

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) Regulations, 2014.

1) Details related to the Scheme:

As on 31st March 2021, the Company has in place the Newgen Employees Stock Option Scheme – 2014 (“**NEWGEN ESOP 2014**”). All the relevant details as prescribed under above Rule and Regulation 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 all the schemes 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 - 34 ‘Earning Per Share’ (Consolidated)	Basic: 18.28
	Diluted: 18.10

C. Other Details relating to Newgen ESOP 2014.

Sl. No.	Particulars	Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015
i. a)	Date of shareholders’ approval	As on 31 st March 2021, the Company has in place the Newgen Employee Stock Option Scheme – 2014 (“ NEWGEN ESOP 2014 ”), as approved by the shareholders on 13 th November 2014, which was further amended and modified on 28 th 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 th August 2018, as required under SEBI (Share Based Employee Benefits) Regulations, 2014.						
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	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			
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 st March 2021 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						

Sl. No.	Particulars	Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015
ii.	Method used to account for NEWGEN ESOP 2014	For Grant pre-listing: - Fair Value Method using Black-Scholes Model For Grant post listing: - Average Market Price on the date of grant						
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 2020-21 Company followed fair value accounting of stock options.						

iv. Option movement during the year:

Fiscal Year	2021	2020	2019	2018	2017	2016	2015
a) Number of options outstanding at the beginning of the year	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	2,33,000	NIL	NIL	5,62,550	NIL	NIL	36,53,525
c) Number of options forfeited / lapsed during the year	NIL	40,723	1,12,466	1,26,096	1,66,525	2,13,175	NIL
d) Number of options vested during the year	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	1,98,689	6,49,706*	5,73,493	12,54,180	1,56,571	56,045	NIL
f) Number of shares arising as a result of exercise of options	2,16,192*	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	1,25,17,407	40,93,1478	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	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	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	4,89,498	5,71,519	11,22,797	4,45,616	7,77,170	2,88,188	36,53,525

*2,16,192 shares arising in the financial year 2020-21, includes 17,503 shares, related to the options exercised in the month of March 2020 (financial year 2019-20), which were pending with Newgen ESOP Trust for transfer to the employees due to COVID-19 and related lock down.

- 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 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015
Name	Designation							
Virender Jeet	Sr. Vice President (Sales and Marketing/ Product)	NIL	NIL	NIL	42,000	NIL	NIL	55,000
Surender Jeet Raj	Sr. Vice President (HR Operations)	NIL	NIL	NIL	39,000	NIL	NIL	55,000
Tarun Nandwani	Vice President (Customer Relations/ Delivery)	NIL	NIL	NIL	22,000	NIL	NIL	55,000
Arun Kumar Gupta	Chief Financial Officer	NIL	NIL	NIL	13,000	NIL	NIL	35,000
Manojit Majumdar	VP- Channels	NIL	NIL	NIL	NIL	NIL	NIL	35,000
Ashok Kapoor	VP – Global Delivery	NIL	NIL	NIL	30,000	NIL	NIL	NIL
Dushyant Kumar	VP – GSI Development	NIL	NIL	NIL	NIL	NIL	NIL	45,000
Aman Mourya	Company Secretary	2500	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
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

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

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

a) the weighted-average values of share price		NA																														
b) the weighted average values of exercise price		NA																														
c) Expected volatility		NA																														
d) Expected option life		NA																														
	<table border="1"> <thead> <tr> <th>Grant Name</th> <th>Grant Date</th> <th>Number of options outstanding</th> <th>Exercise Period</th> <th>Remaining Life (In Years)</th> </tr> </thead> <tbody> <tr> <td>ESOP 2014/ Grant I</td> <td>01-01-2015</td> <td>4,97,800</td> <td>31-12-2023</td> <td>2.75</td> </tr> <tr> <td>ESOP 2014/ Grant II</td> <td>01-07-2017</td> <td>1,99,375</td> <td>30-06-2026</td> <td>5.25</td> </tr> <tr> <td>ESOP 2014/ Grant III</td> <td>01-09-2017</td> <td>1,26,500</td> <td>31-08-2026</td> <td>5.42</td> </tr> <tr> <td>ESOP 2014/ Grant IV</td> <td>01-10-2017</td> <td>47,600</td> <td>30-09-2026</td> <td>5.50</td> </tr> <tr> <td>ESOP 2014/ Grant V</td> <td>25-03-2021</td> <td>2,33,000</td> <td>24-03-3030</td> <td>8.99</td> </tr> </tbody> </table>	Grant Name	Grant Date	Number of options outstanding	Exercise Period	Remaining Life (In Years)	ESOP 2014/ Grant I	01-01-2015	4,97,800	31-12-2023	2.75	ESOP 2014/ Grant II	01-07-2017	1,99,375	30-06-2026	5.25	ESOP 2014/ Grant III	01-09-2017	1,26,500	31-08-2026	5.42	ESOP 2014/ Grant IV	01-10-2017	47,600	30-09-2026	5.50	ESOP 2014/ Grant V	25-03-2021	2,33,000	24-03-3030	8.99	
Grant Name	Grant Date	Number of options outstanding	Exercise Period	Remaining Life (In Years)																												
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e) Expected dividends		NA																														
f) Risk-free interest rate and any other inputs to the model		NA																														
g) The method used and the assumptions made to incorporate the effects of expected early exercise		NA																														

h)	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	NA
i)	whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	NA

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:

Sl. 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*	1,46,94,649
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

*Including Interest of ₹ 1,08,51,650/- on Loan payable by Newgen ESOP Trust.

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

Sl. No.	Particulars	Newgen ESOP Trust (For Newgen ESOP 2014)
1.	Number of shares held at the beginning of the year	8,65,888
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	2,16,192*
4.	Number of shares held at the end of the year.	6,49,696

*Total number of shares transferred to the employees / sold includes 17,503 shares which were exercised by the employees during the year 2019-20, however, shares had not been transferred in that year due to COVID-19 pandemic and related lockdown.

(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: 25th May 2021
Place: New Delhi

Diwakar Nigam
Chairman & Managing Director
DIN: 00263222