the Board for noting. Special invitees are invited to join the meetings of the Committee as considered appropriate by the Chairman of the respective Committee. The committee's endeavour is to have all key personnel of the Company at the meeting. This allows them to share their views with the Committee on the agenda matters before the Committee reaches a decision.

There are a total 5 (five) Board Committees as on 31<sup>st</sup> March 2024 and 1 (one) non-statutory committee that have been constituted considering the best practices in Corporate Governance and in the best interest of the Company. These Committees review, discuss, and monitor the activities falling within their terms of reference, the details of which are provided below:

**1) Audit Committee:**

The Committee is constituted in accordance with the provisions of the Act and the provisions of the SEBI Listing Regulations. All members of the Audit Committee are financially literate and bring in expertise in the fields of accounting, Finance, Taxation, compliance, and business of the Company.

**A. Terms of reference:**

The terms of reference of the Audit Committee are as set forth below:

- **Powers of Audit Committee**

**The Audit Committee shall have powers, including the following:**

- (1) To investigate any activity within its terms of reference;
- (2) To seek information from any employee;
- (3) To obtain outside legal or other professional advice; and
- (4) To secure attendance of outsiders with relevant expertise, if it considers necessary.

- **Role of Audit Committee**

**The role of the Audit Committee shall include the following:**

- (1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- (2) Recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) Reviewing the financial statements with respect to its unlisted Subsidiary(ies), in particular investments made by such subsidiary(ies) of the Company;
- (5) Reviewing with the management, the annual Financial Statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act;

- b) Changes, if any, in accounting policies and practices and reasons for the same;
- c) Major accounting entries involving estimates based on the exercise of judgment by management;
- d) Significant adjustments made in the Financial Statements arising out of audit findings;
- e) Compliance with listing and other legal requirements relating to Financial Statements;
- f) Disclosure of any related party transactions; and
- g) Modified opinion(s) in the draft audit report.

(6) Reviewing with the management, the quarterly, half-yearly and annual Financial Statements before submission to the Board for approval;

(7) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(8) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(9) Approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;

**Explanation:** The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI



*Listing Regulations and/or the applicable Accounting Standards and/or the Act.*

- (10) Scrutiny of inter-corporate loans and investments;
- (11) Valuation of undertakings or assets of the Company, wherever it is necessary;
- (12) Evaluation of internal financial controls and risk management systems;
- (13) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (14) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (15) Discussion with internal auditors of any significant findings and follow up there on;
- (16) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (17) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (18) Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, members (in case of non-payment of declared dividends) and creditors;
- (19) Recommending to the board the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
- (20) Reviewing the functioning of the whistle blower mechanism;
- (21) Overseeing the vigil mechanism established by the Company, with the Chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
- (22) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
- (23) To approve the appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.
- (24) reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
- (25) Carrying out any other functions required to be carried out by the audit committee in terms of applicable law.

**The Audit Committee shall mandatorily review the following information:**

- a) Management discussion and analysis of financial condition and results of operations;
- b) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- c) Internal audit reports relating to internal control weaknesses;
- d) The appointment, removal and terms of remuneration of the Internal Auditors shall be subject to review by the Audit Committee; and
- e) Statement of deviations in terms of the listing regulations.

**B. Composition of the Audit Committee during the financial year 2023-24:**

Name of the Committee Member	Category & Designation	Chairman/ Member
Mr. Kaushik Dutta	Non-Executive, Independent Director	Chairman
Mr. Saurabh Srivastava	Non-Executive, Independent Director	Member
Mr. Subramaniam Ramnath Iyer	Non-Executive, Independent Director	Member

**C. Attendance of the members at the Audit Committee meeting held during the financial year 2023-24**

During the financial year 2023-24, 5 (five) meetings of the Audit Committee were held. The attendance of the members of the Committee at the meetings are as below:

Name of the Committee Member	Category & Designation	Date(s) of the meeting and attendance				
		01-05-2023	19-07-2023	17-10-2023	16-01-2024	20-03-2024
Mr. Kaushik Dutta	Non-Executive, Independent Director	Yes	Yes	Yes	Yes	Yes
Mr. Saurabh Srivastava	Non-Executive, Independent Director	Yes	Yes	Yes	Yes	Yes
Mr. Subramaniam Ramnath Iyer	Non-Executive, Independent Director	Yes	Yes	Yes	Yes	Yes

The necessary Quorum was present at all the meetings and all the meetings were held within prescribed time gap

**2) Nomination & Remuneration Committee:**

The Committee is constituted in accordance with the provisions of Section 178(3) of the Act and Regulation 19(4) read with Part D of Schedule-II of the SEBI Listing Regulations.

**A. The terms of reference of the Nomination & Remuneration Committee:**

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board, a policy relating to the remuneration of the directors, key managerial personnel and other employees;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long

term performance objectives appropriate to the working of the Company and its goals.

- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance (including independent director);
- For every appointment of an independent director, the Nomination & Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - use the services of an external agencies, if required;

- b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
- Recommend to the Board, all remuneration, in whatever form, payable to senior management
  - Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of directors; and
  - Carrying out any other functions/ role as required to be undertaken by the Nomination & Remuneration Committee under applicable law and/ or by the Board of Directors of the Company;
  - Administer and implement any Employee based benefit plan including but not limited to Stock Options Scheme (ESOP)/ Plan, RSU, SAR etc, including:
    - a) Delegation of duties and powers in whole or in part as it determines, to one or more officers of the Company and/ or to any one or more sub-committees in respect of aforesaid Plan;
    - b) To choose eligible employees for grant of options and formulate the detailed terms and conditions of the scheme or plan;
    - c) To meet at such intervals as may be required for consideration of grant of options/units under aforesaid Plan;
    - d) To take decision about the criteria of employees to whom shares, under any aforesaid Plan, to be directly issued or through transfer of shares from trust as may be set up under respective scheme or plan;
    - e) To do all such other act and matters as may be provided in any aforesaid Plan and empowered by the Board of Directors time to time.

**B. Composition of the Nomination & Remuneration Committee during the financial year 2023-24:**

Name of the Committee Member	Category & Designation	Chairman/ Member
Mr. Kaushik Dutta	Non-Executive, Independent Director	Chairman
Mr. Saurabh Srivastava	Non-Executive, Independent Director	Member
Mr. Subramaniam Ramnath Iyer	Non-Executive, Independent Director	Member

**C. Meetings and attendance of the Nomination & Remuneration Committee meeting held during the financial year 2023-24:**

During the financial year 2023-24, 5(five) meetings of the Nomination & Remuneration Committee were held. The attendance of the members of the Committee at the meetings is as below:

Name of the Committee Member	Category & Designation	Date(s) of the meeting and attendance				
		01-05-2023	19-07-2023	17-10-2023	16-01-2024	20-03-2024
Mr. Kaushik Dutta	Non-Executive, Independent Director	Yes	Yes	Yes	Yes	Yes
Mr. Saurabh Srivastava	Non-Executive, Independent Director	Yes	Yes	No	Yes	Yes
Mr. Subramaniam Ramnath Iyer	Non-Executive, Independent Director	Yes	Yes	Yes	Yes	Yes

The necessary Quorum was present at the meeting and all the meetings were held within the maximum prescribed time gap.

#### D. Board Annual Evaluation:

Pursuant to the provisions of the Act and SEBI Listing Regulations, the Board of Directors in consultation with the Nomination & Remuneration Committee has carried out the annual performance evaluation of its performance, Committees of the Board, and Individual Directors. The performance of the Board was evaluated by the Board itself after seeking inputs from all the directors on the basis of the criteria such as structure & composition of Board Culture, the effectiveness of Board processes, functioning, execution and performance of specific duties, obligations and governance etc. The performance of Committees was evaluated by the Board after seeking inputs from respective committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings and quality of recommendation to the Board, etc.

The Board and the Nomination & Remuneration Committee reviewed the performance of the individual directors on the basis of criteria such as the contribution of the individual director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects

of his role. In a separate meeting of Independent Directors, the performance of Non-Independent Directors, the performance of the Board as a whole and the performance of the Chairman were evaluated, taking into account the views of executive directors and non-executive directors. The performance evaluation of the Independent Directors was carried out by the entire Board. All the Directors expressed their satisfaction with the evaluation process.

#### E. Details of the Remuneration of Directors:

##### (i) Pecuniary transactions with Non-Executive Directors:

The Non-Executive Directors are paid remuneration by way of sitting fee(s) for attending meetings of the Board & the Committees and commission on profit as approved by the Board of Directors, considering the performance of the Company, the current trends in the industry, the director's participation in Board and Committee meetings during the year and such other responsibilities associated with their respective position. The remuneration paid to the non-executive directors is within the threshold limit prescribed under the provisions of the Act and SEBI Listing Regulations.

(in ₹)

Name	Sitting Fees	Commission on Profit	Other Expenses reimbursed, if any
Mr. Kaushik Dutta	21,00,000	66,92,332	Nil
Mr. Saurabh Srivastava	15,00,000	66,92,332	Nil
Mr. Subramaniam Ramnath Iyer	21,00,000	66,92,332	Nil
Mrs. Padmaja Krishnan	10,00,000	66,92,332	Nil

The policy for setting out the criteria of making payments to Non-Executive Directors is available on the Company's website at <https://investors.newgensoft.com/wp-content/uploads/2021/06/Criteria-of-making-payments-to-Non-Executive-Directors-1.pdf>.

##### (ii) Executive Directors:

The remuneration drawn by the Executive Directors during the financial year 2023-24 is set out below. The remuneration to Executive Director includes fixed salary, perquisites and commission on profit as determined by the Nomination & Remuneration Committee based on their individual responsibilities and contributions to the performance of the organization. The remuneration paid to the Executive Directors is in accordance with the provisions of the Act and SEBI Listing Regulations

(in ₹)

PARTICULARS	NAME OF THE EXECUTIVE DIRECTORS		
	Diwakar Nigam	T.S. Varadarajan	Priyadarshini Nigam
Salary	2,49,13,578	1,17,67,636	57,82,920
Benefits, Perquisites & Allowances	82,080	97,289	39,600
Commission on Profit	3,04,00,000	1,82,40,000	1,21,60,000
<b>Total</b>	<b>5,53,95,658</b>	<b>3,01,04,925</b>	<b>1,79,82,520</b>

The Company enters into service contracts with all Executive Directors for a period of 5 (five) years. The notice period is of 3 (three) months and the severance fee is the sum equivalent to remuneration for the notice period or part thereof in case of shorter notice. The details of the notice period and severance fees etc. are governed by the appointment letter issued to the respective Executive Director at the time of his / her appointment.

**3) Stakeholders’ Relationship Committee:**

The constitution of the Committee and its composition follows the Act and SEBI Listing Regulations.

**A. The terms of reference of the Stakeholders’ Relationship Committee:**

- a) Considering and resolving grievances of security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- b) Building mechanism to redress various aspect of interest of security holders including complaints in respect of allotment of Shares, transfer of Shares, non-receipt of declared dividends,

annual reports, balance sheets of the Company, etc.

- c) To Issue duplicate certificates and new certificates on split/consolidation/ renewal, etc.; and delegate other officers of the Company to issue duplicate share certificates as it deems fit.
- d) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- e) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the members of the Company.
- f) Review of measures taken for effective exercise of voting rights by members.
- g) Allotment of shares.
- h) Carrying out any other functions as may be required from time to time to be undertaken by the Stakeholder’s Relationship Committee under applicable law and Board of Directors

**B. Composition of the Stakeholders’ Relationship Committee during the financial year 2023-24:**

Name of the Committee Member	Category & Designation	Chairman/ Member
Mr. Subramaniam Ramnath Iyer	Non-Executive, Independent Director	Chairman
Mr. Diwakar Nigam	Chairman and Managing Director	Member
Mr. T.S. Varadarajan	Whole-time Director	Member

**C. Meetings and attendance of the Stakeholders’ Relationship Committee meeting held during the Financial Year 2023-24:**

During the Financial Year 2023-24, 1 (one) Stakeholders’ Relationship Committee meeting was held. The attendance of the members of the Committee at the meeting is as below:

Name of the Committee Member	Category & Designation	Date(s) of the meeting/ Attendance
		01-05-2023
Mr. Subramaniam Ramnath Iyer	Non-Executive, Independent Director	Yes
Mr. Diwakar Nigam	Chairman and Managing Director	Yes
Mr. T.S. Varadarajan	Whole-time Director	Yes

The necessary Quorum was present at the meeting.

Mr. Aman Mourya, Company Secretary functions as the Compliance Officer of the Company. He has also been appointed as the nodal officer in line with statutory requirements. During the financial year 2023-24, complaint was received from the Investors/Shareholders. Members/Investors complaints and other correspondence are normally attended to within 30 (Thirty) working days. All the complaints have been redressed to the satisfaction of the Investors/Shareholders and none of them were pending as on 31<sup>st</sup> March 2024. There was no request pending related to the share transfers and/or dematerialization as on 31<sup>st</sup> March 2024.

Particulars	Complaints Received	Complaints Redressed
Non-receipt of Dividend	8	8
Non-receipt of Securities	2	2

The above table includes Complaints, if any, received from SEBI SCORES portal (an online redressal portal) by the Company.

#### 4) Corporate Social Responsibility Committee (CSR):

The constitution of Corporate Social Responsibility Committee and its composition and terms of reference are in compliance with the provisions of Act.

##### A. The terms of reference of the Corporate Social Responsibility Committee:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- To recommend the amount of expenditure to be incurred on activities referred in the law;
- formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:
  - To monitor the Corporate Social Responsibility Policy of the Company from time to time; and
  - To take decisions and to spend the amount in CSR related activities and projects as defined in the CSR Policy of the Company

##### B. Composition of the Corporate Social Responsibility Committee during the financial year 2023-24:

Name of the Committee Member	Category & Designation	Chairman/ Member
Mrs. Priyadarshini Nigam	Whole-time Director	Chairperson
Mr. Kaushik Dutta	Non-Executive, Independent Director	Member
Mr. T.S. Varadarajan	Whole-time Director	Member

##### C. Meetings and attendance of the Corporate Social Responsibility Committee meeting held during the financial year 2023-24:

During the Financial Year 2023-24, 1 (one) Corporate Social Responsibility Committee meeting was held. The attendance of the members of the Committee at the meeting is as below

Name of the Committee Member	Category & Designation	Date(s) of the meeting/ Attendance
		01-05-2023
Mrs. Priyadarshini Nigam	Whole-time Director	Yes
Mr. Kaushik Dutta	Non-Executive, Independent Director	Yes
Mr. T.S. Varadarajan	Whole-time Director	Yes

The necessary Quorum was present at the meeting.

**5) Risk Management Committee:**

The Company has constituted the Risk Management Committee in compliance with SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 read with SEBI Listing Regulations.

**A. The terms of reference of the Risk Management Committee:**

- a) To formulate a detailed risk management policy which shall include:
  - (i) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - (ii) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - (iii) Business continuity plan.
- b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

- c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- d) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- e) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- f) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any, as of now it is not mandatory) shall be subject to review by the Risk Management Committee.
- g) The Committee shall have access to any internal information necessary to fulfil its oversight role. As and when required the Committee may assign tasks to the Internal Auditor, the Company's internal risk management team and any external expert advisors considered necessary for any task and they will provide their findings to the Committee.
- h) Such other terms as may be specified by the Board of Directors from time to time.
- i) Such other terms/ activities as may be prescribed under applicable laws and regulations, time to time.

**B. Composition of the Risk Management Committee:**

Name of the Committee Member	Category & Designation	Chairman/ Member
Mrs. Padmaja Krishnan	Independent Director	Chairperson
Mr. Diwakar Nigam	Chairman and Managing Director	Member
Mr. Kaushik Dutta	Independent Director	Member
Mr. Subramaniam Ramnath Iyer	Independent Director	Member
Mr. Virender Jeet	Chief Executive Officer	Member
Mr. Surender Jeet Raj	EVP - Global Business Strategy & HR	Member

During the financial year 2023-24,3(three) Risk Management Committee meeting were held. The attendance of the members of the Committee at the meeting is as below:

Name of the Committee Member	Category & Designation	Date(s) of the meeting and attendance		
		01-05-2023	17-10-2023	20-03-2024
Mrs. Padmaja Krishnan	Independent Director	Yes	Yes	Yes
Mr. Diwakar Nigam	Chairman and Managing Director	Yes	Yes	No
Mr. Kaushik Dutta	Independent Director	Yes	Yes	Yes
Mr. Subramaniam Ramnath Iyer	Independent Director	Yes	Yes	Yes
Mr. Virender Jeet	Chief Executive Officer	Yes	Yes	Yes
Mr. Surender Jeet Raj	EVP - Global Business Strategy & HR	Yes	Yes	Yes

## 6) Other Committees

Apart from the above statutory committees, the Board of Directors has constituted the following Committee to raise the level of governance and also to meet the specific business needs.

### 6.1. Finance and Operations Committee:

The Finance and Operations Committee has been constituted to oversee the Banking operations, a delegation of operational powers, dealing with the statutory bodies and other finance and routine operations that arise in the normal course of the business. The Committee reports to the Board and the minutes of these meetings are placed before the Board for information.

#### A. The terms of reference of the Finance and Operations Committee:

- a) To provide the authorization for applying, negotiating and finalizing, with the existing/ proposed Bankers, the sanctioning/renewal of the Temporary / Ad hoc / Regular Working Capital or Short-Term Finance / Loan requirements, whether fund based or non-fund based (LC/BG), interchangeable or otherwise in the ordinary course of business.
- b) To provide authorization to open, operate and close the Bank Account/(s) of the Company, to change the Authorized Signatories therein from time to time; and to provide authorization in respect of executing/ submitting bank related documents.
- c) To provide authorization to take on lease/rent/or on Leave and license basis any premises in the ordinary course of business or for the purpose of guest house of the Company and execution of agreements, papers and other document thereto and to deal with any Government or semi-government departments/ authorities, local bodies and corporation for registration of such agreements/documents with Registrar or Sub- Registrar.
- d) To act as per the Investment Policy approved by the Board of Directors.
- e) To provide authorization to deal with State, Central Government or Government authorities, Statutory Corporations, government undertaking, local bodies.

#### B. Composition of the Finance and Operations Committee during financial year 2023-24:-

Name of the Committee Member	Category & Designation	Chairman/ Member
Mr. T.S. Varadarajan	Whole-time Director	Chairman
Mr. Diwakar Nigam	Chairman & Managing Director	Member
Mrs. Priyadarshini Nigam	Whole-time Director	Member

Whereas Mr. Arun Kumar Gupta is the permanent invitee to this committee.

During the financial year 2023-24, 1 (one) Finance and Operations Committee meeting was held. The attendance of the members of the Committee at the meeting is as below:

Name of the Committee Member	Category & Designation	Date(s) of the meeting/ Attendance
		13-01-2024
Mr. T.S. Varadarajan	Whole-time Director	Yes
Mr. Diwakar Nigam	Chairman & Managing Director	Yes
Mrs. Priyadarshini Nigam	Whole-time Director	Yes



## VI GENERAL BODY MEETINGS:

The Annual General Meeting (“AGM”) of the Company during the preceding 3 (three) years was held at the following venues, dates and times, wherein the following special resolutions were passed:

AGM	Date & Time of AGM	Venue	Details of Special resolutions
29 <sup>th</sup> AGM	27-07-2021 at 11:00 A.M.	Through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM)	NIL
30 <sup>th</sup> AGM	23-06-2022 at 11:00 A.M.	Through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM)	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. Saurabh Srivastava (DIN: 00380453) as a Non-Executive Independent Director of the Company for the second term of five (5) years</li> <li>2. Re-appointment of Mr. Subramaniam Ramnath Iyer (DIN: 00524187) as a Non-Executive Independent Director of the Company for the second term of five (5) years.</li> <li>3. Approval of Newgen Software Technologies Limited Employees Stock Option Scheme- 2022</li> <li>4. Approval for grant of stock options to the employees of group Company including subsidiary Companies or its associate Company, in India or outside India of the Company under Newgen Software Technologies Limited Employees Stock Option Scheme - 2022</li> <li>5. Approval for the acquisition of Equity Shares by way of secondary acquisition under Newgen Software Technologies Limited Employees Stock Option Scheme - 2022</li> <li>6. Approval for 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 Limited Employees Stock Option Scheme - 2022</li> <li>7. Approval for amendment in the Newgen Software Technologies Limited Employees Stock Option Scheme - 2014 (“Newgen ESOP Scheme 2014”)</li> <li>8. Approval for amendment in the Newgen RSU Scheme 2021.</li> </ol>
31 <sup>st</sup> AGM	27-06-2023 at 11:00 A.M.	Through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM)	NIL

No Extraordinary General Meeting was held during the year 2023-24.

## POSTAL BALLOT

During the financial year 2023-24, the Company sought the approval of Members by way of Ordinary Resolutions through postal ballot notice dated 27<sup>th</sup> November 2023 for:

- I. Increase the authorized share capital of the company and consequent amendment to the capital clause of the memorandum of association of the company.
- II. To capitalize the reserves and issue bonus shares to the Members of the Company

All the aforesaid Ordinary Resolutions were duly passed in accordance with the provisions of Companies Act and SEBI Listing Regulations, on 02<sup>nd</sup> January 2024 and the results of which were submitted with the stock exchanges within the prescribed time limit. M/s DPV & Associates, Practising Company Secretaries, was appointed as the Scrutinizer to scrutinize the e-voting process in fairly and transparently. The summary of the result of the postal ballot (Through Remote E-Voting) is as under:

Ordinary Resolutions	No. of Votes Polled	No. of Votes Cast in Favour	No. of Votes Cast Against	% of Votes Cast in Favour on Votes Polled	% of Votes Cast Against on Votes Polled
Increase the authorized share capital of the company and consequent amendment to the capital clause of the memorandum of association of the company.	55676504	55570948	105556	99.81	0.19
To capitalize the reserves and issue bonus shares to the Members of the Company	55676713	55404203	272510	99.51	0.49

Further, no special resolution is being proposed to be passed through Postal Ballot.

### Procedure for Postal ballot:

The postal ballot is conducted in accordance with the provisions contained in Section 108, 110 and other applicable provisions of the Act 2013, read with the related Rules and SEBI Listing Regulations, the Company provided electronic voting facility to all its members, to enable them to cast their votes electronically.

Company engaged the services of Registrar and Share Transfer Agent ("RTA") of the Company, i.e. KFin Technologies Limited for the purpose of providing e-voting facility.

In accordance with the MCA Circulars and the Listing Regulations, Company circulates the postal ballot notice containing draft resolutions together with the explanatory statements, to its members whose name appears on the register of members /list of beneficiaries as on cut-off date, in only electronic form to the email addresses registered with the depository (in case of electronic shareholding)/the Company's Registrar and Share Transfer Agent (in case of physical shareholding).

The Company also publishes notice in the newspapers declaring the details of completion of dispatch as mandated under the Act and applicable rules. The Company fixes a cut-off date to reckon paid-up value of Equity Shares registered in the name of members for the purpose of voting. Members may cast their

votes through e-voting during the voting period fixed for this purpose. The scrutinizer submits his report to the Chairman, or any other person authorised by the Chairman, after the completion of scrutiny of the votes. The results of the postal ballot (through Remote e-voting) are announced by the Chairman or any other person, if any, authorised by the Chairman within 2 working days of conclusion of the voting period. The results are also displayed at the registered office and corporate office of the Company, intimated to RTA and the Stock Exchanges where the Company's shares are listed and also displayed along with the Scrutinizer's report on the Company's website at <https://newgensoft.com>. The resolution, (if passed by requisite majority), shall be deemed to have been passed on the last date specified by the Company for e-voting.

## VII MEANS OF COMMUNICATION:

The quarterly results of the Company were published in an English daily newspaper (Financial Express) having nationwide circulation and in local Hindi daily newspaper (Jansatta) and also displayed at the Company's website at <https://newgensoft.com/company/investor-relations/financial-results-published-in-the-newspaper/>. The Company also published the annual result in an English daily newspaper (Economics Times) having a nationwide circulation.

All official press/ news releases, presentations made to analysts and institutional investors and other general information about the Company are also available on the Company's website. The presentations made to the institutional investors or analysts, if any, are not communicated individually to the shareholders of the Company. However, in addition to uploading the same on the website of the Company, the presentations are sent to the Stock Exchange for dissemination.

## VIII GENERAL SHAREHOLDER INFORMATION:

### A. 32<sup>nd</sup> Annual General Meeting

The date, time, and venue of the 32<sup>nd</sup> (Thirty-Second) Annual General Meeting of the Company are provided hereunder:

Day & Date	: Thursday, 25 <sup>th</sup> July 2024
Time	: 11:00 A.M
Venue	: Video Conferencing or Other Audio-Visual Means*
	Deemed Venue: Registered office of the Company situated at E-44/13 Okhla Phase-II-110020

### D. Listing on Stock Exchanges:

The Company's Equity Shares are listed on the following Stock Exchanges and the annual listing fees have been duly paid to the stock exchange

Sr. No.	Name of the Stock Exchange	Address	Stock Code
1.	BSE Limited (BSE)	1 <sup>st</sup> Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	540900
2.	National Stock Exchange of India Limited (NSE)	Exchange Plaza, Bandra - Kurla Complex, Bandra (E), Mumbai 400 051	NEWGEN

International Securities Identification Number (ISIN): INE619B01017.

### E. Market Price Data:

The monthly high and low prices of shares of the Company at BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) for the financial year ended 31<sup>st</sup> March 2024 along with performance in comparison to such indices are tabled below:

Month	Newgen at BSE		BSE Sensex	
	High	Low	High	Low
Apr-23	514	440.7	61209.46	58793.08
May-23	648.1	496.55	63036.12	61002.17
Jun-23	693.55	616.1	64768.58	62359.14
Jul-23	868.75	605.9	67619.17	64836.16
Aug-23	1000	812	66658.12	64723.63
Sep-23	933.4	806.05	67927.23	64818.37
Oct-23	1233	870.25	66592.16	63092.98
Nov-23	1456.8	1090	67069.89	63550.46
Dec-23	1569	1366	72484.34	67149.07
Jan-24*	1651	790	73427.59	70001.6
Feb-24*	866.9	694.95	73413.93	70809.84
Mar-24*	894.95	688	74245.17	71674.42

\*The share price of the Company has been adjusted in proportionate of Bonus Shares issued in the ratio of 1:1 vide Members's resolutions dated 2<sup>nd</sup> January 2024.

### B. Financial Year:

The Company follows the financial year from 1<sup>st</sup> April to 31<sup>st</sup> March. The financial year was from 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024.

### C. Details related to Dividend:

Dividend on Equity Shares, if declared at the ensuing Annual General Meeting, will be credited on or before 20<sup>th</sup> August 2024. Members who hold shares in Demat mode should inform their depository participant, whereas Members holding shares in physical form should inform the Company's RTA of their banking account details. In cases where the banking account details are not available, the Company will issue the demand drafts stating the existing bank details available with the Company.

The cut-off date for the purpose of Dividend will be 18<sup>th</sup> July 2024.

Record Date/Book Closure: 18<sup>th</sup> July 2024.

Month	Newgen at NSE		NSE Nifty	
	High	Low	High	Low
Apr-23	515.70	441.10	18089.15	17312.75
May-23	648.90	495.95	18662.45	18042.4
Jun-23	693.90	620.70	19201.7	18464.55
Jul-23	869.50	605.05	19991.85	19234.4
Aug-23	999.95	813.10	19795.6	19223.65
Sep-23	932.95	806.05	20222.45	19255.7
Oct-23	1,234.00	870.10	19849.75	18837.85
Nov-23	1,457.25	1,110.00	20158.7	18973.7
Dec-23	1,566.00	1,350.00	21801.45	20183.7
Jan-24*	1,645.00	785.10	22124.15	21137.2
Feb-24*	878.95	685.15	22297.5	21530.2
Mar-24*	894.90	676.05	22526.6	21710.2

\* The share price of the Company has been adjusted in proportionate of Bonus Shares issued in the ratio of 1:1 vide Members's resolutions dated 2<sup>nd</sup> January 2024.

## F. Registrar and Share Transfer Agent (“RTA”):

KFin Technologies Limited (formerly Known as KFin Technologies Private Limited) is our Registrar and Share Transfer Agent (RTA) to render services related to Share transfer/ Dematerialisation/ Rematerialisation/ Transmission, dividend payment and other activities thereto for both electronic and physical shareholdings. Members/ Investors are requested to forward share transfer documents, dematerialization/rematerialization requests, dividend payment-related queries and other related correspondence directly to the RTA of the Company.

### Details for Correspondence:

KFin Technologies Limited (Formerly known as KFin Technologies Private Limited)  
Selenium Building, Tower B, Plot No. 31 and 32,  
Gachibowli Financial District, Nanakramguda, Hyderabad 500032  
Toll free number - 1- 800-309-4001  
Email: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
Website: <https://www.kfintech.com> and / or <https://ris.kfintech.com/>  
SEBI Registration No. INR00000221

The above-mentioned details are also available on the Company's website at <https://investors.newgensoft.com/company/investor-relations/email-address-for-grievance-redressal/>.

## G. Share Transfer System:

Requests for transfer of Equity Shares in dematerialized form are done through depositories with no involvement of the Company. Transfer of shares held in physical form is not permitted after 31<sup>st</sup> March 2019 through statutory notifications. Accordingly, members holding Equity Shares in physical form are urged to have their shares dematerialized.

## H. Distribution of Shareholding:

### a) Categories of Equity Shareholders as on 31<sup>st</sup> March 2024

Categories	Number of Shares	Percentage
Promoter & Promoter Group	7,71,72,500	55.01
Mutual Funds	51,40,030	3.66
Alternate Investment Funds	81,88,279	5.84
Foreign Portfolio Investors	2,30,11,884	16.40
Bodies Corporate & Oversees Corporate Bodies	18,78,058	1.34
Resident Individuals	2,25,71,501	16.09
Non-resident Indians	15,01,902	1.07
Any Other (Trusts, Clearing member, HUF, NBFC registered with RBI)	3,15,165	0.23
Newgen ESOP Trust (Non-Promoter Non Public)	5,12,483	0.36
<b>Total</b>	<b>14,02,91,802</b>	<b>100.00</b>

**b) Distribution of Shareholding as on 31<sup>st</sup> March 2024**

Category (Amount)	No. of Shareholders	% of Shareholders	Total number of Shares	Amount (in ₹)	% to Equity
1-5000	1,09,485	94.68	75,59,558	7,55,95,580	5.39
5001- 10000	3,171	2.74	23,21,493	2,32,14,930	1.65
10001- 20000	1,468	1.27	21,56,993	2,15,69,930	1.54
20001- 30000	470	0.41	11,67,459	1,16,74,590	0.83
30001- 40000	260	0.22	9,28,957	92,89,570	0.66
40001- 50000	142	0.12	6,42,540	64,25,400	0.46
50001- 100000	289	0.25	19,89,640	1,98,96,400	1.42
100001 & Above	352	0.30	12,35,25,162	1,23,52,51,620	88.05
<b>Total</b>	<b>1,15,637</b>	<b>100.00</b>	<b>11,67,459</b>	<b>14,02,91,80,20</b>	<b>100.00</b>

**I. Dematerialization of Shares and liquidity:**

As on 31<sup>st</sup> March 2024, 99.86% of the total Equity Shares were held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited. The market lot is one share and the trading in Equity Shares of the Company is permitted only in dematerialized form. The face value of share is ₹ 10/- (Rupees Ten only) per share.

During the financial year 2023-24, securities received from the depository participants for dematerialisation were confirmed (accepted/rejected) to the depositories and the securities comprised in the said certificates have been listed on stock exchanges where the earlier issued securities are listed.

**J. Details of Shares held in Demat Suspense Account:**

Disclosure with respect to demat suspense A/c/ unclaimed suspense A/c: Not Applicable

Further, the Company has Unclaimed Securities Suspense Escrow account in which 23,451 bonus Equity Shares are held as on 31<sup>st</sup> March 2024.

Pursuant to the SEBI Circular SEBI/HO/MIRSD/ MIRSD\_RTAMB/P/CIR/2022/8 dated 25<sup>th</sup> January

**N. Address for Correspondence:**

Members may write either to the Company or the RTA for redressal of queries and grievances. The address and contact details of the concerned officials are given below:

**Registrar and Transfer Agent**

**KFin Technologies Limited** (Formerly known as KFin Technologies Private Limited)  
Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India - 500 032  
Toll Free No.: 1- 800-309-4001  
Email: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

**Details of Compliance Officer/ Investors' complaints**

**Newgen Software Technologies Limited**  
E-44/13, Okhla Phase - II, New Delhi - 110020  
Contact person: Mr. Aman Mourya,  
Company Secretary & Compliance Officer  
Tel: +91-11-46533200  
Fax: +91-11-26383963  
E-mail: [investors@newgensoft.com](mailto:investors@newgensoft.com)

2022 read with Schedule VI of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company has opened a Unclaimed Securities Suspense Escrow account. The Company is following procedures to transfer the eligible unclaimed Equity Shares, if any, in such account.

**K. Outstanding Convertible Instruments/ ADRs/ GDRs/ Warrants:**

As on 31<sup>st</sup> March 2024, the Company did not have outstanding GDRs/ADRs/Warrants or any Convertible instruments (excluding ESOPs).

**L. Commodity price risk or foreign exchange risk and hedging activities:**

The Company had no exposure to commodity and commodity risks for the financial year 2023-24. For details related to foreign exchange risk and hedging activities, please refer the "Management and Discussion Analysis Report" which forms part of this Annual Report.

**M. Plant Locations:**

The Company being in software development business, does not require manufacturing plant. The addresses of the development centres/ offices of the Company are given in the annual report.

Members are requested to take note that all queries in connection with change in their residential address, bank account details, etc. are to be sent to their respective Depository Participants (DPs).

Analysts can reach our Investor Relations team for any queries and clarification on financial/investor relations related matters:

**Newgen Software Technologies Limited**

E-44/13, Okhla Phase - II, New Delhi - 110020

Contact person: Mrs. Deepti Mehra Chugh,

Head - Investor Relations

Tel: +91-11-46533200

Fax: +91-11-26383963

E-mail: [ir@newgensoft.com](mailto:ir@newgensoft.com)

**R. Details of material subsidiaries:**

Following is the material subsidiary of the Company:-

Sr. No.	Name of material subsidiary	Date and Place of incorporation	Name of Statutory Auditor	Date of re-appointment of Statutory Auditor
1	Newgen Software Inc. (USA)	03-11-1997, USA	Ryan and wetmore, P.C	15 <sup>th</sup> March 2023

**Ix. Other Disclosures:**

**(a) Related Party Transactions:**

There have been no materially significant related party transactions that may have a potential conflict with the interest of the Company at large. The Policy on Related Party Transactions is available on the Company's website at <https://investors.newgensoft.com/wp-content/uploads/2021/06/Policy-on-Related-Party-Transaction-2.pdf>.

Based on the disclosures received from Senior Management Personnel of the Company, none of the officials have any personal interest in any of the financial or commercial transactions with the Company, except for their remuneration.

**(b) Details of non-compliance, if any, by the Company, on any matter related to capital markets:**

During the last 3 (three) years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to the capital markets.

**(c) Code for Prevention of Insider Trading:**

Pursuant to the provision of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated a Code of Conduct to

**O. Details of Credit ratings obtained by the Company:**

The Company has not issued any debt instruments which necessitate any credit rating. The Credit Rating, from CRISIL Ratings Limited during the year 2023-24 for short-term Working Capital Facilities is CRISIL A1. There is no revision in the above rating.

**P.** Disclosure of 'Loans and advances in the nature of loans to firms/companies/relatives in which directors are interested in the name and amount: Nil

**Q.** Disclosure of 'Loans and advances in the nature of loans to subsidiaries and associates: Nil

Regulate and monitor trading in the securities of the Company ("the Code"). The aforesaid Newgen's Code are devised to regulate, monitor and report trading by Designated Persons and their Immediate Relatives under the SEBI (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes code of practices and procedures for fair disclosure of unpublished price sensitive information which has been made available on the Company's website at <https://newgensoft.com/company/investor-relations/#other-key-policies>.

In addition to the above, the Company has put in place an adequate and effective system of internal controls to ensure compliance with the requirements of the Prohibition of Insider Trading Regulations. A structured in-house digital database is being maintained by the Company. The Board has also formulated a Policy for the determination of 'legitimate purposes' as a part of the Code of Fair Disclosure and Conduct as per the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Company Secretary has been appointed as the Compliance Officer for ensuring the implementation of the Code. Further, the Board, designated persons and other connected persons have affirmed compliance with the aforesaid Code.

**(d) Whistle Blower Policy/ Vigil Mechanism:**

Pursuant to the provisions of the Companies Act and SEBI Listing Regulations, the Company has adopted a policy on Whistle Blower mechanism. The Whistle Blower Policy includes vigil mechanism as mandated under the SEBI Listing Regulations and provides a mechanism for directors, employees and other stakeholder to raise concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Ethics & Business Conduct, etc

At Newgen, we ensure that Directors, employees and other stakeholder are allowed to voice concern in a responsible and effective manner. Your Company has an Ombudsman as a channel for receiving and redressing complaints from directors, employees and other stakeholder under the Whistle Blower mechanism. All complaints, if any, are addressed to Ombudsman and investigative findings thereon are reviewed and reported to the Ethics Committee/ Chairman of Board of Directors or Chairman of Audit Committee, depending on case to case. The Company hereby affirms that no personnel had been denied access to the audit committee under the policy on Whistle Blower mechanism.

**Details of complaints received through whistle blower mechanism as table below:-**

*Number of Complaints filed during the financial year	NIL
Number of complaints disposed of during the financial year	NIL
Number of Complaints pending as at the end of the financial year	NIL

Directors, employees and other stakeholder may raise concern by writing to: [whistleblower.newgen@arthaarbitrage.com](mailto:whistleblower.newgen@arthaarbitrage.com) or by postal mail/ letter to: M/s Artha Arbitrage Consulting LLP C-16, 2<sup>nd</sup> Floor, Qutab Institutional Area, New Delhi-110067. Mechanism followed under the Whistle Blower policy is appropriately communicated within the Company across all levels and is also available under the investor relations section on our website at: <https://investors.newgensoft.com/wp-content/uploads/investor/Whistle%20Blower%20Policy.pdf>.

**(e) Code of Conduct for the Board members and Senior Management:**

The Board of Directors has adopted a Code of Conduct for the Board members and Senior Management Personnel of the Company, in line with the amended SEBI Listing Regulations. The Code lays down the standard of conduct which is expected to be followed by the Board members

and Senior Management personnel. On the basis of declarations received from the Board Members and the Senior Management Personnel, the Chief Executive Officer has given a declaration that the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code, with respect to the financial year 2023-24. The Code is available on the website of the Company at <https://investors.newgensoft.com/wp-content/uploads/2018/03/Code-of-Conduct-for-Board-SMP.pdf>.

**(f) Sexual Harassment Policy:**

Your Company has constituted Internal Complaints Committee as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and also has a policy and framework for employees to report sexual harassment cases at workplace and its process ensures complete anonymity and confidentiality of information. Adequate workshops and awareness programmes against sexual harassment are conducted across the organization. The said Policy is available on the website of the Company i.e. <https://investors.newgensoft.com/wp-content/uploads/2021/06/POSH-compressed.pdf>.

Details of complaints received, redressed and pending during the financial year 2023-24 on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are tabled below:

Number of Complaints filed during the financial year	1
Number of complaints disposed of during the financial year	1
Number of Complaints pending as at the end of the financial year	NIL

**(g) Policy for Determination of Material Subsidiary:**

The Company has formulated a Policy for Determining Material Subsidiaries in terms of the SEBI Listing Regulations which has been uploaded on the Company's website at <https://investors.newgensoft.com/wp-content/uploads/2021/06/Policy-for-determining-Material-Subsidiaries-1-1.pdf>.

As per the materiality policy, Newgen Software Inc. is our material subsidiary company incorporated in USA. Provisions to the extent applicable under the SEBI Listing Regulations with reference to other subsidiary companies duly complied. Minutes of the Board meetings of subsidiary companies (including its material subsidiary) were annually placed before the Board of Directors.

**(h) Funds raised through preferential allotment or qualified institutions placement:**

During the year under review, the Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of SEBI Listing Regulations.

**(i) A certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.**

The Company has obtained a Certificate from Company Secretary in practice certifying that none of the directors on the board have been debarred or disqualified from being appointed or continuing as director of the Companies by the Board/ Ministry of Corporate Affairs or any Statutory Authority and same is annexed with this report.

**(j) Compliance with Mandatory requirements:**

During the financial year 2023-24, your Company has complied with all the mandatory Corporate Governance requirements under the SEBI Listing Regulations. your Company confirms compliance in respect of the Corporate Governance Report as stated under sub-para (2) to (10) of section (C) of Schedule V to the SEBI Listing Regulations.

**(k) Recommendations of the Committees of the Board:**

During the financial year ended 31<sup>st</sup> March 2024, the Board of Directors has accepted all the recommendations of its committees.

**(l) Compliance with Discretionary requirements under Regulation 27(1) of the SEBI Listing Regulations:**

The status of compliance with the non-mandatory requirements, as stated under Regulation 27(1) read with Part E of Schedule-II to the SEBI Listing Regulations:

- i. **The Board:** The Chairman of the Company is an Executive Director and hence this provision is not applicable to us.
- ii. **Shareholders' rights:** To ensure dissemination of Company's financial results to its shareholders, the Company publishes the quarterly and half-yearly results in newspapers having wide circulation in India and particularly in New Delhi, where the registered office of the

Company is located. These results are also filed with stock exchanges and uploaded on Company's website immediately after the Board meeting. Company also conducts conference call/ investors / analyst meets, if any, to respond to any investor queries with regard to the financial results or operations of the Company.

**iii. Modified opinion(s) in audit report:**

The Company confirms that its financial statements are with un-modified opinion.

**iv. Reporting of Internal Auditor:** The Internal Auditors report directly to the Audit Committee of the Board.**v. Separate post of Chairman and Managing Director or CEO:** The Chairman of the Company is a Managing Director and also a promoter of the Company and his position is separate from that of the Chief Executive Officer.**vi. Compliance with Secretarial Standards:**

The Company has complied with the applicable Secretarial Standards (SS) issued by the Institute of Companies Secretaries of India, which have mandatory application during the year under review.

**vii. Accounting Standards:** The Company has adopted the relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing its Standalone and Consolidated Financial Statements for the financial year ended 31<sup>st</sup> March 2024.**(m) Fees paid by the Company or its subsidiaries to the Statutory Auditors and all entities in the network firm/network entity of which the statutory auditor is a part:**

Total fee for Statutory Audit and Limited Review paid by the Company to M/s Walker Chandiook & Co LLP, Chartered Accountants, Statutory Auditor is ₹ 58,00,000 and ₹ 2,85,100 as reimbursement of expenses. Further, fee of ₹ 7,31,920 in aggregate was paid to the Auditors for other services related to certifications as required time to time.

**(n) Disclosure of certain types of agreements binding on listed entities under clause 5A of paragraph A of Part A of Schedule III of these regulations:**

There are no such agreements entered which will impact the management or control of the Company.



**X. CONFIRMATION OF COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED UNDER REGULATION 17 TO 27 AND CLAUSES (b) to (i) OF SUB-REGULATION 2 OF REGULATION 46 OF SEBI LISTING REGULATIONS:**

It is hereby confirmed that the Company has complied with the mandatory requirements of Corporate Governance as specified in Regulations 17 to 27 and 46(2) of SEBI Listing Regulations. The Certificate from the Chief Executive Officer and Chief Financial Officer of the Company, as stipulated in Regulation 17(8) of the SEBI Listing Regulations read with Part B of Schedule II was placed before the Board along with the Financial Statements for the

financial year ended 31<sup>st</sup> March 2024 and the Board reviewed the same. The said Certificate is annexed with this Corporate Governance Report.

**XI. CERTIFICATE FROM PRACTICING COMPANY SECRETARY ON COMPLIANCE OF CORPORATE GOVERNANCE UNDER SEBI LISTING REGULATIONS:**

The Company has obtained a certificate from M/s Aijaz & Associates, Practicing Company Secretary regarding compliance with the provisions relating to corporate governance laid down in Part C(10)(i) and E of Schedule V to the SEBI Listing Regulations and the same is annexed with this report.

Date: 24.05. 2024  
Place: New Delhi

**Diwakar Nigam**  
Chairman & Managing Director  
DIN: 00263222

## DECLARATION TO COMPLIANCE OF CODE OF CONDUCT

This is to certify that the Company has laid down its Code of Conduct for all the Board Members and Senior Management Personnel of the Company and a copy of the same has been uploaded on the website of the Company at <https://investors.newgensoft.com/wp-content/uploads/2021/06/Code-of-Conduct-for-Board-SMP-1.pdf>.

I hereby declare that all the Directors and Senior Managerial Personnel of the Company, have affirmed compliance with the aforesaid Code of Conduct and have given a confirmation thereto in this regard, in respect of the financial year ended 31<sup>st</sup> March 2024.

Date: 26.04.2024  
Place: New Delhi

**Virender Jeet**  
Chief Executive Officer  
PAN: AAOPJ2433N

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To  
The Board of Directors  
**Newgen Software Technologies Limited**  
New Delhi-110020

### **Sub.: Certification by Chief Executive Officer and Chief Financial Officer, pursuant to regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

We, Virender Jeet, Chief Executive Officer and Arun Kumar Gupta, Chief Financial Officer of Newgen Software Technologies Limited, hereby certify that: -

- a) We have reviewed financial statements and cash flow statement for the year ended 31<sup>st</sup> March 2024 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee: -
  - i. that there are no significant changes in internal control over financial reporting during the year;
  - ii. that there are no significant changes in accounting policies during the year; and
  - iii. that there are no instances of significant fraud of which we have become aware and that there is no involvement of the management or employee having a significant role in the Company's internal control system over financial reporting.

Date: 29.04.2024  
Place: New Delhi

**Virender Jeet**  
Chief Executive Officer  
PAN: AAOPJ2433N

**Arun Kumar Gupta**  
Chief Financial Officer  
PAN: ADTPG6017D

## CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To  
The Members,  
**Newgen Software Technologies Limited**  
E-44/13, Okhla Phase-II,  
New Delhi-110020  
CIN:-L72200DL1992PLC049074

We have examined the compliance of conditions of Corporate Governance by Newgen Software Technologies Limited ("the Company"), for the financial year ended 31<sup>st</sup> March 2024 as stipulated under regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

We have examined the relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company. The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Aijaz & Associates**  
Practicing Company Secretaries

Place: New Delhi  
Date : 06.05.2024

Name : **M. Aijaz**  
C.P. No.: 7040  
M. No. : 6563  
P.R.C. No.: 2632  
UDIN: F006563F000316191

# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members,  
**Newgen Software Technologies Limited**  
E-44/13 Okhla Phase-II,  
New Delhi-110020  
CIN: L72200DL1992PLC049074

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Newgen Software Technologies Limited bearing CIN L72200DL1992PLC049074 and having its registered office at E-44/13, Okhla Phase II, New Delhi-110020 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub clause (i) of clause 10 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications including [Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)] as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March 2024 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority

S. No.	Name of the Directors	Designation	DIN	Date of Initial Appointment in the Company
1.	Mr. Diwakar Nigam	Chairman & Managing Director	00263222	01 <sup>st</sup> April 1993
2.	Mr. T.S. Varadarajan	Whole-time Director	00263115	05 <sup>th</sup> June 1992
3.	Mrs. Priyadarshini Nigam	Whole-time Director	00267100	20 <sup>th</sup> September 1997
4.	Mr. Kaushik Dutta	Independent Director	03328890	09 <sup>th</sup> July 2014
5.	Mr. Saurabh Srivastava	Independent Director	00380453	30 <sup>th</sup> August 2017
6.	Mr. Subramaniam Ramnath Iyer	Independent Director	00524187	22 <sup>nd</sup> November 2017
7.	Mrs. Padmaja Krishnan	Independent Director	03155610	24 <sup>th</sup> March 2020

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these bases for our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended 31<sup>st</sup> March 2024.

For **Aijaz & Associates**  
Practicing Company Secretaries

Place: New Delhi  
Date : 26.04.2024

Name : **M. Aijaz**  
C.P. No.: 7040  
M. No. : 6563  
P.R.C. No.: 2632  
UDIN: F006563F000255273

# Annexure 9

## Management Discussion and Analysis

### Company overview

Newgen Software Technologies Ltd. is a provider of enterprise-wide unified digital transformation platform with native process, content, communication, intelligence and low code capabilities that drives end-to-end automation at scale. Large enterprises globally leverage Newgen's cutting edge technologies to innovate and transform their operations to serve their customers better and faster. Newgen focuses on delivering best-in-class platforms and solutions to its global clientele, thus facilitating their digital initiatives, streamlining operations and improving customer experiences.

Newgen has been at the forefront of transforming businesses for over 500 active customers across 76 countries. With a marquee clientele from India, USA, Canada, UAE, Saudi Arabia, UK, Philippines, Indonesia, Singapore and Australia, the Company offers enterprise solutions tailored to the needs of different business verticals. Newgen has emerged as a preferred partner for leading banks, insurance firms, healthcare organisations, governments, telecom companies, shared service centres and BPOs worldwide. Complex industry-specific vertical solutions and use cases can be built on our low-code horizontal platforms, from onboarding to service requests, lending to underwriting, and many more.

The Company is successfully certified and assessed for ISO 9001:2015, ISO 27001:2013 and CMMi 2.0 for Dev Level 3.

During the year, Newgen continued to be recognized by industry analysts Gartner in the Magic Quadrants and Forrester in the Wave reports. The Company was recognized as

- A Strong Performer in The Forrester Wave™: Digital Process Automation Software, Q4 2023
- A "Leader" in The Forrester Wave™: Content Platforms, Q1 2023
- A "Strong Performer" in The Forrester Wave™: Robotic Process Automation, Q1 2023 Report
- A "Niche Player" in Gartner® Magic Quadrant™ for Enterprise Low-Code Application Platforms, October 2023, published on 17th October, 2023, et al.
- Newgen positioned as a Leader in Everest Group's Low-code Technology Providers in Insurance - Products PEAK Matrix® Assessment 2023

The Company is focused on continuous innovation and technology absorption to develop and deliver compelling

platforms and solutions. As of March 31, 2024, Newgen has been granted 24 patents across India and US. Moreover, in line with the commitment to leading-edge technology adoption, Newgen has seamlessly integrated emerging technologies such as Robotic Process Automation (RPA), Cloud, AI & ML and Generative AI into our platforms and solutions.

- During the year, the Company launched the GenAI-powered enhancement of NewgenONE platform called Marvin for smarter and faster application development, real-time extraction of insights, and next-level content automation
- Newgen also launched newer versions of ECM and CCM platforms
- The Company released the next generation low-code Trade Finance Solution, IDP Studio (Intelligent Document Processing) with advanced Machine learning algorithms and Newgen AI Data Science Studio
- Major developments were made in Retail Loan Origination System, Agri-loan and SME loan accelerators

The Company has a resilient business model in place with large annuity revenue streams and diversification across customers and geographies. Moreover, the Company's solutions are of mission critical nature for the long-term customers which serves as the backbone to their operations.

### Our Platforms

#### NewgenONE Platform

NewgenONE is a unified low-code platform for end-to-end automation at scale for enterprises. It facilitates seamless information flow across the organization by connecting the front-office, mid-office, and back-office. Moreover, the platform drives intelligence into operations for rapid innovation and responsiveness. NewgenONE includes and integrates, cutting-edge technologies across process, content, communication, intelligence and low code - all delivered through a single, unified platform.

Contextual Content Services (ECM), Intelligent Process Automation (BPM), Omnichannel Customer Engagement (CCM), Low Code Application Development and Artificial Intelligence and Data Science, are the main offerings of the NewgenONE platform. Newgen has seamlessly

integrated emerging technologies such as Robotic Process Automation (RPA), Cloud, AI & ML and Generative AI into our platforms and solutions.

**Contextual Content Services (ECM)**

The platform automates the content lifecycle of an organisation and streamlines enterprise content management. It also provides efficient tools for capturing content from diverse sources and securely managing it within a centralised repository. It utilises intelligent document processing (IDP) for generating automated, AI-powered insights from different types of documents. With mobile and cloud capabilities, it offers flexible access to content, fostering a highly connected and digital workplace environment.

**Intelligent Process Automation (BPM)**

The platform automates workflows at all levels to streamline end-to-end customer journeys. It helps in designing, executing, monitoring, and optimizing processes, delivering intelligent and context-aware applications and optimizing processes using comprehensive insights and drill-down dashboards.

**Omnichannel Customer Engagement (CCM)**

The platform's primary aim is to facilitate real-time, personalised engagement across multiple touchpoints. It enables enterprises to interact with customers through their preferred channels, providing full control and visibility across the organisation.

**Low Code Application Development**

Low Code Application Development helps in rapidly composing complex mission-critical applications with enterprise-grade sturdiness and built-in agility for change by leveraging low code across process, content, communication, and AI.

**Artificial Intelligence and Data Science**

Newgen, with its AI Cloud platform, automates the entire life cycle of data science projects. By leveraging an intuitive AI Studio, the platform increases productivity, fosters collaboration, and speeds up data science project execution to accelerate data to insights journey.

**Our Solutions**

Our purpose-built solutions, built on our platform and deployed on cloud, on-premises, or in a hybrid environment, can help streamline end-to-end processes and future proof an organization. We provide vertical solutions in Banking and Financial Services, Insurance, Government/ PSU, Healthcare, Shared services and other industries.

**Industry overview**

With growing digital transformation across the world, the demand for improved customer experiences and personalised communications continue to rise. Many enterprises now prefer low-code platforms due to their undeniable benefits and efficiency. Hyper-automation, which combines technologies like robotic process automation (RPA), artificial intelligence (AI), machine learning (ML) and low-code platforms, is also gaining traction. Key drivers include the digitalisation of traditional manufacturing, increasing adoption of AI/ML technologies and the need for process optimisation across industries. The demand for process-agnostic software also continues to be high due to growing digital transformation of enterprises.

Worldwide IT spending is expected to total \$5.06 trillion in 2024, an increase of 8% from 2023, according to the latest forecast by Gartner, Inc.

**Worldwide IT Spending Forecast (Millions of U.S. Dollars)**

	<b>2023 Spending</b>	<b>2023 Growth (%)</b>	<b>2024 Spending</b>	<b>2024 Growth (%)</b>
Data Center Systems	236,179	4.0	259,680	10.0
Devices	664,028	-9.1	687,943	3.6
Software	914,689	12.6	1,042,174	13.9
IT Services	1,385,120	6.1	1,519,928	9.7
Communications Services	1,487,161	3.3	1,551,288	4.3
Overall IT	4,687,177	3.8	5,061,013	8.0

Source: [Gartner](#) (April 2024)

According to Gartner Market Estimates, the global content services platform market is estimated at \$8.0 billion in 2023. <sup>(\*)</sup> The business process automation market is estimated at \$2.9 billion in 2023. <sup>(\*)</sup> The all-encompassing Process-Agnostic Software that enables Hyperautomation market is estimated at \$ 38.5 billion in 2022. <sup>(\*)</sup> It forecasts that Content services platform market will be \$9.4 billion by 2026. <sup>(\*)</sup> The business process automation market is estimated to reach \$3.4 billion by 2026. <sup>(\*)</sup>. The all-encompassing Hyperautomation market is estimated to be \$65.4 billion by 2026. <sup>(\*)</sup>

## Financial performance

### Consolidated financials in ₹ lakhs

(All amounts in INR lakhs, except per share data and unless otherwise stated)	FY 2024	FY 2023
<b>Revenue</b>		
Revenue from operations	1,24,382.86	97,397.88
Other income	4,806.43	3,398.57
<b>Total revenue</b>	<b>1,29,189.29</b>	<b>1,00,796.45</b>
<b>Expenses</b>		
Employee benefits	62,831.43	51,589.93
Finance costs	418.18	425.10
Depreciation and amortization	2,796.77	2,467.14
Other expenses	32,720.42	24,586.23
<b>Total expenses</b>	<b>98,766.80</b>	<b>79,068.40</b>
Profit before tax	30,422.49	21,728.05
<b>Profit after tax for the year</b>	<b>25,160.50</b>	<b>17,701.15</b>
Other comprehensive income/(loss) for the year, net of income tax	-214.92	520.87
<b>Total comprehensive income for the year</b>	<b>24,945.58</b>	<b>18,222.02</b>

### Revenue from operations

The Company's business has multiple revenue streams including:

Annuity-based revenue: periodic fees or charges from the following sources:

- **SaaS:** It refers to on-premises subscription payments for licences related to cloud-deployed platforms.
- **ATS/AMC:** It is a yearly fee for technical assistance, licence maintenance (including upgrades) and installation.
- **Support:** It is the fee for services related to development and assistance.

**Sale of software products:** It denotes a one-time upfront license cost for the on-premises platform.

**Sale of services:** Services are sold with milestone-based fees for development and implementation as well as fees for scanning services.

On a consolidated basis, the Company's revenue from operations stood at ₹1,24,382.86 lakhs, increasing at 28% in FY24 as against ₹97,397.88 lakhs in FY23 reflecting strong financial performance, driven by robust growth especially in the traditional markets - India and EMEA.

The Company witnessed growth in business from existing banking customers, as well as healthy new logo additions - 51 in FY24. There has been a notable increase in the revenue per customer.

For the year, the annuity based revenues were at Rs 74,981.58 lakhs, comprising 60% of our revenues.

### Segment-wise performance

In terms of geographies, EMEA was the strongest market for Newgen during the year, witnessing 39% YoY growth, followed by India growing at 33% YoY driven by customer

journey transformations especially in the Banking and Financial services sector. APAC market witnessed a growth of 15% YoY and Americas market grew at 12% YoY.

The Banking and Financial Services vertical continued to be the largest contributor of revenue, comprising 70% of the revenues during the year, followed by Government/ PSU (8%), Insurance (7%), and Healthcare (6%).

### Profit and Margins

The Company reported EBITDA (adjusted for other income) of ₹ 28,831.01 lakhs in FY24, as against ₹ 21,221.72 lakhs in FY23, witnessing a growth of 36% YoY. Profit after Tax stood at ₹ 25,160.50 lakhs in FY24, as against ₹ 17,701.15 lakhs in FY23, witnessing a growth of 42% YoY. The PAT Margin was at 20%.

### Share Capital

During the financial year, the Authorised Share Capital of the Company stood at ₹ 18,010.00 lakhs. The issued, subscribed and paid-up equity share capital of the Company, as of March 31, 2024, is ₹ 14,029.18 lakhs divided into 14,02,91,802 Equity shares of ₹ 10 each. During the year, Company issues bonus equity shares in the proportion of 1:1, and as a result allotted 7,00,69,401 bonus equity shares of ₹ 10 each.

### Other Equity

Other Equity as of March 31, 2024, was ₹1,08,373.58 lakhs. The total retained earnings were at ₹96,644.02 lakhs. During the year, the Company earned a net profit of ₹25,160.50 lakhs. Newgen has declared a dividend of ₹4 per share, post bonus issue of 1:1.

### Property, Plant and Equipment, Capital Work in Progress and Intangible Assets

As of March 31, 2024, property, plant and equipment stood at ₹ 16,452.32 lakhs against ₹ 16,476.35 lakhs, as of March 31, 2023. The Capital work in progress was at ₹ 279.53 lakhs. This is largely on account of the purchase

of additional computers for normal business activities, setting up of office premises and purchase of office assets.

The right-of-use assets stood at ₹7,063.44 lakhs as against ₹ 6,383.64 lakhs as of March 31, 2023. The intangible assets of the Company are at ₹1,022.03 lakhs.

### Investments

The aggregate fair value of investments in unquoted bonds and mutual funds is ₹36,498.89 lakhs.

### Trade receivables

The trade receivables (net of allowances and credit impairments) as of March 31, 2024, are ₹44,353.35 lakhs, against ₹ 38,816.58 lakhs on March 31, 2023. During the year, Debtor Days (net) stood at 130 days as compared to 145 days in FY23. The Collections witnessed an improvement of 34% during the year.

### Other financial assets (current)

Other Financial Assets (₹9,462.08 lakhs) largely comprise contract assets (net) pertaining to amounts recognised,

based on services performed in advance of billing, in accordance with contract terms to the extent of ₹7,080.70 lakhs.

### Cash and cash equivalent and other bank balances and Cash Flow

Cash and Cash Equivalents stood at ₹12,457.31 lakhs and other bank balances stood at ₹25,136.83 lakhs as of March 31, 2024. The Company witnessed healthy cash flow generation with net cash generated from operating activities was at ₹ 28,141.07 lakhs in FY24, compared to ₹ 13,635.43 lakhs in FY23 due to high growth in collections and improved operating profits.

### Current liabilities

Current liabilities represent borrowings, trade payables, other financial liabilities, deferred income, short-term provisions and other current liabilities. As of March 31, 2024, the total current liabilities are ₹ 37,958.90 lakhs (₹ 29,642.45 lakhs as of March 31, 2023). Out of these, the deferred income comprises ₹ 20,513.58 lakhs.

## Key financial ratios

Sr. No.	Particulars	FY 2023-24	FY 2022-23
1	EBITDA Margin (%)	23.18%	21.79%
2	Net profit margin (%) on revenue	20.23%	18.17%
3	Return on Equity ratio (%)	22.81%	19.73%
4	Trade Receivable turnover ratio	3.10	3.06
5	Return on capital employed (%)	23.18%	20.39%

## Opportunities and challenges



### Opportunities

As companies continue to embark on digital transformation journeys, the demand for new and sophisticated software solutions is rising. Content management is at the core of digital transformation. With our strong product portfolio and investments in content management, process automation, customer communication with artificial intelligence cloud capabilities, and skilled talent pool, it creates an opportune landscape for Newgen to tap the market opportunity.

Further adoption of cloud-based solutions, growing focus on regulatory compliance, increased demand for Generative AI, Artificial Intelligence and Machine Learning is expected to expand opportunities for the company.



### Challenges

The various challenges that the Company addresses include uncertain global economic conditions; changes in fiscal, economic or political conditions globally, currency risks; increasing competition; talent availability, changing technologies and regulatory changes in the industry the company operates in and increasing industry concentration.



## Risk Management

Risk	Description	Mitigation measures
<p><b>Uncertain environment and business continuity Risk</b></p>	<p>Global economic uncertainties, recessions, currency exchange fluctuations and geopolitical tension may impact financial performance of a Company. Economic downturns could also lead to reduced customer spending on software solutions. In addition, Natural calamities, man-made disasters, wars etc. may lead to disruption to the business, demand environment, and customer service. The Company faces business continuity risk if the organization is unable to ensure continuity of its operations across clients, delivery locations, and enabling functions.</p>	<p>As an organization, it is Newgen's endeavour to continuously monitor, promptly and effectively respond to disruptive events in a complex and fast-changing global landscape.</p> <p>To deal with such market-specific risks, the Company endeavours to de-risk the geographical dependence and expand its clientele across geographies continuously both in traditional and mature markets. The Company has 500+ active clients across 76 countries. To deal with policy challenges, the Company has been giving an emphasis on growing its regional presence and hiring local talent, without compromising on economies of scales and cost. To deal with environmental changes, the Company has a Business Continuity plan in place to minimize the impact of interruptions to business.</p>
<p><b>Technology/ obsolescence, Cyber Security and Data Privacy Risk</b></p>	<p>Rapid technological advances, changing delivery models and evolving standards in computer software development and communications infrastructure, changing and increasingly sophisticated customer needs and frequent new product introductions and enhancements characterise the industry in which Newgen competes. Disruptive technologies such as Cloud, Big data, social and smart devices are changing the way business is done. With the ever-evolving technology landscape, there is continuous risk to the confidentiality, integrity and availability of data. The Company's success depends upon its ability to anticipate, design, develop, test, market, license and support new software products, services, and enhancements of current products and services on a timely basis in response to both competitive threats and evolving industry requirements and ensuring cyber security.</p> <p>Risks associated with cyber threats, data breaches and information security could lead to financial losses, reputational damage and legal implications.</p>	<p>The Company's constant investment in Research and Development (R&amp;D) and intellectual properties ensures that it stays ahead of evolving technology trends and changes and helps the Company mitigate this risk.</p> <p>By actively monitoring and adapting to technological advancements, the Company remains agile and capable of leveraging emerging technologies, to improve its solutions and offerings.</p> <p>The Company maintains focus on cyber security to guard against the risk of cyberattacks, data privacy breach and digital risks. Newgen prioritises continued reinforcement of stringent security policies and procedures (ISO certifications), continuous monitoring, regular audits and robust security measures to safeguard its systems and data against potential threats that significantly reduce the likelihood and impact of cyber incidents. There is also rigorous focus on trainings/ awareness programs.</p>
<p><b>Currency risk</b></p>	<p>With around 70% of revenues originating from international markets, Newgen is consistently vulnerable to unexpected fluctuations in exchange rates, which have the potential to impact the Company's revenue and profits.</p>	<p>The Company has implemented a comprehensive hedging strategy to effectively manage currency risks. Further, export collections and payments are made through EEFC account to avoid currency fluctuations.</p>

Risk	Description	Mitigation measures
<b>Talent Management/ Attrition Risk</b>	The Company's business depends largely upon its highly skilled technology professionals and its ability to hire, attract, motivate, retain and train these personnel. Any inability to maintain a skilled and motivated team of professionals or supply chain disruptions can affect the business.	As a Company, there is strong focus on nurturing the existing workforce and attracting new talent through Newgen's various HR policies and initiatives. The Company also has a defined Employee Stock Options and Restricted Stock Units scheme.
<b>Credit Risk</b>	Customer credit risk refers to the potential of customers defaulting on their financial obligations.	The Group has credit guidance in place and the exposures to these credit risks are monitored on an ongoing basis. Credit risk is managed by the Group through credit approval, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit term in normal course of business. Credit limits are established for each customer and reviewed quarterly.  The Group establishes an allowance for impairment that represents its expected credit losses in respect of trade receivables.
<b>Acquisition-related Risk</b>	As part of the inorganic growth strategy, the Company may acquire other Companies, businesses or products from time to time and the success of these acquisitions depends upon several factors. These include the effective integration of acquired employees with the rest of the company and the optimum realization of synergies between acquired business and the company.  There could be additional challenges on account of inadequate due diligence, process related risks, unforeseen liabilities / financial or operational challenges, legal risks and reputational risks that can lead to delays or losses or unforeseen issues during the M&A process.	

### Our strategies

Newgen's strategies are based on addressing the market opportunities in enterprise platforms for ECM, BPM and CCM products and the low code and hyper-automation market, creating domain rich solution frameworks on the platform and using low code platform capabilities to create solution frameworks. These include:

#### Continuous Innovation

Newgen is committed to innovation and continuous investment to enhance its offerings and rigorously works on expansion of the product portfolio through investments in advanced features and technologies. The Company prioritizes substantial investments in Research and Development (R&D) to expand the technology stack further and boost digital transformation for customers. As of March 31, 2024, Newgen has been granted 24

patents across India and US. Moreover, in line with the Company's commitment to leading-edge technology adoption, Newgen has seamlessly integrated emerging technologies such as Robotic Process Automation (RPA), Cloud, AI & ML and Generative AI into its solutions. With a keen understanding of technology trends, the Company's development teams work closely with delivery functions to identify areas where Newgen can scale up the products and meet the needs of customers.

#### Expansion of business in traditional markets

The Company has a strong foothold in traditional markets of India, Middle East and Africa. The Company plans to get into deeper and long-term relationships with its customers in these markets through expanded offerings especially across Banking, Insurance and Government segments as well as tap newer market opportunities including Saudi Arabia.

### **Focus on attractive verticals in select mature markets**

The Company plans to expand its market share across key geographies and solutions. Its platform is designed to be natively multi-lingual to address challenges in multi-national organizations. Newgen has been operating in 76 countries and believes that it has a significant opportunity to continue to grow its international footprint. It is investing in direct and indirect sales channels, professional services, customer support and channel partners to expand the geographical footprint. The Company is working on brand initiatives, go-to-market strategy and offerings for mature markets including USA, Europe, Canada and Australia. Through its direct and indirect sales channels, it plans to further grow the brand presence and partner networks in these new markets. Newgen has a strong presence across regions in the banking, financial services and insurance verticals and intends to continue to expand the customer base in these verticals in select mature markets. The Company is specifically targeting larger sized banking customers in the mature markets.

### **Expansion of offerings in core verticals**

The Company has used the platform to create vertical domain rich products in several verticals, including banking, government/PSU, BPO/IT, insurance and healthcare. While the platforms are industry-agnostic, investments have been made to enhance the expertise of sales and marketing for key industry verticals. Newgen believes that focusing on the digital transformation needs of organizations within these industry verticals can help drive adoption of the platform. The Company is working deeper in the insurance vertical offerings.

### **Attract, develop and retain highly-skilled employees**

The Company's employees are one of its most important assets. It focuses on the quality and level of service that the employees deliver by investing in recruitment, development, retention, maintenance of a culture of innovation and by creating both a challenging and rewarding work environment. Newgen's talent development strategy focuses on engaging, motivating and developing a high performing workforce and aims to create and sustain a positive workplace culture for employees. Safety of the employees is of utmost importance to the organization and the Company has rapidly moved to a remote working environment with high engagement levels with the employees. The Company has Employee Stock Option Schemes and Restricted Stock Units in place for talent retention.

### **Expansion through inorganic route**

The Company may also explore, with extreme care, the inorganic route for expansion of product capabilities or market presence from time to time.

### **Internal control systems and their adequacy**

The Company's systems of internal financial control comply with the requirement of Companies Act 2013. The explanation of the term 'Internal Financial Control' for the Company, goes beyond the context of section 134(5) (e) and includes policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business and its financial reporting.

Newgen internal controls commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance regarding recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies. In view of the above and for safeguarding the assets of the Company, preventing and detecting fraud or other irregularities and maintaining proper books of account and to ensure adequate internal financial control, the Company is already pursuing various Standard Operating Procedures (SOPs), Vigil Mechanism and Audit Mechanism (through Internal Audit for Financial year 2023-24, Secretarial Audit and Statutory Audit).

Newgen also undergoes periodic audit by specialised third party consultants and professionals for business specific compliances such as Quality Management, Information Security Management, among others. It has continued its efforts to align all its processes and controls with global best practices. Our management assessed the effectiveness of the Company's internal control over financial reporting as of March 31, 2024. Walker Chandiook & Co LLP, Chartered Accountants, the statutory auditors of Newgen have audited the financial statements included in this annual report and also reported on our internal control over financial reporting (as defined in section 143 of Companies Act 2013). The Audit Committee review reports submitted by the management and audit reports submitted by PricewaterhouseCoopers Services LLP, internal auditors and Walker Chandiook & Co LLP, statutory auditors. The audit committee also meets Newgen's Statutory Auditors as well as Internal Auditors to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the Board of Directors informed of its major observations periodically. Based on its evaluation (as defined in section 177 of the Companies Act 2013), the audit committee has concluded that, as of March 31, 2024, the internal financial controls were adequate and operating effectively.

### **Human Resource**

The Company remains committed to create an inclusive working environment that is conducive for achieving personal as well as professional goals. It has established policies to ensure employee welfare and align its people with the Company's culture and values.

Significant efforts were made all year long to reinforce important organisational functions and create a motivating work culture and a cohesive team. Special emphasis is also laid on employee rewards and recognition as well as regular trainings. The Company has a strength of about 4500 people, on a consolidated basis, working towards achieving the long term objectives and goals of the organization.

**Outlook**

The Company is working steadily towards executing its transformation charters and long term plans across

dimensions. This includes working on new product offerings, strengthening teams across domains, expanding in traditional and mature markets, in order to strengthen its presence and capitalise on emerging opportunities. Additionally, the Company is committed to expanding its product portfolio by working deeper in the banking and insurance verticals, to cater to emerging market demands.

Newgen's focus is on sustained growth through innovative solutions, enhanced market penetration and strategic diversification. These efforts may help position Newgen for continued success and leadership in the ever-changing platform landscape.

**Cautionary statement**

Management’s discussion and analysis of the financial condition and results of operations include forward-looking statements based on certain assumptions and expectations of future events. The Company cannot assure that these assumptions and expectations are accurate. Although the Management has considered future risks as part of the discussions, future uncertainties are not limited to Management perceptions.

**1 Content Services Platform** – Forecast: Enterprise Application Software, Worldwide, 2022-2028, 1Q24 Update | Published: March 2024 | Authors: Amarendra ., Chris Pang, Craig Roth, Jim Hare, Julian Poulter, Balaji Abbabatulla, Kevin Quinn, Roland Johnson, Radu Miclaus, Alexandre Oddos, Anand Chouksey, Arunasree Cheparthi

**2. Business Process** – Forecast Analysis: Application Infrastructure and Middleware Software, Worldwide | Published: October 2023 | Authors: Varsha Mehta, Nicholas Carter, Fabrizio Biscotti, Kelli Smith

**3. Hyperautomation** – Forecast Analysis: Hyperautomation Enablement Software, Worldwide | Published: October 2022 | Authors: Cathy Tornbohm, Varsha Mehta, Tarun Rohilla, Anna Griffen



**Standalone  
Financial  
Statements**

# Independent Auditor's Report

## To the Members of Newgen Software Technologies Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

1. We have audited the accompanying standalone financial statements of **Newgen Software Technologies Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### Key audit matter

#### How our audit addressed the key audit matter

##### A. Revenue recognition for software implementation services

Refer Note 3(i)(ii) for accounting policy and 27 of notes forming part of the Standalone Financial Statements.

The Company earns revenue from software implementation services wherein it has entered into various fixed-price contracts, for which revenue is recognised by the Company using the percentage of completion computed as per the Input method prescribed under Ind AS 115, Revenue from Contracts with Customers. The said revenue recognition accounting policy involves exercise of significant judgement by the management and the following factors requiring significant auditor attention:

- High estimation uncertainty relating to determination of the progress of each contract, efforts incurred till date and additional efforts required to complete satisfaction of the performance obligation

Our audit work included but was not restricted to the following procedures:

- a) Obtained an understanding of the systems, processes and controls implemented by management for recording and calculating revenue, and the associated contract assets, unearned revenue and deferred revenue balances.
- b) Tested the design and operating effectiveness of related manual controls and involved auditor's experts to assess key information technology (IT) controls over the IT environment in which the business systems operate, including access controls, segregation of duties, program change controls, program development controls and IT operation controls;
- c) Selected a sample of contracts and performed the following procedures:
  - Inspected key terms, including price, deliverables, timetable and milestones set out in the contract for selected sample of contracts and identified the distinct performance obligations.
  - Tested project management tool for budgeted efforts and related percentage completion milestones and establishing accuracy of milestones based on actualisation of efforts for delivered projects.

Key audit matter	How our audit addressed the key audit matter
<ul style="list-style-type: none"> <li>Determination of contract assets and unearned revenue related to these contracts as at the end of reporting period</li> </ul> <p>Considering the materiality of the amounts involved and significant degree of judgement and subjectivity involved in the estimates as mentioned above, we have identified revenue recognition from fixed price contracts as a key audit matter for the current year audit.</p>	<ul style="list-style-type: none"> <li>Tested the details of activities completed with those stated in the customer contract, details of activities completed as provided by the project head and confirmation/ acceptance of completion of such activities by the customer.</li> <li>Evaluated the appropriateness of disclosures made in the financial statements with respect to revenue recognised during the year as required by applicable Indian Accounting Standards.</li> </ul>
<p><b>B. Trade receivables and provision for expected credit losses</b></p> <p>Refer note 3(e) and note 3(i) for material accounting policy and note 43(C)(ii) for credit risk disclosures.</p> <p>Trade receivables and contract assets comprise a significant portion of the current financial assets of the Company. As at 31 March 2024, the Company has reported trade receivable of Rs. 31,535.97 lacs (net of provision for expected credit loss of Rs. 3,605.77 lacs).</p> <p>The Company applies simplified approach permitted by Ind AS 109 - Financial Instruments, which requires lifetime expected credit losses to be recognised from the date of initial recognition of receivables. The Company analyses the trend of trade receivables under different ageing bracket for previous years and calculate weighted average loss rate basis such movement in ageing brackets.</p> <p>The estimate of expected credit loss involves judgement as the management factors the past history as above, market conditions and forward looking estimates as at each reporting date.</p> <p>Considering this area inherently involves significant area of judgement and subjectivity followed with discussions with those charged with governance at regular intervals, we have identified this as a key audit matter.</p>	<p>Our audit work included but was not restricted to the following procedures:</p> <ol style="list-style-type: none"> <li>Obtained an understanding of the process adopted and controls implemented by the Company for calculation, recording and monitoring of the impairment loss recognised for expected credit loss;</li> <li>Assessed and tested the design and operating effectiveness of key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognised. Also, evaluated the controls over the modelling process, validation of data and related approvals;</li> <li>Considered the Company's accounting policies for estimation of expected credit loss on trade receivables and contract assets and assessing compliance with the policies in terms of Ind AS 109;</li> <li>Inquired with management about the conditions leading to, and their assessment of recoverability of dues from the customers and also referred to the available communication, if any, between them.</li> <li>Assessed, on a sample basis that items in the receivables ageing report were classified within the correct ageing bracket by comparing individual items in the report with underlying documentation, which included sales invoices, proof of delivery and customers sign offs;</li> <li>Analysed the methodology used by the management and considered the credit and payment history of specific parties to determine the trend used for arriving at the expected credit loss provision and co-related to our understanding of the debtor's financial condition, the industry in which debtor operates.</li> <li>Since the assumptions and inputs used for calculating ECL is based on historical data, we assessed whether such historical experience was representative of current circumstances.</li> <li>Tested the accuracy and completeness of underlying data for "expected credit loss model".</li> <li>Evaluated responses to direct confirmation request circulated to customers and ensured the reconciling items have been adequately recorded in the books of account;</li> <li>Obtained written representations from management and those charged with governance on whether they believe significant assumptions used in calculation of expected credit losses are reasonable.</li> </ol>

**Key audit matter****How our audit addressed the key audit matter**

- k) Assessed the adequacy of disclosures made by the management in the financial statements to reflect the expected credit loss provision, trade and other receivables.

**Information other than the Financial Statements and Auditor's Report thereon**

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to



financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
  14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

15. The comparative financial information of the Company for the year ended 31 March 2023 as included in the accompanying financial statements have been restated to give effect of the merger of Number Theory Software Private Limited (NTSPL) with the Company as explained in note 47 to the accompanying financial statements. Such financial information of NTSPL for the year ended 31 March 2023 has been audited by other auditor, SG Arora & Co., Chartered Accountants, who issued an unmodified opinion vide their report dated 25 April 2023, which has been furnished to us by the management and have been relied upon by us for the purpose of audit of the financial statements. Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
17. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
18. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The standalone financial statements dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
  - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;

- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed an unmodified opinion; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company, as detailed in note 36 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2024.;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024.;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024.;
  - iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 49 (v) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
  - b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 49(vi) to the standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The final dividend paid by the Company during the year ended 31 March 2024 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend and as stated in note 38 to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
  - vi. Based on our examination which included test checks, the Company, in respect of financial year commencing on 1 April 2023, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Ankit Mehra**

Partner

Place: Gurugram

Date: 30 April 2024

Membership No.: 507429

UDIN: 24507429BKCKKA8342

# Annexure I

**referred to in paragraph 17 of the Independent Auditor's Report of even date to the members of Newgen Software Technologies Limited on the standalone financial statements for the year ended 31 March 2024**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets under which the assets are physically verified in a phased manner over a period of two years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in Note 49(ix) to the standalone financial statements, are held in the name of the Company.
- (d) The Company has not revalued its property, plant and equipment including right-of-use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The Company does not hold any tangible inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) As disclosed in Note 49(viii) to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of Rs. 500 lacs by banks based on the security of current assets. The quarterly returns, in respect of the working capital limits have been filed by the Company with such banks and such returns are in agreement with the books of account of the Company for the respective periods, which were not subject to audit/review.
- (iii) The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans to companies, firms, limited liability partnerships during the year. Further, the Company has made investments in company during the year, in respect of which:
  - (a) The Company has not provided any loans or provided any advances in the nature of loans, or guarantee, or security to any other entity during the year. Accordingly, reporting under clauses 3(iii)(a) of the Order is not applicable to the Company.
  - (b) The Company has not provided any guarantee or given any security or granted any loans or advances in the nature of loans during the year. However, the Company has made investment in 1 entity amounting to Rs. 222.48 lacs and in our opinion, and according to the information and explanations given to us, such investments made are, prima facie, not prejudicial to the interest of the Company.
  - (c) The Company does not have any outstanding loans and advances in the nature of loans at the beginning of the current year nor has granted any loans or advances in the nature of loans during the year. Accordingly, reporting under clauses 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments made, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of loans granted, guarantees and security provided by it.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as

amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/ services / business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(vii) (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-

tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (Rs.in lacs)	Amount paid under Protest (Rs.)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income Tax and Interest	117.59	-	AY 2020-21	CIT(A)	
Income Tax Act, 1961	Income Tax and Interest	67.55	-	AY 2021-22	CIT(A)	

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) According to the information and explanations given to us, the Company does not have any loans or other borrowings from any lender. Accordingly, reporting under clause 3(ix) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has

an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.

- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
- (b) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC .
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the standalone financial statements, our knowledge of the

plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions , nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- (xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Ankit Mehra**  
Partner

Place: Gurugram  
Date: 30 April 2024

Membership No.: 507429  
UDIN: 24507429BKCKKA8342

# Annexure II

## to the Independent Auditor's Report of even date to the members of Newgen Software Technologies Limited on the standalone financial statements for the year ended 31 March 2024

### Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Newgen Software Technologies Limited ('the Company') as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

### Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed

under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

### Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and

procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are

subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Ankit Mehra**

Partner

Place: Gurugram

Date: 30 April 2024

Membership No.: 507429

UDIN: 24507429BKCKKA8342

# Standalone Balance Sheet

as at 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	16,371.65	16,383.78
Capital work-in-progress	4	279.53	-
Right-of-use assets	19	6,392.60	6,034.93
Goodwill	4A	283.31	283.31
Intangible assets	5	1,022.03	1,314.95
Financial assets			
Investment in subsidiaries	6	2,858.20	2,335.30
Other Financial assets	7	8,371.40	19,111.39
Deferred tax assets (net)	33	2,658.84	1,910.72
Income tax assets (net)	8	1,501.44	1,791.06
Other non-current assets	9	17.86	14.12
<b>Total non-current assets</b>		<b>39,756.86</b>	<b>49,179.56</b>
<b>Current assets</b>			
Financial assets			
Investments	10	36,498.89	13,138.80
Trade receivables	11	31,535.97	31,211.40
Cash and cash equivalents	12	4,990.98	4,721.82
Bank balances other than cash and cash equivalents	13	20,022.60	9,729.32
Loans	14	11.73	7.00
Other financial assets	15	16,066.39	12,813.27
Other current assets	16	2,429.04	1,254.51
<b>Total current assets</b>		<b>1,11,555.60</b>	<b>72,876.12</b>
<b>Total Assets</b>		<b>1,51,312.46</b>	<b>1,22,055.68</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	17	13,977.93	6,965.57
Other equity	18	1,00,779.78	85,261.34
<b>Total equity attributable to owners of the company</b>		<b>1,14,757.71</b>	<b>92,226.91</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	20	-	220.05
- Lease liabilities	19	2,996.53	2,697.20
Provisions	21	4,750.66	3,453.63
<b>Total non-current liabilities</b>		<b>7,747.19</b>	<b>6,370.88</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	20	219.92	203.50
Lease liabilities	19	952.25	767.78
Trade payables			
- Total outstanding dues to micro enterprises and small enterprises	22	632.13	58.38
- Total outstanding dues to creditors other than micro and small enterprises	22	5,563.14	5,461.88
Other financial liabilities	23	4,720.30	3,619.24
Deferred income	24	11,807.67	9,695.94
Other current liabilities	25	2,694.55	1,292.16
Provisions	26	908.16	936.25
Income tax liabilities (net)	8A	1,309.44	1,422.76
<b>Total current liabilities</b>		<b>28,807.56</b>	<b>23,457.89</b>
<b>Total liabilities</b>		<b>36,554.75</b>	<b>29,828.77</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,51,312.46</b>	<b>1,22,055.68</b>
Summary of material accounting policies	3		

The accompanying notes are an integral part of the Standalone Financial Statements

As per our report of even date

For Walker Chandio & Co LLP  
Chartered Accountants  
Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of  
**Newgen Software Technologies Limited**

**Ankit Mehra**  
Membership No.: 507429  
Place: Gurugram  
Date: 30-April-2024

**Diwakar Nigam**  
DIN: 00263222  
Place: Chennai  
Date: 30-April-2024

**T.S.Varadarajan**  
DIN: 00263115  
Place: Noida  
Date: 30-April-2024

**Virender Jeet**  
PAN: AAOPJ2433N  
Place: Noida  
Date: 30-April-2024

**Arun Kumar Gupta**  
Chief Financial Officer  
Membership No: 056859  
Place: Noida  
Date: 30-April-2024

**Aman Mourya**  
Company Secretary  
Membership No: F9975  
Place: Noida  
Date: 30-April-2024



# Standalone Statement of Profit and Loss

for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Note No.	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Income</b>			
Revenue from operations	27	1,13,611.93	88,780.06
Other income	28	4,550.01	3,291.11
<b>Total income</b>		<b>1,18,161.94</b>	<b>92,071.17</b>
<b>Expenses</b>			
Employee benefits expense	29	53,931.47	43,313.05
Finance costs	30	410.65	389.18
Depreciation and amortisation expenses	31	2,585.09	2,263.72
Other expenses	32	32,799.68	25,716.04
<b>Total expenses</b>		<b>89,726.89</b>	<b>71,681.99</b>
<b>Profit before tax</b>		<b>28,435.05</b>	<b>20,389.18</b>
<b>Tax expense</b>	33		
Current tax		5,270.70	3,872.52
Deferred tax credit		(569.20)	(277.43)
<b>Income tax expense</b>		<b>4,701.50</b>	<b>3,595.09</b>
<b>Profit for the year</b>		<b>23,733.55</b>	<b>16,794.09</b>
<b>Other comprehensive loss</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Re-measurement (losses)/gains on defined benefit plans		(467.22)	(13.20)
Income tax relating to items that will not be reclassified to profit or loss		163.26	4.61
<b>Net other comprehensive loss not to be reclassified subsequently to profit or loss</b>		<b>(303.96)</b>	<b>(8.59)</b>
<b>Items that will be reclassified subsequently to profit or loss</b>			
Financial assets or investments carried at fair value through other comprehensive income		(67.18)	(281.70)
Income tax relating to items that will be reclassified to profit or loss		15.65	65.63
<b>Net other comprehensive loss to be reclassified subsequently to profit or loss</b>		<b>(51.53)</b>	<b>(216.07)</b>
<b>Other comprehensive loss for the year, net of income tax</b>		<b>(355.49)</b>	<b>(224.66)</b>
<b>Total comprehensive income for the year</b>		<b>23,378.06</b>	<b>16,569.43</b>
<b>Earnings per equity share</b>	34		
Nominal value of share INR 10 (31 March 2023: INR 10)			
Basic earning per share (INR)		17.00	12.06
Diluted earning per share (INR)		16.51	11.91
Summary of material accounting policies	3		

The accompanying notes are an integral part of the Standalone Financial Statements  
As per our report of even date

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of  
**Newgen Software Technologies Limited**

**Ankit Mehra**  
Membership No.: 507429  
Place: Gurugram  
Date: 30-April-2024

**Diwakar Nigam**  
DIN: 00263222  
Place: Chennai  
Date: 30-April-2024

**T.S.Varadarajan**  
DIN: 00263115  
Place: Noida  
Date: 30-April-2024

**Virender Jeet**  
PAN: AAOPJ2433N  
Place: Noida  
Date: 30-April-2024

**Arun Kumar Gupta**  
Chief Financial Officer  
Membership No: 056859  
Place: Noida  
Date: 30-April-2024

**Aman Mourya**  
Company Secretary  
Membership No: F9975  
Place: Noida  
Date: 30-April-2024

# Standalone Statement of Changes in Equity

for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

## a. Share capital

Particulars	Equity share capital		Total share capital Carrying Amount
	Carrying Amount	Carrying Amount	
<b>Balance as at 1 April 2022</b>	<b>6,99,55,701</b>	<b>6,995.57</b>	<b>6,995.57</b>
Less: Shares held by Newgen ESOP Trust	3,00,025	30.00	30.00
<b>Total Share capital as at 31 March 2023</b>	<b>6,96,55,676</b>	<b>6,965.57</b>	<b>6,965.57</b>
<b>Balance as at 1 April 2023</b>	<b>6,99,55,701</b>	<b>6,995.57</b>	<b>6,995.57</b>
Add: Issued during the year to Newgen ESOP Trust before bonus issue	1,13,700	11.37	11.37
Balance shares before bonus issue	7,00,69,401	7,006.94	7,006.94
Add: Bonus Share issued during the year	7,00,69,401	7,006.94	7,006.94
Add: Issued during the year to Newgen ESOP Trust after bonus issue	1,53,000	15.30	15.30
<b>Total Share Capital as on 31 March 2024</b>	<b>14,02,91,802</b>	<b>14,029.18</b>	<b>14,029.18</b>
Less: Shares held by Newgen ESOP Trust	5,12,483	51.25	51.25
<b>Balance as at 31 March 2024</b>	<b>13,97,79,319</b>	<b>13,977.93</b>	<b>13,977.93</b>

## b. Other equity\*

Particulars	Securities premium	Retained earnings	Others				Items of Other comprehensive income		Total attributable to owners of the Company
			Capital redemption reserve	General reserve	Capital Reserve	Newgen ESOP Trust reserve	Share options outstanding reserve	Remeasurement of defined benefit liability	
<b>Balance as at 1 April 2022</b>	<b>10,525.26</b>	<b>56,755.88</b>	<b>87.95</b>	<b>1,731.39</b>	<b>416.39</b>	<b>511.71</b>	<b>762.77</b>	<b>3.81</b>	<b>70,559.74</b>
<b>Total comprehensive income for the year ended 31 March 2023</b>	-	16,794.09	-	-	-	-	-	-	16,794.09
Profit for the year	-	16,794.09	-	-	-	-	-	-	16,794.09
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	-	(8.59)	(216.07)	(224.66)

# Standalone Statement of Changes in Equity

for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Securities premium	Retained earnings	Others				Items of Other comprehensive income		Total attributable to owners of the Company
			Capital redemption reserve	General reserve	Capital Reserve	Newgen ESOP Trust reserve	Share options outstanding reserve	Remeasurement of defined benefit liability	
<b>Transactions with owners, recorded directly in equity</b>									
Addition to Newgen ESOP Trust reserve	-	-	-	-	-	28.64	-	-	28.64
<b>Contributions by and distributions to owners</b>									
Dividend on equity shares	-	(3,148.01)	-	-	-	-	-	-	(3,148.01)
Employee stock compensation expense	-	-	-	-	-	-	-	-	1,463.91
Transferred to securities premium account on exercise of stock options	80.05	-	-	-	-	-	-	-	(4.55)
<b>Balance as at 31 March 2023</b>	<b>10,605.31</b>	<b>70,401.96</b>	<b>87.95</b>	<b>1,731.39</b>	<b>416.39</b>	<b>540.35</b>	<b>(244.01)</b>	<b>(212.26)</b>	<b>85,469.16</b>
Less: Securities premium on shares held by Newgen ESOP Trust	207.82	-	-	-	-	-	-	-	207.82
<b>Balance as at 31 March 2023</b>	<b>10,397.49</b>	<b>70,401.96</b>	<b>87.95</b>	<b>1,731.39</b>	<b>416.39</b>	<b>540.35</b>	<b>(244.01)</b>	<b>(212.26)</b>	<b>85,261.34</b>
<b>Balance as at 1 April 2023</b>	<b>10,605.31</b>	<b>70,401.96</b>	<b>87.95</b>	<b>1,731.39</b>	<b>416.39</b>	<b>540.35</b>	<b>(244.01)</b>	<b>(212.26)</b>	<b>85,469.16</b>
<b>Total comprehensive income for the year ended 31 March 2024</b>	-	23,733.55	-	-	-	-	-	-	23,733.55

# Standalone Statement of Changes in Equity

for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Securities premium	Retained earnings	Others				Items of Other comprehensive income			Total attributable to owners of the Company
			Capital redemption reserve	General reserve	Capital Reserve	Newgen ESOP Trust reserve	Share options outstanding reserve	Remeasurement of defined benefit liability	Debt instruments through OCI	
Other comprehensive loss (net of tax)	-	-	-	-	-	-	-	(503.96)	(51.53)	(355.49)
Securities premium on issue of bonus shares	(7,006.94)	-	-	-	-	-	-	-	-	(7,006.94)
<b>Transactions with owners, recorded directly in equity</b>										
Addition to Newgen ESOP Trust reserve	-	-	-	-	-	12.94	-	-	-	12.94
Shares allotted to Newgen ESOP Trust	484.41	-	-	-	-	-	-	-	-	484.41
<b>Contributions by and distributions to owners</b>										
Dividend on equity shares	-	(3,497.79)	-	-	-	-	-	-	-	(3,497.79)

# Standalone Statement of Changes in Equity

for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Securities premium	Retained earnings	Others				Items of Other comprehensive income		Total attributable to owners of the Company
			Capital redemption reserve	General reserve	Capital Reserve	Newgen ESOP Trust reserve	Share options outstanding reserve	Remeasurement of defined benefit liability	
Employee stock compensation expense	-	-	-	-	-	-	-	-	2,437.92
Transferred to securities premium account on exercise of stock options	132.79	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>4,215.57</b>	<b>90,637.72</b>	<b>87.95</b>	<b>1,731.39</b>	<b>416.39</b>	<b>553.29</b>	<b>(547.97)</b>	<b>(263.79)</b>	<b>1,01,277.76</b>
Less: Securities premium on shares held by Newgen ESOP Trust	497.98	-	-	-	-	-	-	-	497.98
<b>Balance as at 31 March 2024</b>	<b>3,717.59</b>	<b>90,637.72</b>	<b>87.95</b>	<b>1,731.39</b>	<b>416.39</b>	<b>553.29</b>	<b>(547.97)</b>	<b>(263.79)</b>	<b>1,00,779.78</b>

\* Refer note 18

Summary of material accounting policies

Note 3

The accompanying notes are an integral part of the Standalone Financial Statements  
As per our report of even date

For Walker Chandiook & Co LLP  
Chartered Accountants

Firm Registration No.: 001076N/N500013

**Ankit Mehra**

Membership No.: 507429

Place: Curugram

Date: 30-April-2024

For and on behalf of the Board of Directors of

**Newgen Software Technologies Limited**

**Diwakar Nigam**

DIN: 00263222

Place: Chennai

Date: 30-April-2024

**Arun Kumar Gupta**

Chief Financial Officer

Membership No: 056859

Place: Noida

Date: 30-April-2024

**T.S.Varadarajan**

DIN: 00263115

Place: Noida

Date: 30-April-2024

**Aman Mourya**

Company Secretary

Membership No: F9975

Place: Noida

Date: 30-April-2024

**Virender Jeet**

PAN: AAOPJ2433N

Place: Noida

Date: 30-April-2024

# Standalone Statement of Cash Flows

for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>A. Cash flows from operating activities</b>		
<b>Net profit before tax</b>	28,435.05	20,389.18
<b>Adjustments for:</b>		
Depreciation and amortisation expense	2,585.09	2,263.72
(Gain) / loss on sale of property, plant and equipment	(13.35)	0.58
Loss allowance on trade receivables and contract assets	2,345.16	1,825.63
Liabilities/ provision no longer required written back	(120.68)	(1,020.65)
Unrealised foreign exchange (Gain) / loss	(372.28)	211.86
Share based payment - equity settled	2,137.51	1,277.02
Finance costs	328.57	328.33
Fair value changes of financial assets at FVTPL	(1,359.54)	(87.29)
Profit on sale of mutual funds (net) at FVTPL	(254.94)	(151.30)
Interest income	(2,352.06)	(2,029.62)
<b>Operating cash flow before working capital changes</b>	<b>31,358.53</b>	<b>23,007.46</b>
Increase in trade receivables	(2,571.47)	(14,032.98)
(Increase)/decrease in loans	(4.73)	13.92
Increase in other financial assets	(2,232.01)	(468.38)
Increase in other assets	(1,178.27)	(364.84)
Increase in provisions	801.72	418.82
Increase/(decrease) in other financial liabilities	997.80	(50.83)
Increase in other liabilities	3,514.13	1,983.27
Increase in trade payables	795.66	2,430.67
<b>Cash generated from operations</b>	<b>31,481.36</b>	<b>12,937.11</b>
Income taxes paid (net)	(5,094.41)	(3,614.41)
<b>Net cash generated from operating activities (A)</b>	<b>26,386.95</b>	<b>9,322.70</b>
<b>B. Cash flows from investing activities</b>		
Acquisition or construction of property plant and equipment including intangible assets, capital work-in-progress, capital advances and payable for capital assets	(1,361.99)	(1,656.39)
Proceeds from sale of property plant and equipment	17.60	7.96
Purchase of mutual funds and bonds	(36,199.38)	(13,198.40)
Proceeds from redemption of mutual funds and bonds	14,386.59	9,251.49
Interest received from bonds	426.36	428.49
Interest received from bank deposits	1,127.55	1,065.16
Investment in subsidiary company	(222.48)	(675.30)
Investment in bank deposits (net of maturities)	240.48	(1,002.31)
<b>Net cash used in investing activities (B)</b>	<b>(21,585.27)</b>	<b>(5,779.30)</b>

# Standalone Statement of Cash Flows

for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>C. Cash flows from financing activities</b>		
Repayment of short-term borrowings (net)	(234.24)	(234.23)
Repayment of lease liabilities	(1,015.27)	(913.71)
Proceeds from issue of equity shares under ESOP scheme	212.62	72.73
Dividend paid	(3,495.63)	(3,148.01)
<b>Net cash used in financing activities (C)</b>	<b>(4,532.52)</b>	<b>(4,223.22)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A + B + C)</b>	<b>269.16</b>	<b>(679.82)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>4,721.82</b>	<b>5,401.64</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>4,990.98</b>	<b>4,721.82</b>
Components of cash and cash equivalents: (refer note 12)		
Cash in hand	6.45	4.16
Balances with banks:		
- in current accounts	3,583.14	4,102.59
- balances with scheduled banks in deposit accounts with original maturity of less than 3 months	1,401.39	615.07
	<b>4,990.98</b>	<b>4,721.82</b>

The accompanying notes are an integral part of the Standalone Financial Statements  
As per our report of even date

For Walker Chandiok & Co LLP  
Chartered Accountants  
Firm Registration No.:001076N/N500013

For and on behalf of the Board of Directors of  
**Newgen Software Technologies Limited**

**Ankit Mehra**  
Membership No.: 507429  
Place: Gurugram  
Date: 30-April-2024

**Diwakar Nigam**  
DIN: 00263222  
Place: Chennai  
Date: 30-April-2024

**T.S.Varadarajan**  
DIN: 00263115  
Place: Noida  
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**Virender Jeet**  
PAN: AAOPJ2433N  
Place: Noida  
Date: 30-April-2024

**Arun Kumar Gupta**  
Chief Financial Officer  
Membership No: 056859  
Place: Noida  
Date: 30-April-2024

**Aman Mourya**  
Company Secretary  
Membership No: F9975  
Place: Noida  
Date: 30-April-2024

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 1. Background

**Newgen Software Technologies Limited** ('Newgen' or 'the Company') is a public company domiciled and incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is situated at E-44/13, Okhla Phase II, New Delhi - 110020. The Company raised money by way of initial public offer during the year ended 31 March 2018 and its shares were listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) of India.

The Company is a global software Company and is engaged in the business of software product development including designing and delivering end-to-end software solutions covering the entire spectrum of software services from workflow automation to Document management to imaging. Newgen provides a complete range of software that helps automate business processes. Newgen's solutions enable document intensive organizations/ industries such as Finance and Banking, Insurance and government departments to improve productivity through better document management and workflow implementation.

### 2. Basis of Preparation

#### A. Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 amended, and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI). The financial statements for the year ended 31 March 2018 were the first financial statements that the Company had prepared in accordance with Ind AS.

The financial statements were authorized for issue by the Company's Board of Directors on 30 April 2024.

Details of the Company's accounting policies are included in Note 3.

#### B. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

#### C. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Defined Benefit Liability	Present value of defined benefit obligations

#### D. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

However, deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 'Income Taxes' and Ind AS 19 'Employee Benefits' respectively. When a liability assumed is recognised at the acquisition date, but the related costs are not deducted in determining taxable profits until a later period, a deductible temporary difference arises which results in a deferred tax asset. A deferred tax asset also arises when the fair value of an identifiable asset acquired is less than its tax base.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting



# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind-AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind-AS 109, it is measured in accordance with the appropriate Ind-AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised in statement of profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash generating unit and part of the operation within that

unit is disposed off, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

### E. Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures. Uncertainty about the assumptions and estimates could result in outcomes that may require material adjustment to the carrying value of assets or liabilities affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

#### Judgements

Information about judgements made in applying accounting policies that have the most material effects on the amounts recognised in the financial statements is included in the following notes:

- Note 3(i) and Note 27 – revenue recognition from fixed price contracts of software implementation services: percentage of completion method to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended.
- Note 3(l) and Note 19 – determination of lease term.

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### **Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2024 is included in the following notes:

- Note 3(c)(iii) – Estimation of Useful lives of intangible assets and Property, plant and equipment
- Note 29 – Measurement of defined benefit obligations: key actuarial assumptions;
- Note 33 – Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 35 – Fair value of share based payments
- Note 43 – Impairment of trade receivables and financial assets.
- Note 19 – Recognition of right of use asset and lease liability

### **F. Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or

- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/liabilities include current portion of non-current financial assets/liabilities respectively. All other assets/ liabilities are classified as non-current. Deferred tax assets and liabilities (if any) are classified as non-current assets and liabilities.

### **Operating cycle**

Based on the nature of the operations and the time between the acquisition of assets for processing and their realization in cash or cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

### **G. Measurement of fair values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer. The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's audit committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

- **Level 3:** inputs for the asset or liability that are not based on observable market data (Unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 35 – Share-based payment arrangements; and

Note 43 – Financial instruments.

### H. Recent accounting pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the company.

### I. Amended Accounting Standards (Ind AS) and interpretations effective during the year

#### Ind AS 1 - Presentation of Financial Statements

- This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The amendment did not have any material impact on the financial statements of the company.

#### Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

- This amendment has introduced a definition of ‘accounting estimates’ and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The amendment did not have any material impact on the financial statements of the company.

**Ind AS 12 - Income Taxes** - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The amendment did not have any material impact on the financial statements of the company.

### 3. Material Accounting Policies

#### a. Foreign currency

##### i. Functional currency

The Company’s financial statements are presented in INR, which is also the Company’s functional currency.

##### ii. Foreign currency transactions

Transactions in foreign currencies are translated into INR, the functional currency of the Company, at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

#### b. Financial instruments

##### i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. However, trade receivables that do not contain a significant financing component are measured at transaction price.

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### ii. Classification and subsequent measurement

#### Financial assets:

On initial recognition, a financial asset is classified as measured at

- Amortised cost;
- Fair value through Other Comprehensive Income (FVOCI) – debt
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which

a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management, for instance the stated policies and objectives for the portfolio, frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

#### Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and

Basis the above classification criteria, Company's investments are classified as below:-

- Investments in government and other bonds have been classified as FVOCI.
- Investments in Mutual funds have been classified as FVTPL.

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### Financial assets: Subsequent measurement and gains and losses

#### Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

#### Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

#### Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

#### Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in Statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to Statement of profit or loss.

### Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

### iii. Derecognition

#### Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

#### Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

### iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### v. Derivatives and Embedded derivatives

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### c. Property, plant and equipment

#### i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of profit or loss.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress.

#### ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

#### iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Category of property, plant and equipment	Estimated useful life (Years)
Building	60
Plant and equipment	15
Leasehold Improvements*	3
Office equipment**	10
Furniture and Fixtures	10
Vehicles	8
Computer hardware	
- servers and networks	6

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on addition (disposal) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).

\*Leasehold improvements are depreciated over the period of the lease term of the respective property or 3 years whichever is lower.

Leasehold land is amortised over the lease period of 90 years.

\*\*Based on an internal technical assessment, the management believes that the useful lives as given above best represents the period over which management expects to use its assets. Hence, the useful life of plant and equipment is different from the useful life as prescribed under Part C of Schedule II of Companies Act, 2013.

### d. Intangible assets

#### Recognition and measurement

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and accumulated impairment loss, if any.

#### Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

#### Amortization

Intangible assets of the Company represents computer software and AI Platform, are amortized using the straight-line method over the estimated useful life or the tenure of the respective software

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

license, whichever is lower. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

The estimated useful lives of Intangible Assets for the current and comparative periods are as follows:

Intangible Assets	Estimated Useful Life (Years)
AI Platform	5
Other Intangibles	4-5

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of profit or loss when the asset is derecognized.

### e. Impairment

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are debt instruments and are measured as at FVTOCI
- Lease receivables under Ind AS 116
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability. Debt instruments measured at FVTOCI: For debt instruments measured at FVOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

if the asset was measured at amortised cost is recognised in other comprehensive income as the "accumulated impairment amount".

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

### **Impairment of Non-financial assets**

The carrying amounts of assets are reviewed at each reporting date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount. The recoverable amount is the greater of the asset's (or cash generating unit's) net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset (or cash generating unit).

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognized.

## **f. Employee benefits**

### **i. Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

### **ii. Share-based payment transactions**

The grant date fair value of equity settled share-based payment awards granted to employees of the Company and subsidiaries of the Company is recognised as an employee expense and deemed investment, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense/deemed investment is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected

to be met, such that the amount ultimately recognised as an expense/deemed investment is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

### **iii. Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

### **iv. Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's gratuity scheme is a defined benefit plan. The present value of obligations under such defined benefit plans are determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, are based on the market yields on government securities as at the balance sheet date, having maturity period approximating to the terms of related obligations

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income and are never reclassified to profit or loss. Changes in the present value of the defined benefit



# Notes

## to standalone financial statements for the year ended 31 March 2024

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obligation resulting from plan amendments or curtailments are recognized immediately in the profit or loss as past service cost.

### v. **Other long-term employee benefits**

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted.

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Re measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the profit or loss

### g. **Provisions (other than for employee benefits)**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for. Provisions are reviewed by the management at each reporting date and adjusted to reflect the current best estimates.

### **Onerous contracts**

A contract is considered to be onerous when the expected economic benefits to be derived by the

Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

### h. **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation, or a present obligation whose amount cannot be estimated reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

### i. **Revenue**

Effective 1 April 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The adoption of the standard did not have any material impact to the Standalone financial statements of the Company.

Revenues from customer's contracts are considered for recognition and measurement when the contract has been approved by the parties, in writing, to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

### i. **Sale of License**

Revenue from sale of licenses for software products is recognised when the significant risks and rewards of ownership have been transferred to the buyer which generally coincides with

# Notes

## to standalone financial statements for the year ended 31 March 2024

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delivery of licenses to the customers, recovery of the consideration is probable, the associated costs and possible return of software sold can be estimated reliably, there is no continuing effective control over, or managerial involvement with the licenses transferred and the amount of revenue can be measured reliably.

### ii. Rendering of services

Revenue from services rendered is recognized in proportion to the stage of completion of the transaction at the reporting date. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

#### Software Implementation Services

The revenue from fixed price contracts for software implementation is recognized based on proportionate completion method based on hours expended, and foreseeable losses on the completion of contract, if any are recognized immediately. Efforts or costs expended have been used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts. Estimates of transaction price and total costs or efforts are continuously monitored over the lives of the contracts and are recognized in profit or loss in the period when these estimates change or when the estimates are revised. Revenues and the estimated total costs or efforts are subject to revision as the contract progresses. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

The Company is also involved in time and material contracts and recognizes revenue as the services are performed.

#### Annual Technical services

Revenue from annual technical service and maintenance contracts is recognised ratably over the term of the underlying maintenance arrangement.

### iii. Sale of right to use software

Software-as-a-service, that is, a right to access software functionality in a cloud-based-

infrastructure provided by the Company. Revenue from arrangements where the customer obtains a "right to access" is recognized over the access period.

Revenue from client training, support and other services arising due to the sale of license is recognized as the performance obligations are satisfied.

Revenue is recognised, net of returns, trade discounts and volume rebates. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. Reimbursements of out-of-pocket expenses received from customers have been netted off with expense.

Amounts received or billed in advance of services to be performed are recorded as advance from customers/unearned revenue. Unbilled revenue represents amounts recognized based on services performed in advance of billing in accordance with contract terms.

### iv. Multiple deliverable arrangements

When two or more revenue generating activities or deliverables are provided under a single arrangement, the Company has applied the guidance in Ind AS 115. Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering license for software products and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the company is unable to determine the standalone selling price, the company uses the expected cost plus margin approach in estimating the standalone selling price.

Arrangements to deliver software products generally have three elements license, implementation and Annual Technical Services (ATS). The company has applied the principles under Ind AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have

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## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach.

Deferred contract costs are incremental costs of obtaining a contract which are recognized as assets and amortized over the term of the contract.

Revenue from subsidiaries is recognised based on transaction price which is at arm's length.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

### Trade Receivables

Trade receivables are amounts due from customers for sale of license or rendering of services in the ordinary course of business. They are generally due for settlement within one year and therefore are all classified as current. Where the settlement is due after one year, they are classified as non-current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Trade receivables are disclosed in Note 11.

### Impairment

An impairment is recognised to the extent that the carrying amount of receivable or asset relating to contracts with customers (a) the remaining amount of consideration that the Company expects to receive in exchange for sale of license or rendering of services to which such asset relates; less (b) the costs that relate

directly to providing those sale of license or rendering of services and that have not been recognised as expenses.

### j. Recognition of dividend income, interest income or expense

Dividend income is recognised in Statement of profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

### k. Sale of investments

Profit on sale of investments is recorded on transfer of title from the Company and is determined as the difference between the sales price and the carrying value of the investment

### l. Leases

#### *The Company as a lessee*

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

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## to standalone financial statements for the year ended 31 March 2024

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At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the

Company changes its assessment if whether it will exercise an extension or a termination option. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### m. Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

#### i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

### n. Cash and cash equivalents

Cash and short-term deposits in the Balance Sheet comprise cash at banks and cash in hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

### o. Earnings per share ("EPS")

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the net profit or loss for the year attributable to equity shareholders and the weighted average number of common and dilutive common equivalent shares outstanding during the year but including share options, compulsory convertible preference shares except where the result would be anti-dilutive.

### p. Share Capital

#### *Equity Shares*

Equity shares are classified as equity. Incremental costs directly attributable to the issuance of new equity shares are recognized as a deduction from equity.

#### *Dividends*

The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividend are recorded as a liability on the date of declaration by the Company's Board of Directors.

### q. Basis of segmentation

#### *Segment reporting*

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

#### *Identification of segments:*

All operating segments' results are reviewed regularly by the Board of Directors, who have been identified as the CODM, to allocate resources to the segments and assess their performance. Refer note 45 for segment information.

### r. ESOP Trust

The ESOP trust has been treated as an extension of the Company and accordingly shares held by ESOP Trust are netted off from the total share capital. Consequently, all the assets, liabilities, income and expenses of the trust are accounted for as assets and liabilities of the Company, except for profit / loss on issue of shares to the employees and dividend received by trust which are directly adjusted in the Newgen ESOP Trust reserve.

### s. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

# Notes

to standalone financial statements for the year ended 31 March 2024  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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## 4 Property, plant and equipment

Property, plant and equipment	Freehold land	Buildings	Plant and equipment	Leasehold improvements	Vehicles	Office equipment	Furniture and fixtures	Computer and servers	Total	Capital work-in-progress
<b>Cost</b>										
Balance as at 1 April 2022	4.28	12,895.15	722.11	5.99	477.09	1,357.57	616.73	3,010.77	19,089.69	-
Additions during the year	-	-	13.81	-	99.43	27.87	2.45	542.36	685.92	643.11
Capitalised during the year	-	-	-	643.11	-	-	-	-	643.11	643.11
Less: Disposals during the year	-	-	42.60	-	41.63	1.653	2.37	619.82	722.95	-
<b>Balance as at 31 March 2023</b>	<b>4.28</b>	<b>12,895.15</b>	<b>693.32</b>	<b>649.10</b>	<b>534.89</b>	<b>1,368.91</b>	<b>616.81</b>	<b>2,933.31</b>	<b>19,695.77</b>	-
Additions during the year	-	-	35.25	-	413.11	76.17	23.99	748.19	1,296.71	279.53
Capitalised during the year	-	-	-	-	-	-	-	-	-	-
Less: Disposals during the year	-	-	86.12	-	8.36	73.12	26.16	302.28	496.04	-
<b>Balance as at 31 March 2024</b>	<b>4.28</b>	<b>12,895.15</b>	<b>642.45</b>	<b>649.10</b>	<b>939.64</b>	<b>1,371.96</b>	<b>614.64</b>	<b>3,379.22</b>	<b>20,496.44</b>	<b>279.53</b>
<b>Accumulated Depreciation</b>										
Balance as at 1 April 2022	-	436.11	222.71	5.99	138.28	458.06	213.99	1,436.72	2,911.86	-
Depreciation during the year	-	217.02	66.48	52.82	63.55	133.26	61.93	519.53	1,114.59	-
Less: Disposals during the year	-	-	37.79	-	41.63	1.623	2.20	616.61	714.46	-
<b>Balance as at 31 March 2023</b>	<b>-</b>	<b>653.13</b>	<b>251.40</b>	<b>58.81</b>	<b>160.20</b>	<b>575.09</b>	<b>273.72</b>	<b>1,339.64</b>	<b>3,311.99</b>	-
Depreciation during the year	-	217.64	63.84	214.81	66.03	131.41	61.55	549.31	1,304.59	-
Less: Disposals during the year	-	-	85.37	-	8.36	72.27	20.37	305.42	491.79	-
<b>Balance as at 31 March 2024</b>	<b>-</b>	<b>870.77</b>	<b>229.87</b>	<b>273.62</b>	<b>217.87</b>	<b>634.23</b>	<b>314.90</b>	<b>1,583.53</b>	<b>4,124.79</b>	-
Carrying amount (net)										
Balance as at 31 March 2023	4.28	12,242.02	441.92	590.29	374.69	793.82	343.09	1,593.67	16,383.78	-
<b>Balance as at 31 March 2024</b>	<b>4.28</b>	<b>12,024.38</b>	<b>412.58</b>	<b>375.48</b>	<b>721.77</b>	<b>737.73</b>	<b>299.74</b>	<b>1,795.69</b>	<b>16,371.65</b>	<b>279.53</b>

As at 31 March 2024, properties with a carrying amount of INR 350.26 lakhs (31 March 2023 : INR 358.38 lakhs) are subject to first charge to working capital limits from banks.

Capital commitment as on 31 March 2024 is INR 422.57 lakhs (31 March 2023: NIL)

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### Ageing of Capital work-in progress

As at 31 March 2024

Capital work-in progress	Less than 1 year	1-2 Years	2-3 Years	More Than 3 years	Total
Projects in progress	279.53	-	-	-	279.53
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>279.53</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>279.53</b>

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2024

As at 31 March 2023

Capital work-in progress	Less than 1 year	1-2 Years	2-3 Years	More Than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 4A Goodwill

Particulars	As at 31 March 2024	As at 31 March 2023
Opening Balance (Refer Note 47)	283.31	283.31
Impairment of goodwill	-	-
<b>Closing Balance</b>	<b>283.31</b>	<b>283.31</b>

### 5 Intangible assets

Particulars	Computer software	AI Platform	Total
<b>Cost</b>			
<b>Balance as at 1 April 2022</b>	<b>412.61</b>	<b>1,654.33</b>	<b>2,066.94</b>
Additions during the year	56.18	-	56.18
<b>Balance as at 31 March 2023</b>	<b>468.79</b>	<b>1,654.33</b>	<b>2,123.12</b>
Additions during the year	72.18	-	72.18
<b>Balance as at 31 March 2024</b>	<b>540.97</b>	<b>1,654.33</b>	<b>2,195.30</b>
<b>Accumulated Amortisation</b>			
<b>Balance as at 1 April 2022</b>	<b>399.52</b>	<b>56.20</b>	<b>455.72</b>
Amortisation during the year	21.58	330.87	352.45
<b>Balance as at 31 March 2023</b>	<b>421.10</b>	<b>387.07</b>	<b>808.17</b>
Amortisation during the year	33.33	331.77	365.10
<b>Balance as at 31 March 2024</b>	<b>454.43</b>	<b>718.84</b>	<b>1,173.27</b>
Carrying amount (net)			
<b>Balance as at 31 March 2023</b>	<b>47.69</b>	<b>1,267.26</b>	<b>1,314.95</b>
<b>Balance as at 31 March 2024</b>	<b>86.54</b>	<b>935.49</b>	<b>1,022.03</b>

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 6 Investment in subsidiaries

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Investments in equity instruments - at cost (unquoted)</b>		
6,000 (31 March 2022: 6,000) common shares of USD 200 each, fully paid up of Newgen Software Inc.	902.29	701.61
1,000,000 (31 March 2022: 1,000,000) common shares of CAD 0.10 each, fully paid up of Newgen Software Technologies Canada, Limited.	80.87	67.74
250,000 (31 March 2022: 250,000) ordinary shares of SGD 1 each, fully paid up of Newgen Software Technologies Pte. Limited.	159.47	124.30
210,000 (31 March 2022: 210,000) equity shares of INR 10 each, fully paid up of Newgen Computers Technologies Limited.	46.50	46.50
20,000,000 (31 March 2022: 20,000,000) common stock of GBP 0.01 each, fully paid up of Newgen Software Technologies (UK) Ltd.	216.79	197.51
1,000,000 (31 March 2022: 1,000,000) common shares of AUD 1 each, fully paid up of Newgen Software Technologies Pty Ltd.	554.50	522.34
3,000 (31 March 2022: 3,000) equity shares of AED 1000 each, fully paid up of Newgen Software Technologies LLC	675.30	675.30
100,000 (31 March 2023: Nil) equity shares of SAR 10 each, fully paid up of Newgen Software Technologies Company Limited	222.48	-
	<b>2,858.20</b>	<b>2,335.30</b>

Aggregate book value of unquoted investments 2,858.20 2,335.30

Increase in investment represents investment in Newgen Software Technologies Company Limited and deemed investment on account of share based payment awards granted to the employees of subsidiaries of the Company.

### 7 Other financial assets (non-current)

Particulars	As at 31 March 2024	As at 31 March 2023
Bank deposits		
- Deposits with maturity of more than 12 months	2,990.85	14,019.87
- pledged with tax authorities	6.02	4.42
- held as margin money*	4,366.02	3,870.19
Interest accrued on deposits	394.37	769.32
Security deposits	476.89	422.06
Earnest money deposits		
- Unsecured, considered good	137.25	25.53
- Unsecured, considered doubtful	164.75	164.75
- Less: Loss allowance for doubtful deposits	(164.75)	(164.75)
	<b>8,371.40</b>	<b>19,111.39</b>

\*Bank deposits held as margin money represents deposits made on account of guarantees issued to government customers amounting to INR 1,734.43 lakhs (31 March 2023: INR 687.73 lakhs) and deposits made to avail overdraft facilities amounting to INR 2,631.59 lakhs (31 March 2023: INR 3,182.46 Lakhs)

Information about Company's exposure to credit and market risks and fair value measurement is included in Note 43.

### 8 Income tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Advance income tax (net of provision of INR 9,403.22 lakhs (31 March 2023: INR 17,205.30 lakhs))	1,501.44	1,791.06
	<b>1,501.44</b>	<b>1,791.06</b>



# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 8A Income tax liabilities (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for tax (net of advance tax of INR 3,543.93 lakhs (31 March 2023 INR 2,363.08 lakhs))	1,309.44	1,422.76
	<b>1,309.44</b>	<b>1,422.76</b>

### 9 Other non-current assets

Particulars	As at 31 March 2024	As at 31 March 2023
Prepaid expenses	17.86	14.12
	<b>17.86</b>	<b>14.12</b>

### 10 Investments (refer note 41)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Investments in bonds (unquoted)</b>		
Bonds at FVOCI		
- Investment in government bonds	6,390.08	6,186.35
	<b>6,390.08</b>	<b>6,186.35</b>
<b>Investments in mutual funds (unquoted)</b>		
Mutual funds at FVTPL	30,108.81	6,952.45
	<b>30,108.81</b>	<b>6,952.45</b>
	<b>36,498.89</b>	<b>13,138.80</b>
Aggregate book value of unquoted investments	36,498.89	13,138.80

Investments in bonds measured at FVOCI have stated interest rates of 7.04% to 8.63%. Information about Company's exposure to credit and market risks and fair value measurement is included in Note 43(c).

### 11 Trade receivables

Particulars	As at 31 March 2024	As at 31 March 2023
- Trade receivables -Unsecured, considered good	34,725.01	34,318.10
- Trade receivables - Credit impaired	416.73	803.07
	<b>35,141.74</b>	<b>35,121.17</b>
<b>Allowance for bad and doubtful debts</b>		
- Trade receivables -Unsecured, considered good	(3,189.04)	(3,106.70)
- Trade receivables - Credit impaired	(416.73)	(803.07)
	<b>31,535.97</b>	<b>31,211.40</b>

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### Trade Receivable Ageing Schedule

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 Years	2-3 Years	More Than 3 years	
<b>As at 31 March 2024</b>							
Undisputed Trade Receivables- Considered good	22,955.16	8,975.22	1,195.99	989.22	461.94	147.48	34,725.01
Undisputed Trade Receivables- Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables- credit impaired	-	-	-	-	416.73	-	416.73
Disputed Trade Receivables- Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables- Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables- credit impaired	-	-	-	-	-	-	-
	<b>22,955.16</b>	<b>8,975.22</b>	<b>1,195.99</b>	<b>989.22</b>	<b>878.67</b>	<b>147.48</b>	<b>35,141.74</b>

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 Years	2-3 Years	More Than 3 years	
<b>As at 31 March 2023</b>							
Undisputed Trade Receivables- Considered good	21,531.39	8,662.80	1,914.83	1,768.59	440.49	-	34,318.10
Undisputed Trade Receivables- Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables- credit impaired	-	-	-	744.28	58.79	-	803.07
Disputed Trade Receivables- Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables- Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables- credit impaired	-	-	-	-	-	-	-
	<b>21,531.39</b>	<b>8,662.80</b>	<b>1,914.83</b>	<b>2,512.87</b>	<b>499.28</b>	<b>-</b>	<b>35,121.17</b>

Trade receivables also includes balance receivables from related parties. For details refer note 42.

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, director or a member.

Trade receivables are non-interest bearing and are generally on terms of 15-90 days.

The Company's exposure to credit and currency risks and loss allowances related to trade receivables are discussed in note 43C (ii) & 43C (v)

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 12 Cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Cash on hand	6.45	4.16
Balances with banks		
- in current accounts*	3,583.14	4,102.59
- Balances with scheduled banks in deposit accounts with original maturity of less than three months	1,401.39	615.07
	<b>4,990.98</b>	<b>4,721.82</b>

\* Current account balances with banks include INR 180.76 lakhs (31 March 2023: INR 66.58 lakhs) held at a foreign branch.

Short term deposits are varying from periods of between one day to three months, depending upon the immediate cash requirements of the group, and earn interest at the respective short term deposit rates.

### 13 Bank balances other cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with scheduled banks in deposit accounts		
- Original maturity of less than 12 months	20,013.87	9,722.75
- Unclaimed dividend account*	8.73	6.57
	<b>20,022.60</b>	<b>9,729.32</b>

\*These balances are not available for use by the Company as they represent corresponding unclaimed liabilities.

### 14 Current financial assets - Loans

Particulars	As at 31 March 2024	As at 31 March 2023
Loans to employees*	11.73	7.00
	<b>11.73</b>	<b>7.00</b>

\*These are interest bearing loans - repayable within one year given to employees, chargeable at the rate of 12% p.a.

### 15 Current financial assets - Others

Particulars	As at 31 March 2024	As at 31 March 2023
<b>(unsecured considered good, unless otherwise stated)</b>		
Interest accrued on deposits	1,526.43	383.93
Interest accrued but not due on government bonds	307.82	308.18
Derivatives assets	68.47	-
Security deposits	192.77	15.45
Other receivable	123.10	-
Contract assets*		
- other than related parties	7,288.42	7,949.95
Less: Provision for loss allowance	(207.72)	(225.78)
- related parties (refer note 42)	6,767.10	4,381.54
	<b>16,066.39</b>	<b>12,813.27</b>

\* Contract assets (unbilled revenue) represents amounts recognised based on services performed in advance of billing in accordance with contract terms.

\* Changes in contract assets (unbilled revenue) is as follows:

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Balance at the beginning of the year</b>	<b>12,331.49</b>	<b>11,835.50</b>
Less: Amount of revenue billed during the year	(10,185.44)	(8,712.45)
Add: Addition during the year	11,909.47	9,208.44
<b>Balance at the end of the year</b>	<b>14,055.52</b>	<b>12,331.49</b>

### 16 Other current assets

Particulars	As at 31 March 2024	As at 31 March 2023
Advances to vendors	103.43	88.83
Balances with government authorities*	1,109.78	-
Deferred contract cost	151.96	180.94
Advance to employees	168.82	238.39
Prepaid expenses	895.05	746.35
	<b>2,429.04</b>	<b>1,254.51</b>

\*Balances with government authorities comprises of Goods and Service tax (GST) input credit. In previous year i.e. 31 March 2023, GST input has been netted off with GST liabilities.

### 17 Equity Share capital

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital				
Equity shares of INR 10 each	9,80,00,200	9,800.02	9,80,00,200	9,800.02
Add: Equity share capital of INR 10 each	7,01,00,000	7,010.00	-	-
0.01% Compulsory convertible preference shares of INR 10 each	1,19,99,800	1,199.98	1,19,99,800	1,199.98
	<b>18,01,00,000</b>	<b>18,010.00</b>	<b>11,00,00,000</b>	<b>11,000.00</b>

Issued, subscribed and paid up	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
Equity share capital of INR 10 each, fully paid up	6,99,55,701	6,995.57	6,99,55,701	6,995.57
Add: Issued during the year to Newgen ESOP Trust before bonus issue	1,13,700	11.37	-	-
Add: Bonus shares issued during the year	7,00,69,401	7,006.94	-	-
Add: Issued during the year to Newgen ESOP Trust after bonus issue	1,53,000	15.30	-	-
<b>Total after bonus issue</b>	<b>14,02,91,802</b>	<b>14,029.18</b>	<b>6,99,55,701</b>	<b>6,995.57</b>
Less : Shares held by Newgen ESOP Trust	5,12,483	51.25	3,00,025	30.00
<b>Total equity share capital</b>	<b>13,97,79,319</b>	<b>13,977.93</b>	<b>6,96,55,676</b>	<b>6,965.57</b>

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### Reconciliation of shares outstanding at the beginning and at the end at the reporting year.

Equity share capital of INR 10 each, fully paid up	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	6,99,55,701	6,995.57	6,99,55,701	6,995.57
Add: Issued during the year to Newgen ESOP Trust before bonus issue	1,13,700	11.37	-	-
Add: Bonus shares issued during the year	7,00,69,401	7,006.94	-	-
Add: Issued during the year to Newgen ESOP Trust after bonus issue	1,53,000	15.30	-	-
<b>At the end of the year</b>	<b>14,02,91,802</b>	<b>14,029.18</b>	<b>6,99,55,701</b>	<b>6,995.57</b>
Less: Shares held by Newgen ESOP Trust	5,12,483	51.25	3,00,025	30.00
<b>Total equity share capital</b>	<b>13,97,79,319</b>	<b>13,977.93</b>	<b>6,96,55,676</b>	<b>6,965.57</b>

### Terms/rights attached to equity shares

In case of equity shares, each equity shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend, if any. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their respective shareholding.

### 17A Details of shareholders holding more than 5% shares in the Company

#### Equity shares of INR 10 each, fully paid up held by:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	% Holding	Number of shares	% Holding
- Mr. Diwakar Nigam	3,13,49,464	22.35%	1,56,74,732	22.41%
- Mr. T.S. Varadarajan	3,00,18,612	21.40%	1,50,09,306	21.46%
- Mrs. Priyadarshini Nigam	1,31,39,584	9.37%	65,69,792	9.39%
- Marathon Edge India Fund I	77,05,278	5.49%	38,52,639	5.51%

### 17B Details of shares held by promoters

#### Equity shares of INR 10 each, fully paid up held by:

Particulars	As at 31 March 2024			As at 31 March 2023	
	Number of shares	% of total shares	% change during the year	Number of shares	% of total shares
- Mr. Diwakar Nigam	3,13,49,464	22.35%	100.00%	1,56,74,732	22.41%
- Mr. T.S. Varadarajan	3,00,18,612	21.40%	100.00%	1,50,09,306	21.46%
- Mrs. Priyadarshini Nigam	1,31,39,584	9.37%	100.00%	65,69,792	9.39%
- Mrs. Usha Varadarajan	26,64,640	1.90%	100.00%	13,32,320	1.90%

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 17C Shares reserved for issue under Employee stock option plan and RSU Scheme

Terms attached to stock options granted to employees are described in note 35 regarding share based payments.

### 17 D Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.

- (i) Equity shares have been issued under Employee stock options plans to trust for which only exercise price has been received in cash.

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
Equity shares of INR 10 each	2,66,700	-	-	-	3,70,000
Bonus shares of INR 10 each	2,00,193	-	-	-	-
	<b>4,66,893</b>	-	-	-	<b>3,70,000</b>

- (ii) Other than aforementioned, no shares has been allotted by way of bonus issues and no shares has been bought back in the current year and preceding 5 years.

### 18 Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
Securities premium	3,717.59	10,397.49
Retained earnings	90,637.72	70,401.96
Capital redemption reserve	87.95	87.95
Capital reserve	416.39	416.39
General reserve	1,731.39	1,731.39
Newgen ESOP Trust reserve	553.29	540.35
Share options outstanding reserve	4,447.21	2,142.08
Other comprehensive loss	(811.76)	(456.27)
	<b>1,00,779.78</b>	<b>85,261.34</b>

Securities premium (refer note (i) below)	As at 31 March 2024	As at 31 March 2023
Balance as at beginning of the year	10,605.31	10,525.26
Securities premium on issue of shares to Newgen ESOP Trust	484.41	-
Transferred from share options outstanding reserve on exercise of stock options	132.79	80.05
Balance as at end of the year	11,222.51	10,605.31
Less: Securities premium on shares held by Newgen ESOP Trust	497.98	207.82
Less: Securities premium on issue of Bonus shares	7,006.94	-
<b>Balance as at end of the year</b>	<b>3,717.59</b>	<b>10,397.49</b>

Retained earnings (refer note (ii) below)	As at 31 March 2024	As at 31 March 2023
Balance as at beginning of the year	70,401.96	56,755.88
Profit for the year	23,733.55	16,794.09
Dividend on equity shares	(3,497.79)	(3,148.01)
<b>Balance as at end of the year</b>	<b>90,637.72</b>	<b>70,401.96</b>

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

<b>Capital reserve (refer note vi below)</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Balance as at beginning of the year	416.39	416.39
<b>Balance as at end of the year</b>	<b>416.39</b>	<b>416.39</b>

<b>Capital redemption reserve</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Balance as at beginning of the year	87.95	87.95
<b>Balance as at end of the year</b>	<b>87.95</b>	<b>87.95</b>

<b>General reserve</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Balance as at beginning of the year	1,731.39	1,731.39
<b>Balance as at end of the year</b>	<b>1,731.39</b>	<b>1,731.39</b>

<b>Newgen ESOP Trust reserve (refer note (iii) below)</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Balance as at beginning of the year	540.35	511.71
Addition to Newgen ESOP Trust reserve	12.94	28.64
<b>Balance as at end of the year</b>	<b>553.29</b>	<b>540.35</b>

<b>Share options outstanding reserve (refer note (iv) below)</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Balance as at beginning of the year	2,142.08	762.77
Employee stock compensation expense	2,437.92	1,463.91
Transferred to securities premium account on exercise of stock options	(132.79)	(84.60)
<b>Balance as at end of the year</b>	<b>4,447.21</b>	<b>2,142.08</b>

### Other comprehensive loss (refer note (v) below)

<b>Remeasurement of defined benefit liability</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Balance as at beginning of the year	(244.01)	(235.42)
Other comprehensive loss (net of tax)	(303.96)	(8.59)
<b>Balance as at end of the year</b>	<b>(547.97)</b>	<b>(244.01)</b>

<b>Financial assets or investments carried at fair value through other comprehensive income</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Balance as at beginning of the year	(212.26)	3.81
Other comprehensive loss (net of tax)	(51.53)	(216.07)
<b>Balance as at end of the year</b>	<b>(263.79)</b>	<b>(212.26)</b>

- (i) Securities premium is used to record the premium received on issue of shares. It will be utilised in accordance with the provisions of the Companies Act, 2013.
- (ii) Retained earnings represents accumulated balances of profits over the years after appropriations for general reserves and adjustments of dividend.
- (iii) Newgen ESOP Trust has been treated as an extension of the Company and accordingly shares held by Newgen ESOP Trust are netted off from the total share capital. Consequently, all the assets, liabilities, income and expenses of the trust are accounted for as assets and liabilities of the Company, except for profit / loss on issue of shares to the employees and dividend received by trust which are directly adjusted in the Newgen ESOP Trust reserve.

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

- (iv) The Company has established various equity-settled share-based payment plans for certain employees of the Company. Refer to note 35 for further details on these plans.
- (v) Refer Statement of Changes in Equity for analysis of other comprehensive income, net of tax.
- (vi) Capital reserve created on account of merger of Number Theory Software Private Limited ("Number Theory")

### 19 Right-of-use assets and lease liability

Changes in the carrying value of right of use assets for the year ended 31 March 2024

Particulars	Category of ROU asset		Total
	Leasehold land	Buildings	
Balance as at 1 April 2023	3,247.88	2,787.05	6,034.93
Addition	-	1,273.07	1,273.07
Termination of leases	-	-	-
Depreciation	(39.40)	(876.00)	(915.40)
<b>Balance as at 31 March 2024</b>	<b>3,208.48</b>	<b>3,184.12</b>	<b>6,392.60</b>

Changes in the carrying value of right of use assets for the year ended 31 March 2023

Particulars	Category of ROU asset		Total
	Leasehold land	Buildings	
Balance as at 1 April 2022	3,287.18	1,125.69	4,412.87
Addition #	-	2,418.74	2,418.74
Termination of leases	-	-	-
Depreciation	(39.30)	(757.38)	(796.68)
<b>Balance as at 31 March 2023</b>	<b>3,247.88</b>	<b>2,787.05</b>	<b>6,034.93</b>

\*Right of use assets recognised in the balance sheet at the date of initial recognition.

# It includes ROU of INR 237.30 lakhs transferred from Number Theory.

The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the Statement of Profit and Loss.(refer note 31)

#### Lease liabilities

##### Break up of current and non-current lease liabilities:

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current lease liabilities	2,996.53	2,697.20
Current lease liabilities	952.25	767.78
<b>Total</b>	<b>3,948.78</b>	<b>3,464.98</b>

##### Movement in lease liabilities during the year ended 31 March 2024

Particulars	As at 31 March 2024
Balance as at 1 April 2023	3,464.98
Addition	1,201.12
Finance cost	297.95
Termination of leases	-
Payment of lease liabilities	(1,015.27)
<b>Balance as at 31 March 2024</b>	<b>3,948.78</b>



# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### Movement in lease liabilities during the year ended 31 March 2023

Particulars	As at 31 March 2023
Balance as at 1 April 2022	1,725.48
Addition #	2,363.96
Finance cost	289.25
Termination of leases	-
Payment of lease liabilities	(913.71)
<b>Balance as at 31 March 2023</b>	<b>3,464.98</b>

# It includes Lease Liability of INR 237.30 lakhs transferred from NTSP

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was INR 110.03 lakhs for the year ended 31 March 2024 (31 March 2023: INR 108.50 lakhs)

For detail regarding the undiscounted contractual maturities of lease liabilities. (refer note 43 C (iii))

## 20 Borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Non Current Borrowings</b>		
- Deferred payment liabilities *	-	220.05
	-	<b>220.05</b>

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Current Borrowings</b>		
Current maturities of deferred payment liabilities	219.92	203.50
	<b>219.92</b>	<b>203.50</b>

### Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities

Particulars	Balance as at 31 March 2023	Interest Accrued	Loan repayments	Other non cash changes	Balance as at 31 March 2024
Erstwhile shareholders of Number Theory Software Private Limited	423.55	30.61	(234.24)	-	219.92
	<b>423.55</b>	<b>30.61</b>	<b>(234.24)</b>	-	<b>219.92</b>

\*(a) Includes balance payable to erstwhile shareholders of Number Theory Software Private Limited

(b) Deferred payment liability is discounted at the rate of 8%. Per annum.

(c) The liability is payable in three equal annual instalment of Rs. 234.24 lakhs. The repayment of instalment has commenced from January, 2023.

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 21 Non-current provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits (refer note 29)		
- provision for gratuity	3,723.87	2,685.21
- provision for compensated absences	1,026.79	768.42
	<b>4,750.66</b>	<b>3,453.63</b>

### 22 Trade payables

Particulars	As at 31 March 2024	As at 31 March 2023
- Total outstanding dues to micro enterprises and small enterprises	632.13	58.38
- Total outstanding dues to creditors other than micro and small enterprises	5,563.14	5,461.88
	<b>6,195.27</b>	<b>5,520.26</b>

#### Trade payables Ageing Schedule

##### As at 31 March 2024

Particulars	Outstanding for following periods from due date of payment					
	Less than 1 year	1-2 Years	2-3 Years	More Than 3 years	Unbilled payable	Total
Total outstanding dues of Micro enterprises and small enterprises	632.13	-	-	-	-	632.13
Total outstanding dues of creditors other than Micro enterprises and small enterprises	757.43	-	-	-	4,805.71	5,563.14
Disputed Dues of Micro enterprises and small enterprises	-	-	-	-	-	-
Disputed Dues of creditors other than Micro enterprises and small enterprises	-	-	-	-	-	-
	<b>1,389.56</b>	-	-	-	<b>4,805.71</b>	<b>6,195.27</b>

##### As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment					
	Less than 1 year	1-2 Years	2-3 Years	More Than 3 years	Unbilled payable	Total
Total outstanding dues of Micro enterprises and small enterprises	58.38	-	-	-	-	58.38
Total outstanding dues of creditors other than Micro enterprises and small enterprises	1,540.55	-	-	-	3,921.33	5,461.88
Disputed Dues of Micro enterprises and small enterprises	-	-	-	-	-	-
Disputed Dues of creditors other than Micro enterprises and small enterprises	-	-	-	-	-	-
	<b>1,598.93</b>	-	-	-	<b>3,921.33</b>	<b>5,520.26</b>

Trade payables are non-interest bearing and are generally on terms of 30-45 days.

- Refer note 37 for disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED).
- Refer note 42 for dues to related parties.
- The Company's exposure to liquidity risk and currency risks related to trade payables is disclosed in note 43C(iii) & 43C(v).

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 23 Current financial liabilities - Others

Particulars	As at 31 March 2024	As at 31 March 2023
Employee related payables	4,391.42	3,391.46
Derivatives liabilities	-	187.49
Earnest money deposits	1.00	1.00
Payable for capital assets#	319.15	32.72
Unpaid dividends*	8.73	6.57
	<b>4,720.30</b>	<b>3,619.24</b>

# Refer note 37 for amount payable to Micro, Small and Medium Enterprises. It includes payable in respect of retention money amounting to INR 13.78 lakhs (31 March 2023 : INR 31.50 lakhs).

\* Unpaid dividends amount is not due for deposit to the Investor Education & Protection fund.

### 24 Deferred income

Particulars	As at 31 March 2024	As at 31 March 2023
Unearned revenue*	11,807.67	9,695.94
	<b>11,807.67</b>	<b>9,695.94</b>

\* Changes in unearned revenue is as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Balance at the beginning of the year</b>	<b>9,695.94</b>	<b>7,862.92</b>
Revenue recognised that was included in deferred income at the beginning of the year	(9,650.46)	(7,827.54)
Increase due to invoicing during the year, excluding amount recognised as revenue during the year	11,762.19	9,660.56
<b>Balance at the end of the year</b>	<b>11,807.67</b>	<b>9,695.94</b>

### 25 Other current liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Statutory dues payable*	2,692.22	1,291.22
Advance from employees for share options	1.83	0.19
Other current liabilities	0.50	0.75
	<b>2,694.55</b>	<b>1,292.16</b>

\*Statutory dues payable includes GST payable. In previous year i.e. 31 March 2023, GST input has been netted off with GST payable.

### 26 Current provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits (refer note 29)		
- provision for gratuity	659.22	693.89
- provision for compensated absences	248.94	242.36
	<b>908.16</b>	<b>936.25</b>

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 27 Revenue from operations

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of products - softwares	20,623.01	16,665.89
Sale of services		
- Implementation	23,574.49	17,681.84
- Scanning & Hardware	1,363.23	685.44
- AMC/ATS	23,349.15	21,061.97
- Support	34,268.37	24,614.14
- SaaS revenue	10,433.68	8,070.78
	<b>1,13,611.93</b>	<b>88,780.06</b>

### Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where :

- The performance obligation is part of a contract that has an original expected duration of one year or less.
- The revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis.

Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialised and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at 31 March 2024, other than those meeting the exclusion criteria mentioned above is INR Nil ( 31 March 2023 INR Nil).

### 28 Other income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest income under the effective interest rate method:		
- on security deposits at amortised cost	30.96	25.30
- government and other bonds at FVOCI	426.00	426.87
Interest income on deposit with banks	1,895.10	1,577.45
Gain on sale of property, plant and equipment	13.35	-
Profit on sale of mutual funds (net) at FVTPL	254.94	151.30
Fair value changes of financial assets at FVTPL	1,359.54	87.29
Liabilities / provision no longer required written back	120.68	1,020.65
Net foreign exchange fluctuation gain	383.21	-
Miscellaneous income	66.23	2.25
	<b>4,550.01</b>	<b>3,291.11</b>

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 29 Employee benefits expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus	47,961.29	39,038.68
Contribution to provident funds (refer note i below)	1,618.57	1,327.25
Expenses related to compensated absences (refer note ii below)	647.58	502.00
Share based payment - equity settled (refer note 35)	2,094.72	1,265.93
Expense related to defined benefit plan (refer note iii below)	751.50	639.49
Staff welfare expenses	857.81	539.70
	<b>53,931.47</b>	<b>43,313.05</b>

#### (i) Defined contribution plans:

The Company makes contributions, determined as a specified percentage of the employee salaries in respect of qualifying employees towards provident fund, which is a defined contribution plan. The amount recognised as an expense towards contribution to provident fund for the year aggregated to INR 1,618.57 lakhs (31 March 2023: INR 1,327.25 lakhs). The amount recognised as an expense towards employee state insurance aggregated to INR 0.10 lakhs (31 March 2023: INR 0.09 lakhs).

#### (ii) Compensated absences:

The Principal assumptions used in determining the compensated absences benefit obligation are as given below:

Particulars	31 March 2024	31 March 2023
Discounting rate (p.a.)	4.85% - 7.22%	4.85% - 7.36%
Future salary increase ( p.a.)	5.00% -8.00%	5.00% -7.00%
Attrition Rate (withdrawal rate%)		
Up to 30 years	20.00%	24.00%
From 31 to 44 years	20.00%	27.00%
Above 44 years	10.00%	14.00%

#### (iii) Defined Benefit Plan:

**Gratuity scheme** - This is an unfunded defined benefit plan and it entitles an employee, who has rendered atleast 5 years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit.

- i) On normal retirement / early retirement / withdrawal / resignation: As per the provisions of the Payment of Gratuity Act, 1972 with vesting period of 5 years of service.
- ii) On death in service: As per the provisions of the Payment of Gratuity Act, 1972 without any vesting period. Gratuity payable to employee in case (i) and (ii), as mentioned above, is computed as per the Payment of Gratuity Act, 1972 except the Company does not have any limit on gratuity amount.

#### (iv) Defined Benefit Plan-Dubai office:

The gratuity benefit payable in the case of termination, retirement, or death is 21 days' Scheme Salary for each of the first five years of service and 30 days' Scheme Salary for each year thereafter. Partial years count towards a period of service. This benefit is payable only after completing one year of service. In the case of the resignation of an employee, he/she is entitled to the following benefit:

Number of Year's Service	Fraction of Full Benefits
Less than 1 year	Nil
Between 1 year and 3 years	One third
Between 3 years and 5 years	Two third
Above 5 years	Full

No gratuity benefits are payable to any employee who is dismissed/terminated from service for misconduct, disobedience or violation of any existing rules and regulations of Newgen. The Scheme is unfunded.

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### A. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Balance at the beginning of the year</b>	<b>3,379.10</b>	<b>3,093.68</b>
Benefits paid	(214.73)	(367.27)
Current service cost	541.94	428.74
Interest cost	237.88	210.75
Reversal of opening provision of Number Theory	(28.32)	-
Actuarial (gains) / losses recognised in OCI		
change in demographic assumptions	47.33	(7.46)
change in financial assumptions	190.67	(109.02)
experience adjustments	229.22	129.68
<b>Balance at the end of the year</b>	<b>4,383.09</b>	<b>3,379.10</b>

### B. i) Expense recognised in profit and loss

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current service cost	541.94	428.74
Interest cost	237.88	210.75
Reversal of opening provision of Number Theory	(28.32)	-
<b>Total expense recognised in Statement of profit and loss</b>	<b>751.50</b>	<b>639.49</b>

### ii) Remeasurements recognised in other comprehensive income

Particulars	As at 31 March 2024	As at 31 March 2023
Actuarial loss on defined benefit obligation	467.22	13.20
<b>Total remeasurements recognised in other comprehensive income</b>	<b>467.22</b>	<b>13.20</b>

### C. Defined benefit obligations

#### i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Discount rate	5.25% - 7.22%	4.85% - 7.36%
Salary escalation rate	5.00% -8.00%	5.00% -7.00%
Mortality rate	100% of IALM (2012- 14)	100% of IALM (2012- 14)
Attrition Rate (withdrawal rate%)		
Up to 30 years	20.00%	24.00%
From 31 to 44 years	20.00%	27.00%
Above 44 years	10.00%	14.00%

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	31 March 2024		31 March 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(77.95)	79.11	(78.12)	84.89
Future salary growth (0.50% movement)	78.03	(77.42)	84.17	(78.49)

Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

### iii. Maturity profile of defined benefit obligation:

Particulars	As at 31 March 2024	As at 31 March 2023
Within the next 12 months (next annual reporting period)	661.82	693.89
Between 2 and 5 years	1,805.57	1,522.86
Beyond 5 years	1,988.94	1,278.20

Net defined benefit liability	As at 31 March 2024	As at 31 March 2023
Liability for gratuity	4,383.09	3,379.10
Liability for compensated absences	1,275.73	1,010.78
<b>Total employee benefit liabilities</b>	<b>5,658.82</b>	<b>4,389.88</b>
<b>Non-current:</b>		
Gratuity	3,723.87	2,685.21
Compensated absences	1,026.79	768.42
<b>Current:</b>		
Gratuity	659.22	693.89
Compensated absences	248.94	242.36

## 30 Finance costs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Finance cost on lease liabilities	297.95	289.25
Interest expense on borrowings	30.61	39.08
Other finance costs	82.09	60.85
	<b>410.65</b>	<b>389.18</b>

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 31 Depreciation and amortisation

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation of property, plant and equipment (refer note 4)	1,304.59	1,114.59
Depreciation of right-of use assets (refer note 19)	915.40	796.68
Amortisation of intangible assets (refer note 5)	365.10	352.45
	<b>2,585.09</b>	<b>2,263.72</b>

### 32 Other expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Rent	110.03	108.50
Repairs and maintenance	561.78	461.03
Rates and taxes	1,001.45	643.22
Travelling and conveyance	5,422.79	3,733.24
Legal and professional fees	5,365.12	3,621.52
Outsourced technical services expense (refer note 42)	7,644.47	6,308.49
Cloud hosting services	2,457.36	1,932.97
Payment to auditors*	68.17	69.35
Electricity and water	432.85	405.45
Advertising and sales promotion	971.55	734.46
Membership and subscription fee	298.99	304.94
Brokerage and commission	992.94	1,026.80
Communication costs	299.32	269.39
Software and license maintenance	1,560.27	1,352.24
Expenditure on corporate social responsibility (refer note 39)	378.91	293.45
Donation	39.75	34.88
Recruitment charges	288.60	438.90
Insurance	775.21	766.34
Operation and maintenance	527.10	409.19
Printing, stationery and scanning charges	382.09	480.18
Sub-contracting expenses	494.51	-
Loss on sale of property, plant and equipment	-	0.58
Loss allowance on trade receivables	2,345.16	1,825.63
( Loss allowance on trade receivables includes loss allowance created on contract assets amounting to INR (18.06) lakhs (31 March 2023: INR (47.61) lakhs))		
Security charges	250.58	230.64
Net foreign exchange fluctuation loss	-	193.93
Miscellaneous expenses	130.68	70.72
	<b>32,799.68</b>	<b>25,716.04</b>
<b>*Payment to auditors</b>		
<b>As auditor:</b>		
- Statutory audit fee	37.00	37.00
- Limited review fee	21.00	21.00
- Certification fee	7.32	8.66
- Reimbursement of expenses	2.85	2.69
	<b>68.17</b>	<b>69.35</b>



# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 33 Income Tax

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>A. The major components of income tax income recognised in Statement of Profit or Loss</b>		
Tax expense	5,270.70	3,872.52
Deferred tax credit	(569.20)	(277.43)
<b>Total</b>	<b>4,701.50</b>	<b>3,595.09</b>
<b>Recognised in Other comprehensive income</b>		
Tax impact on		
- Re-measurement on defined benefit plan	163.26	4.61
- Financial assets or investments carried at fair value through other comprehensive income	15.65	65.63
<b>Total</b>	<b>178.91</b>	<b>70.24</b>

Particulars	31 March 2024		31 March 2023	
<b>B. Reconciliation of effective tax rate</b>				
Tax using the Company's tax rate	34.94%	28,435.05	34.94%	20,389.17
Effect of deduction under section 10AA of the Income tax Act, 1961	(17.06%)	(4,849.61)	(18.88%)	(3,850.07)
Effect of expenses permanently disallowed under the Income Tax Act, 1961	0.69%	197.58	0.67%	137.33
Effect of income exempt/ non taxable/ taxed on lower rate	(0.64%)	(182.58)	(0.89%)	(181.87)
Tax expense for earlier years	(0.58%)	(165.66)	1.01%	205.05
Others	(0.82%)	(234.58)	0.78%	159.86
<b>Income tax recognised in statement of profit and loss for the current year</b>	<b>16.53%</b>	<b>4,701.50</b>	<b>17.63%</b>	<b>3,595.09</b>

### C. Deferred tax asset /(liabilities) and movement in temporary differences

#### 31 March 2024

Particulars	Balance as at 1 April 2023	Recognised in Statement of Profit or Loss during the year	Recognised in OCI during the year	Balance as at 31 March 2024
Investments at fair value through OCI	69.41	-	15.65	85.06
Remeasurement of defined benefit liability (asset)	130.71	-	163.26	293.97
Property, plant and equipment	(1,344.77)	(132.33)	-	(1,477.10)
Loss allowance on other financial assets	57.57	-	-	57.57
Loss allowance on trade receivables	1,162.90	(106.24)	-	1,056.66
Provision for employee benefits	1,406.64	410.89	-	1,817.53
Lease liabilities	28.57	17.08	-	45.65
MAT credit entitlement	630.59	699.66	-	1,330.25
Disallowance on account of delayed payment to MSME Vendor	-	125.15	-	125.15
Others	(230.90)	(445.00)	-	(675.90)
<b>Total</b>	<b>1,910.72</b>	<b>569.20</b>	<b>178.91</b>	<b>2,658.84</b>

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 31 March 2023

Particulars	Balance as at 1 April 2022	Recognised in Statement of Profit or Loss during the year	Recognised in OCI during the year	Balance as at 31 March 2023
Investments at fair value through OCI	3.78	-	65.63	69.41
Remeasurement of defined benefit liability (asset)	126.10	-	4.61	130.71
Property, plant and equipment	(999.01)	(345.76)	-	(1,344.77)
Loss allowance on other financial assets	57.57	-	-	57.57
Loss allowance on trade receivables	1,086.61	76.29	-	1,162.90
Provision for employee benefits	1,265.89	140.75	-	1,406.64
Lease liabilities	7.87	20.70	-	28.57
MAT credit entitlement	215.95	414.64	-	630.59
Others	(201.71)	(29.19)	-	(230.90)
<b>Total</b>	<b>1,563.05</b>	<b>277.43</b>	<b>70.24</b>	<b>1,910.72</b>

### 34 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

#### i. Profit attributable to Equity holders of the Company

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit attributable to equity holders of the Company	23,733.55	16,794.09
<b>Profit attributable to equity holders of the Company for basic and diluted earnings</b>	<b>23,733.55</b>	<b>16,794.09</b>

#### ii. Weighted average number of ordinary shares

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance of equity's shares	6,96,55,676	6,95,40,191
Effect of share options exercised	1,00,308	72,128
Addition of Bonus shares issued (net of bonus shares issued to trust)	6,98,69,208	-
<b>Weighted average number of shares for basic EPS</b>	<b>13,96,25,192</b>	<b>6,96,12,319</b>
<b>Effect of dilution:</b>		
Add: Weighted average number of potential equity shares on account of employees stock options	41,28,440	8,87,921
<b>Weighted average number of shares for diluted EPS</b>	<b>14,37,53,632</b>	<b>7,05,00,240</b>

#### Basic and diluted earnings per share\*

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Basic earnings per share</b>	<b>17.00</b>	<b>12.06</b>
<b>Diluted earnings per share</b>	<b>16.51</b>	<b>11.91</b>

\* Basic and diluted earning per share for the year ended 31 March 2023 have been adjusted with bonus issue impact of 1:1

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 35 Share-based payment arrangements:

#### A. Description of share-based payment arrangements

##### i. Share option programmes (equity-settled)

The Company established Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014) in the year 2014-15, administered through a new Trust 'Newgen ESOP Trust'. The maximum numbers of shares to be issued under this Scheme shall be limited to 3,783,800 equity shares of the Company. Pursuant to the scheme, during the year 2014-15, the Company has granted 3,653,525 options at an exercise price of INR 63 per option, to the employees of the Company. Further, during the year 2017-18 grant of options 353,000, 130,000, and 79,250 through grant II, III and IV on 1 Jul 2017, 1 Sep 2017 and 1 Oct 2017 respectively under the same scheme and with same vesting conditions was made. During the year 2020-21, the Company has granted 2,33,000 options through grant V under Newgen ESOP 2014 on 25 March 2021. During the year 2022-23, the Company has granted 20,000 options through grant VI under Newgen ESOP 2014 on 17 January 2023. During the year 2023-24, the Company has granted 5,000 options through grant VII under Newgen ESOP 2014 on 2 May 2023. Under the terms of the plans, these options are vested on a graded vesting basis over a maximum period of four years from the date of grant and are to be exercised either in part(s) or full, within a maximum period of five years from the date of last vesting. Consequent to bonus issue in the ratio of 1:1, all the outstanding options and exercise price before the record date of 12 January 2024 have been adjusted to consider the bonus issue impact.

During the year 2020-21, the Company has established Newgen Software Technologies Restricted Stock Units Scheme - 2021 (Newgen RSU - 2021), administered through a new trust "Newgen RSU Trust" The maximum numbers of shares to be issued under this Scheme shall be limited to 14,00,000 equity shares of the Company. During the year 2021-22, the Company has granted 12,11,500 and 1,73,500 options through grant I and II respectively under this scheme at an exercise price of INR 10 per option, to the employees of the Company. During the year 2022-23, the Company has granted 35,000 options through grant III under this scheme at an exercise price of INR 10 per option, to the employees of the Company. During the year 2023-24, the Company has granted 10,000 and 20,000 options through grant IV and V respectively under this scheme at an exercise price of INR 10 per option, to the employees of the Company. Under the terms of the scheme, these options are vested on a graded vesting basis over a maximum period of five years from the date of grant and are to be exercised either in part(s) or full, within a maximum period of five years from the date of last vesting. Consequent to bonus issue in the ratio of 1:1, all the outstanding options before the record date of 12 January 2024 have been adjusted to consider the bonus issue impact.

During the year 2022-23, the Company has established Newgen Employee Stock Option Scheme - 2022 (Newgen ESOP - 2022), administered through a trust "Newgen ESOP Trust" The maximum numbers of shares to be issued under this Scheme shall be limited to 14,00,000 equity shares of the Company. During the year 2022-23, the Company has granted 9,41,800 options through grant I under this scheme at an exercise price of INR 364.20 per option, to the employees of the Company. During the year 2023-24, the company has granted 1,58,750, 68,150 and 3,86,500 options through grant II, III and IV on 2 May 2023, 19 July 2023 and 20 March 2024 under this scheme at an exercise price of INR 452, INR 615 and INR 640.10 per option, to the employees of the Company. Under the terms of the scheme, these options are vested on a graded vesting basis over a maximum period of four years from the date of grant and are to be exercised either in part(s) or full, within a maximum period of five years from the date of vesting. Consequent to bonus issue in the ratio of 1:1, all the outstanding options and exercise prices before the record date of 12 January 2024 have been adjusted to consider the bonus issue impact.

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Newgen ESOP 2014	Newgen RSU - 2021	Newgen ESOP 2022
Maximum number of shares under the plan	37,83,800	14,00,000	14,00,000
Method of settlement (cash/equity)	Equity	Cash/ Equity	Equity
Vesting period (maximum)	4 years 1 year - 10% 2 year - 20% 3 year - 30% 4 year - 40%	5 years at the end of 3 <sup>rd</sup> year - 50% at the end of 5 <sup>th</sup> year - 50%	4 years 1 year - 10% 2 year - 20% 3 year - 30% 4 year - 40%
Exercise period from the date of vesting (maximum)	5 year from last vesting	5 year from last vesting	5 year from vesting date
Vesting conditions	Service period	Service period & Performance based	Service period

Newgen ESOP trust has been treated as an extension of the Company and accordingly shares held by Newgen ESOP Trust are netted off from the total share capital. Consequently, all the assets, liabilities, income and expenses of the trust are accounted for as assets and liabilities of the Company, except for profit / loss on issue of shares to the employees and dividend received by trust which are directly adjusted in the Newgen ESOP Trust reserve.

### Following table represents general terms of the grants for the ESOP outstanding as on 31 March 2024\*

ESOP schemes	Grant Date	No. of Options Outstanding	Exercise Price	Weighted average remaining life	Vesting Period
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Jul-2017	83,080	INR 31.50	2.25	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Sep-2017	85,600	INR 31.50	2.42	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Oct-2017	12,200	INR 31.50	2.50	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	25-Mar-2021	2,04,600	INR 31.50	5.98	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	17-Jan-2023	29,700	INR 31.50	7.80	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	2-May-2023	10,000	INR 31.50	8.09	4 years
Newgen Employees Stock Option Scheme 2022 (Newgen ESOP 2022)	17-Jan-2023	16,19,527	INR 182.10	6.80	4 years
Newgen Employees Stock Option Scheme 2022 (Newgen ESOP 2022)	2-May-2023	2,73,600	INR 226.00	7.09	4 years
Newgen Employees Stock Option Scheme 2022 (Newgen ESOP 2022)	19-Jul-2023	1,26,300	INR 307.50	7.30	4 years
Newgen Employees Stock Option Scheme 2022 (Newgen ESOP 2022)	20-Mar-2024	3,86,500	INR 640.10	7.97	4 years

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Following table represents general terms of the grants for the RSU outstanding as on 31 March 2024\*.

ESOP schemes	Grant Date	No. of Options Outstanding	Exercise Price	Weighted average remaining life	Vesting Period
Newgen Software Technologies Restricted Stock Units Scheme - 2021 (Newgen RSU - 2021)	23-Dec-2021	22,89,000	INR 10.00	7.73	5 years
Newgen Software Technologies Restricted Stock Units Scheme - 2021 (Newgen RSU - 2021)	2-Mar-2022	2,21,000	INR 10.00	7.92	5 years
Newgen Software Technologies Restricted Stock Units Scheme - 2021 (Newgen RSU - 2021)	18-Oct-2022	70,000	INR 10.00	8.55	5 years
Newgen Software Technologies Restricted Stock Units Scheme - 2021 (Newgen RSU - 2021)	2-May-2023	20,000	INR 10.00	9.09	5 years
Newgen Software Technologies Restricted Stock Units Scheme - 2021 (Newgen RSU - 2021)	19-Jul-2023	40,000	INR 10.00	9.30	5 years

### B. Measurement of fair values

#### i. Equity-settled share-based payment arrangements\*

The fair value of the employee share options has been measured using the Black-Scholes formula. The fair value of options granted during the year and the inputs used in the measurement of the fair values of the equity-settled share based payment plans are as follows:

Particulars	Newgen ESOP 2014 Grant - VII 2-May-2023	Newgen ESOP 2022 Grant - II 2-May-2023	Newgen ESOP 2022 Grant - III 19-Jul-2023	Newgen ESOP 2022 Grant - IV 20-Mar-2024	Newgen RSU - 2021 Grant - IV 2-May-2023	Newgen RSU - 2021 Grant - V 19-Jul-2023
Fair value of options at grant date	216.60	123.26	167.59	350.79	231.78	317.14
Share price at grant date	251.08	251.08	341.65	711.20	251.08	341.65
Exercise price	31.50	226.00	307.50	640.10	10.00	10.00
Expected volatility (weighted-average)	42.90%	42.90%	42.72%	43.14%	42.90%	42.72%
Expected life (weighted-average)	5.75 years	5 years	5 years	5 years	7 years	7 years
Expected dividends	0.95%	0.95%	0.93%	0.95%	0.95%	0.93%
Risk-free interest rate (based on government bonds)	6.95% - 7.00%	6.95% - 7.00%	6.90% - 6.96%	7.00% - 7.03%	7.00% - 7.03%	6.96% - 6.99%

### C. Reconciliation of outstanding share options\*

The number and weighted-average exercise prices of share options under the share option programmes were as follows.

Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	31 March 2024	31 March 2024	31 March 2023	31 March 2023
Options outstanding as at the beginning of the year	4,49,102	INR 31.50	6,03,212	INR 63.00
Add: Options granted during the year	5,000	INR 31.50	20,000	INR 63.00
Add: Bonus issue during the year in (1:1)	2,15,690	INR 31.50	-	-
Less: Options lapsed during the year	24,880	INR 31.50	58,625	INR 63.00
Less: Options exercised during the year	2,19,732	INR 31.50	1,15,485	INR 63.00
<b>Options outstanding as at the year end</b>	<b>4,25,180</b>	<b>INR 31.50</b>	<b>4,49,102</b>	<b>INR 63.00</b>
<b>Exercisable as at year end</b>	<b>2,80,980</b>		<b>3,28,102</b>	
Weighted - average contractual life	4.61 years		3.56 years	

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Newgen Software Technologies Restricted Stock Units Scheme - 2021 (Newgen RSU - 2021)	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	31 March 2024	31 March 2024	31 March 2023	31 March 2023
Options outstanding as at the beginning of the year	13,05,000	INR 10.00	13,60,000	INR 10.00
Add: Options granted during the year	30,000	INR 10.00	35,000	INR 10.00
Add: Bonus issue during the year in (1:1)	13,20,000	INR 10.00	-	-
Less: Options lapsed during the year	15,000	INR 10.00	90,000	INR 10.00
Less: Options exercised during the year	-	INR 10.00	-	INR 10.00
<b>Options outstanding as at the year end</b>	<b>26,40,000</b>	<b>INR 10.00</b>	<b>13,05,000</b>	<b>INR 10.00</b>
Exercisable as at year end	-	-	-	-
Weighted - average contractual life	7.80 years	-	8.77 years	-

Newgen Employees Stock Option Scheme 2022 (Newgen ESOP 2022)	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	31 March 2024	31 March 2024	31 March 2023	31 March 2023
Options outstanding as at the beginning of the year	9,17,650	INR 182.10	-	-
Add: Options granted during the year	6,13,400	INR 226-INR 640.10	9,41,800	INR 364.20
Add: Bonus issue during the year in (1:1)	10,41,150	INR 182.10-INR 307.50	-	-
Less: Options lapsed during the year	1,31,570	INR 182.10-INR 640.10	24,150	INR 364.20
Less: Options exercised during the year	34,703	INR 182.10	-	-
<b>Options outstanding as at the year end</b>	<b>24,05,927</b>	<b>INR 364.20</b>	<b>9,17,650</b>	<b>INR 364.20</b>
Exercisable as at year end	1,31,737	-	-	-
Weighted - average contractual life	7.05 years	-	7.80 years	-

\* Consequent to bonus issue of 1:1, all the numbers of outstanding options, fair value of options, market price of share, exercise price have been adjusted for all periods presented.

### D. Expense recognised in Statement of Profit and Loss

For details on the employee benefits expense, refer note 29

## 36 Contingent liabilities and commitments (to the extent not provided for)

### a) Claims against the Company (including unasserted claims) not acknowledged as debt:

Particulars	Assessment Year	31 March 2024	31 March 2023
<b>Demands raised by the income tax authorities :</b>			
- demand raised on account of inadmissible foreign withholding tax	2020-21	117.59	-
- demand raised on account of inadmissible foreign withholding tax	2021-22	67.55	-
		<b>185.14</b>	<b>-</b>

The assessing officer passed an order dated 29 September 2023 and 30 December 2023 under section 143(3) of the Income Tax Act, 1961 in respect inadmissible foreign withholding tax adjustment claimed as business expenditure under Sec 37 of Income Tax Act, 1961 amounting to INR 336.51 lakhs and INR 193.31 lakhs for assessment year 2020-21 and 2021-22 respectively. An appeal was filed with the commissioner of income tax (appeals) against the order of the assessing officer on 7 October 2023 and 23 January 2024 for assessment year 2020-21 and 2021-22 respectively and order of CIT(A) is awaited .

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### b) Capital Commitments

Particulars	31 March 2024	31 March 2023
Estimated amount of contracts remaining to be executed on capital account (net of advances)	422.57	-

### c) The Company is committed to operationally, technically and financially support the operations of its certain subsidiary companies.

### 37 Details of dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum.

#### Disclosure in respect of the amounts payable to such enterprises as on 31 March 2024 and 31 March 2023 based on information received and available with the Company.

Particulars	31 March 2024	31 March 2023
Principal Amount*	746.60	89.88
Interest due thereon at the end of the accounting year .	27.46	-
the amount of interest paid by the buyer in terms of section 16,of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year .	-	-
the amount of interest due and payable for the year for delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006).	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year .	-	-
the amount of further interest remaining due and payable even in the succeeding years untill such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act , 2006.	-	-

\* Includes INR 141.93 lakhs (31 March 2023 : INR 31.50 lakhs ) on account of capital creditors.

### 38 After the reporting date the following dividend were proposed by the Board of Directors, subject to the approval of shareholders at Annual General Meeting; Accordingly, the dividends have not been recognised as liabilities.

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Final dividend of INR 4.00 per share (31 March 2023: INR 2.50 per share on the expanded capital base post bonus issue of 1:1)	5,611.67	3,497.79

### 39 Utilisation of Corporate Social Responsibility expenses

As per Section 135 of the Companies Act 2013, read with guidelines issued by DPE, the company is required to spend in every financial year atleast two percent of the average net profits of the company made during the three immediately preceding financial years in accordance with its CSR policy. The details of CSR expenses for the year are as under:

Particulars	31-Mar-24	31-Mar-23
Amount required to be spend during the year	375.92	290.16
Amount of expenditure incurred	378.91	293.45
Amount of shortfall for the year	-	-
Amount of cumulative shortfall at the end of the year	-	-

The areas for CSR activities are promoting education, health care, sanitation, digital literacy and livelihood enhancement . The funds were primarily utilized through the year on the activities which are specified in Schedule VII of the Companies Act, 2013. There is no unspent balance in respect of ongoing projects for which information is required to be disclosed.

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**40** The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company has got the updated documentation for the international transactions entered into with the associated enterprises during the financial year. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

### 41 Details of current Investments (refer note 10)

Particulars	Number of units as at		Amount in lakhs as at	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
<b>Investment in Debt mutual funds -FVTPL</b>				
ABSL Crisil IBX Gilt Apr 2029 Index Fund Dir Growth	57,75,217.32	57,75,217.32	651.18	603.58
ABSL Government Securities Fund Growth-Regular	10,22,684.60	-	758.15	-
Aditya Birla SL Liquid Fund Direct plan Growth	-	1,70,596.77	-	619.41
Aditya Birla Sun Life Money Manager Fund - Growth-Direct Plan	-	1,31,034.62	-	414.33
Bandhan CRISIL IBX Gilt June 2027 Index Fund Direct Plan-Growth (erstwhile IDFC CRISIL IBX Gilt June 2027 Index Fund Direct Plan-Growth)	1,65,12,803.06	1,65,12,803.06	1,937.23	1,803.28
HDFC Nifty G-Sec Dec 2026 Index Fund-Direct-G	68,18,815.04	68,18,815.04	754.29	702.21
HDFC Nifty G-Sec Jul 2031 Index Fund-Direct-G	1,36,18,551.96	1,36,18,551.96	1,522.35	1,405.26
Tata Money Market Fund Direct Plan - Growth	-	2,935.38	-	118.84
Bharat bonds ETF	20,000.00	20,000.00	270.91	250.00
HDFC Liquid Fund -Direct Growth	-	7,622.95	-	337.18
ABSL Government Securities Fund Growth-Regular	-	10,22,684.60	-	698.36
<b>Investment in Liquid mutual Funds</b>				
Aditya Birla Sun Life Money Manager Fund - Growth-Direct Plan	11,04,551.98	-	1,625.04	-
Canara Robeco Ultra Short Term Direct-G	25,921.90	-	805.75	-
DSP Ultra Short Direct-G	8,933.10	-	300.72	-
Edelweiss Money Market Direct-G	10,54,569.68	-	300.72	-
HDFC LIQUID FUND-DIRECT GROWTH	7,622.95	-	361.61	-
HDFC Low Duration Direct-G	10,62,535.07	-	537.03	-
ICICI Pru Savings Direct -G	1,21,384.95	-	408.81	-
Kotak Liquid Fund Direct Plan Growth	70,340.51	-	1,566.92	-
Kotak Money Market Fund - Direct Plan - Growth	63,954.89	-	2,636.55	-
Kotak Savings Direct-G	23,37,715.22	-	824.10	-
Nippon India Money Market Direct	13,128.13	-	486.61	-
Nippon India Ultra Short Duration Fund	25,070.79	-	1,010.89	-
Quant Liquid Direct-G	53,19,615.54	-	2,040.85	-
SBI Savings Direct-G	21,19,840.54	-	639.38	-
Tata Liquid Fund Direct Plan - Growth	90,088.94	-	1,227.89	-
Tata Money Market Fund Direct Plan - Growth	98,732.80	-	1,320.56	-



# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Number of units as at		Amount in lakhs as at	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
<b>Investment in Hybrid mutual funds</b>				
<b>-FVTPL</b>				
Canara Robeco Equity Hybrid Direct-G	1,75,492.77	-	607.22	-
DSP Equity & Bond Fund - Growth	1,55,312.74	-	501.93	-
HDFC Balanced Advantage Direct-G	1,76,813.51	-	856.01	-
ICICI Pru Balanced Advantage Direct-G	17,93,496.98	-	1,279.48	-
ICICI Prudential Equity & Debt Fund	1,95,852.75	-	726.34	-
Kotak Balanced Advantage Direct-G	26,44,536.53	-	505.61	-
SBI Equity Hybrid Direct-G	2,11,518.49	-	584.39	-
<b>Investment in Equity mutual funds</b>				
<b>-FVTPL</b>				
HDFC Flexi Cap Fund	17,913.66	-	311.78	-
HDFC Index SnP BSE Sensex Direct	22,006.87	-	151.38	-
ICICI Pru Nifty Next 50 Index Direct-G	4,34,205.92	-	242.95	-
ICICI Prudential Blue-chip Fund	3,01,371.31	-	315.84	-
Kotak Equity Opportunities Direct-G	75,402.28	-	244.50	-
Nippon India Growth Direct-G	3,795.94	-	134.24	-
Nippon India Large Cap Fund	3,68,569.52	-	317.83	-
Quant Active Direct-G	30,905.25	-	205.12	-
Quant Small Cap Direct-G	32,723.97	-	80.70	-
SBI Balanced Advantage Fund-Growth	58,25,424.91	-	817.67	-
SBI Banking & Financial Services Fund - Dir - Growth	8,35,112.68	-	302.61	-
SBI Contra Direct-G	57,144.15	-	206.58	-
<b>Investment in government bonds-FVTOCI</b>				
7.04% IRFC Bond 03/03/2026	15.00	15.00	155.06	157.68
8.40% IRFC 15YRS SR2A 18022029 (18-Feb-2029)	40,000.00	40,000.00	454.44	461.32
7.35% NHAI LTD Tax free Bond 15YRS SR2A Annual (11-Jan-2031)	2,15,000.00	2,15,000.00	2,408.84	2,425.03
8.54% PFC Tax free Bonds (Series 2A) 16/11/2028	16,500.00	16,500.00	187.29	190.32
8.3% NHAI Tax free Bonds 25/01/2027	30,000.00	30,000.00	324.94	330.30
8.63% IRFC Bonds 26/03/2029	22,000.00	22,000.00	252.64	256.68
8.10% IRFC Bonds 23/02/2027	87,000.00	87,000.00	939.49	953.53
7.34% IRFC Bonds 19/02/2028	1,30,000.00	1,30,000.00	1,396.47	1,411.49
			<b>36,498.89</b>	<b>13,138.80</b>

## 42 Related party transactions

### A. List of subsidiaries

Set out below is the list of subsidiaries:

Name of the company	Country of incorporation	Ownership interest	
		31 March 2024	31 March 2023
Newgen Software Inc.	United States of America	100%	100%
Newgen Software Technologies Pte Ltd.	Singapore	100%	100%
Newgen Software Technologies Canada Limited	Canada	100%	100%
Newgen Software Technologies (UK) Ltd.	United Kingdom	100%	100%
Newgen Software Technologies Pty Ltd.	Australia	100%	100%
Newgen Computers Technologies Limited	India	100%	100%
Newgen Software Technologies LLC	UAE	100%	100%
Newgen Software Technologies Company Limited*	Saudi Arabia	100%	-

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

The principal place of business of all the entities listed above is the same as the respective country of incorporation.

\*The company incorporated a new subsidiary Newgen Software Technologies Company Limited during the year on 20 July 2023 in Saudi Arabia.

### B. Transactions with Key Management Personnel

A number of key management personnel, or their related parties hold positions in other entities that result in them having control or significant influence over those entities.

Compensation of the Company's key managerial personnel includes salaries, non-cash benefits and contributions to post - employment defined benefit plan(see note 29)

Executive officers also participate in the Company's share option plan as per the conditions laid down in that scheme (see note 29 and note 35).

#### List of key management personnel and their relatives

Diwakar Nigam -	Chairman & Managing Director
T.S. Varadarajan -	Whole Time Director
Priyadarshini Nigam -	Whole Time Director
Arun Kumar Gupta -	Chief Financial Officer
Virender Jeet -	Chief Executive Officer
Surender Jeet Raj -	EVP Global Business Strategy & HR
Tarun Nandwani -	Chief Operating Officer
Usha Varadarajan -	Relative of Whole Time Director - T.S. Varadarajan
Aman Mourya-	Company Secretary

#### List of non-executive and independent directors

Kaushik Dutta -	Independent Director
Saurabh Srivastava -	Independent Director
Subramaniam R Iyer -	Independent Director
Padmaja Krishnan -	Independent Director

#### Key management personnel compensation

Particulars	Transaction value		Balance payable	
	For the year ended 31 March 2024	For the year ended 31 March 2023	As at 31 March 2024	As at 31 March 2023
<b>Salaries, wages and bonus*</b>	2,270.86	1,783.78	1,299.56	843.19
Diwakar Nigam	553.96	399.39	304.00	172.18
T.S. Varadarajan	301.05	210.93	182.40	103.31
Priyadarshini Nigam	179.83	121.84	121.60	68.87
Arun Kumar Gupta	164.15	137.81	75.80	54.75
Virender Jeet	399.70	321.38	234.48	169.35
Surender Jeet Raj	314.71	284.40	196.32	141.15
Tarun Nandwani	320.70	274.26	184.96	133.58
Aman Mourya	36.76	33.77	-	-
<b>Dividend paid (excluding dividend distribution tax)</b>	<b>1,971.75</b>	<b>1,774.69</b>	<b>-</b>	<b>-</b>
Diwakar Nigam	783.74	705.34	-	-
T.S. Varadarajan	750.47	675.42	-	-
Priyadarshini Nigam	328.49	295.64	-	-
Arun Kumar Gupta	2.04	1.84	-	-
Virender Jeet	14.81	13.33	-	-
Surender Jeet Raj	12.80	10.98	-	-
Tarun Nandwani	12.68	12.08	-	-
Usha Varadarajan	66.62	59.95	-	-
Aman Mourya	0.10	0.11	-	-

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Transaction value		Balance payable	
	For the year ended 31 March 2024	For the year ended 31 March 2023	As at 31 March 2024	As at 31 March 2023
<b>Share-based payments</b>	-	<b>53.17</b>	-	-
Surender Jeet Raj	-	33.67	-	-
Tarun Nandwani	-	18.73	-	-
Aman Mourya	-	0.77	-	-

\*It includes share-based payments and commission but excludes provision for gratuity and compensated absences, as these are determined on the basis of actuarial valuation for the Company as a whole.

Particulars	Transaction value		Balance payable	
	For the year ended 31 March 2024	For the year ended 31 March 2023	As at 31 March 2024	As at 31 March 2023
<b>Sitting fees to independent director</b>	<b>67.00</b>	<b>59.00</b>	-	<b>6.30</b>
Kaushik Dutta	21.00	17.00	-	1.80
Saurabh Srivastava	15.00	15.00	-	1.80
Subramaniam R Iyer	21.00	18.00	-	1.80
Padmaja Krishnan	10.00	9.00	-	0.90
<b>Commission to independent director</b>	<b>267.68</b>	<b>206.00</b>	<b>240.92</b>	<b>185.40</b>
Kaushik Dutta	66.92	51.50	60.23	46.35
Saurabh Srivastava	66.92	51.50	60.23	46.35
Subramaniam R Iyer	66.92	51.50	60.23	46.35
Padmaja Krishnan	66.92	51.50	60.23	46.35

### C. Related party transactions other than those with key management personnel

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

For the year ended 31 March 2024 and 31 March 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at each reporting period.

Particulars	Transaction value		Balance receivable	
	For the year ended 31 March 2024	For the year ended 31 March 2023	As at 31 March 2024	As at 31 March 2023
<b>Sale of products and services*</b>				
<b>Subsidiaries</b>				
Newgen Software Inc., USA	18,120.11	17,178.64	-	2,493.05
Newgen Software Technologies Pte Ltd.	7,072.84	6,461.67	-	926.57
Newgen Software Technologies Canada Limited	179.97	81.27	-	-
Newgen Software Technologies (UK) Ltd.	1,849.46	2,106.83	210.46	-
Newgen Software Technologies LLC	3,843.47	823.78	-	-
Newgen Software Technologies Company Limited	982.74	-	-	-
* It includes contract assets as follows:				
<b>Contract assets</b>				
Newgen Software Inc., USA	3,211.21	2,582.14	-	-
Newgen Software Technologies Pte Ltd.	1,216.19	880.66	-	-
Newgen Software Technologies Canada Limited	-	19.87	-	-

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Transaction value		Balance receivable	
	For the year ended 31 March 2024	For the year ended 31 March 2023	As at 31 March 2024	As at 31 March 2023
Newgen Software Technologies (UK) Ltd.	282.06	608.17	-	-
Newgen Software Technologies LLC	771.87	162.90	-	-
Newgen Software Technologies Company Limited	982.74	-	-	-
<b>Sale of services-back office support cost *</b>				
<b>Subsidiaries</b>				
Newgen Software Inc., USA	180.00	203.42	-	-
Newgen Software Technologies Pte Ltd.	51.38	43.18	-	-
Newgen Software Technologies Canada Limited	47.11	35.12	-	-
Newgen Software Technologies (UK) Ltd.	9.99	10.50	-	-
Newgen Software Technologies Pty Ltd.	11.39	18.91	-	12.38
Newgen Software Technologies LLC	29.85	3.64	-	-
Newgen Software Technologies Company Limited	29.14	-	-	-
* It includes contract assets as follows:				
<b>Contract assets</b>				
Newgen Software Inc., USA	36.88	79.78	-	-
Newgen Software Technologies Pte Ltd.	17.32	15.31	-	-
Newgen Software Technologies Canada Limited	10.01	16.94	-	-
Newgen Software Technologies (UK) Ltd.	2.38	1.95	-	-
Newgen Software Technologies Pty Ltd.	-	10.18	-	-
Newgen Software Technologies LLC	9.18	3.64	-	-
Newgen Software Technologies Company Limited	29.14	-	-	-
<b>Management Support Service Cost ^</b>				
Newgen Software Inc., USA	422.93	-	-	-
Newgen Software Technologies Pte Ltd.	149.74	-	-	-
Newgen Software Technologies Canada Limited	25.22	-	-	-
Newgen Software Technologies (UK) Ltd.	47.21	-	-	-
Newgen Software Technologies Pty Ltd.	8.06	-	-	-
Newgen Software Technologies LLC	84.46	-	-	-
Newgen Software Technologies Company Limited	18.32	-	-	-
^ It includes contract assets as follows:				
Newgen Software Inc., USA	73.31	-	-	-
Newgen Software Technologies Pte Ltd.	35.43	-	-	-
Newgen Software Technologies Canada Limited	3.16	-	-	-
Newgen Software Technologies (UK) Ltd.	10.61	-	-	-
Newgen Software Technologies Pty Ltd.	1.46	-	-	-
Newgen Software Technologies LLC	12.17	-	-	-
Newgen Software Technologies Company Limited	18.32	-	-	-

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Transaction value		Balance receivable	
	For the year ended 31 March 2024	For the year ended 31 March 2023	As at 31 March 2024	As at 31 March 2023
<b>Compensation for transfer of employees</b>				
Subsidiaries				
Newgen Software Inc., USA	29.90	37.75	-	-
Newgen Software Technologies Pte Ltd.	20.07	42.31	-	-
Newgen Software Technologies Canada Limited	25.64	18.03	-	-
Newgen Software Technologies Pty Ltd.	-	38.12	-	-
Newgen Software Technologies LLC	38.70	-	-	-
Newgen Software Technologies Company Limited	23.61	-	-	-
# It includes contract assets as follows:				
<b>Unbilled revenue</b>				
Newgen Software Technologies Pte. Ltd.	20.07	-	-	-
Newgen Software Technologies Company Limited	23.61	-	-	-
<b>Rent Income</b>				
Subsidiary				
Newgen Computers Technologies Limited	2.40	1.00	1.54	1.00

Particulars	Transaction value		Balance receivable / (payable)	
	For the year ended 31 March 2024	For the year ended 31 March 2023	As at 31 March 2024	As at 31 March 2023
<b>Expense-Outsourced technical services @</b>				
Subsidiaries				
Newgen Software Inc., USA	5422.15	4,953.11	-	(574.70)
Newgen Software Technologies Pte Ltd.	429.86	404.53	-	(185.28)
Newgen Software Technologies Company Limited	164.10	-	-	-
<b>Expense-Marketing support services®</b>				
Subsidiary				
Newgen Software Technologies Pty Ltd.	692.79	670.26	-	(165.12)
Newgen Software Technologies Canada Ltd.	116.81	-	-	-
® It includes unbilled payable as follows:				
<b>Unbilled payable</b>				
Newgen Software Inc., USA	1,281.92	1,273.86	-	-
Newgen Software Technologies Pte Ltd.	182.80	68.46	-	-
Newgen Software Technologies Pty Ltd.	418.50	220.84	-	-
Newgen Software Technologies Company Limited	164.10	-	-	-
Newgen Software Technologies Canada Limited	116.81	-	-	-
<b>Rent expense</b>				
Subsidiary				
Newgen Computers Technologies Limited	7.92	7.92	-	-
<b>Paid on behalf of</b>				
Subsidiary				
Newgen Computers Technologies Limited	1.09	0.61	-	-
Newgen Software Technologies Pte Ltd.	-	15.39	-	-
Newgen Software Technologies Company Limited	28.24	-	-	-

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Transaction value		Balance receivable / (payable)	
	For the year ended 31 March 2024	For the year ended 31 March 2023	As at 31 March 2024	As at 31 March 2023
<b>Bank Guarantee issued on behalf of</b>				
Subsidiary				
Newgen Software Technologies LLC	123.89	-	-	-
<b>Investment in subsidiaries - share based payment</b>				
Newgen Software Inc., USA	200.68	133.82	-	-
Newgen Software Technologies Pte Ltd.	35.17	5.12	-	-
Newgen Software Technologies Canada Limited	13.13	8.88	-	-
Newgen Software Technologies (UK) Ltd.	19.28	14.65	-	-
Newgen Software Technologies Pty Ltd.	32.16	24.42	-	-

### D. Investment in subsidiaries

Subsidiary Company	As at 31 March 2024	As at 31 March 2023
Newgen Software Inc. USA	902.29	701.61
Newgen Software Technologies Canada Limited	80.87	67.74
Newgen Software Technologies Pte. Ltd.	159.47	124.30
Newgen Computers Technologies Limited	46.50	46.50
Newgen Software Technologies Pty Ltd.	554.50	522.34
Newgen Software Technologies (UK) Ltd.	216.79	197.51
Newgen Software Technologies LLC	675.30	675.30
Newgen Software Technologies Company Limited	222.48	-
	<b>2,858.20</b>	<b>2,335.30</b>

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 43 Financial instruments – Fair values and risk management

#### A. Accounting classification and fair values

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

31 March 2024	Note	Carrying amount			Total	Fair value			Total
		FVTPL	FVTOCI	Amortised Cost		Level 1	Level 2	Level 3	
<b>Financial assets</b>									
<b>Financial assets measured at fair value</b>									
	10	30,108.81	-	-	30,108.81	30,108.81	-	-	30,108.81
	10	-	6,390.08	-	6,390.08	6,390.08	-	-	6,390.08
<b>Financial assets not measured at fair value</b>									
	7	-	-	8,371.40	8,371.40	-	-	-	-
	11	-	-	31,535.97	31,535.97	-	-	-	-
	12	-	-	4,990.98	4,990.98	-	-	-	-
	13	-	-	20,022.60	20,022.60	-	-	-	-
	14	-	-	11.73	11.73	-	-	-	-
	15	-	-	16,066.39	16,066.39	-	-	-	-
		<b>30,108.81</b>	<b>6,390.08</b>	<b>80,999.07</b>	<b>1,17,497.96</b>	<b>36,498.89</b>	<b>-</b>	<b>-</b>	<b>36,498.89</b>
<b>Financial liabilities</b>									
<b>Financial liabilities not measured at fair value</b>									
	19	-	-	3,948.78	3,948.78	-	-	-	-
	20	-	-	219.92	219.92	-	-	-	-
	22	-	-	6,195.27	6,195.27	-	-	-	-
	23	-	-	4,720.30	4,720.30	-	-	-	-
		<b>-</b>	<b>-</b>	<b>15,084.27</b>	<b>15,084.27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**to standalone financial statements for the year ended 31 March 2024**  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

31 March 2023	Note	Carrying amount			Fair value			
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
<b>Financial assets measured at fair value</b>								
	10	6,952.45	-	-	6,952.45	-	-	6,952.45
	10	-	6,186.35	-	6,186.35	-	-	6,186.35
<b>Financial assets not measured at fair value</b>								
	7	-	-	19,111.39	-	-	-	-
	11	-	-	31,211.40	-	-	-	-
	12	-	-	4,721.82	-	-	-	-
	13	-	-	9,729.32	-	-	-	-
	14	-	-	7.00	-	-	-	-
	15	-	-	12,813.27	-	-	-	-
		<b>6,952.45</b>	<b>6,186.35</b>	<b>77,594.20</b>	<b>13,138.80</b>	-	-	<b>13,138.80</b>
<b>Financial liabilities</b>								
<b>Financial liabilities not measured at fair value</b>								
	19	-	-	3,464.98	-	-	-	-
	20	-	-	423.55	-	-	-	-
	22	-	-	5,520.26	-	-	-	-
	23	-	-	3,619.24	-	-	-	-
		-	-	<b>13,028.03</b>	-	-	-	-

The fair value of trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, loans, other current financial assets, current borrowings, trade payables and other current financial liabilities approximate their carrying amounts, due to their short-term nature. Fair value of bank deposits included in non-current other financial assets are equivalent to their carrying amount, as the interest rate on them is equivalent to market rate.]

**B. Measurement of fair values**

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1** – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2** – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable inputs
- Level 3** – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable



# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Fair value hierarchy	Valuation technique	Significant unobservable inputs	Inter-relationship between unobservable inputs and fair value measurement
<b>Financial assets measured at FVTPL</b>				
Investments in mutual funds	Level 1	Market valuation technique: Investments traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house, quoted price of equity shares in the stock exchange etc.	Not applicable	Not applicable
<b>Financial assets measured at FVTOCI</b>				
Investments in bonds	Level 1	Market valuation technique: The fair value of bonds is based on direct and market observable inputs.	Not applicable	Not applicable
<b>Financial liabilities measured at Amortised cost</b>				
Long term borrowings	Level 2	Discounted cash flow: The valuation model considers the present value of expected payment, discounted using a risk adjusted discount rate.	Not applicable	Not applicable
Short term borrowings	Level 2			

There have been no transfers in either direction for the years ended 31 March 2024 and 31 March 2023.

### C. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

#### i. Risk management framework

The Company's board of directors has framed a Risk Management Policy and plan for enabling the Company to identify elements of risk as contemplated by the provisions of the Section 134 of the Companies Act 2013. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit.

#### ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises partially from the Company's receivables from customers, loans and investment in debt securities. The carrying amount of financial assets represent the maximum credit risk exposure. The Company has credit policies in place and the exposures to these credit risks are monitored on an ongoing basis.

The carrying amount of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting was:

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	As at	
	31 March 2024	31 March 2023
Other financials assets-non current	8,371.40	19,111.39
Investments	36,498.89	13,138.80
Trade receivables	31,535.97	31,211.40
Loans	11.73	7.00
Cash and cash equivalents	4,990.98	4,721.82
Bank balances other than cash and cash equivalents	20,022.60	9,729.32
Other financials assets-current	16,066.39	12,813.27
	<b>1,17,497.96</b>	<b>90,733.00</b>

To cater to the credit risk for investments in mutual funds and bonds, only high rated mutual funds/bonds are accepted.

The Company has given security deposits to vendors for rental deposits for office properties, securing services from them, government departments. The Company does not expect any default from these parties and accordingly the risk of default is negligible or nil.

Trade receivables and contract assets are typically unsecured and derived from revenue earned from customers primarily located in India, USA, EMEA and APAC.

Credit risk has always been managed by the Company through credit approval, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit term in normal course of business. Credit limits are established for each customers and received quarterly.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, industry and existence of previous financial difficulties, if any.

### Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. An impairment analysis is performed at each reporting date.

The Company's exposure to credit risk for trade receivables by geographic region is as follows

Particulars	Carrying amount	
	As at 31 March 2024	As at 31 March 2023
India	13,646.56	9,865.73
USA	-	2,514.08
EMEA	15,206.66	15,261.56
APAC	2,682.75	3,570.03
	<b>31,535.97</b>	<b>31,211.40</b>

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables from individual customers:

As at 31 March 2024	Gross carrying amount	Weighted-average loss rate	Loss allowance
0-3 months past due	25,540.12	2.02%	515.90
3-6 months past due	4,421.39	8.63%	381.63
6-9 months past due	1,425.69	19.87%	283.25
9-12 months past due	336.50	23.68%	79.69
12-15 months past due	667.04	42.02%	280.27
15-18 months past due	1,128.01	60.49%	682.36
18-21 months past due	64.02	68.48%	43.84
21-24 months past due	164.04	69.65%	114.25
above 24 months past due	1,394.93	87.79%	1,224.58
	<b>35,141.74</b>		<b>3,605.77</b>

As at 31 March 2023	Gross carrying amount	Weighted-average loss rate	Loss allowance
0-3 months past due	25,210.17	1.86%	469.92
3-6 months past due	2,454.42	9.10%	223.23
6-9 months past due	2,882.08	17.82%	513.45
9-12 months past due	646.93	32.63%	211.08
12-15 months past due	1,032.70	39.47%	407.59
15-18 months past due	767.49	44.37%	340.56
18-21 months past due	292.83	53.14%	155.62
21-24 months past due	325.41	83.53%	271.83
above 24 months past due	1,509.14	87.23%	1,316.49
	<b>35,121.17</b>		<b>3,909.77</b>

Ageing for expected credit loss has been considered from invoice date

Particulars	
<b>Balance as at 1 April 2022</b>	<b>3,134.11</b>
Impairment loss recognised	1,873.24
Amounts written off	1,097.58
<b>Balance as at 31 March 2023</b>	<b>3,909.77</b>
Impairment loss recognised	2,406.37
Amounts written off	2,710.37
<b>Balance as at 31 March 2024</b>	<b>3,605.77</b>

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

### Debt securities

The Company limits its exposure to credit risk by investing only in liquid debt securities and only with counterparties that have a credit rating AA to AAA from renowned rating agencies.

The Company monitors changes in credit risk by tracking published external credit ratings. For its investment in bonds, Company also reviews changes in government bond yields together with available press and regulatory information about issuers

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

The exposure to credit risk for debt securities at FVTOCI and at FVTPL is as follows:-

Particulars	Net carrying amount	
	As at 31 March 2024	As at 31 March 2023
India	36,498.89	13,138.80
	<b>36,498.89</b>	<b>13,138.80</b>

Basis experienced credit judgement, no risk of loss is indicative on Company's investment in mutual funds and government bonds.

### Cash and cash equivalents and bank balances other than cash and cash equivalents

The Company held cash and cash equivalents of INR 4,990.98 lakhs at 31 March 2024 (31 March 2023: INR 4,721.82 lakhs) and bank balances other than cash and cash equivalents of INR 20,022.59 lakhs as at 31 March 2024 (31 March 2023: INR 9,729.32 lakhs). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AA- to AAA, based on renowned rating agencies.

### iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The Company's primary sources of liquidity include cash and bank balances, deposits, undrawn borrowings and cash flow from operating activities. As at 31 March 2024, the Company had a working capital of INR 82,748.05 lakhs (31 March 2023: INR 49,418.23 lakhs) including cash and cash equivalent of INR 4,990.98 lakhs (31 March 2023: INR 4,721.82 lakhs), bank balances other than cash and cash equivalents of INR 20,022.60 lakhs (31 March 2023: 9,729.32 lakhs) and current investments of INR 36,498.89 lakhs (31 March 2023: INR 13,138.80 lakhs). Consequently, the Company believes its revenue, along with proceeds from financing activities will continue to provide the necessary funds to cover its short term liquidity needs. In addition, the Company projects cash flows and considering the level of liquid assets necessary to meet liquidity requirement.

In addition, the Company had access to the following undrawn borrowing facilities at the end of the reporting year

Particulars	Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
As at 31 March 2024	6,448.52	-	6,448.52	-	-	-
As at 31 March 2023	8,144.24	-	8,144.24	-	-	-

### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at 31 March 2024	Carrying amount	Contractual cash flows					
		Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>							
Finance lease obligations (including current maturities)	3,948.78	9,352.33	213.86	1,064.77	1,055.80	1,919.32	5,098.58
Borrowings	219.92	234.24	-	234.24	-	-	-

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

As at 31 March 2024	Carrying amount	Contractual cash flows					
		Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
Unpaid dividends	8.73	8.73	8.73	-	-	-	-
Employee related payables	4,391.42	4,391.42	195.18	4,037.21	159.03	-	-
Trade and other payables	6,195.27	6,195.27	4,924.06	1,271.21	-	-	-
Earnest money deposits	1.00	1.00	-	1.00	-	-	-
Payable for capital assets	319.15	319.15	319.15	-	-	-	-
<b>Total</b>	<b>15,084.27</b>	<b>20,502.14</b>	<b>5,660.98</b>	<b>6,608.43</b>	<b>1,214.83</b>	<b>1,919.32</b>	<b>5,098.58</b>

As at 31 March 2024	Carrying amount	Contractual cash flows					
		Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Finance lease obligations (including current maturities)	3,464.98	8,777.37	158.02	857.26	1,004.06	1,687.93	5,070.10
Borrowings	423.55	468.48	-	234.24	234.24	-	-
Unpaid dividends	6.57	6.57	6.57	-	-	-	-
Employee related payables	3,391.46	3,391.46	179.97	3,111.52	99.97	-	-
Trade and other payables	5,520.26	5,520.26	4,170.56	1,349.70	-	-	-
Earnest money deposits	1.00	1.00	-	1.00	-	-	-
Payable for capital assets	32.72	32.72	-	32.72	-	-	-
<b>Total</b>	<b>12,840.54</b>	<b>18,197.86</b>	<b>4,515.12</b>	<b>5,586.44</b>	<b>1,338.27</b>	<b>1,687.93</b>	<b>5,070.10</b>

Interest payment on variable interest rate loan in the table above reflect market forward interest rates at the reporting dates and these amount may change as market interest changes.

#### iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

#### v. Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk on account of its receivables and other payables in foreign currency. The functional currency of the Company is Indian Rupee. The Management endeavours to minimize economic and transactional exposures arising from currency movements against the US Dollar, Euro, Great Britain Pound, Canadian dollar, United Arab Emirates Dhiram, Saudi Riyal, Singapore dollar, Australian dollar and Malaysian Ringgit making all the US dollar payments through EEFC account for avoiding exchange risk. The Company manages the risk by netting off naturally-occurring opposite exposures wherever possible, and then dealing with any material residual foreign currency exchange risks if any.

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

The Company has entered into foreign exchange forward contracts to mitigate the risks involved in foreign exchange transactions and has booked forward contracts for USD 32.5 million during the year from April 2023 to March 2024. The hedging gain of INR 165.44 lakhs is on account of mark to market gain (realised loss is 86.02 lakhs, unrealised gain is 68.47 lakhs and gain of 187.49 lakhs on account of reversal of last year mark to market loss) on foreign exchange forward contracts which do not qualify for hedge accounting as per Ind As-109, have been recognized in the profit and loss account in the financial statement for the period ended 31 March 2024.

### Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March 2024 and 31 March 2023 are as below:

Particulars	Currency	31 March 2024		31 March 2023	
		Amount in foreign currency (lakhs)	Amount in local currency (lakhs)	Amount in foreign currency (lakhs)	Amount in local currency (lakhs)
<b>Financial assets</b>					
Trade and other receivables*	USD	236.97	19,751.24	279.56	22,954.78
	AED	0.65	14.70	0.26	5.80
	EUR	0.49	44.11	0.64	56.92
	GBP	2.00	210.46	0.42	42.94
	SGD	-	-	15.00	926.40
	MYR	0.39	6.89	0.04	0.77
	AUD	-	-	0.23	12.38
Bank balance-Dubai	AED	7.97	180.76	2.98	66.58
Bank balance-EEFC	USD	24.59	2,049.26	22.15	1,818.84
<b>Financial liabilities</b>					
Trade and other payables	USD	(39.56)	(3,258.75)	(46.16)	(3,627.50)
	SGD	(3.09)	(190.71)	(4.36)	(269.09)
	SAR	(8.55)	(189.46)	(1.96)	(42.53)
	EURO	(0.18)	(16.75)	-	-
	AUD	(7.70)	(418.50)	(7.01)	(385.96)
	AED	-	-	(0.74)	(15.13)
	CAD	(1.90)	(116.81)	-	-

\* gross of loss allowance

### Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US Dollar, Euro, Great Britain Pound, Canadian dollar, United Arab Emirates Dhiram, Saudi Riyal, Singapore Dollar, Australian Dollar and Malaysian Ringgit at reporting date would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in Lakhs of INR	For the year ended 31 March 2024		For the year ended 31 March 2023	
	Strengthening	Weakening	Strengthening	Weakening
	<b>5 % movement</b>		<b>5% movement</b>	
USD	925.16	(925.16)	1,049.16	(1,049.16)
EUR	1.39	(1.39)	2.85	(2.85)
GBP	10.52	(10.52)	2.15	(2.15)
CAD	(5.84)	5.84	-	-
SGD	(9.54)	9.54	32.86	(32.86)
AED	9.77	(9.77)	2.79	(2.79)
SAR	(9.51)	9.51	(2.15)	2.15
MYR	0.34	(0.34)	0.04	(0.04)
AUD	(20.93)	20.93	(18.68)	18.68
	<b>901.36</b>	<b>(901.36)</b>	<b>1,069.02</b>	<b>(1,069.02)</b>

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### II. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

#### a) Exposure to interest rate risk

The Company is exposed to both fair value interest rate risk as well as cash flow interest rate risk arising both on short-term and long-term floating rate instruments.

The interest rate profile of the Company's interest-bearing financial instruments is as follows:

Particulars	Nominal amount in INR	
	31 March 2024	31 March 2023
Fixed-rate instruments		
Financial assets	35,179.95	34,425.65
Financial liabilities	4,168.70	3,888.54
<b>Total</b>	<b>39,348.65</b>	<b>38,314.19</b>

There is no balance in variable rate instruments.

#### b) Sensitivity analysis

Fair value sensitivity analysis for fixed-rate instruments

The Company accounts for investments in government and other bonds as fair value through other comprehensive income. Therefore, a change in interest rate at the reporting date would have impact on equity.

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity by INR 39.81 lakhs after tax (31 March 2023: INR 40.25 lakhs), and PBT by INR 61.19 lakhs (31 March 2023: INR 61.86 lakhs).

Cash flow sensitivity analysis for variable-rate instruments

There is no variable rate linked instrument and therefore, there is no cash flow sensitivity.

### Market price risk

#### a) Exposure

The Company's exposure to mutual funds and bonds price risk arises from investments held by the Company and classified in the balance sheet as fair value through profit and loss and at fair value through other comprehensive income respectively.

To manage its price risk arising from investments, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

#### b) Sensitivity analysis

Company is having investment in mutual funds, government bonds, other bonds and investment in subsidiaries.

For such investments classified at Fair value through other comprehensive income, a 2% increase in their fair value at the reporting date would have increased equity by INR 79.62 lakhs after tax (31 March, 2023: INR 80.50 lakhs ) and PBT by INR 122.38 lakhs (31 March, 2023: INR 123.73 lakhs). An equal change in the opposite direction would have decreased equity by INR 79.62 lakhs after tax (31 March, 2023: INR 80.50 lakhs ) and PBT by INR 122.38 lakhs (31 March, 2023: INR 123.73 lakhs).

For such investments classified at Fair value through profit or loss, the impact of a 2% increase in their fair value at the reporting date on profit or loss would have been an increase of INR 391.78 lakhs after tax (31 March, 2023: INR 90.47 lakhs ) and PBT by INR 602.18 lakhs (31 March, 2023: INR 139.05 lakhs) . An equal change in the opposite direction would have decreased profit or loss by INR 391.78 lakhs after tax (31 March, 2023: INR 90.47 lakhs ) and PBT by INR 602.18 lakhs (31 March, 2023: INR 139.05 lakhs).

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 44 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to equity shareholders.

The Company manages its capital structure and makes adjustments to it as and when required. To maintain or adjust the capital structure, the company may pay dividend or repay debts, raise new debt or issue new shares. No major changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2024 and 31 March 2023.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities comprising interest bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity

The Company capital consists of equity attributable to equity holders that includes equity share capital, retained earnings and long term borrowings.

Particulars	As at 31 March 2024	As at 31 March 2023
Total liabilities	4,168.70	3,888.54
Less: Cash & Cash equivalent	4,990.98	4,721.82
<b>Adjusted net debt (a)</b>	<b>(822.28)</b>	<b>(833.28)</b>
Total equity (b)	1,14,757.71	92,226.91
Total equity and net debt (a+b) = c	1,13,935.43	91,393.63
Capital gearing ratio (a/c)	-0.72%	-0.91%

As a part of its capital management policy the Company ensures compliance with all covenants and other capital requirements related to its contractual obligations.

### 45 Segment reporting

#### A. Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available.

The Company's board of directors have been identified as the Chief Operating Decision Makers (CODM) since they are responsible for all major decisions in respect of allocation of resources and assessment of the performance on the basis of the internal reports/ information provided by functional heads. The board examines the performance of the Company based on such internal reports which are based on operations in various geographies and accordingly, have identified the following reportable segments:

- India
- Europe, Middle East and Africa (EMEA)
- Asia Pacific and Australia (APAC)
- United States of America (USA)

#### B. Information about reportable segments

##### Year ended 31 March 2024

Particulars	Reportable segments				Total Segment
	India	EMEA	APAC	USA	
<b>Revenue</b>					
External revenue	40,188.55	41,414.54	12,658.31	19,350.53	1,13,611.93
Inter-segment revenue	-	-	-	-	-
<b>Total Segment Revenue</b>	<b>40,188.55</b>	<b>41,414.54</b>	<b>12,658.31</b>	<b>19,350.53</b>	<b>1,13,611.93</b>



# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Reportable segments				
	India	EMEA	APAC	USA	Total Segment
Segment profit before income tax	8,135.25	13,850.68	2,861.43	2,452.39	27,299.75
Segment assets	20,009.26	20,706.38	5,355.25	5,737.22	51,808.11
Segment liabilities	10,432.45	10,952.56	3,395.87	3,272.31	28,053.19
Capital expenditure during the year	1,368.89	-	-	-	1,368.89

### Year ended 31 March 2023

Particulars	Reportable segments				
	India	EMEA	APAC	USA	Total Segment
<b>Revenue</b>					
External revenue	30,220.47	30,520.68	11,252.28	16,786.63	88,780.06
Inter-segment revenue	-	-	-	-	-
<b>Total Segment Revenue</b>	<b>30,220.47</b>	<b>30,520.68</b>	<b>11,252.28</b>	<b>16,786.63</b>	<b>88,780.06</b>
Segment profit before income tax	6,802.88	9,143.50	2,248.86	1,884.64	20,079.88
Segment assets	15,613.81	20,251.94	5,930.41	7,145.49	48,941.65
Segment liabilities	7,338.61	9,029.14	4,001.10	2,816.18	23,185.03
Capital expenditure during the year	1,370.81	-	-	-	1,370.81

### C. Reconciliations of information on reportable segments to Ind AS

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>(a) Revenue</b>		
Total Revenue* for reportable segments	1,13,611.93	88,780.06
Elimination of inter-segment revenue	-	-
<b>Total revenue</b>	<b>1,13,611.93</b>	<b>88,780.06</b>
<b>(b) Profit before tax</b>		
Total profit before tax for reportable segments	27,299.75	20,079.88
Unallocated amounts:		
- Unallocated income	4,550.01	3,291.11
- Other corporate expenses	3,414.71	2,981.81
<b>Total profit before tax from operations</b>	<b>28,435.05</b>	<b>20,389.18</b>
<b>(c) Assets</b>		
Total assets for reportable segments	51,808.11	48,941.65
Other unallocated amounts	99,504.35	73,114.03
<b>Total assets</b>	<b>1,51,312.46</b>	<b>1,22,055.68</b>
<b>(d) Liabilities</b>		
Total liabilities for reportable segments	28,053.19	23,185.03
Other unallocated amounts	8,501.56	6,643.74
<b>Total liabilities</b>	<b>36,554.75</b>	<b>29,828.77</b>

\* For information about products & services, refer Note 27.

### D. Information about major customers

No customer individually accounted for more than 10% of the revenues in the year ended 31 March 2024 and 31 March 2023.

### E. Unallocated assets, liabilities, revenue and expenses

Certain assets, liabilities, revenue and expenses are not specifically allocable to individual segments as the underlying services are used interchangeably. The Company believes that it is not practicable to provide segment disclosures relating to such assets, liabilities, revenue and expenses and accordingly such assets, liabilities, revenue and expenses are separately disclosed as 'unallocated'.

F) In accordance with Ind AS-108 "Operating Segments" and based on "Management Evaluation", the Company during the year ended 31 March 2023 used to allocate AI platforms cost related to employees of Number Theory Software Private Limited to India Segment, however, keeping in view the changes to the internal reporting, the management has allocated this cost to all the regions considering this to be a common cost.

# Notes

to standalone financial statements for the year ended 31 March 2024  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

## 46. Ratios as per Schedule III requirements

Ratio	Numerator	Denominator	Unit	31-Mar-24	31-Mar-23	% variance	Reason for variance
<b>Current ratio</b>	Current assets	Current liabilities	Times	3.87	3.11	24.65%	-
<b>Debt- Equity Ratio</b>	Total Debt (refer note 1 below)	Shareholder's Equity	Times	0.04	0.04	-13.84%	-
<b>Debt Service Coverage ratio</b>	Earnings for debt service = Net profit after taxes + Non-cash operating expenses (refer note 2 below)	Debt service (refer note 3 below)	Times	24.38	19.00	28.35%	High growth in EBITDA from operations as compare to increase in lease liabilities and borrowings.
<b>Return on Equity ratio</b>	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	%	22.93%	19.82%	15.72%	-
<b>Inventory Turnover ratio</b>	Cost of goods sold	Average Inventory	Times	NA	NA	NA	Not applicable for the business of the company
<b>Trade Receivable Turnover Ratio</b>	Net credit sales = Gross credit sales - sales return (refer note 4 below)	Average Trade Receivable	Times	3.63	3.60	0.99%	-
<b>Trade Payable Turnover Ratio</b>	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	Times	NA	NA	NA	Not applicable for the business of the company
<b>Net Capital Turnover Ratio</b>	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	Times	1.37	1.80	-23.57%	-
<b>Net Profit ratio</b>	Net Profit	Net sales = Total sales - sales return	%	20.89%	18.92%	10.43%	-
<b>Return on Capital Employed</b>	Earnings before interest and taxes (refer note 5 below)	Capital Employed (refer note 6 below)	%	23.14%	20.16%	14.75%	-
<b>Return on Investment</b>	Interest (Finance Income)	Average Investment	%	7.95%	3.43%	131.80%	Company has started investing in debt & equity mutual funds in current financial year resulting into high return on investment.

### Notes:

- Total debts consists of borrowings and lease liabilities.
- Earning available for debt services=profit for the year + depreciation, amortization and impairment + finance cost + provision for doubtful debts + share based payment to employees + non cash charges.

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

3. Debt service = Interest + payment for lease liabilities + principal repayments.
4. Credit sales = Total Revenue + opening contract assets - closing contract assets - opening deferred revenue + closing deferred revenue.
5. Earnings before interest and taxes = profit before tax + finance cost - other income
6. Capital Employed = Average tangible net worth + Total debt + Deferred tax.
7. Average is calculated on the basis of opening and closing balances.

Schedule III require explanation where the change in the ratio is more than 25% as compared to the preceding year. Since there are only two instances where the change is more than 25% i.e. Debt Service Coverage ratio and Return on Investment, hence explanation is given only for the said ratios.

### 47 Business Combination

On 18 January 2022, Newgen Software Technologies Limited (NSTL or "the Holding Company") entered into Share Purchase Agreement (SPA) with existing shareholders of Number Theory Software Private Limited ("Number Theory") to acquire 100% stake. Pursuant to SPA, the Holding Company has made investment of INR 1405.47 Lakhs in Number Theory (which become wholly owned subsidiary of the Holding Company effective from 28 January 2022).

Number Theory Software Private Limited ('Number Theory') was engaged in providing Artificial Intelligence (AI) platforms to various enterprises through its enterprise AI platform and data science capabilities.

Details of the purchase consideration, the net assets acquired and goodwill were as follows:

Particulars	Amount
Cash paid	702.73
Deferred payment liabilities	603.68
<b>Total purchase consideration</b>	<b>1,306.41</b>

The assets and liabilities recognised as a result of the acquisition were as follows:

Particulars	Amount
<b>Assets</b>	
Property, plant and equipment	5.42
Intangible assets	1,654.33
Cash and cash equivalents	14.15
Other current assets	42.82
<b>Total Assets (a)</b>	<b>1,716.72</b>
<b>Liabilities</b>	
Trade payables	5.64
Short term provisions	10.09
Other current liabilities	20.78
Capital Reserves	416.11
Long term borrowings	241.00
<b>Total Liabilities (b)</b>	<b>693.62</b>
<b>Net identifiable net assets at fair value (a-b)</b>	<b>1,023.10</b>

#### Calculation of goodwill:

Particulars	Amount
Purchase consideration	1,306.41
Less: Net identifiable net assets acquired	(1,023.10)
<b>Goodwill</b>	<b>283.31</b>

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

The goodwill comprises the value of expected synergies arising from the acquisition, customer contracts / relationships, non-compete agreement and Number Theory's Artificial Intelligence that do not qualify for separate recognition. None of the goodwill recognised is expected to be deductible for income tax purposes.

A Scheme of Amalgamation u/s 230-232 of the Companies Act, 2013 which provides for the merger of Number Theory Software Private Limited (NTSPL), a wholly-owned subsidiary of the Company, was filed with the Delhi Bench of National Company Law Tribunal (NCLT). NCLT through its Order dated 27<sup>th</sup> September 2023 approved the aforesaid Scheme. Upon the sanction becoming effective from the appointed date i.e. 01.04.2022 as provided under the Scheme, NTSPL stands dissolved without undergoing the process of winding up. The Company has accounted for the merger under the Pooling of Interest method retrospectively as prescribed in the IND AS 103-Business Combination of entities under common control. Previous year numbers have been accordingly restated. There are no material impact on the financial statements of the company for the comparative year.

**48** As at 31 March 2024, the Company has gross foreign currency receivables amounting to INR 20,027.40 lakhs (previous year INR 23,999.99 lakhs). Out of these receivables, INR 1,955.12 lakhs (previous year INR 3,363.91 lakhs) is outstanding for more than 9 months. As per FED Master Direction No. 16/2015-16, receipt for export goods should be realized within a period of 9 months from the date of export. The Company must file extension with AD Bank & as per the requirements, in one calendar year, the Company is allowed to seek extension for an amount equivalent to USD one million or 10% of the average export collection of the last 3 years only, whichever is higher and pursuant to the same, the company has applied for an extension of all the foreign currency receivables outstanding for more than 6 months. The management is of the view that the Company will be able to obtain approvals from the authorities for realizing such funds beyond the stipulated timeline without levy of any penalties as it had Bonafide reasons that caused the delays in realization.

## 49 Other statutory informations

- i. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- ii. The Company do not have any transactions with companies struck off.
- iii. The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv. The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v. The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vi. The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vii. The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- viii. The company has sanctioned working capital amounts from banks on the basis of security of Trade Receivables and Fixed Deposits. The quarterly returns being filed by company with banks are in line with the books of accounts.

# Notes

## to standalone financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

- ix All title deeds of Immovable Property are held in the name of the Company.
  - x The Company has not defaulted on any of the loan taken from banks, financial institutions or other lender.
  - xi The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
  - xii The Company has complied with the number of layers prescribed under Companies Act, 2013.
- 50** Pursuant to the Board approval on 27 November 2023 and shareholder's approval on 2 January 2024, through Postal Ballot, the Company has allotted 7,00,69,401 bonus shares of INR 10/- each (fully paid up) on 13 January 2024 to the eligible members of the Company whose names appear in the Register of Members of the Company /List of Beneficial Owners as on the Record Date i.e., 12 January 2024 in the ratio of 1:1. The said bonus shares shall rank pari passu in all respects with the existing equity shares of the Company, including dividend. As a result of the bonus issue, the paid-up capital of the Company has increased to INR 14,013.88 lakhs from INR 7,006.94 lakhs. Consequent to the above increase in paid-up capital, the earnings per share (Basic and Diluted) have been adjusted for year ended 31 March 2023.
- 51** On 8<sup>th</sup> March 2024, the Company reported a Cyber security incident (the "incident") that affected a few of the Company's IT assets. The Company engaged with independent cyber security consulting firms, for comprehensive analysis, providing immediate recommendations and remediation steps. The management took all the necessary measures to prevent damage to the IT systems of the Company. It was concluded that the incident did not result in any ransom and the Management believes that there is no financial, legal, or regulatory impact of the incident reported herein.
- 52** Previous period's figures have been regrouped/reclassified wherever necessary to correspond with the current period's classification/disclosure, which are not considered material to these financial statements.

As per our report of even date

For Walker Chandio & Co LLP  
Chartered Accountants  
Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of  
**Newgen Software Technologies Limited**

**Ankit Mehra**

Membership No.: 507429  
Place: Gurugram  
Date: 30-April-2024

**Diwakar Nigam**

DIN: 00263222  
Place: Chennai  
Date: 30-April-2024

**T.S.Varadarajan**

DIN: 00263115  
Place: Noida  
Date: 30-April-2024

**Virender Jeet**

PAN: AAOPJ2433N  
Place: Noida  
Date: 30-April-2024

**Arun Kumar Gupta**

Chief Financial Officer  
Membership No: 056859  
Place: Noida  
Date: 30-April-2024

**Aman Mourya**

Company Secretary  
Membership No: F9975  
Place: Noida  
Date: 30-April-2024



**Consolidated  
Financial  
Statements**

# Independent Auditor's Report

## To the Members of Newgen Software Technologies Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

1. We have audited the accompanying consolidated financial statements of **Newgen Software Technologies Limited** (the Holding Company) and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2024, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>A. Revenue recognition for software implementation services</b></p> <p>Refer Note 3(i)(ii) for accounting policy and 26 of notes forming part of the Standalone Financial Statements.</p> <p>The Group earns revenue from software implementation services wherein it has entered into various fixed-price contracts, for which revenue is recognised by the Group using the percentage of completion computed as per the Input method prescribed under Ind AS 115, Revenue from Contracts with Customers. The said revenue recognition accounting policy involves exercise of significant judgement by the management and the following factors requiring significant auditor attention:</p> <ul style="list-style-type: none"> <li>• High estimation uncertainty relating to determination of the progress of each contract, efforts incurred till date and additional efforts required to complete satisfaction of the performance obligation</li> <li>• Determination of contract assets and unearned revenue related to these contracts as at the end of reporting period</li> <li>• Considering the materiality of the amounts involved and significant degree of judgement and subjectivity involved in the estimates as mentioned above, we have identified revenue recognition from fixed price contracts as a key audit matter for the current year audit.</li> </ul>	<p>Our audit work included but was not restricted to the following procedures:</p> <ol style="list-style-type: none"> <li>a) Obtained an understanding of the systems, processes and controls implemented by management for recording and calculating revenue, and the associated contract assets, unearned revenue and deferred revenue balances.</li> <li>b) Tested the design and operating effectiveness of related manual controls and involved auditor's experts to assess key information technology (IT) controls over the IT environment in which the business systems operate, including access controls, segregation of duties, program change controls, program development controls and IT operation controls;</li> <li>c) Selected a sample of contracts and performed a performed the following procedures: <ul style="list-style-type: none"> <li>- Inspected key terms, including price, deliverables, timetable and milestones set out in the contract for selected sample of contracts and identified the distinct performance obligations.</li> <li>- Tested project management tool for budgeted efforts and related percentage completion milestones and establishing accuracy of milestones based on actualisation of efforts for delivered projects.</li> <li>- Tested the details of activities completed with those stated in the customer contract, details of activities completed as provided by the project head and confirmation/acceptance of completion of such activities by the customer.</li> </ul> </li> <li>d) Evaluated the appropriateness of disclosures made in the financial statements with respect to revenue recognised during the year as required by applicable Indian Accounting Standards.</li> </ol>
<p><b>B. Trade receivables and provision for expected credit losses</b></p> <p>Refer note 3(e) and note 3(i) for material accounting policy and note 40(C)(ii) for credit risk disclosures.</p> <p>Trade receivables and contract assets comprise a significant portion of the current financial assets of the Group. As at 31 March 2024, the Group has reported trade receivable of Rs. 44,353.35 lacs (net of provision for expected credit loss of Rs. 4,364.13 lacs.)</p> <p>The Group applies simplified approach permitted by Ind AS 109 - Financial Instruments, which requires lifetime expected credit losses to be recognised from the date of initial recognition of receivables. The Group analyses the trend of trade receivables under different ageing bracket for previous years and calculate weighted average loss rate basis such movement in ageing brackets.</p>	<p>Our audit work included but was not restricted to the following procedures:</p> <ol style="list-style-type: none"> <li>a) Obtained an understanding of the process adopted and controls implemented by the Group for calculation, recording and monitoring of the impairment loss recognised for expected credit loss;</li> <li>b) Assessed and tested the design and operating effectiveness of key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognised. Also, evaluated the controls over the modelling process, validation of data and related approvals;</li> <li>c) Considered the Group's accounting policies for estimation of expected credit loss on trade receivables and contract assets and assessing compliance with the policies in terms of Ind AS 109;</li> </ol>



Key audit matter	How our audit addressed the key audit matter
<p>The estimate of expected credit loss involves judgement as the management factors the past history as above, market conditions and forward looking estimates as at each reporting date.</p> <p>Considering this area inherently involves significant area of judgement and subjectivity followed with discussions with those charged with governance at regular intervals, we have identified this as a key audit matter.</p>	<p>d) Inquired with management about the conditions leading to, and their assessment of recoverability of dues from the customers and also referred to the available communication, if any, between them.</p> <p>e) Assessed, on a sample basis that items in the receivables ageing report were classified within the correct ageing bracket by comparing individual items in the report with underlying documentation, which included sales invoices, proof of delivery and customers sign offs;</p> <p>f) Analysed the methodology used by the management and considered the credit and payment history of specific parties to determine the trend used for arriving at the expected credit loss provision and co-related to our understanding of the debtor’s financial condition, the industry in which debtor operates.</p> <p>g) Since the assumptions and inputs used for calculating ECL is based on historical data, we assessed whether such historical experience was representative of current circumstances.</p> <p>h) Tested the accuracy and completeness of underlying data for “expected credit loss model”.</p> <p>i) Evaluated responses to direct confirmation request circulated to customers and ensured the reconciling items have been adequately recorded in the books of account;</p> <p>j) Obtained written representations from management and those charged with governance on whether they believe significant assumptions used in calculation of expected credit losses are reasonable.</p> <p>k) Assessed the adequacy of disclosures made by the management in the financial statements to reflect the expected credit loss provision, trade and other receivables.</p>

**Information other than the Consolidated Financial Statements and Auditor’s Report thereon**

6. The Holding Company’s Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor’s report thereon. The Annual Report is expected to be made available to us after the date of this auditor’s report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

7. The accompanying consolidated financial statements have been approved by the Holding Company’s Board of Directors. The Holding Company’s Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company’s Board of

Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other

entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

15. We did not audit the financial statements of 7 subsidiaries, whose financial statements reflects total assets of ₹12,350.56 lacs as at 31 March 2024, total revenues of ₹ 20,929.64 lacs and net cash outflows amounting to ₹89.97 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

Further, of these subsidiaries, 6 subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding

Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiaries located outside India, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 15, on separate financial statements of the subsidiaries, we report that the Holding Company incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that 1 subsidiary incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary.
17. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order report issued by us and by the respective other auditor as mentioned in paragraph 15 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order report of such company.
18. As required by section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;
- c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
- e) On the basis of the written representations received from the directors of the Holding Company and the report of the statutory auditor of its subsidiary, covered under the Act, none of the directors of the Group companies, are disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and subsidiary covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II' wherein we have expressed an unmodified opinion; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary incorporated in India whose financial statements have been audited under the Act:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as at 31 March 2024, as detailed in Note 35 to the consolidated financial statements;
  - ii. The Holding Company and its subsidiary did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024.;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary covered under the Act, during the year ended 31 March 2024.;
  - iv. a. The respective managements of the Holding Company and its subsidiary incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, on the date of this audit report as disclosed in note 46(v) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary, to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
  - b. The respective managements of the Holding Company and its subsidiary incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, on the date of this audit report as disclosed in the note 46(vi) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary, from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the

- understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed by us and that performed by the auditor of the subsidiary, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The final dividend paid by the Holding Company during the year ended 31 March 2024 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend and as stated in note 37 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi. Based on our examination which included test checks and that performed by the respective auditor of the subsidiary of the Holding Company which are companies incorporated in India and audited under the Act, the Holding Company and its subsidiary, in respect of financial years commencing on or after 1 April 2023, have used an accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we and respective auditor of the above referred subsidiary did not come across any instance of audit trail feature being tampered with.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Ankit Mehra**

Partner

Membership No.: 507429

UDIN: 24507429BKCKJX2817

Place: Gurugram

Date: 30 April 2024

# Annexure I

## List of entities included in the Statement

- |  |   |
|--|---|
| 1. Newgen Software Inc.                      | 5. Newgen Software Technologies Canada, Ltd     |
| 2. Newgen Computers Technologies Limited     | 6. Newgen Software Technologies Pty Ltd         |
| 3. Newgen Software Technologies PTE. Ltd     | 7. Newgen Software Technologies L.L.C.          |
| 4. Newgen Software Technologies (UK) Limited | 8. Newgen Software Technologies Company Limited |

# Annexure II

## Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

- In conjunction with our audit of the consolidated financial statements of **Newgen Software Technologies Limited** ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group') as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

## Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

- The respective Board of Directors of the Holding Company and its subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

- Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.
- Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
- We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company as aforesaid.

### Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion and based on the consideration of the report of the other auditor on internal financial

controls with reference to financial statements of the subsidiary company, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### Other Matter

9. We did not audit the internal financial controls with reference to financial statements in so far as it relates to 1 subsidiary company, which is company covered under the Act, whose financial statements reflect total assets of ₹ 81.84 lacs and net assets of ₹ 79.71 lacs as at 31 March 2024, total revenues of ₹ Nil and net cash inflows amounting to ₹ 3.56 lacs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company have been audited by other auditor whose report have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company is based solely on the reports of the auditors of such company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditor.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Ankit Mehra**  
Partner

Place: Gurugram  
Date: 30 April 2024

Membership No.: 507429  
UDIN: 24507429BKCKJX2817

# Consolidated Balance Sheet

as at 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	16,452.32	16,476.35
Capital work-in-progress	4	279.53	-
Right-of-use assets	18	7,063.44	6,383.64
Goodwill	4A	283.31	283.31
Intangible assets	5	1,022.03	1,314.96
Financial assets			
Other Financial assets	6	8,382.97	23,338.45
Deferred tax assets (net)	32	2,846.57	1,986.63
Income tax assets (net)	7	1,697.90	1,929.06
Other non-current assets	8	17.86	14.12
<b>Total non-current assets</b>		<b>38,045.93</b>	<b>51,726.52</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Investments	9	36,498.89	13,138.80
Trade receivables	10	44,353.35	38,816.58
Cash and cash equivalents	11	12,457.31	10,802.06
Bank balances other than cash and cash equivalents	12	25,136.83	10,032.82
Loans	13	11.73	7.00
Other financial assets	14	9,462.08	8,431.73
Other current assets	15	2,681.64	1,519.05
<b>Total current assets</b>		<b>1,30,601.83</b>	<b>82,748.04</b>
<b>TOTAL ASSETS</b>		<b>1,68,647.76</b>	<b>1,34,474.56</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	13,977.93	6,965.57
Other equity	17	1,08,373.58	91,287.52
<b>Total equity attributable to the owners of the Holding Company</b>		<b>1,22,351.51</b>	<b>98,253.09</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	19	-	220.05
- Lease liabilities	18	3,464.28	2,841.82
Deferred tax liabilities	32	-	11.76
Provisions	20	4,873.07	3,505.39
<b>Total non-current liabilities</b>		<b>8,337.35</b>	<b>6,579.02</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	19	219.92	203.50
Lease liabilities	18	1,166.55	1,005.93
Trade payables			
- Total outstanding dues to micro enterprises and small enterprises	21	632.13	58.38
- Total outstanding dues to creditors other than micro and small enterprises	21	4,129.40	3,430.30
Other financial liabilities	22	5,334.66	3,995.13
Deferred income	23	20,513.58	16,803.94
Other current liabilities	24	3,285.26	1,637.59
Provisions	25	915.76	946.89
Income tax liabilities (net)	7A	1,761.64	1,560.79
<b>Total current liabilities</b>		<b>37,958.90</b>	<b>29,642.45</b>
<b>Total liabilities</b>		<b>46,296.25</b>	<b>36,221.47</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,68,647.76</b>	<b>1,34,474.56</b>
Summary of material accounting policies	3		

The accompanying notes are an integral part of the Consolidated Financial Statements  
As per our report of even date

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of

**Newgen Software Technologies Limited**

**Ankit Mehra**

Partner

Membership No.: 507429

**Diwakar Nigam**

Chairman &  
Managing Director  
DIN: 00263222

**T.S.Varadarajan**

Whole Time  
Director  
DIN: 00263115

**Arun Kumar Gupta**

Chief Financial  
Officer  
Membership No: 056859

**Aman Mourya**

Company  
Secretary  
Membership No: F9975

**Virender Jeet**

Chief Executive  
Officer  
PAN: AAOPJ2433N

Place: Gurugram  
Date: 30-April-2024

Place: Chennai  
Date: 30-April-2024

Place: Noida  
Date: 30-April-2024

Place: Noida  
Date: 30-April-2024

Place: Noida  
Date: 30-April-2024

Place: Noida  
Date: 30-April-2024



# Consolidated Statement of Profit and Loss

for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Note No.	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Income</b>			
Revenue from operations	26	1,24,382.86	97,397.88
Other income	27	4,806.43	3,398.57
<b>Total income</b>		<b>1,29,189.29</b>	<b>1,00,796.45</b>
<b>Expenses</b>			
Employee benefits expenses	28	62,831.43	51,589.93
Finance costs	29	418.18	425.10
Depreciation and amortisation expenses	30	2,796.77	2,467.14
Other expenses	31	32,720.42	24,586.23
<b>Total expenses</b>		<b>98,766.80</b>	<b>79,068.40</b>
<b>Profit before tax</b>		<b>30,422.49</b>	<b>21,728.05</b>
<b>Tax expense</b>			
Current tax		5,953.49	4,276.98
Deferred tax credit		(691.50)	(250.08)
<b>Income tax expense</b>		<b>5,261.99</b>	<b>4,026.90</b>
<b>Profit for the year</b>		<b>25,160.50</b>	<b>17,701.15</b>
<b>Other comprehensive (loss) / income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Re-measurement losses on defined benefit plans		(467.22)	(13.20)
Income tax relating to items that will not be reclassified to profit or loss		163.26	4.61
<b>Net other comprehensive loss not to be reclassified subsequently to profit or loss</b>		<b>(303.96)</b>	<b>(8.59)</b>
<b>Items that will be reclassified subsequently to profit or loss</b>			
Financial assets or investments carried at fair value through other comprehensive income		(67.18)	(281.70)
Income tax relating to items that will be reclassified to profit or loss		15.65	65.63
Exchange differences on translation of foreign operations		140.57	745.53
<b>Net other comprehensive income to be reclassified subsequently to profit or loss</b>		<b>89.04</b>	<b>529.46</b>
<b>Other comprehensive (loss) / income for the year, net of income tax</b>		<b>(214.92)</b>	<b>520.87</b>
<b>Total comprehensive income for the year</b>		<b>24,945.58</b>	<b>18,222.02</b>
<b>Profit attributable to:</b>			
Owners of the Holding Company		25,160.50	17,701.15
<b>Profit for the year</b>		<b>25,160.50</b>	<b>17,701.15</b>
<b>Other comprehensive (loss) / income attributable to:</b>			
Owners of the Holding Company		(214.92)	520.87
<b>Other comprehensive (loss) / income for the year</b>		<b>(214.92)</b>	<b>520.87</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Holding Company		24,945.58	18,222.02
<b>Total comprehensive income for the year</b>		<b>24,945.58</b>	<b>18,222.02</b>
<b>Earnings per equity share</b>	33		
Nominal value of share INR 10 (31 March 2023: INR 10)			
Basic earning per share (INR)		18.02	12.71
Diluted earning per share (INR)		17.50	12.55
Summary of material accounting policies	3		

The accompanying notes are an integral part of the Consolidated Financial Statements  
As per our report of even date

For **Walker Chandio & Co LLP**

Chartered Accountants  
Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of  
**Newgen Software Technologies Limited**

**Ankit Mehra**  
Partner  
Membership No.: 507429

**Diwakar Nigam**  
Chairman &  
Managing Director  
DIN: 00263222

**T.S.Varadarajan**  
Whole Time  
Director  
DIN: 00263115

**Arun Kumar Gupta**  
Chief Financial  
Officer  
Membership No: 056859

**Aman Mourya**  
Company  
Secretary  
Membership No: F9975

**Virender Jeet**  
Chief Executive  
Officer  
PAN: AAOPJ2433N

Place: Gurugram  
Date: 30-April-2024

Place: Chennai  
Date: 30-April-2024

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Place: Noida  
Date: 30-April-2024

Place: Noida  
Date: 30-April-2024

Place: Noida  
Date: 30-April-2024

# Consolidated Statement of Changes in Equity

for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

## a. Equity share capital

Particulars	Equity share capital		Total share capital	
	Number	Amount	Amount	Amount
<b>Balance as at 1 April 2022</b>	<b>6,99,55,701</b>	<b>6,995.57</b>	<b>6,995.57</b>	<b>6,995.57</b>
Less: Shares held by Newgen ESOP Trust	3,00,025	30.00		30.00
<b>Total Share capital as at 31 March 2023</b>	<b>6,96,55,676</b>	<b>6,965.57</b>	<b>6,965.57</b>	<b>6,965.57</b>
<b>Balance as at 1 April 2023</b>	<b>6,99,55,701</b>	<b>6,995.57</b>	<b>6,995.57</b>	<b>6,995.57</b>
Add: Issued during the year to Newgen ESOP Trust before bonus issue	1,13,700	11.37		11.37
<b>Balance shares before bonus issue</b>	<b>7,00,69,401</b>	<b>7,006.94</b>	<b>7,006.94</b>	<b>7,006.94</b>
Add: Bonus Share issued during the year	7,00,69,401	7,006.94		7,006.94
Add: Issued during the year to Newgen ESOP Trust after bonus issue	1,53,000	15.30		15.30
Less: Shares held by Newgen ESOP Trust	5,12,483	51.25		51.25
<b>Total Share capital as at 31 March 2024</b>	<b>13,97,79,319</b>	<b>13,977.93</b>	<b>13,977.93</b>	<b>13,977.93</b>

## b. Other equity\*

Particulars	Others				Retained earnings	Securities premium	Items of Other comprehensive income				Total attributable to owners of the Group
	Capital redemption reserve	General reserve	Capital reserve	Newgen ESOP Trust reserve			Share options outstanding reserve	Foreign currency translation reserve	Remeasurement of defined benefit liability	Debt instruments through OCI	
<b>Balance as at 1 April 2022</b>	<b>87.95</b>	<b>1,731.39</b>	<b>416.59</b>	<b>511.71</b>	<b>60,428.17</b>	<b>10,525.26</b>	<b>762.77</b>	<b>701.10</b>	<b>(235.42)</b>	<b>3.81</b>	<b>74,933.33</b>
<b>Total comprehensive income for the year ended 31 March 2023</b>	-	-	-	-	17,701.15	-	-	-	(8.59)	-	17,701.15
Profit for the year	-	-	-	-	17,701.15	-	-	-	(8.59)	-	17,701.15
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	-	-	745.53	-	(216.07)	520.87
<b>Transactions with owners, recorded directly in equity</b>	-	-	-	-	-	-	-	-	-	-	-
Addition to Newgen ESOP Trust reserve	-	-	-	28.64	-	-	-	-	-	-	28.64
<b>Contributions by and distributions to owners</b>	-	-	-	-	-	-	-	-	-	-	-
Dividend on equity shares	-	-	-	-	(3,148.01)	-	-	-	-	-	(3,148.01)
Employee stock compensation expense	-	-	-	-	-	-	1,463.91	-	-	-	1,463.91
Transferred to securities premium account on exercise of stock options	-	-	-	-	-	80.05	(84.60)	-	-	-	(4.55)
<b>Balance as at 31 March 2023</b>	<b>87.95</b>	<b>1,731.39</b>	<b>416.59</b>	<b>540.35</b>	<b>74,981.31</b>	<b>10,605.31</b>	<b>2,142.08</b>	<b>1,446.63</b>	<b>(244.01)</b>	<b>(212.26)</b>	<b>91,495.34</b>
Less: Securities premium on shares held by Newgen ESOP Trust	-	-	-	-	-	207.82	-	-	-	-	207.82
<b>Balance as at 31 March 2023</b>	<b>87.95</b>	<b>1,731.39</b>	<b>416.59</b>	<b>540.35</b>	<b>74,981.31</b>	<b>10,397.49</b>	<b>2,142.08</b>	<b>1,446.63</b>	<b>(244.01)</b>	<b>(212.26)</b>	<b>91,287.52</b>

# Consolidated Statement of Changes in Equity

for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Securities premium	Retained earnings	Others				Items of Other comprehensive income			Total attributable to owners of the Group	
			Capital redemption reserve	General reserve	Capital reserve	Newgen ESOP Trust reserve	Share options outstanding reserve	Foreign currency translation reserve	Remeasurement of defined benefit liability		Debt instruments through OCI
<b>Balance as at 1 April 2023</b>	<b>10,605.31</b>	<b>74,981.31</b>	<b>87.95</b>	<b>1,731.39</b>	<b>416.59</b>	<b>540.35</b>	<b>2,142.08</b>	<b>1,446.63</b>	<b>(244.01)</b>	<b>(212.26)</b>	<b>91,495.34</b>
<b>Total comprehensive income for the year ended 31 March 2024</b>											
Profit for the year	-	25,160.50	-	-	-	-	-	-	-	-	25,160.50
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	-	-	140.57	(303.96)	(51.53)	(214.92)
Securities premium on issue of bonus shares	(7,006.94)	-	-	-	-	-	-	-	-	-	(7,006.94)
<b>Transactions with owners, recorded directly in equity</b>											
Addition to Newgen ESOP Trust reserve	-	-	-	-	-	12.94	-	-	-	-	12.94
Shares allotted to Newgen ESOP Trust	484.41	-	-	-	-	-	-	-	-	-	484.41
<b>Contributions by and distributions to owners</b>											
Dividend on equity shares	-	(3,497.79)	-	-	-	-	-	-	-	-	(3,497.79)
Employee stock compensation expense	-	-	-	-	-	-	-	-	-	-	-
Transferred to securities premium account on exercise of stock options	132.79	-	-	-	-	-	-	-	-	-	132.79
<b>Balance as at 31 March 2024</b>	<b>4,215.57</b>	<b>96,644.02</b>	<b>87.95</b>	<b>1,731.39</b>	<b>416.59</b>	<b>553.29</b>	<b>4,447.21</b>	<b>1,587.20</b>	<b>(547.97)</b>	<b>(263.79)</b>	<b>1,08,871.46</b>
Less: Securities premium on shares held by Newgen ESOP Trust	497.88	-	-	-	-	-	-	-	-	-	497.88
<b>Balance as at 31 March 2024</b>	<b>3,717.69</b>	<b>96,644.02</b>	<b>87.95</b>	<b>1,731.39</b>	<b>416.59</b>	<b>553.29</b>	<b>4,447.21</b>	<b>1,587.20</b>	<b>(547.97)</b>	<b>(263.79)</b>	<b>1,08,373.58</b>

\* Refer Note 17

Summary of material accounting policies

Note 3

The accompanying notes are an integral part of the Consolidated Financial Statements  
As per our report of even date

For **Walker Chandiook & Co LLP**

Chartered Accountants  
Firm Registration No.: 001076/N/500013

For and on behalf of the Board of Directors of  
**Newgen Software Technologies Limited**

**Ankit Mehra**  
Partner  
Membership No.: 507429

**Diwakar Nigam**  
Chairman & Managing Director  
DIN: 00263222

**T.S.Varadarajan**  
Whole Time Director  
DIN: 00265115

**Arun Kumar Gupta**  
Chief Financial Officer  
Membership No: 056859

**Aman Mourya**  
Company Secretary  
Membership No: F9975

**Virender Jeet**  
Chief Executive Officer  
PAN: AAOPJ2433N

Place: Gurugram  
Date: 30-April-2024

Place: Chennai  
Date: 30-April-2024

Place: Noida  
Date: 30-April-2024

Place: Noida  
Date: 30-April-2024

Place: Noida  
Date: 30-April-2024

# Consolidated Statement of Cash Flows

for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>A. Cash flows from operating activities</b>		
<b>Net profit before tax</b>	30,422.49	21,728.05
Adjustments for:		
Depreciation and amortisation expenses	2,796.77	2,467.14
(Gain) / loss on sale of property, plant and equipment	(13.35)	0.58
Loss allowance on trade receivables and contract assets	3,263.98	2,000.40
Liabilities/ provision no longer required written back	(120.68)	(1,068.74)
Unrealised foreign exchange (gain ) / loss	(399.07)	237.84
Share based payment - equity settled	2,437.91	1,463.91
Finance costs	335.90	340.25
Fair value changes of financial assets at FVTPL	(1,359.54)	(87.29)
Profit on sale of mutual funds (net) at FVTPL	(254.94)	(151.30)
Interest income	(2,604.61)	(2,078.20)
<b>Operating cash flow before working capital changes</b>	<b>34,504.86</b>	<b>24,852.64</b>
Increase in trade receivables	(8,702.00)	(11,967.49)
(Increase)/decrease in loans	(4.73)	13.92
Decrease in other financial assets	147.33	144.21
Increase in other assets	(1,166.34)	(453.03)
Increase in provisions	869.33	443.78
Increase/(decrease) in other financial liabilities	1,263.77	(36.74)
Increase in other liabilities	5,357.31	4,157.75
Increase in trade payables	1,393.54	470.25
<b>Cash generated from operations</b>	<b>33,663.07</b>	<b>17,625.29</b>
Income taxes paid (net)	(5,522.00)	(3,989.86)
<b>Net cash generated from operating activities (A)</b>	<b>28,141.07</b>	<b>13,635.43</b>
<b>B. Cash flows from investing activities</b>		
Acquisition or construction of property plant and equipment including intangible assets, capital work-in-progress, capital advances and payable for capital assets	(1,380.77)	(1,677.15)
Proceeds from sale of property plant and equipment	17.60	7.91
Purchase of mutual funds and bonds	(36,199.38)	(13,198.40)
Proceeds from redemption of mutual funds and bonds	14,386.59	9,251.49
Interest received from bonds	426.36	428.49
Interest received from bank deposits	1,322.38	1,065.16
Investment in bank deposits (net of maturities)	(453.66)	(5,307.34)
<b>Net cash used in investing activities (B)</b>	<b>(21,880.88)</b>	<b>(9,429.84)</b>

# Consolidated Statement of Cash Flows

for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>C. Cash flows from financing activities</b>		
Repayment of short-term borrowings (net)	(234.24)	(234.28)
Repayment of lease liabilities	(1,228.26)	(1,095.26)
Proceeds from issue of equity shares under ESOP scheme	212.62	72.73
Dividend paid	(3,495.63)	(3,148.01)
<b>Net cash used in financing activities (C)</b>	<b>(4,745.51)</b>	<b>(4,404.82)</b>
<b>Net Increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>1,514.68</b>	<b>(199.23)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>10,802.06</b>	<b>10,357.07</b>
<b>Effect of exchange differences on translation of foreign currency cash and cash equivalents</b>	<b>140.57</b>	<b>644.22</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>12,457.31</b>	<b>10,802.06</b>
<b>Components of cash and cash equivalents: (refer note 11)</b>		
Cash in hand	6.45	4.16
Balances with banks:		
- in current accounts	11,049.47	10,182.83
- balances with scheduled banks in deposit accounts with original maturity of less than 3 months	1,401.39	615.07
	<b>12,457.31</b>	<b>10,802.06</b>

**Notes:**

- The cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 Statement of Cash Flows

The accompanying notes are an integral part of the Consolidated Financial Statements  
As per our report of even date

For **Walker Chandio & Co LLP**

Chartered Accountants  
Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of  
**Newgen Software Technologies Limited**

**Ankit Mehra**  
Partner  
Membership No.: 507429

**Diwakar Nigam**  
Chairman &  
Managing Director  
DIN: 00263222

**T.S.Varadarajan**  
Whole Time  
Director  
DIN: 00263115

**Arun Kumar Gupta**  
Chief Financial  
Officer  
Membership No: 056859

**Aman Mourya**  
Company  
Secretary  
Membership No: F9975

**Virender Jeet**  
Chief Executive  
Officer  
PAN: AAOPJ2433N

Place: Gurugram  
Date: 30-April-2024

Place: Chennai  
Date: 30-April-2024

Place: Noida  
Date: 30-April-2024

Place: Noida  
Date: 30-April-2024

Place: Noida  
Date: 30-April-2024

Place: Noida  
Date: 30-April-2024

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 1. Background

**Newgen Software Technologies Limited** ('Newgen' or 'the Company' or "the holding company") and its subsidiaries (the Holding company and its subsidiaries together referred to as "the group") is a public company domiciled and incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is situated at E-44/13, Okhla Phase II, New Delhi 110020. The Company raised money by way of initial public offer during the year ended 31 March 2018 and its shares were listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) of India.

The Company is a global software Company and is engaged in the business of software product development including designing and delivering end-to-end software solutions covering the entire spectrum of software services from workflow automation to Document management to imaging. Newgen provides a complete range of software that helps automate business processes. Newgen's solutions enable document intensive organizations/ industries such as Finance and Banking, Insurance and government departments to improve productivity through better document management and workflow implementation.

### 2. Basis of Preparation

#### A. Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, amended and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI). The consolidated financial statements for the year ended 31 March 2018 were the first financial statements that the Group had prepared in accordance with Ind AS.

The consolidated financial statements were authorised for issue by the Company's Board of Directors on 30 April 2024.

Details of the Group's accounting policies are included in Note 3.

#### B. Basis of Consolidation

The Consolidated financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting standards) Rules, 2015, amended, and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI).

Name of Subsidiaries	Country of Incorporation	Effective Shareholding (%)
Newgen Software Inc.	U.S.A	100
Newgen Software Technologies Canada, Limited	Canada	100
Newgen Software Technologies PTY Limited.	Australia	100
Newgen Software Technologies PTE, Limited	Singapore	100
Newgen Software Technologies (UK) Limited	United Kingdom	100
Newgen Computers Technologies Limited	India	100
Newgen Software Technologies L.L.C.	UAE	100
Newgen Software Technologies Company Limited	Saudi Arabia	100

The consolidated financial statements have been prepared on the following basis:

The financial statements of the Holding Company and its subsidiary companies are combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and unrealized profits in full in accordance with Ind AS 110 - "Consolidated Financial Statements". The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase/decrease in the reserves of the consolidated entities.

The excess/deficit of cost to the parent company of its investment over its portion of net worth in the consolidated entities at the respective dates on which investment in such entities was made is recognized in the consolidated financial statements as goodwill/capital reserve. The parent company's portion of net worth in such entities is determined on the basis of book values of assets and liabilities as per the financial statements of the entities as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant changes.

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

The financial statements of the foreign non integral subsidiaries (collectively referred to as the 'foreign non integral operations') are translated into Indian rupees as follows:-

- i. Share capital and opening reserves and surplus are carried at historical cost.
- ii. All assets and liabilities, both monetary and non-monetary, (excluding share capital, opening reserves and surplus) are translated using the year-end rates.
- iii. Profit and loss items are translated at the respective weighted average rates or the exchange rate that approximates the actual exchange rate on date of specific transactions.
- iv. The resulting net exchange difference is credited or debited to the foreign currency translation reserve.

### C. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

However, deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 'Income Taxes' and Ind AS 19 'Employee Benefits' respectively. When a liability assumed is recognised at the acquisition date, but the related costs are not deducted in determining taxable profits until a later period, a deductible temporary difference arises which results in a deferred tax asset. A deferred tax asset also arises when the fair value of an identifiable asset acquired is less than its tax base.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind-AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind-AS 109, it is measured in accordance with the appropriate Ind-AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount,

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised in consolidated statement of profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed off, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

### D. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

### E. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Defined benefit liability	Present value of defined benefit obligations

### F. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures. Uncertainty about the assumptions and estimates could result in outcomes that may require material adjustment to the carrying value of assets or liabilities affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

#### Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- **Note 3(i) and Note 26** - revenue recognition from fixed price contracts of software implementation services: percentage of completion method to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended.
- **Note 3(l) and Note 18** - determination of lease term;

#### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a material risk of resulting in a material adjustment in the year ending 31 March 2024 is included in the following notes:

- **Note 3(c)(iii)** - Estimation of Useful lives of intangible assets and Property, plant and equipment
- **Note 28** - Measurement of defined benefit obligations: key actuarial assumptions;
- **Note 32** - Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- **Note 34** - Fair value of share based payments
- **Note 41(c)(ii)** - Impairment of trade receivables and financial assets.
- **Note 18** - Recognition of right of use asset and lease liability



# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### G. Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/liabilities include current portion of non-current financial assets/liabilities respectively. All other assets/ liabilities are classified as non-current. Deferred tax assets and liabilities (if any) are classified as non-current assets and liabilities.

#### Operating cycle

Based on the nature of the operations and the time between the acquisition of assets for processing and their realization in cash or cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

### H. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer. The Group regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Group assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's audit committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (Unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 34 – Share-based payment arrangements; and

Note 41 – Financial instruments.

### I. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards)

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Rules as issued from time to time. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

### Amended Accounting Standards (Ind AS) and interpretations effective during the year.

#### Ind AS 1 - Presentation of Financial Statements -

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The amendment did not have any material impact on the financial statements of the Group.

#### Ind AS 8 -

Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The amendment did not have any material impact on the financial statements of the Group.

#### Ind AS 12 - Income Taxes -

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The amendment did not have any material impact on the financial statements of the Group.

## 3. Material Accounting Policies

### a. Foreign currency

#### i. Functional currency

The Group financial statements are presented in INR, which is also the Group's functional currency.

#### ii. Foreign currency transactions

Transactions in foreign currencies are translated into INR, the functional currency of the Group, at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

### b. Financial instruments

#### i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. However, trade receivables that do not contain a significant financing component are measured at transaction price.

#### ii. Classification and subsequent measurement

##### Financial assets:

On initial recognition, a financial asset is classified as measured at

- Amortised cost;
- Fair value through Other Comprehensive Income (FVOCI) - debt investment;
- Fair Value through Other Comprehensive Income (FVOCI) - equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

### Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management, for instance the stated policies and objectives for the portfolio, frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and

Basis the above classification criteria, Group's investments are classified as below:-

- Investments in government and other bonds have been classified as FVOCI.
- Investments in Mutual funds have been classified as FVTPL.

### Financial assets: Subsequent measurement and gains and losses

#### Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

#### Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss.

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

### Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to Statement of profit or loss.

### Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on de-recognition is also recognised in profit or loss.

### iii. Derecognition

#### Financial assets

The Group de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not de-recognised.

### Financial liabilities

The Group de-recognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also de-recognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

#### iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### v. Derivatives and Embedded derivatives

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

### c. Property, plant and equipment

#### i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of profit or loss.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress.

### ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

### iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Category of Property, plant and equipment	Estimated useful life (Years)
Building	60
Plant and equipment	15
Leasehold Improvements*	3
Office equipment**	10
Furniture and Fixtures	10
Vehicles	7-8
Computer hardware	
- servers and networks	6
- Computers**	3-7

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on addition (disposal) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).

\*Leasehold improvements are depreciated over the period of the lease term of the respective property or 3 years whichever is lower.

Leasehold land is amortised over the lease period of 90 years.

\*\*Based on an internal technical assessment, the management believes that the useful lives as given above best represents the period over which management expects to use its assets. Hence, the useful life of plant and equipment is different from the useful life as prescribed under Part C of Schedule II of Companies Act, 2013.

### d. Intangible assets

#### Recognition and measurement

Intangible assets are initially recognised at:

- (a) In case the assets are acquired separately then at cost,
- (b) In case the assets are acquired in a business combination or under any asset purchase agreement at fair value.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment loss.

Intangible assets with finite useful life are assessed for impairment whenever there is an indication that the intangible assets may be impaired.

#### Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

#### Amortization

Amortisation of intangible assets are amortised on a straight-line basis using the estimated useful life as follows:

Intangible assets	Useful lives (years)
Computer Software	3-4 Years
AI Platform	5 Years

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement profit or loss when the asset is derecognized.

### e. Impairment

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b. Financial assets that are debt instruments and are measured as at FVTOCI
- c. Lease receivables under Ind AS 116
- d. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
- e. Loan commitments which are not measured as at FVTPL
- f. Financial guarantee contracts which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the

credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability. Debt instruments measured at FVTOCI: For debt instruments measured at FVOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the "accumulated impairment amount".

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### Impairment of Non-financial assets

The carrying amounts of assets are reviewed at each reporting date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount. The recoverable amount is the greater of the asset's (or cash generating units) net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset (or cash generating unit).

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised

### f. Employee benefits

#### i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

#### ii. Share-based payment transactions

The grant date fair value of equity settled share-based payment awards granted to employees of the Group and subsidiaries of the Group is recognised as an employee expense and deemed investment, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense/deemed investment is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense/dement investment is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value

of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

#### iii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

#### iv. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's gratuity scheme is a defined benefit plan. The present value of obligations under such defined benefit plans are determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, are based on the market yields on government securities as at the balance sheet date, having maturity period approximating to the terms of related obligations

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income and are never reclassified to profit or loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the profit or loss as past service cost.

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### v. Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted.

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Re measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the profit or loss.

### g. Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for. Provisions are reviewed by the management at each reporting date and adjusted to reflect the current best estimates.

### Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract

is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

### h. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation, or a present obligation whose amount cannot be estimated reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements

### i. Revenue

Effective 1 April 2018, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Group has adopted Ind AS 115 using the cumulative effect method. The adoption of the standard did not have any material impact to the consolidated financial statements of the Group.

Revenues from customer's contracts are considered for recognition and measurement when the contract has been approved by the parties, in writing, to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Group has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

### i. Sale of License

Revenue from sale of licenses for software products is recognised when the significant risks and rewards of ownership have been transferred to the buyer which generally coincides with delivery of licenses to the customers, recovery of the consideration is probable, the associated costs and possible return of software sold can be estimated reliably, there is no continuing



# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

effective control over, or managerial involvement with the licenses transferred and the amount of revenue can be measured reliably.

### ii. Rendering of services

Revenue from services rendered is recognized in proportion to the stage of completion of the transaction at the reporting date. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

#### Software Implementation Services

The revenue from fixed price contracts for software implementation is recognized based on proportionate completion method based on hours expended, and foreseeable losses on the completion of contract, if any are recognized immediately. Efforts or costs expended have been used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts. Estimates of transaction price and total costs or efforts are continuously monitored over the lives of the contracts and are recognized in profit or loss in the period when these estimates change or when the estimates are revised. Revenues and the estimated total costs or efforts are subject to revision as the contract progresses. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

The Group is also involved in time and material contracts and recognizes revenue as the services are performed.

#### Annual Technical services

Revenue from annual technical service and maintenance contracts is recognised ratably over the term of the underlying maintenance arrangement.

### iii. Sale of right to use software

Software-as-a-service, that is, a right to access software functionality in a cloud-based-infrastructure provided by the Group. Revenue from arrangements where the customer obtains a "right to access" is recognized over the access period.

Revenue from client training, support and other services arising due to the sale of license is recognized as the performance obligations are satisfied.

Revenue is recognised, net of returns, trade discounts and volume rebates. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. Reimbursements of out-of-pocket expenses received from customers have been netted off with expense.

Amounts received or billed in advance of services to be performed are recorded as advance from customers/unearned revenue. Unbilled revenue represents amounts recognized based on services performed in advance of billing in accordance with contract terms.

### iv. Multiple deliverable arrangements

When two or more revenue generating activities or deliverables are provided under a single arrangement, the Group has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering license for software products and related services as distinct performance obligations. For allocating the transaction price, the Group has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Group is unable to determine the standalone selling price, the Group uses the expected cost plus margin approach in estimating the standalone selling price.

Arrangements to deliver software products generally have three elements license, implementation and Annual Technical Services (ATS). The Group has applied the principles under Ind AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach.

Deferred contract costs are incremental costs of obtaining a contract which are recognized as assets and amortized over the term of the contract.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

### v. Trade Receivables

Trade receivables are amounts due from customers for sale of license or rendering of services in the ordinary course of business. They are generally due for settlement within one year and therefore are all classified as current. Where the settlement is due after one year, they are classified as non-current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Trade receivables are disclosed in Note 10.

### vi. Impairment

An impairment is recognised to the extent that the carrying amount of receivable or asset relating to contracts with customers (a) the remaining amount of consideration that the Group expects to receive in exchange for sale of license or rendering of services to which such asset relates; less (b) the costs that relate directly to providing those sale of license or rendering of services and that have not been recognised as expenses.

### j. Recognition of dividend income, interest income or expense

Dividend income is recognised in statement profit or loss on the date on which the Group's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

### k. Sale of investments

Profit on sale of investments is recorded on transfer of title from the Group and is determined as the difference between the sales price and the carrying value of the investment.

### l. Leases

#### The Group as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether: (1) the contract involves the use of an identified asset (2) the group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### m. Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

#### i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

### n. Cash and cash equivalents

Cash and short-term deposits in the Balance Sheet comprise cash at banks and cash in hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

### o. Earnings per share ("EPS")

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Group by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the net profit or loss for the year attributable to equity shareholders and the weighted average number of common and dilutive common equivalent shares outstanding during the year but including share options, compulsory convertible preference shares except where the result would be anti-dilutive.

### p. Share Capital

#### Equity Shares

Equity shares are classified as equity. Incremental costs directly attributable to the issuance of new equity shares are recognized as a deduction from equity.

#### Dividends

The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividend are recorded as a liability on the date of declaration by the Company's Board of Directors.

### q. Basis of segmentation

#### Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

#### Identification of segments:

All operating segments' results are reviewed regularly by the Board of Directors, who have been identified as the CODM, to allocate resources to the segments and assess their performance. Refer note 43 for segment information.

### r. ESOP Trust

The ESOP Trust has been treated as an extension of the Company and accordingly shares held by ESOP Trust are netted off from the total share capital. Consequently, all the assets, liabilities, income and expenses of the trust are accounted for as assets and liabilities of the Company, except for profit / loss on issue of shares to the employees and dividend received by trust which are directly adjusted in the Newgen ESOP Trust reserve.

### s. Statement of cash flows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash from operating, investing and financing activities of the Group are segregated.

### t. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 4 Property, plant and equipment

Property, plant and equipment	Freehold land	Buildings	Plant and equipment	Leasehold improvements	Vehicles	Office equipment	Furniture and fixtures	Computer and servers	Total	Capital work-in-progress
<b>Cost</b>										
Balance as at 1 April 2022	4.28	12,917.13	735.22	5.99	477.09	1,358.73	712.20	3,082.97	19,293.61	-
Additions during the year	-	-	13.81	-	99.43	35.25	2.45	556.26	707.20	43.11
Capitalised during the year	-	-	-	643.11	-	-	-	-	643.11	43.11
Translation exchange difference during the year	-	-	-	-	-	0.04	3.35	1.73	5.12	-
Less: Disposals during the year	-	-	42.60	-	41.63	16.53	2.37	619.76	722.89	-
Balance as at 31 March 2023	4.28	12,917.13	706.43	649.10	534.89	1,377.49	715.63	3,021.20	19,926.15	-
Balance as at 1 April 2023	4.28	12,917.13	706.43	649.10	534.89	1,377.49	715.63	3,021.20	19,926.15	-
Additions during the year	-	-	35.25	-	413.11	76.17	23.99	766.14	1,314.66	79.53
Translation exchange difference during the year	-	-	-	-	-	0.10	0.47	0.44	1.01	-
Less: Disposals during the year	-	-	86.12	-	8.36	73.12	26.16	302.28	496.04	-
Balance as at 31 March 2024	4.28	12,917.13	655.56	649.10	939.64	1,380.64	713.93	3,485.50	20,745.78	79.53
<b>Accumulated Depreciation</b>										
Balance as at 1 April 2022	-	440.55	223.26	5.99	138.28	458.94	266.60	1,487.60	3,021.22	-
Depreciation during the year	-	217.00	66.46	52.82	63.55	134.46	74.91	533.42	1,142.62	-
Translation exchange difference during the year	-	-	-	-	-	0.03	0.31	0.02	0.36	-
Less: Disposals during the year	-	-	37.79	-	41.63	16.23	2.20	616.55	714.40	-
Balance as at 31 March 2023	-	657.55	251.93	58.81	160.20	577.20	339.62	1,404.49	3,449.80	-
Depreciation during the year	-	218.36	63.84	214.81	66.03	133.06	74.56	564.61	1,335.27	-
Translation exchange difference during the year	-	-	-	-	-	0.01	0.09	0.08	0.18	-
Less: Disposals during the year	-	-	85.37	-	8.36	72.27	20.37	305.42	491.79	-
Balance as at 31 March 2024	-	875.91	230.40	273.62	217.87	638.00	393.90	1,663.76	4,293.46	-
<b>Carrying amount (net)</b>										
Balance as at 31 March 2023	4.28	12,259.58	454.50	590.29	374.69	800.29	376.01	1,616.71	16,476.35	-
Balance as at 31 March 2024	4.28	12,041.22	425.16	375.48	721.77	742.64	320.03	1,821.74	16,452.32	279.53

As at 31 March 2024 properties with a carrying amount of INR 350.26 lakhs (31 March 2023 : INR 358.38 lakhs) are subject to first charge to working capital limits from banks.

Capital commitment as on 31 March 2024 is INR 422.57 lakhs (31 March 2023: NIL)

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### Ageing of Capital work-in progress

As at 31 March 2024

Capital work-in progress	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	279.53	-	-	-	279.53
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>279.53</b>	-	-	-	<b>279.53</b>

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2024

As at 31 March 2023

Capital work-in progress	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 4A Goodwill

Particulars	As at 31 March 2024	As at 31 March 2023
Opening Balance	283.31	283.31
Impairment of goodwill	-	-
<b>Closing Balance</b>	<b>283.31</b>	<b>283.31</b>

### 5 Intangible assets

Particulars	Computer software	AI Platform	Total
<b>Cost</b>			
<b>Balance as at 31 March 2022</b>	<b>412.61</b>	<b>1,654.33</b>	<b>2,066.94</b>
Additions during the year	56.18	-	56.18
<b>Balance as at 31 March 2023</b>	<b>468.79</b>	<b>1,654.33</b>	<b>2,123.12</b>
Additions during the year	72.17	-	72.17
<b>Balance as at 31 March 2024</b>	<b>540.96</b>	<b>1,654.33</b>	<b>2,195.29</b>
<b>Accumulated Amortisation</b>			
<b>Balance as at 1 April 2022</b>	<b>399.52</b>	<b>56.20</b>	<b>455.72</b>
Amortisation during the year	21.58	330.86	352.44
<b>Balance as at 1 April 2023</b>	<b>421.10</b>	<b>387.06</b>	<b>808.16</b>
Amortisation during the year	33.33	331.77	365.10
<b>Balance as at 31 March 2024</b>	<b>454.43</b>	<b>718.83</b>	<b>1,173.26</b>
Carrying amount (net)			
<b>Balance as at 31 March 2023</b>	<b>47.69</b>	<b>1,267.27</b>	<b>1,314.96</b>
<b>Balance as at 31 March 2024</b>	<b>86.53</b>	<b>935.50</b>	<b>1,022.03</b>

### 6 Other financial assets (non-current)

Particulars	As at 31 March 2024	As at 31 March 2023
Bank deposits		
- Deposits with maturity of more than 12 months	2,990.85	18,130.51
- pledged with tax authorities	6.02	4.42
- held as margin money*	4,366.85	3,876.98
Interest accrued on deposits	394.02	818.93
Security deposits	487.97	482.08
Earnest money deposits		
- Unsecured, considered good	137.26	25.53
- Unsecured, considered doubtful	164.75	164.75
- Less: Loss allowance for doubtful deposits	(164.75)	(164.75)
	<b>8,382.97</b>	<b>23,338.45</b>

\* Bank deposits held as margin money represents deposits made on account of guarantees issued to government customers amounting to INR 1,734.43 lakhs (31 March 2023: INR 687.73 lakhs) and deposits made to avail overdraft facilities amounting to INR 2,631.59 lakhs (31 March 2023: INR 3,182.46 Lakhs)

Information about Group's exposure to credit and market risks and fair value measurement is included in Note 41.

### 7 Income tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Advance income tax (net of provision of INR 9,403.22 lakhs (31 March 2023: INR 17,205.30 lakhs))	1,697.90	1,929.06
	<b>1,697.90</b>	<b>1,929.06</b>

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 7A Income tax liabilities (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for tax (net of advance tax of INR 3,543.93 lakhs (31 March 2023 INR 2,363.08 lakhs))	1,761.64	1,560.79
	<b>1,761.64</b>	<b>1,560.79</b>

### 8 Other non-current assets

Particulars	As at 31 March 2024	As at 31 March 2023
Prepaid expenses	17.86	14.12
	<b>17.86</b>	<b>14.12</b>

### 9 Investments (refer note 39)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Investments in bonds (unquoted)</b>		
Bonds at FVOCI		
- Investment in government bonds	6,390.08	6,186.35
	<b>6,390.08</b>	<b>6,186.35</b>
<b>Investments in mutual funds (unquoted)</b>		
Mutual funds at FVTPL	30,108.81	6,952.45
	<b>30,108.81</b>	<b>6,952.45</b>
	<b>36,498.89</b>	<b>13,138.80</b>
Aggregate book value of unquoted investments	36,498.89	13,138.80

Investments in bonds measured at FVOCI have stated interest rates of 7.04% to 8.63%. Information about Group's exposure to credit and market risks and fair value measurement is included in Note 41(C).

### 10 Trade receivables

Particulars	As at 31 March 2024	As at 31 March 2023
- Trade receivables - Unsecured, considered good	47,815.12	42,338.46
- Trade receivables - Credit impaired	902.36	803.07
	<b>48,717.48</b>	<b>43,141.53</b>
<b>Allowance for bad and doubtful debts</b>		
- Trade receivables- Unsecured, considered good	(3,461.77)	(3,521.88)
- Trade receivables - Credit impaired	(902.36)	(803.07)
	<b>44,353.35</b>	<b>38,816.58</b>

#### Trade Receivables Ageing Schedule

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 Years	2-3 Years	More Than 3 years	
<b>As at 31 March 2024</b>							
Undisputed Trade Receivables- Considered good	32,768.30	11,766.51	1,465.24	1,205.65	461.94	147.48	47,815.12
Undisputed Trade Receivables- Which have significant increase in credit risk	-	-	-	-	-	-	-



# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 Years	2-3 Years	More Than 3 years	
Undisputed Trade Receivables- credit impaired	-	-	-	-	902.36	-	902.36
Disputed Trade Receivables- Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables- Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
	<b>32,768.30</b>	<b>11,766.51</b>	<b>1,465.24</b>	<b>1,205.65</b>	<b>1,364.30</b>	<b>147.48</b>	<b>48,717.48</b>

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 Years	2-3 Years	More Than 3 years	
<b>As at 31 March 2023</b>							
Undisputed Trade Receivables- Considered good	26,267.43	10,673.07	2,836.61	2,079.14	482.21	-	42,338.46
Undisputed Trade Receivables- Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables- credit impaired	-	-	-	744.29	58.78	-	803.07
Disputed Trade Receivables- Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables- Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables- credit impaired	-	-	-	-	-	-	-
	<b>26,267.43</b>	<b>10,673.07</b>	<b>2,836.61</b>	<b>2,823.43</b>	<b>540.99</b>	<b>-</b>	<b>43,141.53</b>

No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, director or a member.

Trade receivables are non-interest bearing and are generally on terms of 15-90 days.

The Group's exposure to credit and currency risks and loss allowances related to trade receivables are discussed in note 41(C).

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 11 Cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Cash on hand	6.45	4.16
Balances with banks		
- in current accounts*	11,049.47	10,182.83
- Balances with scheduled banks in deposit accounts with original maturity of less than three months	1,401.39	615.07
	<b>12,457.31</b>	<b>10,802.06</b>

\* Current account balances of Holding Company with banks include INR 180.76 lakhs (31 March 2023: INR 66.58 lakhs) held at a foreign branch.

Short term deposits are from varying periods of between one day to three months, depending upon the immediate cash requirements of the group, and earn interest at the respective short term deposit rates.

### 12 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with scheduled banks in deposit accounts		
- Original maturity of less than 12 months	25,128.10	10,026.25
- Unclaimed dividend account*	8.73	6.57
	<b>25,136.83</b>	<b>10,032.82</b>

\* These balances are not available for use by the Group as they represent corresponding unclaimed liabilities.

### 13 Current financial assets - Loans

Particulars	As at 31 March 2024	As at 31 March 2023
Loans to employees*	11.73	7.00
	<b>11.73</b>	<b>7.00</b>

\* These are interest bearing loans - repayable within one year, chargeable at the rate of 12% p.a.

### 14 Current financial assets - Others

Particulars	As at 31 March 2024	As at 31 March 2023
<b>(unsecured considered good, unless otherwise stated)</b>		
Interest accrued on deposits	1,633.76	383.93
Interest accrued but not due on government bonds	307.82	308.18
Derivatives assets	68.47	-
Security deposits	251.02	15.45
Other receivable	120.31	-
Contract assets*		
- other than related parties	7,288.42	7,949.95
Less: Provision for loss allowance	(207.72)	(225.78)
	<b>9,462.08</b>	<b>8,431.73</b>

\* Contract assets (unbilled revenue) represents amounts recognised based on services performed in advance of billing in accordance with contract terms.

\* Changes in contract assets (unbilled revenue) is as follows:

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Balance at the beginning of the year</b>	<b>7,949.95</b>	<b>8,066.55</b>
Less: Amount of revenue billed during the year	(5,803.90)	(4,943.50)
Add: Addition during the year	5,142.37	4,826.90
<b>Balance at the end of the year</b>	<b>7,288.42</b>	<b>7,949.95</b>

### 15 Other current assets

Particulars	As at 31 March 2024	As at 31 March 2023
Advances to vendors	103.43	88.83
Balances with government authorities*	1,109.78	-
Deferred contract cost	175.85	221.56
Advance to employees	191.13	261.22
Prepaid expenses	1,097.10	942.85
Other current assets	4.35	4.59
	<b>2,681.64</b>	<b>1,519.05</b>

\* Balances with government authorities comprises of Goods and Service tax (GST) input credit . In previous year i.e. 31 March 2023, GST input has been netted off with GST liabilities.

### 16 Equity share capital

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised share capital</b>				
Equity shares of INR 10 each	9,80,00,200	9,800.02	9,80,00,200	9,800.02
Add: Equity share capital of INR 10 each	7,01,00,000	7,010.00	-	-
0.01% Compulsory convertible preference shares of INR 10 each	1,19,99,800	1,199.98	1,19,99,800	1,199.98
	<b>18,01,00,000</b>	<b>18,010.00</b>	<b>11,00,00,000</b>	<b>11,000.00</b>

Issued, subscribed and paid up	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
Equity share capital of INR 10 each, fully paid up	6,99,55,701	6,995.57	6,99,55,701	6,995.57
Add: Issued during the year to Newgen ESOP Trust before bonus issue	1,13,700	11.37	-	-
Add: Bonus shares issued during the year	7,00,69,401	7,006.94	-	-
Add: Issued during the year to Newgen ESOP Trust after bonus issue	1,53,000	15.30	-	-
<b>Balance</b>	<b>14,02,91,802</b>	<b>14,029.18</b>	<b>6,99,55,701</b>	<b>6,995.57</b>
Less : Shares held by Newgen ESOP Trust	5,12,483	51.25	3,00,025	30.00
<b>Total equity share capital</b>	<b>13,97,79,319</b>	<b>13,977.93</b>	<b>6,96,55,676</b>	<b>6,965.57</b>

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### Reconciliation of shares outstanding at the beginning and at the end at the reporting year.

Equity share capital of INR 10 each, fully paid up	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	6,99,55,701	6,995.57	6,99,55,701	6,995.57
Add: Issued during the year to Newgen ESOP Trust before bonus issue	1,13,700	11.37	-	-
Add: Bonus shares issued during the year	7,00,69,401	7,006.94	-	-
Add: Issued during the year to Newgen ESOP Trust after bonus issue	1,53,000	15.30	-	-
<b>At the end of the year</b>	<b>14,02,91,802</b>	<b>14,029.18</b>	<b>6,99,55,701</b>	<b>6,995.57</b>
Less: Shares held by Newgen ESOP Trust	5,12,483	51.25	3,00,025	30.00
<b>Total equity share capital</b>	<b>13,97,79,319</b>	<b>13,977.93</b>	<b>6,96,55,676</b>	<b>6,965.57</b>

### Terms/rights attached to equity shares

In case of equity shares, each equity shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend, if any. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their respective shareholding.

### 16A Details of shareholders holding more than 5% shares in the Group

#### Equity shares of INR 10 each, fully paid up held by:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	% Holding	Number of shares	% Holding
- Mr. Diwakar Nigam	3,13,49,464	22.41%	1,56,74,732	22.41%
- Mr. T.S. Varadarajan	3,00,18,612	21.46%	1,50,09,306	21.46%
- Mrs. Priyadarshini Nigam	1,31,39,584	9.39%	65,69,792	9.39%
- Marathon Edge India Fund I	77,05,278	5.49%	38,52,639	5.51%

### 16B Details of shares held by promoters]

#### Equity shares of INR 10 each, fully paid up held by:

Particulars	As at 31 March 2024			As at 31 March 2023	
	Number of shares	% of total shares	% change during the year	Number of shares	% of total shares
- Mr. Diwakar Nigam	3,13,49,464	22.41%	100.00%	1,56,74,732	22.41%
- Mr. T.S. Varadarajan	3,00,18,612	21.46%	100.00%	1,50,09,306	21.46%
- Mrs. Priyadarshini Nigam	1,31,39,584	9.39%	100.00%	65,69,792	9.39%
- Mrs. Usha Varadarajan	26,64,640	1.90%	100.00%	13,32,320	1.90%

### 16C Shares reserved for issue under Employee stock option plan and RSU Scheme

Terms attached to stock options granted to employees are described in note 34 regarding share based payments.

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 16D Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.

- (i) Equity shares have been issued under Employee stock options plans to trust for which only exercise price has been received in cash.

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
Equity shares of INR 10 each	2,66,700	-	-	-	3,70,000
Bonus shares of INR 10 each	2,00,193	-	-	-	-
	<b>4,66,893</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,70,000</b>

- (ii) Other than aforementioned, no shares has been allotted by way of bonus issues and no shares has been bought back in the current year and preceding 5 years.

### 17 Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
Securities premium	3,717.69	10,397.49
Retained earnings	96,644.02	74,981.31
Capital redemption reserve	87.95	87.95
Capital reserve	416.59	416.59
General reserve	1,731.39	1,731.39
Newgen ESOP Trust reserve	553.29	540.35
Share options outstanding reserve	4,447.21	2,142.08
Foreign currency translation reserve	1,587.20	1,446.63
Other comprehensive loss	(811.76)	(456.27)
	<b>1,08,373.58</b>	<b>91,287.52</b>

Securities premium (refer note (i) below)	As at 31 March 2024	As at 31 March 2023
Balance as at beginning of the year	10,605.31	10,525.26
Securities premium on issue of shares to Newgen ESOP Trust	484.41	-
Transferred from share options outstanding reserve on exercise of stock options	132.79	80.05
<b>Balance as at end of the year</b>	<b>11,222.51</b>	<b>10,605.31</b>
Less: Securities premium on shares held by Newgen ESOP Trust	497.88	207.82
Less: Securities premium on issue of bonus shares	7,006.94	-
<b>Balance as at end of the year</b>	<b>3,717.69</b>	<b>10,397.49</b>

Retained earnings (refer note (ii) below)	As at 31 March 2024	As at 31 March 2023
Balance as at beginning of the year	74,981.31	60,428.17
Profit for the year	25,160.50	17,701.15
Dividend on equity shares	(3,497.79)	(3,148.01)
<b>Balance as at end of the year</b>	<b>96,644.02</b>	<b>74,981.31</b>

Capital redemption reserve	As at 31 March 2024	As at 31 March 2023
Balance as at beginning of the year	87.95	87.95
<b>Balance as at end of the year</b>	<b>87.95</b>	<b>87.95</b>

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

<b>General reserve</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Balance as at beginning of the year	1,731.39	1,731.39
<b>Balance as at end of the year</b>	<b>1,731.39</b>	<b>1,731.39</b>

<b>Capital reserve (refer note (vii) below)</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Balance as at beginning of the year	416.59	416.59
<b>Balance as at end of the year</b>	<b>416.59</b>	<b>416.59</b>

<b>Newgen ESOP Trust reserve (refer note (iii) below)</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Balance as at beginning of the year	540.35	511.71
Addition to Newgen ESOP Trust reserve	12.94	28.64
<b>Balance as at end of the year</b>	<b>553.29</b>	<b>540.35</b>

<b>Share options outstanding reserve (refer note (iv) below)</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Balance as at beginning of the year	2,142.08	762.77
Employee stock compensation expense	2,437.92	1,463.91
Transferred to securities premium account on exercise of stock options	(132.79)	(84.60)
<b>Balance as at end of the year</b>	<b>4,447.21</b>	<b>2,142.08</b>

### Other comprehensive loss (refer note (v) below)

<b>Remeasurement of defined benefit liability</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Balance as at beginning of the year	(244.01)	(235.42)
Other comprehensive loss (net of tax)	(303.96)	(8.59)
<b>Balance as at end of the year</b>	<b>(547.97)</b>	<b>(244.01)</b>

<b>Financial assets or investments carried at fair value through other comprehensive income</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Balance as at beginning of the year	(212.26)	3.81
Other comprehensive loss (net of tax)	(51.53)	(216.07)
<b>Balance as at end of the year</b>	<b>(263.79)</b>	<b>(212.26)</b>

<b>Foreign currency translation reserve (refer note (vi) below)</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Balance as at beginning of the year	1,446.63	701.10
Other comprehensive income (net of tax)	140.57	745.53
<b>Balance as at end of the year</b>	<b>1,587.20</b>	<b>1,446.63</b>

- (i) Securities premium is used to record the premium received on issue of shares. It will be utilised in accordance with the provisions of the Companies Act, 2013.
- (ii) Retained earnings represents accumulated balances of profits over the years after appropriations for general reserves and adjustments of dividend.
- (iii) Newgen ESOP Trust has been treated as an extension of the Group and accordingly shares held by Newgen ESOP Trust are netted off from the total share capital. Consequently, all the assets, liabilities, income and

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

expenses of the trust are accounted for as assets and liabilities of the Company, except for profit / loss on issue of shares to the employees and dividend received by trust which are directly adjusted in the Newgen ESOP Trust reserve.

- (iv) The Group has established various equity-settled share-based payment plans for certain employees of the Company. Refer to note 34 for further details on these plans.
- (v) Refer Statement of Changes in Equity for analysis of other comprehensive income, net of tax.
- (vi) Foreign currency translation reserve comprises of all exchange differences arising from translation of financial statements of foreign subsidiaries into functional and presentational currency.
- (vii) Capital reserve created on account of merger of Number Theory Software Private Limited ("Number Theory").

### 18 Right-of-use assets and lease liabilities

#### Changes in the carrying value of right of use assets for the year ended 31 March 2024

Particulars	Category of ROU asset		Total
	Leasehold land	Buildings	
<b>Balance as at 1 April 2023</b>	<b>3,247.88</b>	<b>3,135.76</b>	<b>6,383.64</b>
Addition	-	1,772.18	1,772.18
Translation exchange difference	-	4.02	4.02
Depreciation	(39.40)	(1,057.00)	(1,096.40)
<b>Balance as at 31 March 2024</b>	<b>3,208.48</b>	<b>3,854.96</b>	<b>7,063.44</b>

#### Changes in the carrying value of right of use assets for the year ended 31 March 2023

Particulars	Category of ROU asset		Total
	Leasehold land	Buildings	
<b>Balance as at 1 April 2022</b>	<b>3,287.18</b>	<b>1,537.79</b>	<b>4,824.97</b>
Addition	-	2,494.02	2,494.02
Translation exchange difference	-	36.73	36.73
Depreciation	(39.30)	(932.78)	(972.08)
<b>Balance as at 31 March 2023</b>	<b>3,247.88</b>	<b>3,135.76</b>	<b>6,383.64</b>

The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the Statement of Profit and Loss.(refer note 30)

#### Lease liabilities

##### Break up of current and non-current lease liabilities:

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current lease liabilities	3,464.28	2,841.82
Current lease liabilities	1,166.55	1,005.93
<b>Total</b>	<b>4,630.83</b>	<b>3,847.75</b>

#### Movement in lease liabilities during the year ended 31 March 2024

Particulars	As at 31 March 2024
Balance as at 1 April 2023	3,847.75
Addition	1,700.22
Finance cost	305.29
Translation exchange difference	5.83
Payment of lease liabilities	(1,228.26)
<b>Balance as at 31 March 2024</b>	<b>4,630.83</b>

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### Movement in lease liabilities during the year ended 31 March 2023

Particulars	As at 31 March 2023
Balance as at 1 April 2022	2,163.61
Addition	2,466.11
Finance cost	301.17
Translation exchange difference	12.12
Payment of lease liabilities	(1,095.26)
<b>Balance as at 31 March 2023</b>	<b>3,847.75</b>

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was INR 338.95 lakhs for the year ended 31 March 2024 (31 March 2023: INR 291.96 lakhs)

For detail regarding the undiscounted contractual maturities of lease liabilities. (refer note 41(C)(iii))

## 19 Borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Non Current Borrowings</b>		
- Deferred payment liabilities	-	220.05
	-	<b>220.05</b>

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Current Borrowings</b>		
Current maturities of deferred payment liabilities	219.92	203.50
	<b>219.92</b>	<b>203.50</b>

### Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities

Name of the entity	Balance as at 31 March 2023	Interest Accrued	Loan repayments	Other non cash changes	Balance as at 31 March 2024
Erstwhile shareholders of Number Theory Software Private Limited	423.55	30.61	(234.24)	-	219.92
	<b>423.55</b>	<b>30.61</b>	<b>(234.24)</b>	-	<b>219.92</b>

\* (a) Includes balance payable to erstwhile shareholders of Number Theory Software Private Limited

(b) Deferred payment liability is discounted at the rate of 8%. Per annum.

(c) The liability is payable in three equal annual instalment of Rs. 234.24 lakhs. The repayment of instalment has commenced from January, 2023.

## 20 Non-current provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits (refer note 28)		
- provision for gratuity	3,729.50	2,681.26
- provision for compensated absences	1,143.57	824.13
	<b>4,873.07</b>	<b>3,505.39</b>



# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 21 Trade payables

Particulars	As at 31 March 2024	As at 31 March 2023
- Total outstanding dues to micro enterprises and small enterprises	632.13	58.38
- Total outstanding dues to creditors other than micro and small enterprises	4,129.40	3,430.30
	<b>4,761.53</b>	<b>3,488.68</b>

#### Trade payables Ageing Schedule

##### As at 31 March 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 1 year	1-2 Years	2-3 Years	More Than 3 years	Unbilled payable	
Total outstanding dues of Micro enterprises and small enterprises	632.13	-	-	-	-	632.13
Total outstanding dues of creditors other than Micro enterprises and small enterprises	879.26	-	-	-	3,250.14	4,129.40
Disputed Dues of Micro enterprises and small enterprises	-	-	-	-	-	-
Disputed Dues of creditors other than Micro enterprises and small enterprises	-	-	-	-	-	-
	<b>1,511.39</b>	-	-	-	<b>3,250.14</b>	<b>4,761.53</b>

##### As at 31 March 2023

Particulars	Less than 1 year	1-2 Years	2-3 Years	More Than 3 years	Unbilled payable	Total
Total outstanding dues of Micro enterprises and small enterprises	58.38	-	-	-	-	58.38
Total outstanding dues of creditors other than Micro enterprises and small enterprises	1,544.19	-	-	-	1,886.11	3,430.30
Disputed Dues of Micro enterprises and small enterprises	-	-	-	-	-	-
Disputed Dues of creditors other than Micro enterprises and small enterprises	-	-	-	-	-	-
	<b>1,602.57</b>	-	-	-	<b>1,886.11</b>	<b>3,488.68</b>

Trade payables are non-interest bearing and are generally on terms of 30-45 days.

- Refer note 36 for disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED).
- The Group's exposure to liquidity risk and currency risks related to trade payables is disclosed in note 41(C)(iii) & 41(C)(v).

### 22 Current financial liabilities - Others

Particulars	As at 31 March 2024	As at 31 March 2023
Employee related payables	5,005.78	3,767.35
Derivatives liabilities	-	187.49
Earnest money deposits	1.00	1.00
Payable for capital assets <sup>#</sup>	319.15	32.72
Unpaid dividends*	8.73	6.57
	<b>5,334.66</b>	<b>3,995.13</b>

<sup>#</sup> Refer note 36 for amount payable to Micro, Small and Medium Enterprises. It includes payable in respect of retention money amounting to INR 13.78 lakhs (31 March 2023 INR 31.50 lakhs).

\*Unpaid dividends amount is not due for deposit to the Investor Education & Protection fund.

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 23 Deferred income

Particulars	As at 31 March 2024	As at 31 March 2023
Unearned revenue*	20,513.58	16,803.94
	<b>20,513.58</b>	<b>16,803.94</b>

\* Changes in unearned revenue is as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Balance at the beginning of the year</b>	<b>16,803.94</b>	<b>12,597.37</b>
Revenue recognised that was included in deferred income at the beginning of the year	(16,802.16)	(12,766.57)
Increase due to invoicing during the year, excluding amount recognised as revenue during the year	20,468.10	16,768.55
Foreign Currency Translation Reserve	43.70	204.59
<b>Balance at the end of the year</b>	<b>20,513.58</b>	<b>16,803.94</b>

### 24 Other current liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Statutory dues payable*	3,282.93	1,636.65
Advance from employees for share options	1.83	0.19
Other current liabilities	0.50	0.75
	<b>3,285.26</b>	<b>1,637.59</b>

\* Statutory dues payable includes GST payable. In previous year i.e. 31 March 2023, GST input has been netted off with GST payable.

### 25 Current provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits (refer note 28)		
- provision for gratuity	659.22	697.84
- provision for compensated absences	256.54	249.05
	<b>915.76</b>	<b>946.89</b>

### 26 Revenue from operations

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of products - softwares	22,213.05	17,872.10
Sale of services		
- Implementation	25,825.00	19,390.31
- Scanning and Hardware	1,363.23	685.44
- AMC/ATS	24,899.39	22,296.72
- Support	37,270.86	27,176.53
- SaaS revenue	12,811.33	9,976.78
	<b>1,24,382.86</b>	<b>97,397.88</b>

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Group expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts where:

- (i) The performance obligation is part of a contract that has an original expected duration of one year or less.
- (ii) The revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis.

Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialised and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at 31 March 2024, other than those meeting the exclusion criteria mentioned above is INR Nil ( 31 March 2023 INR Nil).

## 27 Other income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest income under the effective interest rate method:		
- on security deposits at amortised cost	30.96	25.30
- government and other bonds at FVOCI	426.00	426.87
Interest income on deposit with banks	2,147.65	1,626.03
Gain on sale of property, plant and equipment	13.35	-
Profit on sale of mutual funds (net) at FVTPL	254.94	151.30
Fair value changes of financial assets at FVTPL	1,359.54	87.29
Liabilities / provision no longer required written back	120.68	1,068.74
Net foreign exchange fluctuation gain	359.04	-
Miscellaneous income	94.27	13.04
	<b>4,806.43</b>	<b>3,398.57</b>

## 28 Employee benefits expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus	56,463.30	47,098.79
Contribution to provident funds (refer note i below)	1,618.57	1,327.25
Expenses related to compensated absences (refer note ii below)	739.53	553.34
Share based payment - equity settled	2,395.12	1,452.83
Expense related to defined benefit plan (refer note iii below)	757.10	618.02
Staff welfare expenses	857.81	539.70
	<b>62,831.43</b>	<b>51,589.93</b>

### (i) Defined contribution plans:

The Group makes contributions, determined as a specified percentage of the employee salaries in respect of qualifying employees towards provident fund, which is a defined contribution plan. The amount recognised as an expense towards contribution to provident fund for the year aggregated to INR 1,618.57 lakhs (31 March 2023: INR 1,327.25 lakhs). The amount recognised as an expense towards employee state insurance aggregated to INR 0.10 lakhs (31 March 2023: INR 0.09 lakhs).

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### (ii) Compensated absences:

The Principal assumptions used in determining the compensated absences benefit obligation are as given below:

Particulars	31 March 2024	31 March 2023
Discounting rate (p.a.)	4.85% - 7.22%	4.85% - 7.36%
Future salary increase ( p.a.)	5.00% -8.00%	5.00% -7.00%
Attrition Rate (withdrawal rate%)		
Up to 30 years	20.00%	24.00%
From 31 to 44 years	20.00%	27.00%
Above 44 years	10.00%	14.00%

### (iii) Defined Benefit Plan:

**Gratuity scheme** - This is an unfunded defined benefit plan and it entitles an employee, who has rendered at least 5 years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit.

- On normal retirement / early retirement / withdrawal / resignation: As per the provisions of the Payment of Gratuity Act, 1972 with vesting period of 5 years of service.
- On death in service: As per the provisions of the Payment of Gratuity Act, 1972 without any vesting period. Gratuity payable to employee in case (i) and (ii), as mentioned above, is computed as per the Payment of Gratuity Act, 1972 except the Group does not have any limit on gratuity amount.

### (iv) Defined Benefit Plan-Dubai office:

The gratuity benefit payable in the case of termination, retirement, or death is 21 days' Scheme Salary for each of the first five years of service and 30 days' Scheme Salary for each year thereafter. Partial years count towards a period of service. This benefit is payable only after completing one year of service. In the case of the resignation of an employee, he/she is entitled to the following benefit:

Number of Year's Service	Fraction of Full Benefits
Less than 1 year	Nil
Between 1 year and 3 years	One third
Between 3 years and 5 years	Two thirds
Above 5 years	Full

No gratuity benefits are payable to any employee who is dismissed/terminated from service for misconduct, disobedience or violation of any existing rules and regulations of Newgen. The Scheme is unfunded.

#### A. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Balance at the beginning of the year</b>	<b>3,379.10</b>	<b>3,093.68</b>
Benefits paid	(214.70)	(367.27)
Current service cost	547.54	428.74
Interest cost	237.88	210.75
Reversal of opening provision of Number Theory	(28.32)	-
Actuarial losses / (gains) recognised in OCI		
change in demographic assumptions	47.33	(7.46)
change in financial assumptions	190.67	(109.02)
experience adjustments	229.22	129.68
<b>Balance at the end of the year</b>	<b>4,388.72</b>	<b>3,379.10</b>

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### B. i) Expense recognised in profit and loss

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current service cost	547.54	428.74
Interest cost	237.88	210.75
Reversal of opening provision of Number Theory	(28.32)	(21.47)
<b>Total expense recognised in Statement of profit and loss</b>	<b>757.10</b>	<b>618.02</b>

### ii) Remeasurements recognised in other comprehensive income

Particulars	As at 31 March 2024	As at 31 March 2023
Actuarial loss on defined benefit obligation	467.22	13.20
<b>Total remeasurements recognised in other comprehensive income</b>	<b>467.22</b>	<b>13.20</b>

### C. Defined benefit obligations

#### i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Discount rate	5.25% - 7.22%	4.85% - 7.36%
Salary escalation rate	5.00% - 8.00%	5.00% - 7.00%
Mortality rate	100% of IALM (2012- 14)	100% of IALM (2012- 14)
Attrition Rate (withdrawal rate%)		
Up to 30 years	20.00%	24.00%
From 31 to 44 years	20.00%	27.00%
Above 44 years	10.00%	14.00%

#### ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	31 March 2024		31 March 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(77.95)	79.11	(78.12)	84.89
Future salary growth (0.50% movement)	78.03	(77.42)	84.17	(78.49)

Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### iii. Maturity profile of defined benefit obligation:

Particulars	As at 31 March 2024	As at 31 March 2023
Within the next 12 months (next annual reporting period)	661.82	693.89
Between 2 and 5 years	1,805.57	1,522.86
Beyond 5 years	1,988.94	1,278.20

Net defined benefit liability	As at 31 March 2024	As at 31 March 2023
Liability for gratuity	4,388.72	3,379.10
Liability for compensated absences	1,400.11	1,073.18
<b>Total employee benefit liabilities</b>	<b>5,788.83</b>	<b>4,452.28</b>
<b>Non-current:</b>		
Gratuity	3,729.50	2,681.26
Compensated absences	1,143.57	824.13
<b>Current:</b>		
Gratuity	659.22	697.84
Compensated absences	256.54	249.05

## 29 Finance costs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Finance cost on lease liabilities	305.29	301.17
Interest expense on borrowings	30.61	39.08
Other finance costs	82.28	84.85
	<b>418.18</b>	<b>425.10</b>

## 30 Depreciation and amortisation

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation of property, plant and equipment (refer note 4)	1,335.27	1,142.62
Depreciation of right-of use assets (refer note 18)	1,094.40	972.08
Amortisation of intangible assets (refer note 5)	365.10	352.44
	<b>2,796.77</b>	<b>2,467.14</b>

## 31 Other expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Rent	338.95	291.96
Repairs and maintenance	561.78	461.03
Rates and taxes	1,094.36	722.49
Travelling and conveyance	6,098.12	4,264.87
Legal and professional fees	6,902.12	4,635.34
Payment to auditors*	68.17	69.35
Outsourced technical services expense	878.31	280.59
Cloud hosting services	2,457.36	1,932.97
Electricity and water	432.85	405.45
Advertising and sales promotion	1,591.99	1,380.17
Membership and subscription fee	585.15	513.91
Brokerage and commission	1,560.05	1,204.04
Communication costs	425.85	390.14

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Software and license maintenance	1,663.81	1,438.08
Expenditure on corporate social responsibility (refer note 37)	378.91	293.45
Donation	39.75	34.88
Recruitment charges	402.06	551.32
Insurance	1,975.63	1,975.14
Operation and maintenance	577.82	467.90
Printing, stationery and scanning charges	382.09	480.18
Sub - contracting expenses	494.51	-
Loss on sale of property, plant and equipment	-	0.58
Loss allowance on trade receivables	3,263.98	2,000.40
Loss allowance on trade receivables includes loss allowance created on contract assets amounting to (INR 18.06 lakhs) (31 March 2023 INR 47.61 lakhs).		
Security charges	250.58	230.64
Net foreign exchange fluctuation loss	-	265.73
Miscellaneous expenses	296.22	295.62
	<b>32,720.42</b>	<b>24,586.23</b>
<b>*Payment to auditors</b>		
<b>As auditor:</b>		
- Statutory audit fee	37.00	37.00
- Limited review fee	21.00	21.00
- Certification fee	7.32	8.66
- Reimbursement of expenses	2.85	2.69
	<b>68.17</b>	<b>69.35</b>

## 32 Income Tax

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>A. The major components of income tax income recognised in Statement of Profit or Loss</b>		
Tax expense	5,953.49	4,276.98
Deferred tax credit	(691.50)	(250.08)
<b>Total</b>	<b>5,261.99</b>	<b>4,026.90</b>
<b>Recognised in Other comprehensive income</b>		
Tax impact on		
- Re-measurement on defined benefit plan	163.26	4.61
- Financial assets or investments carried at fair value through other comprehensive income	15.65	65.63
<b>Total</b>	<b>178.91</b>	<b>70.24</b>

### B. Reconciliation of effective tax rate

Particulars		31 March 2024		31 March 2023
<b>Profit before tax</b>		<b>30,422.49</b>		<b>21,728.04</b>
Tax using the Group's tax rate	34.94%	10,630.84	34.94%	7,592.65
Impact of different rate in each jurisdiction	-0.44%	(134.01)	-0.17%	(35.96)
Effect of deduction under section 10AA of the Income tax Act, 1961	-15.94%	(4,849.61)	-17.72%	(3,850.07)
Effect of expenses permanently disallowed under the Income Tax Act, 1961	0.65%	197.58	0.63%	137.33
Effect of income exempt/ non taxable/ taxed on lower rate	-0.60%	(182.58)	-0.84%	(181.87)
Effect of profit on redemption of mutual funds	0.00%	-	0.00%	-
Tax expense for earlier years	-0.54%	(165.66)	0.94%	205.05
Others	-0.77%	(234.57)	0.74%	159.77
<b>Income tax recognised in statement of profit and loss for the current year</b>		<b>17.30%</b>	<b>5,261.99</b>	<b>18.52%</b>
				<b>4,026.90</b>

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### C. Deferred tax asset /(liabilities) and movement in temporary differences

#### 31 March 2024

Particulars	Balance as at 1 April 2023	Translation exchange difference	Recognised in Statement of Profit or Loss during the year	Recognised in OCI during the year	Balance as at 31 March 2024
<b>Deferred tax liabilities (net)</b>					
Property, plant and equipment	11.76	-	(11.76)	-	-
<b>Total</b>	<b>11.76</b>	<b>-</b>	<b>(11.76)</b>	<b>-</b>	<b>-</b>
Deferred tax assets (net)					
Investments at fair value through OCI	69.41	-	-	15.65	85.06
Remeasurement of defined benefit liability (asset)	130.71	-	-	163.26	293.97
Property, plant and equipment	(1,345.41)	(0.18)	(142.74)	-	(1,488.33)
Loss allowance on other financial assets	57.57	-	-	-	57.57
Loss allowance on trade receivables	1,222.50	1.68	9.68	-	1,233.86
Provision for employee benefits	1,423.61	(0.21)	416.36	-	1,839.76
Lease liabilities	28.57	-	17.08	-	45.65
MAT credit entitlement	630.59	-	699.66	-	1,330.25
Disallowance on account of delayed payment to MSME Vendor	-	-	125.15	-	125.15
Others	(230.92)	-	(445.45)	-	(676.37)
<b>Total</b>	<b>1,986.63</b>	<b>1.29</b>	<b>679.74</b>	<b>178.91</b>	<b>2,846.57</b>

#### 31 March 2023

Particulars <sup>x</sup>	Balance as at 1 April 2022	Translation exchange difference	Recognised in Statement of Profit or Loss during the year	Recognised in OCI during the year	Balance as at 31 March 2023
<b>Deferred tax liabilities (net)</b>					
Property, plant and equipment	12.41	0.55	(1.20)	-	11.76
<b>Total</b>	<b>12.41</b>	<b>0.55</b>	<b>(1.20)</b>	<b>-</b>	<b>11.76</b>
Deferred tax assets (net)					
Investments at fair value through OCI	3.78	-	-	65.63	69.41
Remeasurement of defined benefit liability (asset)	126.10	-	-	4.61	130.71
Property, plant and equipment	(996.76)	(3.90)	(344.75)	-	(1,345.41)
Loss allowance on other financial assets	57.57	-	-	-	57.57
Loss allowance on trade receivables	1,175.23	7.40	39.87	-	1,222.50
Provision for employee benefits	1,268.64	9.76	145.21	-	1,423.61
Lease liabilities	7.87	-	20.70	-	28.57
MAT credit entitlement	215.95	-	414.64	-	630.59
Others	(204.13)	-	(26.79)	-	(230.92)
<b>Total</b>	<b>1,654.25</b>	<b>13.26</b>	<b>248.88</b>	<b>70.24</b>	<b>1,986.63</b>

### D. Deferred tax liabilities (gross)

Particulars	As at 31 March 2024	As at 31 March 2023
Property, plant and equipment	-	11.76
<b>Deferred tax liabilities (net)</b>	<b>-</b>	<b>11.76</b>



# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 33 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

#### i. Profit attributable to Equity holders of the Group

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit attributable to equity holders of the Group	25,160.50	17,701.15
<b>Profit attributable to equity holders of the Company for basic and diluted earnings</b>	<b>25,160.50</b>	<b>17,701.15</b>

#### ii. Weighted average number of ordinary shares

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance of equity's shares	6,96,55,676	6,95,40,191
Effect of share options exercised	1,00,308	72,128
Addition of Bonus shares issued (net of bonus shares issued to trust)	6,98,69,208	-
<b>Weighted average number of shares for basic EPS</b>	<b>13,96,25,192</b>	<b>6,96,12,319</b>
<b>Effect of dilution:</b>		
Add: Weighted average number of potential equity shares on account of employees stock options	41,28,440	8,87,921
<b>Weighted average number of shares for diluted EPS</b>	<b>14,37,53,632</b>	<b>7,05,00,240</b>

#### Basic and diluted earnings per share\*

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Basic earnings per share</b>	<b>18.02</b>	<b>12.71</b>
<b>Diluted earnings per share</b>	<b>17.50</b>	<b>12.55</b>

\* Basic and diluted earning per share for the year ended 31 March 2023 have been adjusted with bonus issue impact of 1:1

### 34 Share-based payment arrangements:

#### A. Description of share-based payment arrangements

##### i. Share option programmes (equity-settled)

The Group established Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014) in the year 2014-15, administered through a new Trust 'Newgen ESOP Trust'. The maximum numbers of shares to be issued under this Scheme shall be limited to 3,783,800 equity shares of the Group. Pursuant to the scheme, during the year 2014-15, the Group has granted 3,653,525 options at an exercise price of INR 63 per option, to the employees of the Group. Further, during the year 2017-18 grant of options 353,000, 130,000, and 79,250 through grant II, III and IV on 1 Jul 2017, 1 Sep 2017 and 1 Oct 2017 respectively under the same scheme and with same vesting conditions was made. During the year 2020-21, the Group has granted 2,33,000 options through grant V under Newgen ESOP 2014 on 25 March 2021. During the year 2022-23, the Group has granted 20,000 options through grant VI under Newgen ESOP 2014 on 17 January 2023. During the year 2023-24, the Group has granted 5,000 options through grant VII under Newgen ESOP 2014 on 2 May 2023. Under the terms of the plans, these options are vested on a graded vesting basis over a maximum period of four years from the date of grant and are to be exercised either in part(s) or full, within a maximum period of four years from the date of last vesting. Consequent to bonus issue in the ratio of 1:1, all the outstanding options and exercise price before the record date of 12 January 2024 have been adjusted to consider the bonus issue impact.

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

During the year 2020-21, the Group has established Newgen Software Technologies Restricted Stock Units Scheme - 2021 (Newgen RSU - 2021), administered through a new trust "Newgen RSU Trust". The maximum numbers of shares to be issued under this Scheme shall be limited to 14,00,000 equity shares of the Group. During the year 2021-22, the Group has granted 12,11,500 and 1,73,500 options through grant I and II respectively under this scheme at an exercise price of INR 10 per option, to the employees of the Group. During the year 2022-23, the Group has granted 35,000 options through grant III under this scheme at an exercise price of INR 10 per option, to the employees of the Group. Under the terms of the scheme, these options are vested on a graded vesting basis over a maximum period of five years from the date of grant and are to be exercised either in part(s) or full, within a maximum period of five years from the date of last vesting. During the year 2023-24, the Group has granted 10,000 and 20,000 options through grant IV and V respectively under this scheme at an exercise price of INR 10 per option, to the employees of the Group. Under the terms of the scheme, these options are vested on a graded vesting basis over a maximum period of five years from the date of grant and are to be exercised either in part(s) or full, within a maximum period of five years from the date of last vesting. Consequent to bonus issue in the ratio of 1:1, all the outstanding options before the record date of 12 January 2024 have been adjusted to consider the bonus issue impact.

During the year 2022-23, the Group has established Newgen Employee Stock Option Scheme - 2022 (Newgen ESOP - 2022), administered through a trust "Newgen ESOP Trust". The maximum numbers of shares to be issued under this Scheme shall be limited to 14,00,000 equity shares of the Group. During the year 2022-23, the Group has granted 9,41,800 options through grant I under this scheme at an exercise price of INR 364.20 per option, to the employees of the Group. Under the terms of the scheme, these options are vested on a graded vesting basis over a maximum period of four years from the date of grant and are to be exercised either in part(s) or full, within a maximum period of five years from the date of vesting. During the year 2023-24, the group has granted 1,58,750, 68,150 and 3,86,500 options through grant II, III and IV on 2 May 2023, 19 July 2023 and 20 March 2024 under this scheme at an exercise price of INR 452, INR 615 and INR 640.10 per option, to the employees of the Company. Under the terms of the scheme, these options are vested on a graded vesting basis over a maximum period of four years from the date of grant and are to be exercised either in part(s) or full, within a maximum period of five years from the date of vesting. Consequent to bonus issue in the ratio of 1:1, all the outstanding options and exercise prices before the record date of 12 January 2024 have been adjusted to consider the bonus issue impact.

Particulars	Newgen ESOP 2014	Newgen RSU - 2021	Newgen ESOP 2022
Maximum number of shares under the plan	37,83,800	14,00,000	14,00,000
Method of settlement (cash/equity)	Equity	Cash/ Equity	Equity
Vesting period (maximum)	4 years	5 years	4 years
	1 year - 10%	at the end of 3 <sup>rd</sup>	1 year - 10%
	2 year - 20%	year - 50%	2 year - 20%
	3 year - 30%	at the end of 5 <sup>th</sup>	3 year - 30%
	4 year - 40%	year - 50%	4 year - 40%
Exercise period from the date of vesting (maximum)	5 year from last vesting	5 year from last vesting	5 year from vesting date
Vesting conditions	Service period	Service period & Performance based	Service period

Newgen ESOP trust has been treated as an extension of the Group and accordingly shares held by Newgen ESOP Trust are netted off from the total share capital. Consequently, all the assets, liabilities, income and expenses of the trust are accounted for as assets and liabilities of the Group, except for profit / loss on issue of shares to the employees and dividend received by trust which are directly adjusted in the Newgen ESOP Trust reserve.

### Following table represents general terms of the grants for the ESOP outstanding as on 31 March 2024.

ESOP schemes	Grant Date	No. of Options Outstanding	Exercise Price	Weighted average remaining life	Vesting Period
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Jan-2015	-	INR 31.50	-	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Jul-2017	83,080	INR 31.50	2.25	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Sep-2017	85,600	INR 31.50	2.42	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Oct-2017	12,200	INR 31.50	2.50	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	25-Mar-2021	2,04,600	INR 31.50	5.98	4 years

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

ESOP schemes	Grant Date	No. of Options Outstanding	Exercise Price	Weighted average remaining life	Vesting Period
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	17-Jan-2023	29,700	INR 31.50	7.80	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	2-May-2023	10,000	INR 31.50	8.09	4 years
Newgen Employees Stock Option Scheme 2022 (Newgen ESOP 2022)	17-Jan-2023	16,19,527	INR 182.10	6.80	4 years
Newgen Employees Stock Option Scheme 2022 (Newgen ESOP 2022)	2-May-2023	2,73,600	INR 226.00	7.09	4 years
Newgen Employees Stock Option Scheme 2022 (Newgen ESOP 2022)	19-Jul-2023	1,26,300	INR 307.50	7.30	4 years
Newgen Employees Stock Option Scheme 2022 (Newgen ESOP 2022)	20-Mar-2024	3,86,500	INR 640.10	7.97	4 years

Following table represents general terms of the grants for the RSU outstanding as on 31 March 2024.

ESOP schemes	Grant Date	No. of Options Outstanding	Exercise Price	Weighted average remaining life	Vesting Period
Newgen Software Technologies Restricted Stock Units Scheme - 2021 (Newgen RSU - 2021)	23-Dec-2021	22,89,000	INR 10.00	7.73	5 years
Newgen Software Technologies Restricted Stock Units Scheme - 2021 (Newgen RSU - 2021)	2-Mar-2022	2,21,000	INR 10.00	7.92	5 years
Newgen Software Technologies Restricted Stock Units Scheme - 2021 (Newgen RSU - 2021)	18-Oct-2022	70,000	INR 10.00	8.55	5 years
Newgen Software Technologies Restricted Stock Units Scheme - 2021 (Newgen RSU - 2021)	2-May-2023	20,000	INR 10.00	9.09	5 years
Newgen Software Technologies Restricted Stock Units Scheme - 2021 (Newgen RSU - 2021)	19-Jul-2023	40,000	INR 10.00	9.30	5 years

## B. Measurement of fair values

### i. Equity-settled share-based payment arrangements\*

The fair value of the employee share options has been measured using the Black-Scholes formula. The fair value of options and the inputs used in the measurement of the grant date fair values of the equity-settled share based payment plans are as follows:

Particulars	Newgen ESOP 2014 Grant - VII 2-May-2023	Newgen ESOP 2022 Grant - II 2-May-2023	Newgen ESOP 2022 Grant - III 19-Jul-2023	Newgen ESOP 2022 Grant - IV 20-Mar-2024	Newgen RSU - 2021 Grant - IV 2-May-2023	Newgen RSU - 2021 Grant - V 19-Jul-2023
Fair value of options at grant date	216.60	123.26	167.59	350.79	231.78	317.14
Share price at grant date	251.08	251.08	341.65	711.20	251.08	341.65
Exercise price	31.50	226.00	307.50	640.10	10.00	10.00
Expected volatility (weighted-average)	42.90%	42.90%	42.72%	43.14%	42.90%	42.72%
Expected life (weighted-average)	5.75 years	5 years	5 years	5 years	7 years	7 years
Expected dividends	0.95%	0.95%	0.93%	0.95%	0.95%	0.93%
Risk-free interest rate (based on government bonds)	6.95% - 7.00%	6.95% - 7.00%	6.90% - 6.96%	7.00% - 7.03%	7.00% - 7.03%	6.96% - 6.99%

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### C. Reconciliation of outstanding share options\*

The number and weighted-average exercise prices of share options under the share option programmes were as follows.

Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	31 March 2024	31 March 2024	31 March 2023	31 March 2023
Options outstanding as at the beginning of the year	4,49,102	INR 63.00	6,03,212	INR 63.00
Add: Options granted during the year	5,000	INR 63.00	20,000	-
Add: Bonus issue during the year in (1:1)	2,15,690	INR 31.50	-	-
Less: Options lapsed during the year	24,880	INR 63.00	58,625	INR 63.00
Less: Options exercised during the year	2,19,732	INR 63.00	1,15,485	INR 63.00
<b>Options outstanding as at the year end</b>	<b>4,25,180</b>	<b>INR 31.50</b>	<b>4,49,102</b>	<b>INR 63.00</b>
<b>Exercisable as at year end</b>	<b>2,80,980</b>		<b>3,28,102</b>	
Weighted - average contractual life	4.61 years		3.56 years	

Newgen Software Technologies Restricted Stock Units Scheme - 2021 (Newgen RSU - 2021)	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	31 March 2024	31 March 2024	31 March 2023	31 March 2023
Options outstanding as at the beginning of the year	13,05,000	INR 10.00	13,60,000	INR 10.00
Add: Options granted during the year	30,000	INR 10.00	35,000	INR 10.00
Add: Bonus issue during the year in (1:1)	13,20,000			
Less: Options lapsed during the year	15,000	INR 10.00	90,000	INR 10.00
Less: Options exercised during the year	-	INR 10.00	-	INR 10.00
<b>Options outstanding as at the year end</b>	<b>26,40,000</b>	<b>INR 10.00</b>	<b>13,05,000</b>	<b>INR 10.00</b>
Exercisable as at year end	-			
Weighted - average contractual life	7.80 years		8.77 years	

Newgen Employees Stock Option Scheme 2022 (Newgen ESOP 2022)	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	31 March 2023	31 March 2023	31 March 2022	31 March 2022
Options outstanding as at the beginning of the year	9,17,650	INR 182.10	-	-
Add: Options granted during the year	6,13,400	INR 226-640.10	9,41,800	-
Add: Bonus issue during the year in (1:1)	10,41,150	INR 182.10-307.50	-	-
Less: Options lapsed during the year	1,31,570	INR 182.10-640.10	24,150	-
Less: Options exercised during the year	34,703	INR 182.10	-	-
<b>Options outstanding as at the year end</b>	<b>24,05,927</b>	<b>INR 364.20</b>	<b>9,17,650</b>	<b>-</b>
Exercisable as at year end	1,31,737			
Weighted - average contractual life	7.05 years		7.80 years	

### D. Expense recognised in Statement of Profit and Loss

For details on the employee benefits expense, refer note 28

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 35 Contingent liabilities and commitments (to the extent not provided for)

#### a) Claims against the Group (including unasserted claims) not acknowledged as debt:

Particulars	Assessment Year	31 March 2024	31 March 2023
<b>Demands raised by the income tax authorities :</b>			
- demand raised on account of inadmissible foreign withholding tax	2020-21	117.59	-
- demand raised on account of inadmissible foreign withholding tax	2021-22	67.55	-
		<b>185.14</b>	<b>-</b>

\* The assessing officer passed an order dated 29 September 2023 and 30 December 2023 under section 143(3) of the Income Tax Act, 1961 in respect inadmissible foreign withholding tax adjustment claimed as business expenditure under Sec 37 of Income Tax Act, 1961 amounting to INR 336.51 lakhs and INR 193.31 lakhs for assessment year 2020-21 and 2021-22 respectively. An appeal was filed with the commissioner of income tax (appeals) against the order of the assessing officer on 7 October 2023 and 23 January 2024 for assessment year 2020-21 and 2021-22 respectively and order of CIT(A) is awaited.

#### b) Capital Commitments

Particulars	31 March 2024	31 March 2023
Estimated amount of contracts remaining to be executed on capital account (net of advances)	422.57	-

### 36 Details of dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum.

Disclosure in respect of the amounts payable to such enterprises as on 31 March 2024 and 31 March 2023 based on information received and available with the Company.

Particulars	31 March 2024	31 March 2023
Principal Amount*	746.60	89.88
Interest due thereon at the end of the accounting year .	27.46	-
the amount of interest paid by the buyer in terms of section 16,of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year .	-	-
the amount of interest due and payable for the year for delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006).	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year .	-	-
the amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act , 2006.	-	-

\* Includes INR 141.93 lakhs (31 March 2023 : INR 31.50 lakhs ) on account of capital creditors.

#### 37 After the reporting date the following dividend were proposed by the Board of Directors, subject to the approval of shareholders at Annual General Meeting; Accordingly, the dividends have not been recognised as liabilities.

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Final dividend of INR 4.00 per share (31 March 2023: INR 2.50 per share on the expanded capital base post bonus issue of 1:1)	5,611.67	3,497.79

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 38 Utilisation of Corporate Social Responsibility expenses

As per Section 135 of the Companies Act 2013, read with guidelines issued by DPE, the company is required to spend in every financial year atleast two percent of the average net profits of the company made during the three immediately preceding financial years in accordance with its CSR policy. The details of CSR expenses for the year are as under:

Particulars	31-Mar-24	31-Mar-23
Amount required to be spend during the year	375.92	290.16
Amount of expenditure incurred	378.91	293.45
Amount of shortfall for the year	-	-
Amount of cumulative shortfall at the end of the year	-	-

The areas for CSR activities are promoting education, health care, sanitation, digital literacy and livelihood enhancement . The funds were primarily utilized through the year on the activities which are specified in Schedule VII of the Companies Act, 2013. There is no unspent balance in respect of ongoing projects for which information is required to be disclosed.

### 39 Details of current Investments (refer note 9)

Particulars	Number of units as at		Amount in lakhs as at	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
<b>Investment in Debt mutual funds</b>				
<b>-FVTPL</b>				
ABSL Crisil IBX Gilt Apr 2029 Index Fund Dir Growth	57,75,217.32	57,75,217.32	651.18	603.58
ABSL Government Securities Fund Growth-Regular	10,22,684.60	-	758.15	-
Aditya Birla SL Liquid Fund Direct plan Growth	-	1,70,596.77	-	619.41
Aditya Birla Sun Life Money Manager Fund - Growth-Direct Plan	-	1,31,034.62	-	414.33
Bandhan CRISIL IBX Gilt June 2027 Index Fund Direct Plan-Growth (erstwhile IDFC CRISIL IBX Gilt June 2027 Index Fund Direct Plan-Growth)	1,65,12,803.06	1,65,12,803.06	1,937.23	1,803.28
HDFC Nifty G-Sec Dec 2026 Index Fund-Direct-G	68,18,815.04	68,18,815.04	754.29	702.21
HDFC Nifty G-Sec Jul 2031 Index Fund-Direct-G	1,36,18,551.96	1,36,18,551.96	1,522.35	1,405.26
Tata Money Market Fund Direct Plan - Growth	-	2,935.38	-	118.84
Bharat bonds ETF	20,000.00	20,000.00	270.91	250.00
HDFC Liquid Fund -Direct Growth	-	7,622.95	-	337.18
ABSL Government Securities Fund Growth-Regular	-	10,22,684.60	-	698.36
<b>Investment in Liquid mutual funds</b>				
<b>-FVTPL</b>				
Aditya Birla Sun Life Money Manager Fund - Growth-Direct Plan	11,04,551.98	-	1,625.04	-
Canara Robeco Ultra Short Term Direct-G	25,921.90	-	805.75	-
DSP Ultra Short Direct-G	8,933.10	-	300.72	-
Edelweiss Money Market Direct-G	10,54,569.68	-	300.72	-
HDFC LIQUID Fund-DIRECT GROWTH	7,622.95	-	361.61	-
HDFC Low Duration Direct-G	10,62,535.07	-	537.03	-

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Number of units as at		Amount in lakhs as at	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
ICICI Pru Savings Direct -G	1,21,384.95	-	408.81	-
Kotak Liquid Fund Direct Plan Growth	70,340.51	-	1,566.92	-
Kotak Money Market Fund - Direct Plan - Growth	63,954.89	-	2,636.55	-
Kotak Savings Direct-G	23,37,715.22	-	824.10	-
Nippon India Money Market Direct	13,128.13	-	486.61	-
Nippon India Ultra Short Duration Fund	25,070.79	-	1,010.89	-
Quant Liquid Direct-G	53,19,615.54	-	2,040.85	-
SBI Savings Direct-G	21,19,840.54	-	639.38	-
Tata Liquid Fund Direct Plan - Growth	90,088.94	-	1,227.89	-
Tata Money Market Fund Direct Plan - Growth	98,732.80	-	1,320.56	-
<b>Investment in Hybrid mutual funds</b>				
<b>-FVTPL</b>				
Canara Robeco Equity Hybrid Direct-G	1,75,492.77	-	607.22	-
DSP Equity & Bond Fund - Growth	1,55,312.74	-	501.93	-
HDFC Balanced Advantage Direct-G	1,76,813.51	-	856.01	-
ICICI Pru Balanced Advantage Direct-G	17,93,496.98	-	1,279.48	-
ICICI Prudential Equity & Debt Fund	1,95,852.75	-	726.34	-
Kotak Balanced Advantage Direct-G	26,44,536.53	-	505.61	-
SBI Equity Hybrid Direct-G	2,11,518.49	-	584.39	-
<b>Investment in Equity mutual funds</b>				
<b>-FVTPL</b>				
HDFC Flexi Cap Fund	17,913.66	-	311.78	-
HDFC Index SnP BSE Sensex Direct	22,006.87	-	151.38	-
ICICI Pru Nifty Next 50 Index Direct-G	4,34,205.92	-	242.95	-
ICICI Prudential Blue-chip Fund	3,01,371.31	-	315.84	-
Kotak Equity Opportunities Direct-G	75,402.28	-	244.50	-
Nippon India Growth Direct-G	3,795.94	-	134.24	-
Nippon India Large Cap Fund	3,68,569.52	-	317.83	-
Quant Active Direct-G	30,905.25	-	205.12	-
Quant Small Cap Direct-G	32,723.97	-	80.70	-
SBI Balanced Advantage Fund-Growth	58,25,424.91	-	817.67	-
SBI Banking & Financial Services Fund - Dir - Growth	8,35,112.68	-	302.61	-
SBI Contra Direct-G	57,144.15	-	206.58	-
<b>Investment in government bonds-</b>				
<b>FVTOCI</b>				
7.04% IRFC Bond 03/03/2026	15.00	15.00	155.06	157.68
8.40% IRFC 15YRS SR2A 18022029 (18- Feb-2029)	40,000.00	40,000.00	454.44	461.32
7.35% NHAI LTD Tax free Bond 15YRS SR2A Annual (11-Jan-2031)	2,15,000.00	2,15,000.00	2,408.84	2,425.03
8.54% PFC Tax free Bonds (Series 2A) 16/11/2028	16,500.00	16,500.00	187.29	190.32
8.3% NHAI Tax free Bonds 25/01/2027	30,000.00	30,000.00	324.94	330.30
8.63% IRFC Bonds 26/03/2029	22,000.00	22,000.00	252.64	256.68
8.10% IRFC Bonds 23/02/2027	87,000.00	87,000.00	939.49	953.53
7.34% IRFC Bonds 19/02/2028	1,30,000.00	1,30,000.00	1,396.47	1,411.49
			<b>36,498.89</b>	<b>13,138.80</b>

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 40 Related party transactions

#### Transactions with Key Management Personnel

A number of key management personnel, or their related parties hold positions in other entities that result in them having control or significant influence over those entities.

Compensation of the Group's key managerial personnel includes salaries, non-cash benefits and contributions to post - employment defined benefit plan(see note 28)

Executive officers also participate in the Group's share option plan as per the conditions laid down in that scheme (see note 28 and note 34)

#### List of key management personnel and their relatives

Diwakar Nigam - Chairman & Managing Director  
 T.S. Varadarajan - Whole Time Director  
 Priyadarshini Nigam - Whole Time Director  
 Arun Kumar Gupta - Chief Financial Officer  
 Virender Jeet - Chief Executive Officer  
 Surender Jeet Raj - EVP Global Business Strategy & HR  
 Tarun Nandwani - Chief Operating Officer  
 Usha Varadarajan - Relative of Whole Time Director - T.S. Varadarajan  
 Aman Mourya- Company Secretary

#### List of non-executive and independent directors

Kaushik Dutta - Independent Director  
 Saurabh Srivastava - Independent Director  
 Subramaniam R Iyer - Independent Director  
 Padmaja Krishnan - Independent Director

#### Key management personnel compensation

Particulars	Transaction value		Balance payable	
	For the year ended 31 March 2024	For the year ended 31 March 2023	As at 31 March 2024	As at 31 March 2023
<b>Salaries, wages and bonus*</b>	<b>2,270.86</b>	<b>1,783.78</b>	<b>1,299.56</b>	<b>843.19</b>
Diwakar Nigam	553.96	399.39	304.00	172.18
T.S. Varadarajan	301.05	210.93	182.40	103.31
Priyadarshini Nigam	179.83	121.84	121.60	68.87
Arun Kumar Gupta	164.15	137.81	75.80	54.75
Virender Jeet	399.70	321.38	234.48	169.35
Surender Jeet Raj	314.71	284.40	196.32	141.15
Tarun Nandwani	320.70	274.26	184.96	133.58
Aman Mourya	36.76	33.77	-	-
<b>Dividend paid (excluding dividend distribution tax)</b>	<b>1,971.75</b>	<b>1,774.69</b>	<b>-</b>	<b>-</b>
Diwakar Nigam	783.74	705.34	-	-
T.S. Varadarajan	750.47	675.42	-	-
Priyadarshini Nigam	328.49	295.64	-	-
Arun Kumar Gupta	2.04	1.84	-	-
Virender Jeet	14.81	13.33	-	-
Surender Jeet Raj	12.80	10.98	-	-
Tarun Nandwani	12.68	12.08	-	-
Usha Varadarajan	66.62	59.95	-	-
Aman Mourya	0.10	0.11	-	-



# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Transaction value		Balance payable	
	For the year ended 31 March 2024	For the year ended 31 March 2023	As at 31 March 2024	As at 31 March 2023
<b>Share-based payments</b>	-	<b>53.17</b>	-	-
Surender Jeet Raj	-	33.67	-	-
Tarun Nandwani	-	18.73	-	-
Aman Mourya	-	0.77	-	-

\*It includes share-based payments and commission but excludes provision for gratuity and compensated absences, as these are determined on the basis of actuarial valuation for the Group as a whole.

Particulars	Transaction value		Balance payable	
	For the year ended 31 March 2024	For the year ended 31 March 2023	As at 31 March 2024	As at 31 March 2023
<b>Sitting fees to independent director</b>	<b>69.48</b>	<b>61.41</b>	-	<b>6.30</b>
Kaushik Dutta**	23.48	19.41	-	1.80
Saurabh Srivastava	15.00	15.00	-	1.80
Subramaniam R Iyer	21.00	18.00	-	1.80
Padmaja Krishnan	10.00	9.00	-	0.90
<b>Commission to independent director</b>	<b>267.68</b>	<b>206.00</b>	<b>240.92</b>	<b>185.40</b>
Kaushik Dutta	66.92	51.50	60.23	46.35
Saurabh Srivastava	66.92	51.50	60.23	46.35
Subramaniam R Iyer	66.92	51.50	60.23	46.35
Padmaja Krishnan	66.92	51.50	60.23	46.35

\*\*Includes sitting fees of INR 2.48 lakhs paid in Newgen Software Inc, USA

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 4.1 Financial instruments – Fair values and risk management

#### A. Accounting classification and fair values

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

31 March 2024	Note	Carrying amount			Total	Fair value			Total
		FVTPL	FVTOCI	Amortised Cost		Level 1	Level 2	Level 3	
<b>Financial assets</b>									
<b>Financial assets measured at fair value</b>									
Investments in mutual funds	9	30,108.81	-	-	30,108.81	30,108.81	-	-	30,108.81
Investments in bonds	9	-	6,390.08	-	6,390.08	6,390.08	-	-	6,390.08
<b>Financial assets not measured at fair value</b>									
Other non-current financial asset	6	-	-	8,382.97	8,382.97	-	-	-	-
Trade receivables	10	-	-	44,353.35	44,353.35	-	-	-	-
Cash and cash equivalents	11	-	-	12,457.31	12,457.31	-	-	-	-
Bank balances other than cash and cash equivalents	12	-	-	25,136.83	25,136.83	-	-	-	-
Loans	13	-	-	11.73	11.73	-	-	-	-
Other financial assets	14	-	-	9,462.08	9,462.08	-	-	-	-
		<b>30,108.81</b>	<b>6,390.08</b>	<b>99,804.27</b>	<b>1,36,303.16</b>	<b>36,498.89</b>	-	-	<b>36,498.89</b>
<b>Financial liabilities</b>									
<b>Financial liabilities not measured at fair value</b>									
Lease liabilities	18	-	-	4,630.83	4,630.83	-	-	-	-
Borrowings	19	-	-	219.92	219.92	-	-	-	-
Trade payables	21	-	-	4,761.53	4,761.53	-	-	-	-
Other financial liabilities	22	-	-	5,334.66	5,334.66	-	-	-	-
		-	-	<b>14,946.94</b>	<b>14,946.94</b>	-	-	-	-

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

31 March 2023	Note	Carrying amount			Total	Fair value			
		FVTPL	FVTOCI	Amortised Cost		Level 1	Level 2	Level 3	Total
<b>Financial assets</b>									
<b>Financial assets measured at fair value</b>									
	9	6,952.45	-	-	6,952.45	6,952.45	-	-	6,952.45
	9	-	6,186.35	-	6,186.35	6,186.35	-	-	6,186.35
<b>Financial assets not measured at fair value</b>									
	6	-	-	23,338.45	23,338.45	-	-	-	-
	10	-	-	38,816.58	38,816.58	-	-	-	-
	11	-	-	10,802.06	10,802.06	-	-	-	-
	12	-	-	10,032.82	10,032.82	-	-	-	-
	13	-	-	7.00	7.00	-	-	-	-
	14	-	-	8,431.73	8,431.73	-	-	-	-
		<b>6,952.45</b>	<b>6,186.35</b>	<b>91,428.64</b>	<b>1,04,567.44</b>	<b>13,138.80</b>	-	-	<b>13,138.80</b>
<b>Financial liabilities</b>									
<b>Financial liabilities not measured at fair value</b>									
	18	-	-	3,847.75	3,847.75	-	-	-	-
	19	-	-	423.55	423.55	-	-	-	-
	21	-	-	3,488.68	3,488.68	-	-	-	-
	22	-	-	3,995.13	3,995.13	-	-	-	-
		-	-	<b>11,755.11</b>	<b>11,755.11</b>	-	-	-	-

The fair value of trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, loans, other current financial assets, current fair value of trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, loans, other current financial assets, current borrowings, trade payables and other current financial liabilities approximate their carrying amounts, due to their short-term nature. Fair value of bank deposits included in non-current other financial assets are equivalent to their carrying amount, as the interest rate on them is equivalent to market rate.

### B. Measurement of fair values

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1** – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

**Level 2** – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable inputs

**Level 3** – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Fair value hierarchy	Valuation technique	Significant unobservable inputs	Inter-relationship between unobservable inputs and fair value measurement
<b>Financial assets measured at FVTPL</b>				
Investments in mutual funds	Level 1	Market valuation technique: Investments traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house, quoted price of equity shares in the stock exchange etc.	Not applicable	Not applicable
<b>Financial assets measured at FVTOCI</b>				
Investments in bonds	Level 1	Market valuation technique: The fair value of bonds is based on direct and market observable inputs.	Not applicable	Not applicable
<b>Financial liabilities measured at Amortised cost</b>				
Long term borrowings	Level 2	Discounted cash flow: The valuation model considers the present value of expected payment, discounted using a risk adjusted discount rate.	Not applicable	Not applicable
Short term borrowings	Level 2			

There have been no transfers in either direction for the years ended 31 March 2024 and 31 March 2023.

### C. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

#### i. Risk management framework

The Group's board of directors has framed a Risk Management Policy and plan for enabling the Group to identify elements of risk as contemplated by the provisions of the Section 134 of the Companies Act 2013. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit.

#### ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises partially from the Group's receivables from customers, loans and investment in debt securities. The carrying amount of financial assets represent the maximum credit risk exposure. The Group has credit policies in place and the exposures to these credit risks are monitored on an ongoing basis.

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

The carrying amount of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting was:

Particulars	As at	
	31 March 2024	31 March 2023
Other financials assets-non current	8,382.97	23,338.45
Investments	36,498.89	13,138.80
Trade receivables	44,353.35	38,816.58
Loans	11.73	7.00
Cash and cash equivalents	12,457.31	10,802.06
Bank balances other than cash and cash equivalents	25,136.83	10,032.82
Other financials assets-current	9,462.08	8,431.73
	<b>1,36,303.16</b>	<b>1,04,567.44</b>

To cater to the credit risk for investments in mutual funds and bonds, only high rated mutual funds/ bonds are accepted.

The Group has given security deposits to vendors for rental deposits for office properties, securing services from them, government departments. The Group does not expect any default from these parties and accordingly the risk of default is negligible or nil.

Trade receivables and contract assets are typically unsecured and derived from revenue earned from customers primarily located in India, USA, EMEA and APAC.

Credit risk has always been managed by the Group through credit approval, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit term in normal course of business. Credit limits are established for each customers and received quarterly. Any sales/services exceeding these limits require approval from the risk management committee.

The Group establishes an allowance for impairment that represents its expected credit losses in respect of trade receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, industry and existence of previous financial difficulties, if any.

### Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Group establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. An impairment analysis is performed at each reporting date.

The Group's exposure to credit risk for trade receivables by geographic region is as follows

Particulars	Carrying amount	
	As at 31 March 2024	As at 31 March 2023
India	13,645.03	9,864.73
USA	7,345.68	7,121.93
EMEA	18,140.25	16,285.61
APAC	5,222.39	5,544.31
	<b>44,353.35</b>	<b>38,816.58</b>

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables from individual customers:

As at 31 March 2024	Gross carrying amount	Weighted-average loss rate	Loss allowance
0-3 months past due	37,256.67	1.57%	583.15
3-6 months past due	5,314.66	8.27%	439.67
6-9 months past due	1,551.26	21.46%	332.91
9-12 months past due	399.80	27.75%	110.93
12-15 months past due	1,407.02	58.14%	817.97
15-18 months past due	1,152.90	59.87%	690.19
18-21 months past due	76.21	66.25%	50.49
21-24 months past due	164.04	69.65%	114.25
above 24 months past due	1,394.92	87.79%	1,224.57
	<b>48,717.48</b>		<b>4,364.13</b>

As at 31 March 2023	Gross carrying amount	Weighted-average loss rate	Loss allowance
0-3 months past due	31,503.79	1.59%	502.34
3-6 months past due	2,907.11	8.14%	236.51
6-9 months past due	3,717.78	18.10%	672.79
9-12 months past due	733.01	31.52%	231.05
12-15 months past due	1,113.30	39.91%	444.31
15-18 months past due	906.14	45.23%	409.89
18-21 months past due	384.12	54.12%	207.91
21-24 months past due	325.41	83.53%	271.82
above 24 months past due	1,550.87	86.94%	1,348.33
	<b>43,141.53</b>		<b>4,324.95</b>

Ageing for expected credit loss has been considered from invoice date

Particulars	
<b>Balance as at 1 April 2022</b>	<b>3,559.82</b>
Impairment loss recognised	2,048.01
Amounts written off	1,282.88
<b>Balance as at 31 March 2023</b>	<b>4,324.95</b>
Impairment loss recognised	3,325.20
Amounts written off	3,286.02
<b>Balance as at 31 March 2024</b>	<b>4,364.13</b>

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

### Debt securities

The Group limits its exposure to credit risk by investing only in liquid debt securities and only with counterparties that have a credit rating AA to AAA from renowned rating agencies.

The Group monitors changes in credit risk by tracking published external credit ratings. For its investment in bonds, Group also reviews changes in government bond yields together with available press and regulatory information about issuers.

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

The exposure to credit risk for debt securities at FVTOCI and at FVTPL is as follows:-

Particulars	Net carrying amount	
	As at 31 March 2024	As at 31 March 2023
India	36,498.89	13,138.80
	<b>36,498.89</b>	<b>13,138.80</b>

Basis experienced credit judgement, no risk of loss is indicative on Group's investment in mutual funds and government bonds.

### Cash and cash equivalents and bank balances other than cash and cash equivalents

The Group held cash and cash equivalents of INR 12,457.31 lakhs at 31 March 2024 (31 March 2023: INR 10,802.06 lakhs) and bank balances other than cash and cash equivalents of INR 25,130.83 lakhs as at 31 March 2024 (31 March 2023: INR 10,032.82 lakhs). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AA- to AAA, based on renowned rating agencies.

### iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's primary sources of liquidity include cash and bank balances, deposits, undrawn borrowings and cash flow from operating activities. As at 31 March 2024, the Group had a working capital of INR 92,636.62 lakhs (31 March 2023: INR 53,105.59 lakhs) including cash and cash equivalent of INR 12,457.31 lakhs (31 March 2023: INR 10,802.06 lakhs), bank balances other than cash & cash equivalents of INR 25,130.83 lakhs (31 March 2023: 10,032.82 lakhs) and current investments of INR 36,498.89 lakhs (31 March 2023: INR 13,138.80 lakhs). Consequently, the Group believes its revenue, along with proceeds from financing activities will continue to provide the necessary funds to cover its short term liquidity needs. In addition, the Group projects cash flows and considering the level of liquid assets necessary to meet liquidity requirement.

In addition, the Group had access to the following undrawn borrowing facilities at the end of the reporting year

Particulars	Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
As at 31 March 2024	6,448.52	-	6,448.52	-	-	-
As at 31 March 2023	8,144.24	-	8,144.24	-	-	-

### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at 31 March 2024	Carrying amount	Contractual cash flows					
		Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>							
Finance lease obligations (including current maturities)	4,630.83	10,034.37	245.63	1,227.97	1,192.93	2,269.26	5,098.58
Borrowings	219.92	234.24	-	234.24	-	-	-

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

As at 31 March 2024	Carrying amount	Contractual cash flows					
		Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
Unpaid dividends	8.73	8.73	8.73	-	-	-	-
Employee related payables	5,005.78	5,005.78	299.53	4,547.22	159.03	-	-
Trade and other payables	4,761.53	4,761.53	3,374.56	1,386.97	-	-	-
Earnest money deposits	1.00	1.00	-	1.00	-	-	-
Payable for capital assets	319.15	319.15	319.15	-	-	-	-
<b>Total</b>	<b>14,946.94</b>	<b>20,364.80</b>	<b>4,247.60</b>	<b>7,397.40</b>	<b>1,351.96</b>	<b>2,269.26</b>	<b>5,098.58</b>

As at 31 March 2023	Carrying amount	Contractual cash flows					
		Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Finance lease obligations (including current maturities)	3,847.75	9,171.62	192.55	1,032.54	1,115.97	1,760.46	5,070.10
Borrowings	423.55	468.48	-	234.24	234.24	-	-
Unpaid dividends	6.57	6.57	6.57	-	-	-	-
Employee related payables	3,767.35	3,767.35	182.52	3,484.86	99.97	-	-
Trade and other payables	3,488.68	3,488.68	2,019.31	1,469.37	-	-	-
Earnest money deposits	1.00	1.00	-	1.00	-	-	-
Payable for capital assets	32.72	32.72	-	32.72	-	-	-
<b>Total</b>	<b>11,567.62</b>	<b>16,936.42</b>	<b>2,400.95</b>	<b>6,254.73</b>	<b>1,450.18</b>	<b>1,760.46</b>	<b>5,070.10</b>

Interest payment on variable interest rate loan in the table above reflect market forward interest rates at the reporting dates and these amount may change as market interest changes.

### iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

### v. Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group is exposed to currency risk on account of its borrowings, receivables and other payables in foreign currency. The functional currency of the Group is Indian Rupee. The Management endeavours to minimize economic and transactional exposures arising from currency movements against the US dollar, Euro, Great Britain Pound, Canadian dollar, United Arab Emirates Dhiram, Saudi Riyal, Singapore dollar, Australian dollar and Malaysian Ringgit making all the US dollar payments through EEFC account for avoiding exchange risk. The Group manages the risk by netting off naturally-occurring opposite exposures wherever possible, and then dealing with any material residual foreign currency exchange risks if any.



# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

The Group has entered into foreign exchange forward contracts to mitigate the risks involved in foreign exchange transactions and has booked twelve forward contracts for USD 32.5 million during the year from April 2023 to March 2024. The hedging gain of INR 165.44 lakhs is on account of mark to market gain (realised loss is 86.02 lakhs, unrealised gain is 68.47 lakhs and gain of 187.49 lakhs on account of reversal of last year mark to market loss) on foreign exchange forward contracts which do not qualify for hedge accounting as per Ind As-109, have been recognized in the profit and loss account in the financial statement for the period ended 31 March 2024.

### Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March 2024 and 31 March 2023 are as below:

Particulars	Currency	31 March 2024		31 March 2023	
		Amount in foreign currency (lakhs)	Amount in local currency (lakhs)	Amount in foreign currency (lakhs)	Amount in local currency (lakhs)
<b>Financial assets</b>					
Trade and other receivables*					
	USD	236.97	19,751.24	279.56	22,954.78
	AED	0.65	14.70	0.26	5.80
	EUR	0.49	44.11	0.64	56.92
	GBP	2.00	210.46	0.42	42.94
	SGD	-	-	15.00	926.40
	MYR	0.39	6.89	0.04	0.77
	AUD	-	-	0.23	12.38
Bank balance-Dubai	AED	7.97	180.76	2.98	66.58
Bank balance-EEFC	USD	24.59	2,049.26	22.15	1,818.84
<b>Financial liabilities</b>					
Trade and other payables					
	USD	(39.56)	(3,258.75)	(46.16)	(3,627.50)
	SGD	(3.09)	(190.71)	(4.36)	(269.09)
	SAR	(8.55)	(189.46)	(1.96)	(42.53)
	EURO	(0.18)	(16.75)	-	-
	AUD	(7.70)	(418.50)	(7.01)	(385.96)
	AED	-	-	(0.74)	(15.13)
	CAD	(1.90)	(116.81)	-	-

\* gross of loss allowance

### Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US Dollar, Euro, Great Britain Pound, Canadian dollar, United Arab Emirates Dirham, Saudi Riyal, Singapore Dollar, Australian Dollar and Malaysian Ringgit at reporting date would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in Lakhs of INR	For the year ended 31 March 2024		For the year ended 31 March 2023	
	Strengthening	Weakening	Strengthening	Weakening
	<b>5 % movement</b>		<b>5% movement</b>	
USD	925.16	(925.16)	1,049.16	(1,049.16)
EUR	1.39	(1.39)	2.85	(2.85)
GBP	10.52	(10.52)	2.15	(2.15)
CAD	(5.84)	5.84	-	-
SGD	(9.54)	9.54	32.86	(32.86)
AED	9.77	(9.77)	2.79	(2.79)
SAR	(9.51)	9.51	(2.15)	2.15
MYR	0.34	(0.34)	0.04	(0.04)
AUD	(20.93)	20.93	(18.68)	18.68
	<b>901.36</b>	<b>(901.36)</b>	<b>1,069.02</b>	<b>(1,069.02)</b>

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### II. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

#### a) Exposure to interest rate risk

The Group is exposed to both fair value interest rate risk as well as cash flow interest rate risk arising both on short-term and long-term floating rate instruments.

The interest rate profile of the Group's interest-bearing financial instruments is as follows:

Particulars	Nominal amount in INR	
	31 March 2024	31 March 2023
<b>Fixed-rate instruments</b>		
Financial assets	40,295.03	38,846.58
Financial liabilities	4,850.75	4,271.30
<b>Total</b>	<b>45,145.78</b>	<b>43,117.88</b>

There is no balance in variable rate instruments.

#### b) Sensitivity analysis

Fair value sensitivity analysis for fixed-rate instruments

The Group accounts for investments in government and other bonds as fair value through other comprehensive income. Therefore, a change in interest rate at the reporting date would have impact on equity.

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity by INR 39.81 lakhs after tax (31 March 2023: INR 40.25 lakhs) and PBT by INR 61.19 lakhs (31 March 2023: INR 61.86 lakhs).

Cash flow sensitivity analysis for variable-rate instruments

There is no variable rate linked instrument and therefore, there is no cash flow sensitivity.

### Market price risk

#### a) Exposure

The Group's exposure to mutual funds and bonds price risk arises from investments held by the Group and classified in the balance sheet as fair value through profit and loss and at fair value through other comprehensive income respectively.

To manage its price risk arising from investments, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

#### b) Sensitivity analysis

Group is having investment in mutual funds, government bonds, other bonds.

For such investments classified at Fair value through other comprehensive income, a 2% increase in their fair value at the reporting date would have increased equity by INR 79.62 lakhs after tax (31 March, 2023: INR 80.50 lakhs ) and PBT by INR 122.38 lakhs (31 March, 2023: INR 123.73 lakhs). An equal change in the opposite direction would have decreased equity by INR 79.62 lakhs after tax (31 March, 2023: INR 80.50 lakhs ) and PBT by INR 122.38 lakhs (31 March, 2023: INR 123.73 lakhs).

For such investments classified at Fair value through profit or loss, the impact of a 2% increase in their fair value at the reporting date on profit or loss would have been an increase of INR 391.78 lakhs after tax (31 March, 2023: INR 90.47 lakhs ) and PBT by INR 602.18 lakhs (31 March, 2023: INR 139.05 lakhs) . An equal change in the opposite direction would have decreased profit or loss by INR 391.78 lakhs after tax (31 March, 2023: INR 90.47 lakhs ) and PBT by INR 602.18 lakhs (31 March, 2023: INR 139.05 lakhs).

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 42 Capital Management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to equity shareholders.

The Group manages its capital structure and makes adjustments to it as and when required. To maintain or adjust the capital structure, the Group may pay dividend or repay debts, raise new debt or issue new shares. No major changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2024 and 31 March 2023.

The Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities comprising interest bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity

The Group capital consists of equity attributable to equity holders that includes equity share capital and retained earnings.

Particulars	As at 31 March 2024	As at 31 March 2023
Total liabilities	4,850.75	4,271.30
Less: Cash & Cash equivalent	12,457.31	10,802.06
<b>Adjusted net debt (a)</b>	<b>(7,606.56)</b>	<b>(6,530.76)</b>
Total equity (b)	1,22,351.51	98,253.09
Total equity and net debt (a+b) = c	1,14,744.95	91,722.33
Capital gearing ratio (a/c)	-6.63%	-7.12%

As a part of its capital management policy the Group ensures compliance with all covenants and other capital requirements related to its contractual obligations.

### 43 Segment reporting

#### A. Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available.

The Group's board of directors have been identified as the Chief Operating Decision Makers (CODM) since they are responsible for all major decisions in respect of allocation of resources and assessment of the performance on the basis of the internal reports/information provided by functional heads. The board examines the performance of the Group based on such internal reports which are based on operations in various geographies and accordingly, have identified the following reportable segments:

- India
- Europe, Middle East and Africa (EMEA)
- Asia Pacific and Australia (APAC)
- United States of America (USA)

#### B. Information about reportable segments

##### Year ended 31 March 2024

Particulars	Reportable segments				Total Segment
	India	EMEA	APAC	USA	
<b>Revenue</b>					
External revenue	40,188.55	43,370.36	14,508.58	26,315.37	1,24,382.86
Inter-segment revenue	-	-	-	-	-
<b>Total Segment Revenue</b>	<b>40,188.55</b>	<b>43,370.36</b>	<b>14,508.58</b>	<b>26,315.37</b>	<b>1,24,382.86</b>

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Reportable segments				
	India	EMEA	APAC	USA	Total Segment
Segment profit before income tax	8,141.15	14,006.61	3,178.01	3,705.00	29,030.77
Segment assets	20,043.06	22,231.08	8,972.70	17,896.59	69,143.43
Segment liabilities	10,433.01	12,178.76	5,172.62	10,010.32	37,794.71
Capital expenditure during the year	1,368.89	4.67	0.74	12.55	1,386.85

### Year ended 31 March 2023

Particulars	Reportable segments				
	India	EMEA	APAC	USA	Total Segment
<b>Revenue</b>					
External revenue	30,220.47	31,096.77	12,614.15	23,466.49	97,397.88
Inter-segment revenue	-	-	-	-	-
<b>Total Segment Revenue</b>	<b>30,220.47</b>	<b>31,096.77</b>	<b>12,614.15</b>	<b>23,466.49</b>	<b>97,397.88</b>
Segment profit before income tax	6,809.71	9,117.12	2,453.73	2,930.72	21,311.28
Segment assets	15,645.07	21,257.46	9,042.72	15,415.30	61,360.55
Segment liabilities	7,339.62	9,894.33	5,525.85	6,817.94	29,577.74
Capital expenditure during the year	1,385.21	-	2.14	19.14	1,406.49

### C. Reconciliations of information on reportable segments to Ind AS

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>(a) Revenue*</b>		
Total revenue for reportable segments	1,24,382.86	97,397.88
Elimination of inter-segment revenue	-	-
<b>Total revenue</b>	<b>1,24,382.86</b>	<b>97,397.88</b>
<b>(b) Profit before tax</b>		
Total profit before tax for reportable segments	29,030.77	21,311.28
Unallocated amounts:		
- Unallocated income	4,806.43	3,398.57
- Other corporate expenses	3,414.71	2,981.80
<b>Total profit before tax from operations</b>	<b>30,422.49</b>	<b>21,728.05</b>
<b>(c) Assets</b>		
Total assets for reportable segments	69,143.43	61,360.55
Other unallocated amounts	99,504.33	73,114.01
<b>Total assets</b>	<b>1,68,647.76</b>	<b>1,34,474.56</b>
<b>(d) Liabilities</b>		
Total liabilities for reportable segments	37,794.71	29,577.74
Other unallocated amounts	8,501.54	6,643.73
<b>Total liabilities</b>	<b>46,296.25</b>	<b>36,221.47</b>

\* For information about product and services, refer note 26.

### D. Information about major customers

No customer individually accounted for more than 10% of the revenues in the year ended 31 March 2024 and 31 March 2023.

### E. Unallocated assets, liabilities, revenue and expenses

Certain assets, liabilities, revenue and expenses are not specifically allocable to individual segments as the underlying services are used interchangeably. The Group believes that it is not practicable to provide segment disclosures relating to such assets, liabilities, revenue and expenses and accordingly such assets, liabilities, revenue and expenses are separately disclosed as 'unallocated'.

F. In accordance with Ind AS-108 "Operating Segments" and based on "Management Evaluation", the Company during the year ended 31 March 2023 used to allocate AI platforms cost related to employees of Number Theory Software Private Limited to India Segment, however, keeping in view the changes to the internal reporting, the management has allocated this cost to all the regions considering this to be a common cost.

# Notes

to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

## 44. Ratios as per Schedule III requirements

Ratio	Numerator	Denominator	Unit	31-Mar-24	31-Mar-23	% variance	Reason for variance
<b>Current ratio</b>	Current assets	Current liabilities	Times	3.44	2.79	23.25%	-
<b>Debt- Equity Ratio</b>	Total Debt (refer note 1 below)	Shareholder's Equity	Times	0.04	0.04	-8.80%	-
<b>Debt Service Coverage ratio</b>	Earnings for debt service = Net profit after taxes + Non-cash operating expenses (refer note 2 below)	Debt service (refer note 3 below)	Times	22.82	17.58	29.84%	High growth in EBITDA from operations as compare to increase in lease liabilities and borrowings.
<b>"Return on Equity ratio"</b>	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	%	22.81%	19.73%	15.59%	-
<b>Inventory Turnover ratio</b>	Cost of goods sold	Average Inventory	Times	NA	NA	NA	Not applicable for the business of the Group
<b>Trade Receivable Turnover Ratio</b>	Net credit sales = Gross credit sales - sales return (refer note 4 below)	Average Trade Receivable	Times	3.10	3.06	1.04%	-
<b>Trade Payable Turnover Ratio</b>	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	Times	NA	NA	NA	Not applicable for the business of the Group
<b>Net Capital Turnover Ratio</b>	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	Times	1.34	1.83	-26.80%	-
<b>Net Profit ratio</b>	Net Profit	Net sales = Total sales - sales return	%	20.23%	18.17%	11.30%	-
<b>Return on Capital Employed</b>	Earnings before interest and taxes (refer note 5 below)	Capital Employed (refer note 6 below)	%	23.18%	20.39%	13.69%	-
<b>Return on Investment</b>	Interest (Finance Income)	Average Investment	%	7.95%	3.43%	131.80%	Company has started investing in debt & equity mutual funds in current financial year resulting into high return on investment.

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### Notes:

1. Total debts consists of borrowings and lease liabilities.
2. Earning available for debt services=profit for the year + depreciation, amortization and impairment + finance cost + provision for doubtful debts + share based payment to employees + non cash charges.
3. Debt service = Interest + payment for lease liabilities + principal repayments.
4. Credit sales = Total Revenue + opening contract assets - closing contract assets - opening deferred revenue + closing deferred revenue.
5. Earnings before interest and taxes = profit before tax + finance cost - other income
6. Capital Employed = Average tangible net worth + Total debt + Deferred tax.
7. Average is calculated on the basis of opening and closing balances.

Schedule III require explanation where the change in the ratio is more than 25% as compared to the preceding year. Since there are only two instances where the change is more than 25% i.e. Debt Service Coverage Ratio and Return on Investment hence explanation is given only for the said ratios.

**45** As at 31 March 2024, the Group has gross foreign currency receivables amounting to INR 20,027.40 lakhs (previous year INR 23,999.99 lakhs). Out of these receivables, INR 1,955.12 lakhs (previous year INR 3,363.91 lakhs) is outstanding for more than 9 months. As per FED Master Direction No. 16/2015-16, receipt for export goods should be realized within a period of 9 months from the date of export. The Group must file extension with AD Bank & as per the requirements, in one calendar year, the Group is allowed to seek extension for an amount equivalent to USD one million or 10% of the average export collection of the last 3 years only, whichever is higher and pursuant to the same, the Group has applied for an extension of all the foreign currency receivables outstanding for more than 6 months. The management is of the view that the Group will be able to obtain approvals from the authorities for realizing such funds beyond the stipulated timeline without levy of any penalties as it had Bonafide reasons that caused the delays in realization.

### 46 Other statutory informations

- i. The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- ii. The Group do not have any transactions with companies struck off.
- iii. The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv. The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v. The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vi. The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vii. The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

- viii The Group has sanctioned working capital amounts from banks on the basis of security of Trade Receivables and Fixed Deposits. The quarterly returns being filed by Group with banks are in line with the books of accounts.
  - ix All title deeds of Immovable Property are held in the name of the Group.
  - x The Group has not defaulted on any of the loan taken from banks, financial institutions or other lender.
  - xi. The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
  - xii. The Group has complied with the number of layers prescribed under Companies Act, 2013.
- 47** Pursuant to the Board approval on 27 November 2023 and shareholder's approval on 2 January 2024, through Postal Ballot, the Company has allotted 7,00,69,401 bonus shares of INR 10/- each (fully paid up) on 13 January 2024 to the eligible members of the Company whose names appear in the Register of Members of the Company /List of Beneficial Owners as on the Record Date i.e., 12 January 2024 in the ratio of 1:1. The said bonus shares shall rank pari passu in all respects with the existing equity shares of the Company, including dividend. As a result of the bonus issue, the paid-up capital of the Company has increased to INR 14,013.88 lakhs from INR 7,006.94 lakhs. Consequent to the above increase in paid-up capital, the earnings per share (Basic and Diluted) have been adjusted for the year ended 31 March 2023.
- 48** On 8<sup>th</sup> March 2024, the Company reported a Cyber security incident (the "incident") that affected a few of the Company's IT assets. The Company engaged with independent cyber security consulting firms, for comprehensive analysis, providing immediate recommendations and remediation steps. The management took all the necessary measures to prevent damage to the IT systems of the Company. It was concluded that the incident did not result in any ransom and the Management believes that there is no financial, legal, or regulatory impact of the incident reported herein.
- 49** A Scheme of Amalgamation u/s 230-232 of the Companies Act, 2013 which provides for the merger of Number Theory Software Private Limited ("Number Theory"), a wholly-owned subsidiary of the Holding Company, was filed with the Delhi Bench of National Company Law Tribunal (NCLT). NCLT through its Order dated 27<sup>th</sup> September 2023 approved the aforesaid Scheme. Upon the sanction becoming effective from the appointed date i.e. 01.04.2022 as provided under the Scheme, Number Theory stands dissolved without undergoing the process of winding up. The Holding Company has accounted for the merger under the Pooling of Interest method retrospectively as prescribed in the IND AS 103- Business Combination of entities under common control. Previous year numbers have been accordingly restated. There are no material impact on the financial statements of the Group for the comparative year.

# Notes

to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

## 50 Additional information pursuant to Para 2 of general instruction for the preparation of consolidated financial statement

Particulars	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
<b>As on 31 March 2024</b>								
<b>Parent</b>								
Newgen Software Technologies Limited	93.79%	1,14,757.71	94.33%	23,733.55	165.41%	-355.49	93.72%	23,378.06
<b>Indian Subsidiary</b>								
Newgen Computers Technologies Limited	0.07%	79.71	0.01%	2.96	0.00%	-	0.01%	2.96
<b>Foreign Subsidiaries</b>								
Newgen Software Inc. USA.	4.83%	5,913.51	4.70%	1,181.38	(46.37%)	99.65	5.14%	1,281.03
Newgen Software Technologies UK Ltd.	0.35%	423.48	0.28%	71.30	(10.84%)	23.30	0.38%	94.60
Newgen Software Technologies Canada Ltd.	0.40%	489.89	0.40%	101.64	(0.76%)	1.64	0.41%	103.28
Newgen Software technologies PTE Ltd.	1.49%	1,819.76	1.03%	257.93	(5.99%)	12.87	1.09%	270.80
Newgen Software technologies PTY Ltd.	0.60%	734.91	0.28%	69.39	4.44%	-9.55	0.24%	59.84
Newgen Software Technologies LLC	0.60%	729.87	0.18%	45.57	(2.48%)	5.33	0.20%	50.90
Newgen Software Technologies Company Limited	0.21%	259.54	0.15%	37.11	(3.41%)	7.33	0.18%	44.44
<b>Adjustment arising out of consolidation</b>	<b>(2.33%)</b>	<b>(2,856.87)</b>	<b>(1.35%)</b>	<b>(340.33)</b>	<b>-</b>	<b>-</b>	<b>(1.36%)</b>	<b>(340.33)</b>
<b>Total</b>	<b>100.00%</b>	<b>1,22,351.51</b>	<b>100.00%</b>	<b>25,160.50</b>	<b>100.00%</b>	<b>(214.92)</b>	<b>100.00%</b>	<b>24,945.58</b>

Particulars	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
<b>As on 31 March 2023</b>								
<b>Parent</b>								
Newgen Software Technologies Limited	93.87%	92,226.91	94.88%	16,794.09	-43.13%	(224.66)	92.38%	16,569.43
<b>Indian Subsidiary</b>								
Newgen Computers Technologies Limited	0.08%	76.75	0.03%	4.58	0.00%	-	0.03%	4.58



# Notes

## to consolidated financial statements for the year ended 31 March 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
<b>Foreign Subsidiaries</b>								
Newgen Software Inc. USA.	4.74%	4,653.72	5.43%	960.49	80.89%	421.33	7.61%	1,381.82
Newgen Software Technologies UK Ltd.	0.35%	339.11	0.16%	29.17	7.10%	36.96	0.36%	66.13
Newgen Software Technologies Canada Ltd.	0.39%	382.62	0.45%	79.27	0.22%	1.14	0.44%	80.41
Newgen Software technologies PTE Ltd	1.59%	1,560.37	1.64%	289.44	57.20%	297.96	3.24%	587.40
Newgen Software technologies PTY Ltd	0.69%	673.83	0.34%	59.72	-6.02%	(31.34)	0.16%	28.38
Newgen Software Technologies LLC	0.69%	674.03	0.02%	3.15	3.74%	19.48	0.12%	22.63
<b>Adjustment arising out of consolidation</b>	<b>-2.38%</b>	<b>(2,334.25)</b>	<b>-2.93%</b>	<b>(518.76)</b>	<b>-</b>	<b>-</b>	<b>-4.50%</b>	<b>(518.76)</b>
<b>Total</b>	<b>100.00%</b>	<b>98,253.09</b>	<b>100.00%</b>	<b>17,701.15</b>	<b>100.00%</b>	<b>520.87</b>	<b>99.85%</b>	<b>18,222.02</b>

**51** Previous period's figures have been regrouped/reclassified wherever necessary to correspond with the current period's classification/disclosure, which are not considered material to these financial statements.

The accompanying notes are an integral part of the Consolidated Financial Statements  
As per our report of even date

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No.: 001076/N/500013

For and on behalf of the Board of Directors of

**Newgen Software Technologies Limited**

**Ankit Mehra**

Partner

Membership No.: 507429

Place: Gurugram

Date: 30-April-2024

**Diwakar Nigam**

Chairman &

Managing Director

DIN: 00263222

Place: Chennai

Date: 30-April-2024

**T.S.Varadarajan**

Whole Time

Director

DIN: 00263115

Place: Noida

Date: 30-April-2024

**Arun Kumar Gupta**

Chief Financial

Officer

Membership No: 056859

Place: Noida

Date: 30-April-2024

**Aman Mourya**

Company

Secretary

Membership No: F9975

Place: Noida

Date: 30-April-2024

**Virender Jeet**

Chief Executive

Officer

PAN: AAOPJ2433N

Place: Noida

Date: 30-April-2024







Newgen Software Technologies Limited  
<https://www.newgensoft.com>