

## Annexure 2

**Information 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 2022, the Company has in place the Newgen Employees Stock Option Scheme – 2014 (**"NEWGEN ESOP 2014"**). This scheme is in compliance 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>.

#### 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 stock options calculated in accordance with Ind AS - 33 'Earning Per Share' (Consolidated)	Basic: 23.65 Diluted: 23.50
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#### C. Other Details relating to Newgen ESOP 2014.

S. No.	Particulars	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 2022, the Company has in place the Newgen Employee Stock Option Scheme – 2014 ( <b>"NEWGEN ESOP 2014"</b> ), 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 is 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.							
b)	Total number of options approved	The maximum number of 37,83,800 shares can be issued under NEWGEN ESOP 2014.							
c)	Total number of options granted	NIL	2,33,000	NIL	NIL	5,62,550	NIL	NIL	36,53,525
d)	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.							
		Number of options vested				Vesting schedule			
		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			

S. No.	Particulars	Fiscal 2022	Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015
	e) Exercise price or pricing formula	₹ 63							
	f) 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. 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. Source of Share to the Trust as on 31 <sup>st</sup> March 2022 is Primary. For more information, please refer details related to Newgen ESOP Trust as provided in this disclosure.							
	h) Variation in terms of options	NIL							
ii.	Method used to account for NEWGENESOP 2014	Fair Value Method using Black-Scholes Model							
iii.	Difference between the employee compensation cost using the intrinsic value of stock options and the employee compensation cost that shall have been recognized if it had used the fair value of the options. The impact of this difference on profits and on EPS of the Company.	During the financial year 2021-22 Company followed fair value accounting of stock options.							

#### iv. Option movement during the year

Fiscal Year	2022	2021	2020	2019	2018	2017	2016	2015
Number of options outstanding at the beginning of the year	9,01,406	8,84,598	15,57,524	22,43,483	30,61,209	33,84,305	36,53,525	-
Number of options granted during the year	NIL	2,33,000	NIL	NIL	5,62,550	NIL	NIL	36,53,525
Number of options forfeited / lapsed during the year	64,008	NIL	40,723	1,12,466	1,26,096	1,66,525	2,13,175	NIL
Number of options vested during the year	1,68,777	1,34,171	90,605	12,68,724	9,43,211	7,77,170	2,88,188	NIL
Number of options exercised during the year	2,34,186	1,98,689	6,49,706	5,73,493	12,54,180	1,56,571	56,045	NIL
Number of shares arising as a result of exercise of options	2,34,186	2,16,192	6,32,203	5,73,493	12,54,180	1,56,571	56,045	NIL
Money realized by exercise of options (INR), if scheme is implemented directly by the company	1,47,53,718	1,25,17,407	40,93,1478	3,61,30,059	7,90,13,340	98,63,973	35,30,835	NIL
Loan repaid by the Trust during the year from exercise price received	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
Number of options outstanding at the end of the year	6,03,212	9,01,406	8,84,598	15,57,524	22,43,483	30,61,209	33,84,305	36,53,525
Number of options exercisable at the end of the year	4,20,012	4,89,498	5,71,519	11,22,797	4,45,616	7,77,170	2,88,188	36,53,525

- 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.
- 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		Fiscal 2022	Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015
Name	Designation								
Virender Jeet	Chief Executive Officer	NIL	NIL	NIL	NIL	42,000	NIL	NIL	55,000
Surender Jeet Raj	Sr. Vice President (HR Operations)	NIL	NIL	NIL	NIL	39,000	NIL	NIL	55,000
Tarun Nandwani	Chief Operating Officer	NIL	NIL	NIL	NIL	22,000	NIL	NIL	55,000
Arun Kumar Gupta	Chief Financial Officer	NIL	NIL	NIL	NIL	13,000	NIL	NIL	35,000
Aman Mourya	Company Secretary	NIL	2,500	NIL	NIL	5,000	NIL	NIL	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		NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
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	NIL	NIL	NIL	NIL	NIL	NIL	NIL

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

**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 - V
Date of grant	25-Mar-2021
Fair value of options at grant date	230.95
Share price at grant date	280.50
Exercise price	63.00
Expected volatility (weighted-average)	46.49%
Expected life (weighted-average)	6 years
Expected dividends	0.50%
Risk-free interest rate (based on government bonds)	5.80% - 6.19%

How expected volatility was determined, Historical volatility for the entire period has been taken since the shares including an explanation of the extent to which expected volatility was based on historical volatility

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.

Expected option life of all the grants

Grant Name	Grant Date	Number of options outstanding	Exercise Period	Remaining Life (In Years)
ESOP 2014/ Grant I	01-01-2015	2,49,326	31.12.2023	1.75
ESOP 2014/ Grant II	01-07-2017	69,486	30.06.2026	4.25
ESOP 2014/ Grant III	01-09-2017	60,600	31.08.2026	4.42
ESOP 2014/ Grant IV	01-10-2017	19,800	30.09.2026	4.50
ESOP 2014/ Grant V	25-03-2021	2,04,000	24.03.2030	7.99

**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 utilise 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
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	6,49,696
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	2,34,186
4.	Number of shares held at the end of the year.	4,15,510

**(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: 03.05.2022  
Place: New Delhi

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

## Annexure 2A

### Information 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 2022, the Company has also in place the Newgen Software Technologies Restricted Stock Units Scheme – 2021 ("Newgen RSU - 2021"). This scheme is in compliance 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>.

#### 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 'Earnings Per Share' (Consolidated)	Basic: 23.65 Diluted: 23.50
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#### D. Other Details relating to Newgen RSU - 2021

S. No.	Particulars	FY 2021-22						
i.	a) Date of shareholders' approval	As on 31 <sup>st</sup> March 2022, the Company has in place Newgen Software Technologies Restricted Stock Units Scheme – 2021 ("Newgen RSU - 2021"), as 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.						
	b) Total number of RSUs approved	The maximum number of 14,00,000 shares can be issued under this Scheme.						
	c) Total number of RSUs granted	13,85,000						
	d) Vesting requirements	Set forth below is the vesting schedule, subject to the performance matrix and eligibility: <table><tr><th>Time Period</th><th>% of RSUs to be vested</th></tr><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></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						
	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. 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 details related to Newgen RSU Trust as provided in this disclosure.						

S. No.	Particulars	FY 2021-22
	h) Variation in terms of RSUs	NIL
ii.	Method used to account for NEWGEN RSU 2021	Fair value method
iii.	Difference between the employee compensation cost using the intrinsic value of RSUs and the employee compensation cost that shall have been recognized if it had used the fair value of the RSUs. The impact of this difference on profits and on EPS of the Company.	During the financial year 2021-22 Company followed fair value accounting of stock RSUs.

**iv. RSUs movement during the year**

S. No.	Fiscal Year	FY 2021-22
a	Number of RSUs outstanding at the beginning of the year	NIL
b	Number of RSUs granted during the year	13,85,000
c	Number of RSUs forfeited / lapsed during the year	25,000
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 RSUs outstanding at the end of the year	13,60,000
j	Number of RSUs exercisable at the end of the year	NIL

- v.** 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

**vi. i. Employee wise details of the RSUs granted:**

a. RSUs granted to Senior Managerial Personnel & KMPs during the year		No. of RSUs granted during the year
Name	Designation	RSU granted
Mr. Virender Jeet	Chief Executive Officer	2,70,000
Mr. Tarun Nandwani	Chief Operating Officer	2,25,000
Mr. Arun Kumar Gupta	Chief Financial Officer	25,000
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.		
Name	Designation	No. of RSUs during the year
Mr. Anand Raman	EVP & COO – Newgen Software Inc. (Subsidiary incorporated in USA)	90,000
Mr. Rajvinder Kohli	Sr. Vice President	90,000
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.		NIL

**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 - I 23-Dec-2021	Newgen RSU – 2021 Grant - II 2-Mar-2022
Date of grant		
Fair value of options at grant date	554.29	470.62
Share price at grant date	583.30	499.40
Exercise price	10.00	10.00
Expected volatility (weighted-average)	44.91%	44.89%
Expected life (weighted-average)	6.5 years	6.5 years
Expected dividends	0.60%	0.70%
Risk-free interest rate (based on government bonds)	5.29% - 6.39%	5.60% - 6.69%
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 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: 03.05.2022  
Place: New Delhi

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