Annual Report 19-20

NEWGEN

EMPOWERING ENTERPRISES
Doing More, With Less

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To view this report online, please visit: **www.newgensoft.com**

Forward-looking statement

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words with similar meaning. All statements that address expectations of projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events. The Company has sourced the industry information from the publicly available resources and has not verified that information independently.

EMPOWERING ENTERPRISES
Doing More, With Less

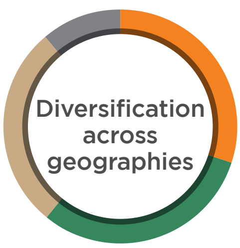
Resilience has been the quality most essential for all businesses during FY 2019-20. The global economic slowdown and the COVID-19 pandemic have put organisational efficiency and business continuity to test like never. Businesses have realised that digital automation solutions are not just support systems but core for organisation's survival. As companies first tightened belts because of the downturn of 2019 and then implemented remote work during the social distancing and lockdown of 2020, digitalisation reinforced the benefits of cost, productivity, and data security.

During this time, our Company has demonstrated resilience through our foresight, robust business model, and effective business continuity strategy. We are actively assisting customers in running their operations seamlessly despite the disruptions while maintaining the safely of employees.

We strongly believe that for our customers to differentiate and succeed, they need to deliver more efficiently and rapidly, while using fewer resources. In our own enterprise, we are committed to this direction across all facets: people, product, operations, and service.

- **56%** Annuity Revenues
- **18%** Sale of Products
- **26%** Sale of Services

- **57%** Banking & FS
- **9%** Health
- **8%** BPO
- **8%** Government
- **6%** Insurance
- **12%** Other



- **30%** India
- **31%** EMEA
- **28%** USA
- **11%** APAC

NEWGEN TODAY

₹6,608 Million
Revenues

~560
Active Customers (71 new logos added in FY 2019-20)

69
Countries

44*
Patent Filings (4 patents granted in FY 2019-20)

3,000+
Personnel

60% YoY
Cloud Revenue Growth

*44 Patent Filings, of which 15 patents are granted in India & US and 16 patent applications are under processing

Empowering Businesses with Newgen's Transformative Platform

OUR PRODUCT SUITES

Digitise

OmniDocs

Enterprise Content Management (Content Services Platform)

Deliver contextual content for smarter decision-making and improved collaboration

Process & Adapt

OmniFlow iBPS

Business Process & Case Management (Intelligent Process Automation)

Create smarter processes rapidly, empower knowledge workers, and build responsive business

Communicate

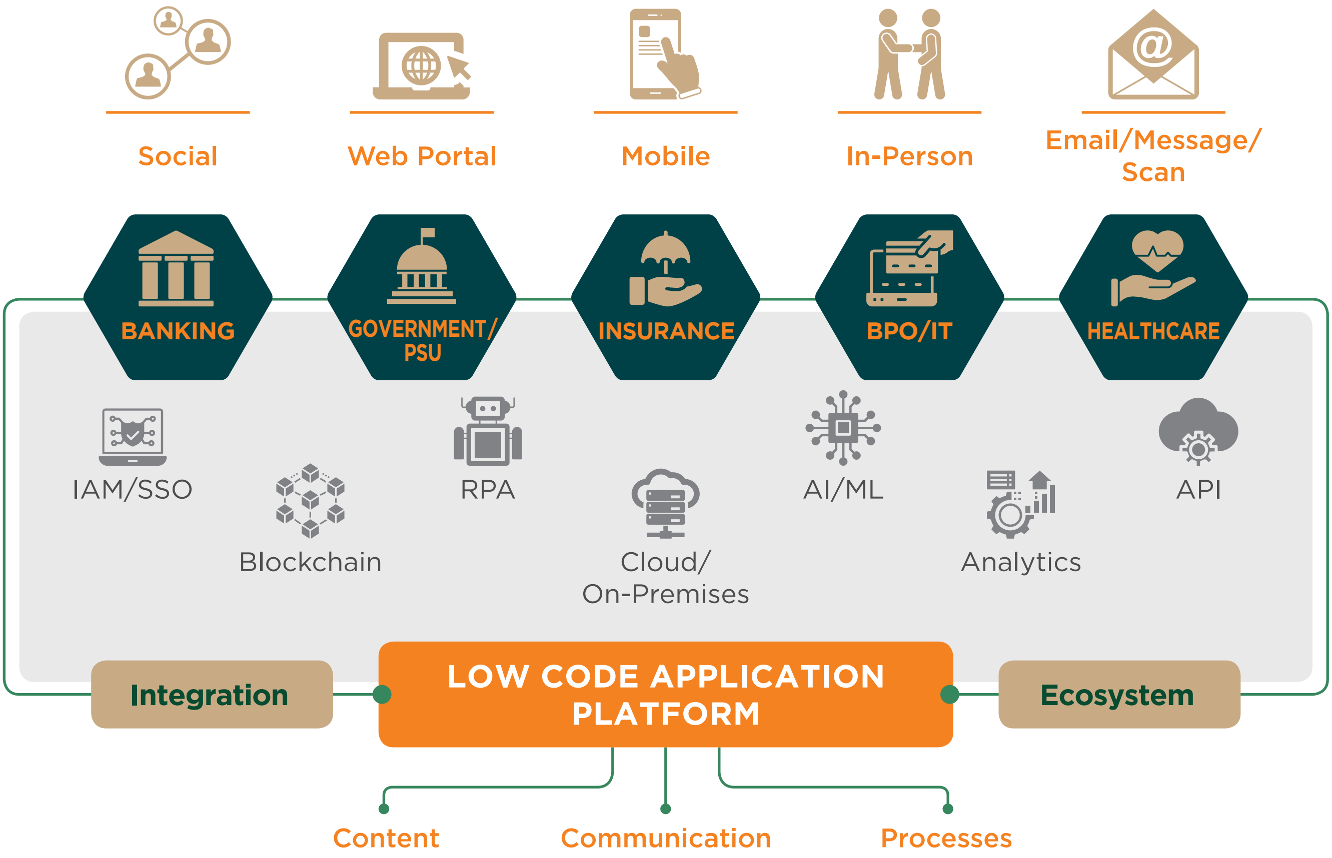
OmniOMS

Customer Communication Management (Customer Engagement Management)

Listen, personalise, and deliver interactive communication to enhance customer experience

We are a low-code digital automation platform company providing enterprise-wide, mission-critical solutions helping organisations deliver superior customer experience and drive rapid digital transformation.

Transformed Experience



Connected Enterprises

The Newgen digital automation platform, with its low-code capability, enables the integration of various business applications, bridging (process, content, and communication) silos in organisations. It offers agility for sustainable and continuous improvement, thereby future-proofing enterprises. The platform's new-age capabilities including mobility, social engagement, analytics, cloud deployment, robotic process automation, blockchain, and artificial intelligence, keep our customers ahead of the curve. Newgen is helping its clients transform their businesses with our natively-developed digital automation platform, deep industry domain knowledge, and global reach. Five core verticals with strong potential are our strategic focus areas.

Recognition of Our Solutions

FORRESTER® Wave™

Positioned as a "Strong Performer" in The Forrester Wave™: ECM Content Platforms, Q3 2019. Newgen has achieved the highest score of 4.08 among all vendors in the 'Current Offering' category. The report has recognised Newgen as "a good fit for enterprises looking to modernise their critical content and process applications and seeking a fresh, cost-effective alternative to older apps".

D&B

Assigned Indicative Risk Rating of 5A2 by Dun & Bradstreet and overall status on Composite Appraisal/ Condition as 'Good'.

GARTNER

Positioned as a Challenger in Gartner Magic Quadrant for Content Services Platforms, Michael Woodbridge et al., published on October 30, 2019.

CRISIL

A2+ [CRISIL] Short Term Rating for Line of Credit.

KEY AWARDS

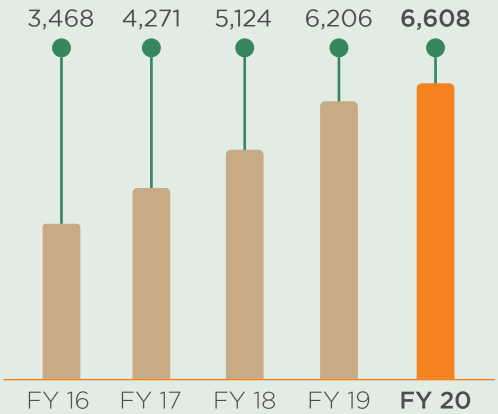
- Recognised as the **'Enterprise Content Management Vendor of the Year'** at Frost & Sullivan's 2019 India ICT Awards.
- Received Special Recognition at **Dun & Bradstreet – RBL Bank SME Business Excellence Awards 2019**.
- **Silver Stevie winner at 'The Asia Pacific Stevie Awards 2019'** within the category 'Innovative Use of Technology in Customer Service in Financial Services Industries'.
- **Bronze Stevie winner at 'The Asia Pacific Stevie Awards 2019'** within the category 'Innovative Use of Technology in Customer Service in Financial Services Industries'.
- Union Bank Nigeria and Newgen Software awarded with **'Best Branch Digitisation Initiative' at The Asian Banker West Africa Awards Programme 2019.**
- Felicitated with the **WfMC Award for Excellence Business Transformation 2019.** Newgen received this award for digitising the Idea to Realisation (I2R) process of a leading medical technology company, headquartered in the United States.
- **Felicitated for being the 'Preferred Partner for ECM Solutions'** during the Infosys Finacle Global Partner Meet 2019.
- Mashreq Bank, UAE, and Newgen Software awarded for the **'Best Process Automation Initiative in the Middle East' at The Asian Banker Middle East and Africa Awards Programme 2019 (held in March 2019).**
- National Bank of Ras Al Khaimah and Newgen Software announced the winners of The Asian Banker Middle East and Africa Awards Programme 2019 (held in March 2019) for the **'Best Branch Digitisation Initiative in the Middle East'.**

Financial Performance

Financial Snapshot

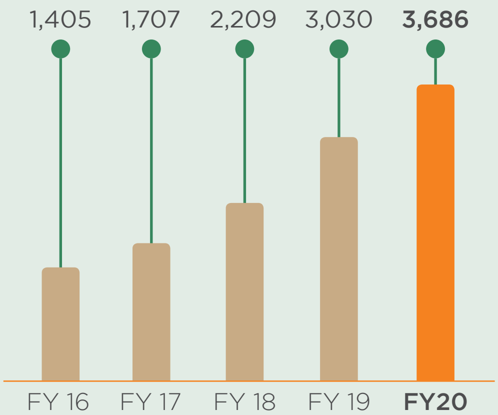
REVENUE

(₹ in Million)



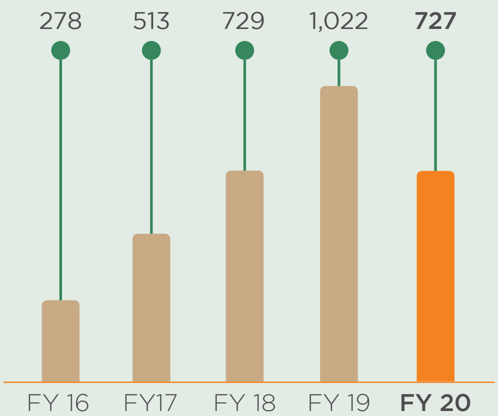
ANNUITY REVENUES

(₹ in Million)



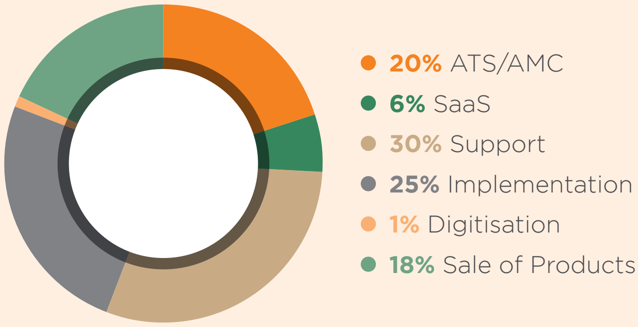
PAT

(₹ in Million)

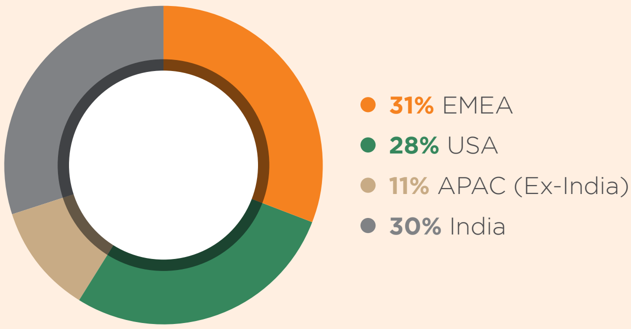


Revenue Split

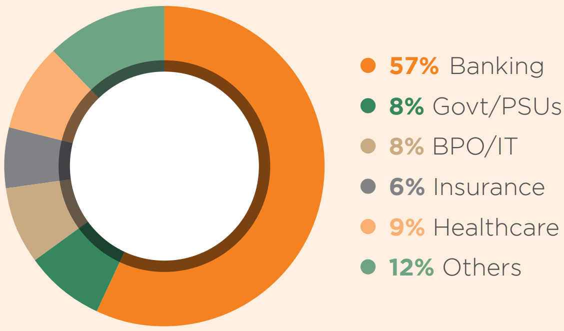
FY 2019-20 REVENUE STREAMS BY SEGMENT (%)



FY 2019-20 REVENUE CONCENTRATION BY GEOGRAPHY (%)



FY 2019-20 REVENUE SPLIT BY VERTICAL (%)



FY '16 financials are Restated Consolidated Financials as per Indian GAAP Accounting Standards
FY '17, FY '18, FY '19 and FY '20 financials are Consolidated Financials as per Ind AS Accounting Standards

Chairman's Message

Dear Shareholders,

The year 2019-20 has presented unprecedented challenges to the world, with the global economic downturn followed by the COVID-19 pandemic, but it has also revealed — or, rather, reinforced — what the pillars of future success would be. The year has shown us that highly innovative digital solutions can empower all the enterprises regardless of their size and nature of the business, and help them become more productive even with less resources.

Newgen's digital automation platform has supported business applications necessary to achieve organisational excellence, efficiency, flexibility, and business continuity. Today, in all our five core verticals, we are helping our clients, many of whom are in the 'essential services' category, to continue uninterrupted functioning while servicing their customers with speed and security.

Internally, too, we took control of the situation with our foresight, quick decision-making, business continuity processes and robust IT infrastructure and equipped our global employees for the digitalised work-from-home (WFH) regime. Our cloud-based solutions made project development and delivery seamless despite our team working remotely.

A time of transformation

Keeping in mind our core value of 'Newgen as a family', we have prioritised the well-being of our employees and their families while ensuring zero lag in customer operations. Our COVID-19 action team has been constantly assessing the situation and responding promptly, ensuring seamless transition to remote working and giving our WFH workforce everything they need to maintain the highest levels of performance and also to keep their faith in the Company's support. Today, our entire workforce is enabled to work remotely and is fully functional. In these difficult times, we have seen extraordinary dedication in our employees, who have always had the attitude of customer first.

Our well-defined business continuity plan states different types of potential disruptions and outlines the respective response mechanisms. We have enabled business continuity for our customers through past health crises, including the Ebola outbreak of 2014-2016 in West Africa, and our ability to address critical situations at the first sign of trouble has only become stronger with time.

We are developing products and solutions that are low-code, flexible, and cloud-ready, thus enabling our client organisations to resolve complex business problems, and empowering them to reinvent their workplaces. Our aim is to always be more effective, delivering greater results with fewer resources and in shorter time. Alongside helping our clients achieve digital transformation, we are transforming ourselves, too. We have crafted our strategic approach to drive agility, efficiency, responsiveness and customer-centricity in organisations by integrating the various facets of an enterprise – people, processes, systems and things.

There are many things to be learnt from this crisis; we are delving into those learnings in order to increase resilience for ourselves and our clients.

Business performance

For FY 2019-20, we closed the year with revenues of ₹ 661 crores, up 6.5% compared to the previous year. Newgen business witnessed growth across most geographies — the EMEA region (Europe, the Middle East, and Africa) grew at 17%; APAC (Asia-Pacific) at 10%; and Americas region at 5%. India, however, experienced slow growth because of the crisis involving NBFCs, consolidation of banks, and a liquidity crunch. The last quarter of the financial year was further impacted by new business deferments due to the movement restrictions imposed globally on account of the pandemic.

Overall, we did 71 new logo acquisitions during the year, bringing our numbers to about 560 active customers across 69 countries. Our digital solutions are of mission-critical nature for our long-term customers, serving as the backbone of their operations. Newgen's policy of doing business on the basis of trust and collaboration with clients has earned us great goodwill during the coronavirus outbreak. We have been receiving appreciation from customers across the board for our support to them during this testing and demanding phase.

Our annuity revenues continued to remain strong — they constituted 56% of the revenues and witnessed a growth of 22% YoY. Of the annuity revenues, SaaS (software as a service) revenues grew rapidly at 60% YoY. Most geographies are increasingly showing acceptance of SaaS solutions, which are easy to deploy remotely and should become a key element for us in the 'new normal'.

Profits and margins were impacted during the year, on account of slower growth in the top-line and continued investments in research & development and sales & marketing efforts. The Company reported an EBITDA of ₹ 105 crores and Profit after Tax of ₹ 73 crores.

Strength in innovation

During the year, Newgen's solutions have received various analyst recognitions from leading research firms.

We have a strong team of 400+ employees focussed on research and product development initiatives. During the year, Newgen was granted 4 patents, taking the total to 15 patent grants as of March 2020. The endeavour is to work on enhancing our product portfolio to meet the evolving industry needs, changes in customer requirements, and competitive products and features, thereby meeting customers' expectations while reducing their total cost of ownership.

Our reach is being further expanded globally through our direct and indirect sales networks. Newgen is focussing on strengthening its System Integrator ecosystem. SaaS sales through System Integrators in Fortune 2000 customers in the US is thriving, and we are seeing good traction in this.

We have recently received approval for setting up a unit in the IT/ITES SEZ in Noida, Uttar Pradesh, from the Development Commissioner of Noida Special Economic Zone.

Outlook

While in the short term, the macro-economic and public health challenges are expected to delay new deal signings and lengthen the sales cycles, we believe that today, the relevance and requirement of our digital transformation solutions for enterprises is more than ever. These solutions are a natural fit for our strategy of remote implementation.

We are thus reinventing our ways of working and restructuring our teams. A combination of digital connectivity and data security helps us to successfully execute and expedite project deployments and sales discussions. We are building local teams across mature markets and are focussing on strengthening our worldwide network of global System Integrator partners. Going forward, we are prioritising SaaS-based delivery models.

We are looking at increasing operational efficiency and optimising costs for cash preservation and maintaining healthy liquidity during this phase.

I strongly believe that Newgen has a resilient business model, with large recurring business from existing customers; and diversification across verticals, clients, and geographies. We are carefully monitoring the situation and taking all necessary precautions for employees, customers, partners, and vendors. The Company would be implementing a phased and safe return-to-work plan. Taking resolute steps, we are adapting to the changing dynamics.

In conclusion, allow me to thank our team, our customers, and all stakeholders. Their support gives us strength in our journey. With the stakeholders keeping their faith in Newgen, we shall continue to write newer chapters of success.

With Best Regards,

Diwakar Nigam

Empowerment through Research

400+
R&D Employees

44
Patent Filings
(with 15 Patents Granted)

As the global economy evolves, businesses change, and customer expectations rise, we have stayed at the forefront of innovation, with continuous research and development in order to pioneer specialised product lines. We thus strengthen our leadership position in building cutting-edge, industry-specific applications, fortified by comprehensive security features, that are instrumental in driving the worldwide digital transformation. Our products enable our customers to manage increasingly complex and diverse tasks in less time and with greater ease.

As of 31st March, 2020, the Company has to its credit 44 Patent Filings, of which 15 patents have been granted in India and the US, and 16 patent applications are under processing.

Our differentiated offerings are applications built on digital automation platforms with low-code capability. Our complete development network and supporting infrastructure operates on a central system and follows a synchronised cloud-based continuity strategy.

We are aggressively pursuing cloud solutions across the globe, as these are easy to deploy remotely and are gaining international acceptance. Cloud revenues witnessed 60% growth during the year and comprised 6% of our total revenues.

New Features

Intelligent Content Services	Low-Code Application Dev Platform	Collaborative Work Management	Digital Sensing	BlockChain	RPA

KEY PATENTS ISSUED

- Granted a patent entitled 'Automated Quality and Usability Assessment of Scanned Documents'. The invention enables organisations to automatically assess the quality of scanned images and make necessary corrections
- Granted a patent by the US Patent Office for the Company's 'Intelligent Check Deposit Machine', which helps in optimising the check clearing cycle while ensuring security and compliance
- Received patent for 'Mark Detection System and Methodology' from the US Patent Office
- Secured patent for a 'System and Method for Automatic Quality Assessment of Digital Documents'

Doing More with Sales, Marketing, and Project Delivery

At Newgen, we have been increasingly focussing on building global market awareness of our brand and products. Our two-way approach, which is a part of our marketing strategy, includes direct sales and sales through channel partners.

Transforming its sales and marketing methodologies, the Company has been effectively using digital marketing tools and successfully providing virtual sales demos and discussions while receiving full support of local sales teams across key markets.

Our SI partner ecosystem has been strengthened globally. Evolving initiatives related to partner management include workshops, webinars, certification courses, and regular training. We also ensure that our partners use the best global practices and are well supported.

For project delivery, we are successfully leveraging digital connectivity while ensuring data security to remotely execute each stage of the project. Our platforms low-code capabilities ensure shorter delivery timelines; the cloud solutions ensure remote implementation.

Doing More in The Newgen Family

Newgen's industry-leading digital solutions are conceptualised, researched, and implemented by our talented human resources. Therefore, the collective growth and collaboration in the Newgen family, which is always striving to do more with less, is our greatest asset.

Seamless Transition to Remote Working System

Empowered by our digital infrastructure and expertise, we seamlessly transitioned to the work-from-home (WFH) system during the social distancing and lockdown necessitated by the coronavirus contagion. Employee wellbeing has been of paramount importance during this period. The transition was facilitated by quick decision-making, implementation of our Business Continuity Plan, and our robust IT setup. We executed just-in-time requisition and provision of computers, enabled VPNs and Internet connectivity, and provided team collaboration tools.

Our committed workforce ensured that Newgen prepared itself almost overnight to navigate the crisis. With about 90% Newgenites transitioning to WFH, our people were ready to go live with projects when others were struggling to even devise a strategy. Our remote working data confirmed a surge in productivity as Newgenites committed themselves to overcoming all challenges.

Empowering Values and Culture

Perfectly aligned with Newgen's Leadership Code, our people uphold the organisation's core values in all their endeavours. Their professional development happens through creative growth opportunities emerging from our excellence DNA. Entrusted with responsibilities from the early stages of their career, our people work with top clients, consultants and analysts, thereby acquiring knowledge and building confidence.

This open and supportive work environment helps the team grow together and leads to better product offerings. Open doors and free flow of two-way communication through various formal and informal channels is part of the Newgen culture. Care, humility, and respect for all is our HR mantra.

Focus on Capacity Management

We are focussed on capacity management through various measures, which include:

- Attracting and retaining the brightest people in the industry through Talent Acquisition, Internal Job Postings, and Employee Referrals
- With 400+ innovators in Product R&D Team, supported by about 2,000+ people in Delivery Excellence, we are expanding our frontiers to strengthen Newgen's position as a market leader
- Our employee base of 3,000+ across the development centres in Noida, Gurugram, New Delhi, Mumbai, and Chennai, and our international subsidiaries regularly gets a fresh infusion of talent

Steering Capability Management

Taking an integrated approach to competency development, we strive to enhance employee satisfaction levels. Our key efforts in this direction include:

- Making the on-boarding process smoother for newly hired Newgenites through structured programmes such as Newgen Broad Spectrum Orientation, Product Training, and Elaborate On-the-Job-Training (OJT) as well as special mentorship programmes
- Special emphasis on career planning for various roles with a clearly defined growth path
- Regular in-house training and certifications for skill upgradation under iLearn, iEvolve and weLearn initiatives. These include behavioural and technical training, such as Newgen Certified Implementation Professional (NCIP) for Engineers and Newgen B1 certification for Business Analysts. The migration of various L&D initiatives from classroom to online modules has supported business growth even in the challenging times
- Thrust on strengthening leadership excellence with 360-degree feedback assessments for the leadership team; the Newgen Emerge Leadership Development programme for mid-level leaders; and Soul of Leading Teams for first-time managers, to name a few
- Role-based goal assessment system to help align every individual's goals with the Company's Mission and Vision
- Omnigyan, e-Library and various other online forums for continued education and knowledge enhancement

Greater Engagement and Empowerment

With special focus on leadership development and improving employee experience, we have undertaken the following key initiatives:

- Town Hall meetings with the senior management to align all Newgenites with a shared vision. Regular Open House meetings to communicate a uniform strategy and showcase the role of each Newgenite in achieving this goal
- Strategic HR programmes to ensure that Newgen continues to be a thriving workplace. Inputs are received from our people, based on the Annual Employee Engagement Survey and Service Satisfaction Surveys
- Employee recognition for outstanding contributions, through a Reward & Recognition (R&R) Programme, coupled with incentives for performance excellence. Special RR initiatives ensure real-time engagement and motivation. Pat on the Back, Your Contribution Counts, Excellence Award, and Rising Star awards are designed for key contributors. Online and offline campaigns such as #XtraMiles, #NewgenHero, #IAmNewgen, #GreatJob, #ThankYou, #BusinessBytes, #FunWithFriends at work and others keep the organisation well-knit
- Platforms such as Newgen Women's Forum and Newgen Employee Welfare Society (NEWS) let Newgenites engage in collaborative discussions, activities, and celebrations
- Celebration of project success and team spirit, with proud moments shared with the entire Newgen family through internal communication
- Cross-functional collaborations, brainstorming through quality circles, and platforms such as Accomplish Collective Excellence (ACE) to give people opportunities to contribute and improve organisational aspects. Hackathons and cross-functional task forces support the organisational values on product DNA and building for tomorrow
- ESOPs (Employee Stock Options) granted from time to time for employees' concurrent growth with the Company
- All of this led to an increase in Employee Engagement Index in FY 2019-20. Newgen's overall score moved to 6.1 from 5.8 during the year

Committed to Ethics and Compliance

- Our business mantra draws upon our unwavering commitment to integrity and ethical practices, and we have in place various measures to ensure compliance
- Articulation of our ethical focus by sharing and enforcing Newgen's Code of Ethics and Business Conduct
- Focussed awareness campaigns, robust complaint redressal mechanisms
- Gender neutral internal policies to establish the philosophy of 'Zero Tolerance to Sexual Harassment' at every level (Prevention of Sexual Harassment)
- Establishment of a Vigil Mechanism and Whistle-Blower Policy by engaging a third-party ombudsman

Empowering Communities - Making an Impact

Newgen's Corporate Social Responsibility mission actively contributes to the holistic development of our communities. The core philosophy is to empower the less privileged through an integrated approach to help them realise their full potential and enjoy a good quality of life, at the centre of which is our goal to spread digital literacy.

Along with the successful implementation of our CSR initiatives, there has been a conscious effort to revamp the programmes and processes. The year in review saw several changes in the pattern of partner funding and project selection. They were aligned more closely with the CSR vision and the United Nations Sustainable Development Goals (SDGs). Our primary focus is on two SDG thematic areas: Quality Education and Zero Hunger.

NEWGEN CSR INITIATIVES

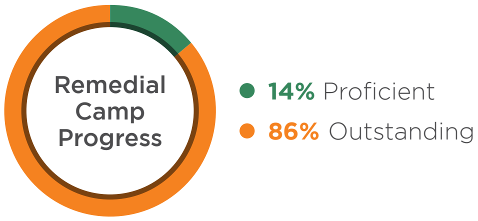
Newgen Digital Discovery Paathshala

CSR Thematic Area - Promotion Of Education

Newgen Digital Discovery Paathshala (NDDP), our flagship CSR initiative, promotes quality and equitable digital learning among government school students. The initiative imparts knowledge using web-based technology and transforms traditional classroom teachings into fun learning sessions. Under the aegis of NDDP, students are taught how to research on the Internet using iPads and develop creative content.

NDDP footprints are spread across three schools in the Delhi region – Government Girls Senior Secondary Schools in Harkesh Nagar and Tekhand, and Soami Nagar Model School, a trust-managed school. Over 3,000 students of Classes VI, VII, and VIII benefit from the programme.

In FY 2019-20, the NDDP programme underwent a series of methodological changes. The NDDP session execution strategy was reformed with more focus on iPad-based research and self-learning. Digital remedial camps were made more iPad-inclusive to bring weaker students at par with their peers. With these changes, the digital proficiency rate rose exponentially. The representation below shows the overall impact of the programme at different project locations:



Name of the School	**Govt. Girls Sr. Sec. School, Harkesh Nagar**
No. of Years	**4**
Total Beneficiaries	**1,500+**
%age of digital literate beneficiaries post remedial camp	**85.8%**

Name of the School	**Govt. Girls Sr. Sec. School, Tekhand**
No. of Years	**2**
Total Beneficiaries	**1,400+**
%age of digital literate beneficiaries post remedial camp	**66.7 %**

Name of the School	**Soami Nagar Model School**
No. of Years	**3**
Total Beneficiaries	**150**
%age of beneficiaries digitally literate*	**88.46%**

**No remedial camp was conducted in Soami Nagar*

NDDP Alumni Association Initiative

The NDDP alumni association initiative has been instituted to strengthen and amplify the impact of the NDDP programme. It reconnects the former NDDP beneficiaries at the project locations of Harkesh Nagar and Tekhand. The initiative actively engages the alumni with a handholding platform that is flexible, informative, and educationally powerful.

Associating with the ex-students aids the current batches of learners in their professional growth and personality development. The thematic areas covered include career counselling, government schemes, information on scholarships, and an advanced level of digital education.

Highlights

- In December 2019, the NDDP alumni programme was initiated with the participation of 120 ex-students; to date, three alumni sessions have been conducted
- In October 2019, a CSR Week was organised to generate awareness about Newgen's CSR initiatives. Also, a concrete volunteer programme was developed for employees to actively participate in the monthly NDDP sessions
- Newgen showcased the NDDP programme to two international clients

Case Studies

Varsha, an observant 15-year-old attending Government Girls School Harkesh Nagar, has been part of the NDDP programme since 2016, and is now enrolled as an alumna. She is learning English by reading e-books and using the Internet to search for the meaning of difficult words. She is determined to use her digital proficiency to score high in the subject. Moreover, Varsha is also promoting digital learning by helping her younger brother to learn English using the Internet.

Neha, is in Class IX of Government Girls School Tekhand and is part of the alumni association. She credits NDDP with helping her become a better student through digital literacy. She uses her free time to perfect her skills in embroidery and learn more about the craft. NDDP has reduced the financial burden on the family by helping Neha navigate the Internet and find free embroidery lessons.

Remedial Education Programme

CSR Thematic Area - **Promotion Of Education**

A remedial education programme has recently been added to our CSR portfolio in partnership with the NGO KHUSHII (Kinship for Humanitarian, Social and Holistic Intervention in India). Under this initiative, Newgen is working with MCD feeder schools to target students from Classes I to V and prepare them for senior secondary schools. In FY 2019-20, the remedial education programme was implemented at four project locations:

Harkesh Nagar, Delhi	**2,600**	**Students**
Tekhand, Delhi	**1,400**	**Students**
Sangam Vihar, Delhi	**940**	**Students**
Nandambakkam, Chennai	**800**	**Students**

Highlights

- Four new feeder schools were adopted, helping 5,740 students in New Delhi and Chennai for remedial education
- The attendance of enrolled students in remedial sessions increased to 86%; students learned the basics of computers, its parts, and functions

Family-Based Care Programme

CSR Thematic Area - **Promotion Of Education**

Newgen collaborated with SOS Children's Villages of India in the year 2014 to ensure the holistic development of the children and their mothers. Under this initiative, 30 children from three family homes were supported at the SOS Children's Village, Bhopal, in FY 2019-20. The partnership concluded in February 2020.

Mid-Day Meal Programme

CSR Thematic Area -

1. **Promotion of Education**
2. **Eradication of Hunger, Poverty and Malnutrition**

Newgen supports The Akshaya Patra Foundation for providing mid-day meals to school students, aiding their all-round development. With this initiative, we ensure that healthy and nutritious meals are served to the children. Today, the programme caters to over 8,689 children in Vrindavan and the remote areas of Jhalawar and Guwahati.

Highlights

- The beneficiaries under the mid-day meal programme increased from 3,600 in FY 2018-19 to 8,689 in FY 2018-19

Personality Development Programme

CSR Thematic Area - Promotion Of Education

The Newgen personality development programme engages children from the economically weaker background and SOS youth hostels to build their self-confidence, develop soft skills, and provide career and personal guidance. The sessions are held on the second Saturday of every month by an organisation called I-AM. In FY 2019-20, Newgen supported 100+ students through these sessions.

Highlights

- A plan has been put in place to expand the programme by integrating it with the NDDP alumni initiative

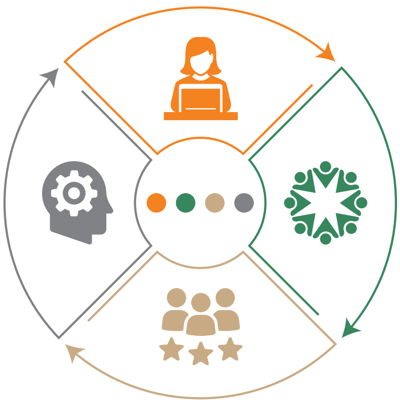
Case Studies

Kamini, has been part of the Newgen Sadbhavna programme since the age of six. She is currently pursuing B.Com (Hons) from Delhi University and plans to enrol for a post-graduate management programme. The Newgen sessions played a vital role in developing her personality and building herself-confidence.

Manish Rawat, 19, has been attending Sadbhavna since the age of nine. The grooming has helped him pursue higher education. He is currently in a B.B.A course at the Fairfield Institute of Management and Technology, GGSIPU. He has improved his personality, gained confidence, and discovered his hidden abilities through the sessions.

Connecting the Dots: An Effort to Complete the Cycle

In FY 2019-20, Newgen re-aligned the CSR projects to foster the overall development of children. The remedial programme and NDDP sessions provide a strong foundation for education and digital proficiency. The alumni and personality development programmes further prepare them for higher education and a bright future ahead. The beneficiaries will be connected with Newgen throughout their educational trajectory.



Board of Directors

Diwakar Nigam
Chairman and Managing Director

Diwakar co-founded Newgen in 1992. He is also a founding member of NASSCOM, India's apex Information Technology industry association. He was one of the members of NASSCOM's Anti-Piracy Task Group. Prior to joining Newgen, he founded Softek and was associated with it for 12 years.

Diwakar has been on our Board since 1st April, 1993, and has more than 35 years of experience in the information technology industry. He is an alumnus of University of Allahabad, IIT Delhi, and IIT Madras.

T S Varadarajan
Whole-time Director

Varadarajan co-founded Newgen in 1992. He has been on our Board since its incorporation. Prior to promoting Newgen, he promoted Softek Private Limited and was associated with it for 13 years. He has more than 35 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 has been on our Board since 1997. Previously, she was a journalist with over 10 years of experience. She has freelanced and published with South-North News Service and Depthnews Press Foundation Asia. She holds a Bachelor's and a Master's degree in Economics.

Subramaniam Ramnath Iyer
Independent Director

Subramaniam is a qualified chartered accountant, company secretary and cost accountant, he holds a Bachelor's degree in Commerce from Shri Ram College of Commerce, Delhi University. He is the sole proprietor of S.R. Iyer & Associates, Chartered Accountants. He has more than 36 years of experience in the field of finance, accounting and corporate law.

Kaushik Dutta
Independent Director

Kaushik has previously served as Partner of Lovelock and Lewes and Price Waterhouse, Bengaluru. He has served as an expert with the Indian Institute of Corporate Affairs and Serious Fraud Investigation Office of the Ministry of Corporate Affairs. He is the founder and co-director of Thought Arbitrage Research Institute. He has more than 25 years of experience in the field of finance and accounting and is the author of Handbook of Independent Directors upholding the moral compass, co-author of Corporate Governance - myth to reality, India means business - how the elephant earned its stripes and contributing author of CR Datta 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 is an alumnus of the Indian Institute of Technology, Kanpur, and Harvard University, USA. He has also been awarded Padma Shri by the Government of India. Mr. Saurabh Srivastava has several years of experience in the field of Information Technology. He is one of India's leading IT entrepreneurs, angel investors and venture capitalists. He is a founder director of Indian Angel Network and a former chairman of NASSCOM.

Padmaja Krishnan
Additional Director (in the category of Independent Director)

Padmaja has more than 40 years of experience as a global business leader and innovator in the Technology space. She has delivered business growth agenda, created and led SBUs for companies. She has managed multiple business portfolios for organisations like TCS, Dell Perot Systems, Genisys Group, Sopra-Steria & CSC and reputable entrepreneurial ventures. She is a certified coach at Marshall Goldsmith Stakeholder Centered Coaching, certified Tick IT Lead Assessor from UK, Certified Corporate Director by Institute of Directors and has acted as Guest Faculty Member at FMS, BIMTECH and NIFM. She did her Bachelor's and Master's in Science (Physics) from the University of Delhi and M.Phil. in computer & systems sciences from JNU, New Delhi.

Management Team

S J Raj
Senior Vice President, HR / Operations

Dr. Raj has been with us for over 25 years and is responsible for our human resources strategy, global operations and programmes aligned to our human resource strategy. Before joining Newgen, he worked with Eicher Goodearth, SRF Nippondenso, PCS Data Products and Semiconductor Complex Limited. He holds a Master's degree in arts with specialisation in social work from Jamia Millia Islamia University, New Delhi. He has also been conferred with the degree of Doctor of Philosophy (Ph.D) from Chandigarh University.

Virender Jeet
Senior Vice-President, Sales & Marketing / Products

Jeet has been with us for over 26 years and manages the overall strategic and operational responsibility for our entire portfolio of offerings. He oversees the key functions of product development, global sales and marketing, and business enabling functions. He has led us in filing various patents in India and US. He holds a Bachelor's degree in engineering from Savitribai Phule Pune University.

Tarun Nandwani
Senior Vice-President,
Business Management – Existing Customers & Commercials

Tarun has been with us for over 26 years. He is responsible for driving business from existing customers, Customer Relationship Management, Commercial activities, Contract Management and New Solution / Application Development. He holds a Bachelor's degree in engineering from Delhi University.

Arun Kumar Gupta
Chief Financial Officer

Arun has been with us since 2010. He oversees financial planning, treasury, global taxation, investor relations, business finance, and compliances as well as financial reporting. He has about 25 years of experience in finance. Previously, he worked with companies like Maersk, Thermax, Satyam. He holds a Bachelor's degree in science from the University of Calcutta. He is a qualified chartered accountant, cost and works accountant and a company secretary.

Corporate Information

DIRECTORS

Mr. Diwakar Nigam
Chairman & Managing Director

Mr. T.S. Varadarajan
Whole-time Director

Ms. Priyadarshini Nigam
Whole-time Director

Mr. Kaushik Dutta
Non-executive Independent Director

Mr. Saurabh Srivastava
Non-executive Independent Director

Mr. Subramaniam Ramnath Iyer
Non-executive Independent Director

Ms. Padmaja Krishnan
Additional Director (in the category of Independent Director)

KEY MANAGERIAL PERSONNEL

Mr. Virender Jeet
Senior Vice President
(Sales & Marketing / Products)

Dr. S.J. Raj
Senior Vice President
(HR / Operations)

Mr. Tarun Nandwani
Senior Vice-President,
Business Management – Existing Customers & Commercials

Mr. Arun Kumar Gupta
Chief Financial Officer

Mr. Aman Mourya
Company Secretary & Compliance Officer

BANKERS

Standard Chartered Bank

Citi Bank

STATUTORY AUDITORS

B S R & Associates LLP

Chartered Accountants, Gurugram,
(Firm Registration No.: 116231W-100024)

SECRETARIAL AUDITORS

Aijaz & Associates

Practicing Company Secretaries, Delhi
(C.P. No. 7040)

INTERNAL AUDITORS

Grant Thornton India LLP

Noida

REGISTERED OFFICE & CORPORATE OFFICE

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

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Board's Report

Dear Members,

Your Directors are pleased to present the 28th Annual Report on Business and Operations of Newgen Software Technologies Limited ("the Company" or "Newgen") along with the audited standalone and consolidated financial statements for the financial year ended 31st March 2020.

1. COMPANY'S AFFAIRS AND OVERVIEW:

Newgen Software Technologies Limited is a software products Company offering Enterprise Content Management (ECM), Business Process Management (BPM) and Customer Communication Management (CCM) platform that enables organisations to rapidly develop powerful applications addressing their strategic business needs. The Company provides low-code and flexible platform that helps in rapidly building powerful applications for organisations to resolve complex business problems and reinvent their workplaces. For more details, kindly refer the Management Discussion and Analysis Report as annexed with this Report.

2. KEY HIGHLIGHTS OF THE FINANCIAL RESULTS:

Key highlights of the financial results of your Company prepared as per the Indian Accounting Standards (Ind-AS) for the financial year ended 31st March 2020 are as under. Wherever applicable, the consolidated financial statement is also being presented in addition to the standalone financial statement of the Company.

(₹ in Lakhs)

	Standalone		Consolidated	
	2019-20	**2018-19**	**2019-20**	**2018-19**
Revenue from Operations	57,740.12	55,204.05	66,075.62	62,064.15
Other Income	2,084.60	2,022.86	2,096.28	2,037.97
Total Income	**59,824.72**	**57,226.91**	**68,171.90**	**64,102.12**
Operating Expenditure	48,388.86	43,293.73	55,615.42	49,292.07
Profit/ loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	11,435.86	13,933.18	12,556.48	14,810.05
Less: Depreciation/ Amortisation/ Impairment	1,807.80	580.17	1,991.10	597.99
Less: Finance Costs	1,069.70	841.12	1,091.21	853.87
Profit /loss before Exceptional items and Tax Expense	8,558.36	12,511.89	9,474.17	13,358.19
Add/(less): Exceptional items	-	-	-	-
Profit /loss before Tax Expense	8,558.36	12,511.89	9,474.17	13,358.19
Less: Provision for Current Tax	2,419.17	2,792.96	2,651.04	2,993.99
Less: Provision for Deferred Tax (credit)/charge	452.04	135.85	-450.33	143.31
Profit after Tax (A)	6,591.23	9,583.08	7,273.46	10,220.89
Total Comprehensive Income/Loss (B)	65.47	-56.54	241.70	27.85
Total (A+B)	**6,525.76**	**9,526.54**	**7,515.16**	**10,248.74**
Balance of profit /loss for earlier years	29,414.27	21,500.53	30,607.26	22,055.71
Less: Dividend paid on Equity Shares during the year for the previous financial year	2,087.57	1,384.71	2,087.57	1,384.71
Less: Dividend Distribution Tax paid during the year for the previous financial year	429.11	284.63	429.11	284.63
Profit available for Appropriation	**33,488.82**	**29,414.27**	**35,364.04**	**30,607.26**
Balance carried to Balance Sheet	**33,488.82**	**29,414.27**	**35,364.04**	**30,607.26**

On a consolidated basis, the Company's revenue from operations stood at ₹ 66,075.62 Lakhs reflecting an increase of 6% in FY2020 as against ₹ 62,064.15 Lakhs in FY2019. The Company has seasonality in its business with the last quarter of the year being the heaviest in terms of business. During the year, the Company's business was impacted by various factors including economic sluggishness and banking sector consolidation in the Indian market as well as deferral of contract closures in the last quarter due to the impact of COVID19. For more details, kindly refer the Management Discussion and Analysis Report highlighting the important aspects of the business of the Company as annexed with this Report.

3. INDUSTRY OVERVIEW:

According to the Ovum Report, the Company's core addressable market (i.e. global ECM, BPM and CCM markets) were estimated at USD 14,935 million, USD 6,100 million and USD 1,460 million, respectively in 2017. The global PaaS market is estimated at USD 17.61 billion in 2017 and forecasted at USD 46.66 billion in 2021. The Indian PaaS market is expected to grow from USD 379 million in 2017 to USD 1.46 billion by the end of 2021. For more details on Industry overview, important changes in the industry, kindly refer the Management Discussion and Analysis Report as annexed with this Report.

Business Continuity during Covid-19 pandemic.

The outbreak of Coronavirus (COVID -19) pandemic globally is causing significant disturbance and slowdown of economic activity. Newgen has a resilient business model in place with large annuity revenue streams i.e. recurring business from existing customers as well as diversification across verticals, clients and geographies. We have a net debt free balance sheet and the focus is on preserving cash flows and cost optimization measures including availment of various government relief schemes. Newgen is ensuring seamless customer services by leveraging digital connectivity to successfully execute each stage of project deployments (from requirements gathering, to project planning, to implementation and production support) as well as sales and marketing efforts. For more details on business environment and economic outlook, kindly refer the Management Discussion and Analysis Report as annexed with this Report.

Induction of strategic and financial partners.

No induction of strategic and financial partners has been done during the financial year 2019-20.

Change in the nature of the Business of the Company.

There is no change of nature of business of the Company during the financial year 2019-20.

4. TRANSFER TO RESERVES:

Your Directors has decided not to transfer any amount to the reserves during the financial year 2019-20.

5. DIVIDEND:

Considering the Company's financial performance, your Directors are pleased to recommend a dividend of ₹ 2/- per equity share of the the face value of ₹ 10 each (@ 20%) for the financial year ended 31st March 2020 (dividend declared in previous year was ₹ 3 per equity share of the face value of ₹ 10 each (@ 30%), payable to members whose name appear in the Register of Members as on the Book Closure/Record Date.

The total outgo for such dividend will amount to ₹ 1,399.11 Lakhs, no dividend distribution tax is required to be paid by the Company on this proposed dividend, as against ₹ 2,516.78 Lakhs including dividend distribution tax of ₹ 429.20 Lakhs in the previous year.

6. SUBSIDIARY COMPANIES:

As on the date of this report, the Company has six wholly-owned subsidiaries (WOS). There are no associate companies or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries. Following are the wholly-owned subsidiaries:

1. Newgen Software Inc. USA. [a material subsidiary as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015] ("SEBI Listing Regulations")
2. Newgen Software Technologies Pte. Ltd. (Singapore)
3. Newgen Software Technologies Canada Ltd.
4. Newgen Software Technologies (UK) Ltd.
5. Newgen Software Technologies Pty Ltd. (Australia)
6. Newgen Computers Technologies Limited. (Incorporated in India)

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 to be attached to this Report have also been uploaded on the website of the Company at https://newgensoft.com.

To comply with the provisions of Regulation 16(c) of the SEBI Listing Regulations, Board of Directors of the Company have adopted a Policy for determining Material Subsidiary. The policy on Material Subsidiary has been uploaded on the website of the Company https://newgensoft.com.

7. CAPITAL STRUCTURE:

During the financial year 2019-20, the Authorised Share Capital of the Company remains unchanged.

During the financial year 2019-20, the Company has issued and allotted 3,70,000 (Three Lakh Seventy Thousand) Equity shares of ₹ 10/- each, fully paid up, to Newgen ESOP Trust under Newgen ESOP Scheme 2014 at price of ₹ 63/- per share. The fresh shares allotted as aforesaid have been duly listed on both the Stock Exchanges (i.e. BSE & NSE).

The issued, subscribed and paid up equity share capital of the Company, as on 31st March 2020 is ₹ 69,95,57,010 divided into 6,99,55,701 Equity shares of ₹ 10/- each.

The equity shares of the Company are listed on Bombay Stock Exchange (BSE) and National Stock Exchange of India (NSE).

8. EMPLOYEE STOCK OPTION PLAN:

As on 31st March 2020, the Company has in place Newgen Employees Stock Options Scheme-2014 (Newgen ESOP 2014). The Scheme is operated through demat mode only. Newgen ESOP 2014 is administered by the Nomination & Remuneration Committee of the Board, through Newgen ESOP Trust. The details on Options granted, exercised and lapsed during the financial year 2019-20 and other particulars as required under the Act, read with its rules and SEBI (Share Based Employee Benefits) Regulations, 2014 with regard to Employees' Stock Options are enclosed herewith as "Annexure - 2" to this Report.

9. CREDIT RATING AND LIQUIDITY:

As the Company has not issued any debt instruments or accepted any fixed deposits, the Company was not required to obtain credit ratings in respect of the same. The credit rating from CRISIL Limited during the financial year 2019-20 for bank facilities is CRISIL A2+ for the short term. There has been no revision in the said rating.

Our principal sources of liquidity are cash and cash equivalents and the cash flow that we generate from our operations. The Company follows a conservative investment policy and invest in high quality debt instruments and bonds. As on 31st March 2020, on standalone basis, cash and cash equivalents were ₹ 5,758.70 Lakhs and on Consolidated basis were ₹ 10,011.04 Lakhs In addition to that ₹ 7,610.67 Lakhs was invested in mutual funds & bonds and ₹ 6,516.11 Lakhs in non-current fixed deposits.

10. INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

The Details of unpaid and unclaimed amounts lying with the Company is uploaded on company's website https://newgensoft.com/ and IEPF Authority website http://www.iepf.gov.in/.

Pursuant to the provisions of Section 124 of the 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 31st March 2020, no such unpaid or unclaimed dividend amount are available for transfer 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 https://newgensoft.com/.

11. MANAGEMENT:

Directors.

Pursuant to the approval of the members in their annual general meeting, Mr. Diwakar Nigam, Chairman & Managing Director, Mr. T.S. Varadarajan, Whole-Time Director and Ms. Priyadarshini Nigam, Whole-Time Director have been re-appointed for a period of Five Years with effect from 1st June 2019 to 31st May 2024.

As per the provisions of the Act, Ms. Priyadarshini Nigam (DIN: 00267100), who has been longest in the office, retires by rotation at the ensuing Annual General Meeting and being eligible, seeks re-appointment. The Board recommends her re-appointment for the approval of the members in the ensuing Annual General Meeting.

Pursuant to the approval of the members, by way of special resolution obtained through postal ballot held on 26th June 2019, Mr. Kaushik Dutta was re-appointed as Non-Executive Independent Director of the Company for a second term of five years commencing from 9th July 2019. His appointment was based on his performance evaluation, background, experience, contributions made by him during his tenure, and as per the recommendation of Nomination & Remuneration Committee.

Ms. Padmaja Krishnan (DIN: 03155610) was appointed as an Additional Director in the category of Non-Executive Independent Director by the Board of Directors in its Meeting held on 24th March 2020. With the recommendation of the Nomination & Remuneration Committee, her appointment was based on her strong industry expertise spanning over forty years as a global business leader and innovator in the Technology industry with exposure to Global and Indian clients.

In the opinion of the Board of Directors, all the Independent Directors including those who have been appointed/ re-appointed during the financial year 2019-20, possess relevant integrity, skills, expertise & experience.

Pursuant to the provisions of the Act and related rules, all the Independent Directors have enrolled themselves in the Independent Directors Databank of Indian Institute of Corporate Affairs, (IICA). The details regarding their enrolment and online proficiency self-assessment test as required to be taken by all of them is set out in the Corporate Governance Report which forms the part of this Report.

Declaration of Independence by Independent Directors.

Independent Directors of the Company have submitted required declarations that they fulfil the requirements as stipulated in sub-section (6) of Section 149 of the Act and Regulation 16(1) (b) of SEBI Listing Regulations. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act. Pursuant to Clause VII (1) of Schedule IV of the Act, the Independent Directors had a separate meeting on 14th May 2019 during the financial year 2019-20.

Board and Committee Meetings.

The number and dates of meetings of the Board and Committees of Board of your Company 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 Committees constituted by the Board under the provisions of the Act, and SEBI Listing Regulations and number and dates of meetings of such committees of your Company are set out in the Corporate Governance Report which forms the part of this Report.

Directors' Appointment & Remuneration Policy.

The Board, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection, appointment and remuneration of Directors and Senior Management Personnel. The Policy is available on the website of the Company at: https://newgensoft.com and is enclosed herewith as "Annexure – 3" to this Report.

Board Annual Evaluation.

The details of training and familiarisation programmes and annual board evaluation process for directors are set out in the Corporate Governance Report which forms the part of this Report.

Remuneration of Directors, Key Managerial Personnel and Particulars of Employees:

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, is enclosed herewith as "Annexure - 4" to this Report.

Key Managerial Personnel ("KMP").

As on 31st March 2020, list of Key Managerial Personnel ("KMP") of the Company are as below:

1. Mr. Diwakar Nigam – Chairman & Managing Director
2. Mr. T.S. Varadarajan – Whole-time Director
3. Ms. Priyadarshini Nigam - Whole-time Director
4. Mr. Virender Jeet - Sr. Vice President (Sales and Marketing/Product)
5. Mr. Surender Jeet Raj - Sr. Vice President (HR/ Operations)
6. Mr. Tarun Nandwani – Sr. Vice President (Business Management)
7. Mr. Arun Kumar Gupta – Chief Financial Officer
8. Mr. Aman Mourya - Company Secretary

12. 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.

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 system were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including 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 the Company's internal financial controls were adequate and effective during the financial year 2019-20.

13. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Your Company has in place adequate and effective internal financial controls. The Company has aligned its current systems of internal financial control with the requirement of the Act. The explanation of the term 'Internal Financial Control' has been provided only in the context of Section 134(5)(e). It includes policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, thereby covering not only the controls pertaining to financial statements but also include strategic and operational controls pervasive across the entire business. For more description, kindly refer the Management Discussion and Analysis Report as annexed with this Report.

14. QUALITY SYSTEMS & INFORMATION SECURITY INITIATIVE:

Newgen has sustained its commitment to the highest levels of quality, robust information security management practices that have collectively helped in achieving a significant milestone during the financial year 2019-20. Newgen's Quality and Information Security system journey has been a steady and with full conviction starting from 1997. The same is evident from the implementation of industry standards namely ISO 9001:2015, ISO 27001:2013 and Process Improvement Models namely CMMi Dev v1.3 and CMMi Svc v1.3, ISO 27017:2015 and ISO 27018:2019. Emphasis has been on System driven transparent process, which delivers exceptional Quality first time right with the required level of Security.

The Company has focused on continuous improvements in Customer engagements as well as internal operations leveraging best-in-class methodologies and information security practices. Cross-functional Teams monitor and optimize the processes & policies to meet the ever-growing demands of Newgen's engagements.

The Company's commitment towards customer satisfaction and resilient systems/services has resulted in the adaptation of other industry standards/acts namely PCI-DSS, HIPAA, ISAE3402/SOC-1 Type-2 and SOC-2+HITRUST Type-2 attestation. These standards provide assurance to the customers on the design and operating effectiveness of the security controls. The Company also drives the process and product improvements based on Voice of Customer, i.e. Customer Satisfaction Surveys (CSS). These surveys are conducted at the specific project milestone as well as at the organizational level on an annual basis by a third party to get independent feedback from its customer.

15. AUDIT REPORTS AND AUDITORS:

a. Secretarial Auditors and its Report.

The Board of Directors of your Company re-appointed M/s Aijaz & Associates, Company Secretaries in Practice, as Secretarial Auditors of the Company to conduct Secretarial Audit for the financial year 2019-20. The Secretarial Audit Report for the financial year ended 31st March 2020, is enclosed herewith as "Annexure-5" to this Report. The Secretarial Audit Report for the financial year 2019-20 does not contain any qualification, reservation or adverse remarks.

b. Statutory Auditors and its Report.

The tenure of the Statutory Auditors of the Company M/s. B S R & Associates LLP, Chartered Accountants, having Firm Registration number 116231W/W-100024 is upto five years with effect from conclusion of 24th Annual General Meeting held on 22nd August 2016 till the conclusion of 29th Annual General Meeting. The Statutory Auditors' Report for the financial year 2019-20 does not contain any qualification, reservation or adverse remarks.

c. Cost Auditors.

In terms of Section 148 of the Act and the Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable on the Company for the financial year ended 31st March 2020.

16. REPORTING OF FRAUDS BY AUDITORS:

During the financial year 2019-20, neither the statutory auditors nor the secretarial auditors has 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.

17. DEPOSITS:

During the financial year 2019-20, the Company has not accepted any fixed deposit within the meaning of Section 73 of the Act and the rules made thereunder.

18. 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.

19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

There were no contracts or arrangements, or transactions entered with related parties during the financial year 2019-20, which were not at arm's length basis. There are no material related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or others which may have a potential conflict with the interest of the Company at large. None of the Directors and KMPs has any material pecuniary relationships or transactions vis-a-vis the Company except remuneration 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-6" to this Report.

The policy on Related Party Transactions as approved by the Board of Directors is uploaded on the website of the Company https://newgensoft.com.

20. CSR INITIATIVE:

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the financial year 2019-20, is enclosed herewith as "Annexure-7" to this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. Other details regarding Company's CSR activities and CSR Policy are available on the website of the Company at: https://newgensoft.com.

21. 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.

The operations of your Company do not consume high levels of energy. Nevertheless, adequate measures have been taken to conserve energy by using energy-efficient computers and related equipment's with the latest technologies. Your Company is on a constant look out for newer and efficient energy conservation technologies and introduces them appropriately. As the cost of energy consumed by your Company forms a very small portion of the total costs, the impact of changes in energy cost on total costs is not significant.

b. Technology Absorption, Adaptation and Innovation.

Your Company realises the importance of innovation and constant improvement in key areas of business. We are focused on driving innovation and adopting solutions in line with rapidly evolving technological trends. Our inherent culture of innovation has enabled us to develop a track record of product innovation, expand the range of our offerings and improve the delivery of our products and services. We have a dedicated team of skilled individuals with technical background and domain expertise in each of our industry verticals with a focus on evolving technologies. These teams follow a structured innovation and solutions development process and work with delivery functions to identify the key concerns of our customers and generate solutions, ideas and concepts to address such concerns.

c. Research and Development.

The Company has made and will continue to make, significant investments in software product research and development and related product opportunities. For fiscals 2019, 2018 and 2017, the Company spent 9.23%, 8.67% and 8.55% (as a proportion of our total expenditure) respectively on research and development. For fiscal 2020 under review the Company had spent 10.74% (as a proportion of the 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 preferences and requirements. The Company believe that emphasis on R&D has enabled us to remain up-to-date with the technological developments, as well as to cater to the evolving needs of our customers.

d. Foreign Exchange Earnings and Outgo.

(₹ in Lakhs)

Particulars	31st March 2020	31st March 2019
Foreign Exchange Earnings	38,253.97	35,190.52
Foreign Exchange Outgo	9,477.30	8,253.02

22. RISK MANAGEMENT:

The Company has 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. More details on Risk Management including identification of risk and their mitigation are covered in Management Discussion and Analysis Report, which forms the part of this report.

23. WHISTLE BLOWER POLICY/ VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES:

The Company has adopted a Whistle Blower Policy and Vigil Mechanism that provides a mechanism to report violations, any unethical behaviour, suspected or actual fraud, violation of the Code of Conduct, providing adequate safeguards against victimisation etc. During the financial year 2019-20, no case was reported under Whistle Blower Policy of the Company.

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://newgensoft.com.

24. 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

25. WEB ADDRESS FOR ANNUAL RETURN:

In line with the requirement of the Companies (Amendment) Act, 2017, effective from 31st July 2018, the extract of annual return, is no longer required to be part of the Board's Report. However, for the compliance of conditions of Section 92 and Section 134 of the Act, copy of the Annual Return for the financial year ended 31st March 2020 shall be placed on the Company's website at: https://newgensoft.com.

26. BUSINESS RESPONSIBILITY 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 members from a revenue and profitability perspective but also to the larger society which is also its stakeholder. Business responsibility 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 - 8" to this Report.

27. 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 – 9" to this Report. The requisite compliance certificate from Secretarial Auditor confirming compliance of conditions of Corporate Governance is also attached with the Corporate Governance Report.

28. 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 10" to this Report.

29. OTHER DISCLOSURES:

Utilisation of IPO Proceeds.

With the recommendation of the Audit Committee, the Board of Directors of the Company, had obtained the approval of the members of the Company through Postal Ballot on 26th June 2019, for variation in the objects of the public issue as stated in the prospectus dated 19th January 2018, for the utilization of the unutilized proceeds of the IPO. Following were the variations in the object clause of the Prospectus on which members have provided their approval:

1. to utilize the Unutilized Proceeds (₹ 128.10 million) towards general corporate purposes, as set forth in the Prospectus.
2. revised schedule of Implementation and Deployment of Funds, as below:

(₹ in Millions)

S. No.	Particulars	Amount	Estimated utilisation in fiscal 2018	Estimated utilisation in fiscal 2019	Estimated utilisation in fiscal 2020
1.	Purchase and furnishing of office premises near Noida-Greater Noida Expressway, Uttar Pradesh	715.34	-	514.50	200.84
2.	General corporate purposes	130.54	-	2.44	128.10
	Total	**845.88**	**-**	**516.94**	**328.94**

As at 31st March 2020, the net proceeds of the public issue are fully utilized towards the object of the public issue, as per approval of the members of the Company.

Key initiatives with respect to stakeholder relationship, customer relationship, environment, sustainability, health and safety.

With respect to Stakeholder relationship, your Company has in place proper mechanism to redress various aspect of interest of security holders including but not limited to Complaints in respect of transfer of shares, non-receipt of declared dividends, annual reports, etc. of the Company.

The key initiatives with respect to customer relationship, environment, sustainability, health and safety is set out in the Business Responsibility Report which forms the part of this report.

30. DISCLOSURE PRETAINING TO THE NUMBER OF COMPLAINTS RELATING TO CHILD LABOUR, FORCED LABOUR, INVOLUNTARY LABOUR, SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 IN THE LAST FINANCIAL YEAR AND PENDING, AS ON THE END OF THE FINANCIAL YEAR:

During the financial year 2019-20, no case/ complaint was reported under Child labour/ forced labour/ involuntary labour and Discriminatory employment related matters.

Your Company has complied with the provisions relating to the Constitution of Internal Complaints Committee and Annual Report to be submitted to the respective district officers under 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

31. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company complies with all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

32. 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.

33. APPRECIATION:

We take this opportunity to thank all the shareholders of the Company for their continued support. We thank our customers, vendors, investors, bankers and other stakeholders for their confidence and continued support during the financial year 2019-20. We place on record our appreciation of the contribution made by our employees at all levels, which has continued to be our major strength.

Your Directors also express their gratitude to the Government of India and other concerned departments and agencies for their co-operation and look forward for their continued support in future.

For and on behalf of Board of Directors

Sd/-
Diwakar Nigam
Chairman & Managing Director
DIN: 00263222

Date: 26th May 2020
Place: New Delhi

Annexure 1

Form AOC-I

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

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

1	S. No.	1	2	3	4	5	6
	Name of the subsidiary	**Newgen Computers Technologies Ltd.**	**Newgen Software Technologies (UK) Ltd.**	**Newgen Software Inc. USA**	**Newgen Software Technologies Canada Ltd.**	**Newgen Software Technologies Pte Ltd.**	**Newgen Software Technologies Pty Ltd.**
	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	-	-	-	-	-	-
	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR	GBP @ 93.08	USD @ 75.39	CAD @ 53.39	SGD @ 53.01	AUD @46.28
	Share capital	21,00,000.00	1,86,16,000.00	9,04,68,000.00	53,39,000.00	1,32,52,500.00	4,62,80,000.00
	Reserves & surplus	47,83,091.48	54,73,181.75	11,30,05,798.38	1,41,44,719.48	4,44,24,651.04	13,55,257.87
	Total assets	71,04,406.16	6,75,28,429.00	91,12,37,171.38	6,63,45,129.40	24,72,06,542.76	5,13,03,490.20
	Total Liabilities	2,21,314.67	4,34,39,247.24	70,77,63,373.76	4,68,61,417.41	18,95,29,389.07	36,68,232.33
	Investments	-	-	-	-	-	-
	Turnover	-	11,13,40,855.12	1,80,74,94,441.06	11,13,14,575.54	31,11,02,998.01	3,86,38,413.85
	Profit before taxation	7,11,747.00	34,40,923.89	7,70,78,459.62	61,44,854.66	2,26,96,431.02	19,37,957.13
	Provision for taxation	81,283.50	6,97,936.77	1,88,74,332.26	16,27,158.51	27,27,033.30	5,82,699.26
	Profit after taxation	6,30,463.49	27,42,987.12	5,82,04,127.36	45,17,696.14	1,99,69,397.72	13,55,257.87
	Proposed Dividend	-	-	-	-	-	-
	% of shareholding	-	-	-	-	-	-

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

Name of Associates/Joint Ventures	**NOT APPLICABLE**
1. Latest audited Balance Sheet Date	NOT APPLICABLE
2. Shares of Associate/Joint Ventures held by the company on the year end	NOT APPLICABLE
3. Description of how there is significant influence	NOT APPLICABLE
4. Reason why the associate/joint venture is not consolidated	NOT APPLICABLE
5. Networth attributable to Shareholding as per latest audited Balance Sheet	NOT APPLICABLE
6. Profit / Loss for the year	
i. Considered in Consolidation	NOT APPLICABLE
ii. Not Considered in Consolidation	NOT APPLICABLE

1. Names of associates or joint ventures which are yet to commence operations	NOT APPLICABLE
2. Names of associates or joint ventures which have been liquidated or sold during the year.	NOT APPLICABLE

For Newgen Software Technologies Limited

Sd/-
T.S. Vardarajan
Whole-Time Director
DIN: 00263115

Sd/-
Diwakar Nigam
Chairman & Managing Director
DIN: 00263222

Sd/-
Arun Kumar Gupta
Chief Financial Officer
Membership No: 056859

Sd/-
Aman Mourya
Company Secretary
FCS: 9975

Date.: 26th May 2020
Place: New Delhi

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 2020, 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 - 33 'Earning Per Share' (Consolidated)	Basic: 10.56 Diluted: 10.51

C. Other Details relating to Newgen ESOP 2014:

S. No.	Particulars	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015
i.	a) Date of member's approval	As on 31st March 2020, the Company has in place Newgen ESOP 2014 as approved by the members on 13th November 2014, which was further amended and modified on 28th July 2017 by the members 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 members ratified the Newgen ESOP 2014 on 9th 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	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.					
	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 31st March 2020 is Primary. For more information please refer details related to Newgen ESOP Trust as provided in this disclosure.					

Vesting schedule for d):

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 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015
	h) Variation in terms of options	NIL					
ii.	Method used to account for NEWGEN ESOP 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 2019-20, Company followed fair value accounting of stock options.					
iv.	Option movement						
a.	Number of options outstanding at the beginning of the year	15,57,524	22,43,483	30,61,209	33,84,305	36,53,525	NIL
b.	Number of options granted during the year	-	-	5,62,550	-	-	36,53,525
c.	Number of options forfeited / lapsed during the year	40,723	1,12,466	1,26,096	1,66,525	2,13,175	NIL
d.	Number of options vested during the year	90,605	12,68,724	9,43,211	7,77,170	2,88,188	NIL
e.	Number of options exercised during the year	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	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	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	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	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	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					

**Total 6,49,706 options were exercised by the employees during Financial Year 2019-20. Out of which, as on 31st March 2020, total 17,503 shares (against options which were exercised by the employees in the month of March 2020) were pending with Newgen ESOP Trust for transfer to the employees due to COVID-19 and related lock down.*

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

a. Option granted to Senior Managerial Personnel & KMPs during the year*		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	42,000	NIL	NIL	55,000
Surender Jeet Raj	Senior Vice President, HR / Operations	NIL	NIL	39,000	NIL	NIL	55,000
Tarun Nandwani	Senior Vice President, Business Management	NIL	NIL	22,000	NIL	NIL	55,000
Arun Kumar Gupta	Chief Financial Officer	NIL	NIL	13,000	NIL	NIL	35,000
Aman Mourya	Company Secretary	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
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

**The exercise price at which options are 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

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	3.75
ESOP 2014/ Grant II	01-07-2017	1,99,375	30-06-2026	6.25
ESOP 2014/ Grant III	01-09-2017	1,26,500	31-08-2026	6.42
ESOP 2014/ Grant IV	01-10-2017	47,600	30-09-2026	6.50

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; and — 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:

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 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*	1,36,06,157
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 ₹ 97,63,157/- on Loan payable by Newgen ESOP Trust.*

(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	11,28,091
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 Issue: 3,70,000 (0.53% of paid up capital as at the end of the Previous Financial year 2019-20) Weighted average cost of primary acquisition: ₹ 63/-
3.	Number of shares transferred to the employees / sold along with the purpose thereof;	6,32,203**
4.	Number of shares held at the end of the year.	8,65,888**

***As on 31st March 2020, 17,503 shares were pending for transfer to employees who have exercised their options in the month of March 2020 due to COVID-19 and related lock-down.*

(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

Sd/-
Diwakar Nigam
Chairman & Managing Director
DIN: 00263222

Date: 26th May 2020
Place: New Delhi

Annexure 3

NOMINATION & REMUNERATION POLICY

1. INTRODUCTION:

It is the endeavor of Newgen Software Technologies Limited ("Company" or "Newgen") that its Nomination & Remuneration Policy should represent the mode in which the Company carries out its business practices i.e. fair, transparent, inclusive and flexible. In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all the Directors, Key Managerial Personnel, Senior Managerial Personnel and other Employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013, ("Act") and SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015 ("LODR"), this policy has been approved by the Board of Directors on the recommendation of the Nomination & Remuneration Committee.

2. CONSTITUTION OF COMMITTEE:

The Board of Directors of the Company ("the Board") shall constitute a Committee to be known as the Nomination & Remuneration Committee consisting of three or more non-executive Directors out of which not less than one-half shall be Independent Directors. The Chairman of the Committee shall be an Independent Director. However, the Chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Nomination & Remuneration Committee but shall not chair such Committee.

3. OBJECTIVE:

The objective of this policy is to lay down a framework in relation to remuneration of the Directors, KMP, Senior Management Personnel and other Employees. The key objectives and purposes of the Policy inter alia are:

(1) Formulating the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy/ framework relating to the remuneration of Directors, Key Managerial Personnel and Senior Management Personnel, and other employees.

(2) To provide guidance to the Board and the Committee in relation to appointment / removal of Directors, Key Managerial Personnel and Senior Management Personnel.

(3) Formulating the criteria for evaluation of performance of Chairperson, independent directors, non-Independent Directors and the Board of Directors as a whole.

(4) To devise a policy on diversity of board of directors and to build a Succession Plan for appointment to the Board of Directors, KMPs and Senior Management Personnel.

(5) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

4. APPLICABILITY:

This Policy shall apply to:

(a) Directors (Executive and Non-Executive);

(b) Key Managerial Personnel;

(c) Senior Management Personnel and

(d) Other Employees

5. DEFINITIONS:

"Act" or "Companies Act" means the Companies Act, 2013 and rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

"Key Managerial Personnel or KMPs" in relation to Company means –

i. Chief Executive Officer or Managing Director;

ii. Whole Time Director

iii. Chief Financial Officer;

iv. Company Secretary;

v. Such other officer, not more than one level below the Directors who is in whole-time employment, designated as Key Managerial Personnel by the Board.

"LODR" or "Listing Regulations" means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

"Newgen HR" means Human Resource Department of the Company.

"Other employees" means all the employees of the Company other than the Directors, KMPs and the Senior Management Personnel.

"Policy" or "This Policy" means, "Nomination & Remuneration Policy."

"Senior Management Personnel" pursuant to Regulation 16(1)(d) of LODR, Senior Management Personnel shall mean officers/ personnel of the Company who are members of its core management team excluding Board of Directors and normally this shall comprise all members of management one level below the Chief Executive Officer/ Managing Director/ Whole time Director (including Chief Executive Officer, in case they are not part of the Board) and shall specifically include Company Secretary and Chief Financial Officer.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013 and LODR or in any applicable laws/ rules/ Regulations as may be amended from time to time shall have the meaning respectively assigned to them therein.

6. APPOINTMENT CRITERIA AND QUALIFICATIONS:

6.1 The Committee shall identify and ascertain the integrity, behavior pattern, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board for such appointment.

6.2 The Company shall not appoint or continue the employment of any person as Whole-time Director or Managing Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years only on the basis of recommendation of the Committee.

6.3 The Company shall not appoint or continue the employment of any person as an Independent Director who has attained the age of seventy five years. Provided that that the term of the person holding this position may be extended beyond the age of seventy five years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy five years. Such extension shall be on the basis of recommendation of the Committee.

6.4 An Independent Director should comply with the eligibility criteria stipulated in the Articles of Association of the Company, Section 164 & 149(6) of the Act including its rules thereto and LODR. An Independent Director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; shall not have any conflict of interest; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the Company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the Company in implementing the best corporate governance practices.

6.5 For the appointment of Senior Managerial Personnel and KMPs (other than Managing Director / Whole time Director), a person should possess adequate qualification, expertise and experience for the position that person is considered for the appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

6.6 For the appointment of other employees, the person should possess the relevant qualifications, expertise and experience as required and in accordance with the Newgen HR policy for the concerned position.

6.7 A whole time KMP of the Company shall not hold office in more than one Company except in its subsidiary Company at the same time. However, a whole-time KMP can be appointed as a Director in any Company, with the permission of the Board of Directors of the Company.

6.8 As specified in Regulation 18 and Part C of Schedule II of LODR, Audit Committee of the Board of Directors shall approve the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.

6.9 The information on recruitment and remuneration of KMPs and Senior Management Personnel, including appointment or removal of Chief Financial Officer and the Company Secretary shall also be placed before the Board of Directors and Nomination & Remuneration Committee.

7. RECRUITMENT STRATEGY AND PROCEDURE FOR SENIOR MANAGEMENT PERSONNEL AND KEY MANAGERIAL PERSONNEL EXCEPT MANAGING DIRECTOR/ WHOLE TIME DIRECTOR:

The job description would be first put together based on the role the earlier incumbent is performing, as well as the future course of the Company. The shortlisting of candidates shall be undertaken by the Managing Director, Head of HR Department and Functional Head. Post selecting the potential candidates, the same shall be updated to the Nominations & Remuneration Committee for its consideration. Then offer is made to the selected candidate in line with the prevailing policies of Newgen HR both in terms of the compensation offered as well as the Level and Designation.

Every Whole-time KMPs of the Company shall be appointed by means of a Board Resolution containing the terms and conditions of the appointment including the remuneration.

8. TERM / TENURE:

8.1 Managing Director/ Whole-time Director:

The Company shall appoint or re-appoint any person as the Executive Chairman, Managing Director or Whole-time Director / Executive Director for a term not exceeding five years at a time with the approval of shareholders, as specified in the Act and LODR. No re- appointment shall be made earlier than one year before the expiry of such term. Appointment and reappointment of such Directors shall be made with the recommendation of the Committee.

8.2 Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

8.3 KMPs and Senior Management Personnel and Other Employees:

Terms of KMPs (excluding Managing Director/ Whole-time Director / Manager), Senior Management Personnel and other Employees shall be as per prevailing policies of Newgen HR subject to applicable laws and rules thereto, if any.

8.4 Removal

Due to reasons for any disqualifications mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations. The removal of Key Managerial Personnel and Senior Management Personnel shall also be governed by the prevailing Policies of Newgen HR.

8.5 Retirement

The Directors, KMPs and Senior Management Personnel shall retire as per the applicable provisions of the Act, laws and the prevailing policy of Newgen HR. Extension on the terms of appointment post attaining the retirement age can be considered by Newgen HR, if required for the benefit of the Company.

8.6 Independent Director who resigns or is removed from the board of directors of the Company shall be replaced by a new independent director at the earliest but not later than the immediate next meeting of the board of directors or three months from the date of such vacancy, whichever is later:

Provided that where Company fulfils the requirement of Independent Directors in its board of directors without filling the vacancy created by such resignation or removal, the requirement of replacement by a new Independent Director shall not apply.

9. EVALUATION OF PERFORMANCE:

9.1 The Committee shall carry out evaluation of performance of every Director and of the Board of Directors as a whole at regular interval (yearly).

9.2 The performance of the Directors shall be evaluated in the context of the Company's performance from a business and compliance perspective. The criteria to be used in the evaluation of performance will be those duties and responsibilities that the Board and the Director mutually agreed upon. The Committee shall also carry out evaluation of performance of every Director with a view to increase effectiveness as a governing body as well as participation of the Directors on the Board or Committee of the Board's proceedings.

9.3 The Committee shall time to time determine a process for evaluating the performance of every Director, Committees of the Board and the Board on an annual basis. The Committee shall also review its own performance on an annual basis. The Committee may seek the support and guidance of external experts and agencies for this purpose, if required.

10. POLICY FOR REMUNERATION:

10.1 Remuneration to Executive Director/ Managing Director/ Whole-Time Director:

The Remuneration/ Compensation etc. to be paid to Executive Directors/ Managing Directors/ Whole Time Directors etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force including SEBI Regulations. If any Executive Director or Managing Director or Whole time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without obtaining requisite approvals where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by Law or by any competent judicial Court or Body.

10.2 Remuneration to Non-Executive Director/Independent Director:

The Non-Executive Director / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.

All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination & Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

10.3 Remuneration to KMPs and Senior Management Personnel:

- The remuneration to KPMs and Senior Management Personnel shall consist of fixed pay and incentive pay in accordance with prevailing Newgen HR Policies. The remuneration, compensation, etc. to the KMPs, Senior Management Personnel will be determined after taking into account general market practice, performance of the Company and other relevant factors.

- The Committee shall recommend to the Board, all remuneration, in whatever form, payable to KMPs and Senior Management Personnel.

- The Committee of the Company shall determine the stock options and other share-based payments to be made to KMPs and Senior Management Personnel.

10.4 Remuneration to other Employees:

- Apart from the Directors, KMPs and Senior Management Personnel, the remuneration for rest of the employees is determined on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexity and market conditions.

- The various remuneration components, basic salary, allowances, perquisites etc. may be combined to ensure an appropriate and balanced remuneration package as per prevailing Newgen HR Policies as formulated time to time in this respect.

- The annual increments to the remuneration paid to other employees shall be determined based on the appraisal carried out by the respective HODs of various departments, as per

Newgen HR Policies. Decision on Annual Increments shall be made on the basis of this appraisal.

- To meet an urgent and specific need of all types of employees, the Company may provide salary advances as per the Newgen HR Policy as may be formulated in this respect.

11. INSURANCE:

Where any insurance is taken by the Company on behalf of its Directors, KMPs, and Senior Management Personnel and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration. Provided that if such person is proved to be guilty, the premium paid on such insurance may be treated as part of the remuneration. The adequacy of this policy shall be reviewed and reassessed by the Committee or the Board of Directors at such intervals as deems appropriate and recommendations, if any, shall be made to the Board to update the same from time to time.

12. NOMINATION TO THE BOARD:

The duties of the Committee in relation to nomination matters, inter alia, include:

12.1 Determining the appropriate size, diversity and composition of the Board and setting a formal and transparent procedure for selecting new Directors for appointment to the Board;

12.2 Ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and reviewing its effectiveness;

12.3 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;

12.4 Identifying and recommending Directors who are to be put forward for retirement by rotation.

12.5 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;

12.6 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.

13. REMUNERATION DUTIES:

The duties of the Committee in relation to remuneration matters include:

13.1 to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board and recommend to the Board for approval.

13.2 to consider the remuneration of the Senior Management including Key Managerial Personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and recommend to the Board for approval.

13.3 to consider any other matters as may be requested by the Board;

14. BOARD DIVERSITY

14.1 The Board shall consist of such number of Directors, including atleast one women Director and not less than fifty percent of the Board of Directors comprising non-executive Directors, as is necessary to effectively manage the Company of its size. When the Chairman of the Board is a non-executive Director, at least one-third of the Board shall comprise Independent Directors and in case the Company does not have a regular non-executive Chairman or in case the regular non-executive Chairman is a promoter of the Company, at least half of the Board shall comprise of Independent Directors.

14.2 The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. The Board and the Committee may periodically review Board diversity to bring in expertise and experience in diverse areas and disciplines to improve the standards of corporate governance, transparency and operational efficiency and risk management, wherever required. The Committee will lead the process for Board appointments. All Board appointments are made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective. The Committee will discuss succession planning and Board diversity at the time of nominating Directors.

14.3 Additionally, the Committee and the Board may consider appointment of experts from various specialized fields such as information technology, corporate strategy, marketing and business development, international business, operations management, finance, law etc. so as to bring diversified skill sets on Board or succeed any outgoing Director with the same expertise.

15. SUCCESSION PLAN FOR APPOINTMENT TO THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT:

The Company recognizes the importance of the process to Succession Planning to provide for continuity in the smooth functioning of the organization. There are certain positions in the Company that are key to its current and future growth. It is, therefore, important that these positions are assigned to duly skilled and best possible incumbents. It is critical to fill up such positions well in time to avoid any leadership gap. Pursuant to regulation 17 of LODR, the Committee has therefore put the following plan for orderly succession for appointment on the Board and Senior Management.

15.1 The Nomination & Remuneration Committee of the Company shall review the leadership needs of the Company from time to time.

15.2 The Nomination & Remuneration Committee of the Board, shall apply a due diligence process to determine the suitability of every person who is being considered for being appointed or re-appointed as a Director of the Company based on their educational qualification, experience & track record and every such person shall meet the 'fit and proper' criteria and accordingly any appointment or re-appointment of a Director shall be subject to prior approval / recommendation by Nomination & Remuneration Committee of the Company.

15.3 Newgen HR shall periodically review and consider the list of senior managerial personnel due for retirement/attrition within two year. The Nomination Committee and Newgen HR shall also consider the new vacancies that may arise because of business needs/ up- gradation of Department(s). Considering the above, the Committee shall assess the availability of suitable candidates for the Company's future growth and development. Further, based on the recommendation of the Managing Director and the Newgen HR, the Nomination & Remuneration Committee: -

(i) Shall evaluate the incumbent after considering all relevant criteria like experience, age, leadership quality etc. and recommend to the Board whether the concerned individual be granted an extension in term/service or be replaced with an identified internal or external candidate.

(ii) Shall identify the competency requirements of Board/key positions, assess potential candidates and develop required competency through planned development and learning initiatives. The Committee may utilize the services of professional search firms to assist in identifying and evaluating potential candidates.

15.4 The Managing Director and Newgen HR shall from time to time identify high-potential employees who merit faster career progression to position of higher responsibility and formulate, administer, monitor & review the process of skill development and identify the training requirements. Every member of the senior management team shall always endeavor to add capability in-house and mentor officials with potential working under him to handle his responsibility in his absence by exposing him to all aspects of work being handled by him.

15.5 If a Director's /Senior Management's position suddenly becomes vacant by reason of death or other unanticipated occurrence, the Committee shall be convened a special meeting as early as possible to implement the process described herein, subject to the necessity involved.

16. REVIEW AND AMENDEMENT:

16.1 The Board of Directors on its own and / or as per the recommendations of Nomination & Remuneration Committee can amend this Policy, as and when deemed fit. However, any amendment in respect of criteria for determining qualifications, positive attributes and independence of Directors shall be done with the approval of Nomination & Remuneration Committee only.

16.2 In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification, circular(s) etc.

For and on behalf of Board of Directors

Sd/-
Diwakar Nigam
Chairman & Managing Director
DIN: 00263222

Date: 24th Jan 2019
Place: New Delhi

Annexure 4

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 and percentage increase in remuneration of each of the Director, Chief Financial Officer and Company Secretary during the Financial Year 2019-20:

Sr. No.	Name of the Person	Remuneration for Financial Year 2019-20 (₹ In Lakhs)	% increase in Remuneration in Financial Year 2019-20	Ratio of Remuneration of each Director to Median Remuneration of employees
1.	Mr. Diwakar Nigam	278.99	59.52%	36.49
2.	Mr. T. S. Varadarajan	142.57	70.33%	18.65
3.	Ms. Priyadarshini Nigam	77.58	89.97%	10.15
4.	Mr. Arun Kumar Gupta	82.77	(28.72)%	NA
5.	Mr. Aman Mourya	16.81	21.13%	NA

Remuneration also includes provisions for bonus, incentive, if any, variable incentives and ESOP perquisites to the extent options exercised during the year and includes amount outstanding at the year end.

ii. The number of permanent employees on the rolls of the Company as on 31st March 2020 were 2346 and the median remuneration was ₹ 7,64,616 annually. The median remuneration of employees in Financial Year 2019-20 has increased by 0.15%.

iii. The average percentile increases already made in the salaries of employees other than managerial personnel in the last financial year was 14.83% and the average percentile increase in the remuneration of managerial personnel was 66.69%. The increase in salaries during the year are based on the remuneration policy/reward philosophy of the Company and due to annual appraisals of employees.

iv. 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 organisation.

Non-Executive Directors – Board determines the variable compensation being commission, 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 organisation.

The remuneration is in accordance with the Remuneration Policy of the Company which is available on the website of the Company at: https://newgensoft.com.

Statement of particulars under Section 197(12) of the Act and Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the year ended 31st March 2020 (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 2019-20) and the name of every employee of the Company, who - if employed throughout the financial year 2019-20, was in receipt of remuneration which, in the aggregate, was not less than One Crores and Two Lakh rupees:

(in ₹ Lakhs)

Sr. 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	278.99	64	MSC, M. Tech	37	NA	He has been on the Board of the Company since 01-04-1993
2.	Surender Jeet Raj	Sr. Vice President-HRD	Permanent	191.46	63	Ph.D.	40	PCS DG	16-08-1993
3.	Prashant Sahai*	Associate Vice President - Sales International	Permanent	149.48	45	MBA	22	Vicisoft Technologies Pvt.Ltd	15-06-1998
4.	Tarun Nandwani	Sr. Vice President-Business Management	Permanent	148.35	48	B.E	27	NA	15-07-1993
5.	Virender Jeet	Sr. Vice President, (Sales and Marketing/ Product)	Permanent	147.60	51	B.E	27	NIE - Jaipur	01-12-1992
6.	T S Varadarajan	Whole-time Director	Permanent	142.57	68	M.Tech.	37	NA	He has been on the Board, since inception of the Company.
7.	Dushyant Kumar	Vice President-Software Development	Permanent	127.30	60	B.E	38	Softek Ltd.	16-11-1999
8.	Vivek Bhatnagar	Vice President-Sales International	Permanent	110.03	50	MBA	30	TCS Ltd	24-08-2011
9.	Ashok Kapoor	Vice President-Software Development	Permanent	104.40	55	PGDM	29	NIIT	06-04-2015
10.	Shanmugam Nagappan	Vice President-Software Development	Permanent	102.91	48	M.S	29	Replicon Software (India) Pvt Ltd	18-03-2019

**Prashant Sahai posted & working in Dubai. He is getting remuneration in AED and his remuneration as given above is converted and reported in ₹.*

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

ii. Details of 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.

(in ₹ Lakhs)

Sr. 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.	Hemant Makhija	Vice President-Marketing	Permanent	82.42	54	MBA	35	Plex Systems Inc.	01.08.2019

iii. 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 2019-20 or five Lakhs rupees per month:

(in ₹ Lakhs)

Sr. 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	Glitty Paul	Sr.Business Development Manager	Permanent	76.78	37	MBA	12	Intertec System	23-02-2016
2	R.Balaji	Regional Sales Manager	Permanent	71.37	35	MBA	14	Newgen & Paripoorna Software Solutions	15-05-2017
3	Prashant Sharma	Senior Business Development Manager	Permanent	70.80	39	M.Tech	12	Governation Solutions Pvt Ltd	23-02-2006
4	Vivek Kumar Gupta	Senior Manager-Products & Solutions	Permanent	66.87	40	M.Tech	17	Governation Solution Pvt Ltd,	01-04-2010
5	Mayank Sharma	Manager-Products & Solutions	Permanent	61.29	30	MBA	8	N.A	03-06-2013

**All above five 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 bonus, variable incentives and ESOP perquisites to the extent options exercised during the year and includes amount outstanding, if any, at the year end.

b) Except Mr. Diwakar Nigam, Chairman & Managing Director (holding 26.41% of equity shares himself and 11.39% of equity shares through his spouse) and Mr. T.S. Varadarajan (holding 21.46% of equity shares himself and 6.47% 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) Ms. Priyadarshini Nigam, Whole-time Director is the spouse of Mr. Diwakar Nigam, Chairman & Managing Director of the Company.

iv. Details of employee if employed throughout the financial year 2019-20 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

Sd/-
Diwakar Nigam
Chairman & Managing Director
DIN: 00263222

Date: 26th May 2020
Place: New Delhi

Annexure 5

SECRETARIAL AUDIT REPORT

(For the financial year ended 31st March 2020)

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

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 us 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 31st March 2020 ('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 31st March 2020, 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, 2009;

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

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, 2009; Not applicable during the period under review.

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; 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. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act, however, the following changes occurred in the composition of the Board of Directors:

  i) Appointment of Ms. Padmaja Krishnan as an Additional Director in the category of Non-Executive, Independent Director with effect from 24th March 2020 and is subject to ratification/ approval by the members of the Company at the ensuing Annual General Meeting.

  ii) Re-Appointment of Mr. Kaushik Dutta as an Independent Director for a second term of five years with effect from 09th July 2019.

- during the period under review, 3,70,000 (Three Lakh Seventy Thousand) Equity shares having face value of ₹ 10/- each were issued and allotted to Newgen ESOP Trust under Newgen ESOP Scheme 2014 on 21st January 2020.

- advance notice is given to all directors to schedule the board meetings, agenda and detailed notes on agenda were sent 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 carried out unanimously as recorded in the minutes of the meetings of the Board or Committees of the Board, as the case may be.

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.

Sd/-
Name of Auditor : **M. Aijaz**
FCS No. : 6563
C.P. No. :7040
UDIN : F006563B000254459

Date: 19th May 2020
Place: New Delhi

Annexure 'A'

To,
The Members
Newgen Software Technologies Limited
A-6, Satsang Vihar Marg, Qutab Institutional Area
New Delhi-110067

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.

Sd/-
Name of Auditor : **M. Aijaz**
FCS No. : 6563
C.P. No. :7040
UDIN : F006563B000254459

Date: 19th May 2020
Place: New Delhi

Annexure 6

Form 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 during FY 2019-20.

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 M/s 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.

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 paid as advances, if any:
Newgen Software Inc. USA (Material Wholly Owned Subsidiary)	Sale of products and services	Ongoing (duration of transaction 1st April 2019 - 31st March 2020)	Based on Transfer pricing guidelines	NA	93,22,82,070	NIL

Aggregate 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 finanical year 2019-20 with other respective subisidaries are not material.

For and on behalf of Board of Directors

Sd/-
Diwakar Nigam
Chairman & Managing Director
DIN: 00263222

Date: 26th May 2020
Place: New Delhi

Annexure 7

Corporate Social Responsibility (CSR) Report

[Pursuant to Section 134 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

Newgen's CSR mission actively contributes to the social and economic development of the communities it operates in. The core philosophy is to empower the less privileged sections of society through an integrated approach to help them realize their full potential and enjoy a good quality of life.

In line with the Sustainable Development Goals (SDGs) and national priorities of promotion of education, Newgen is contributing to the Schedule VII thematic areas of Promotion of Education and Eradication of Hunger, Poverty, and Malnutrition.

Newgen CSR Flagship Program:

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

Newgen's Corporate Social Responsibility intervention 'Newgen Digital Discovery Paathshala' (NDDP) is designed to impart knowledge to school children using web-based technology and transforming traditional classroom teachings into fun learning sessions. Under the aegis of NDDP, students are taught how to do research on the internet using iPads, develop creative content and broaden their outlook using iPad.

NDDP continues to have its footprints spread across three schools in the Delhi region - Government Girls Senior Secondary Schools in Harkesh Nagar and Tekhand, and Soami Nagar Model School, a trust-managed school. Over 3,000 students of classes 6^{th}, 7^{th}, and 8^{th} benefit from the program.

The alumni association initiative has been instituted under the umbrella of NDDP to strengthen its impact. The program reconnects ex-NDDP beneficiaries at the project locations of Harkesh Nagar and Tekhand. The initiative actively engages the alumni with a handholding platform that is flexible, informative, and educationally powerful. The first session was held in December 2019 with 120 alumni.

b. **Remedial Education Program.**

Newgen collaborated with the NGO KHUSHII (Kinship for Humanitarian, Social and Holistic Intervention in India) to offer remedial classes at MCD feeder schools for students from classes 1^{st} to 5^{th} and prepare them for senior secondary education. The four project locations are Pratibha Primary School, Harkesh Nagar (2,600 students), Tekhand (1,400 students), Sangam Vihar (940 students), and Nandambakkam, Chennai(800 students). A total of 5,740 students benefit from this program.

This initiative has augmented the impact of NDDP as the targeted students are associated with Newgen CSR for an extended period of eight years, creating an opportunity to unlock their full potential.

c. **Mid-Day Meal Programme.**

To complement the growth and well-being of children in their formative years, Newgen supports the mid-day meals of 8,689 students in partnership with the Akshaya Patra Foundation at the government schools in the remote areas of Vrindavan, Jhalawar, and Guwahati.

d. **Personality Development Sessions.**

The personality development program caters to the children from economically weaker backgrounds and SOS youth hostels and helps them build self-confidence, develop soft skills, and provide career counseling and personal guidance.

The session is held on the second Saturday of every month by an organization called I-AM. In 2019-20, Newgen supported 100+ students through these sessions.

e. **Family Based Care Programme.**

Newgen partnered with SOS Children's Villages in Bhopal to support 30 parentless and abandoned children from three family homes. The program focuses on their health and nutrition, quality education, and overall physical and psychosocial development.

Newgen became the first corporate to support an SOS facility in a non-metro city. The project concluded in February 2020.

1.1 Web-link to the CSR Policy:

https://newgensoft.com

2. The Composition and Number of Meetings of the CSR Committee:

CSR Committee of the Board of Directors consists of Ms. Priyadarshini Nigam, Whole –Time Director, Mr. T.S. Varadarajan, Whole time Director and Mr. Kaushik Dutta, Independent Director. Ms. Priyadarshini Nigam is the Chairperson of the CSR Committee. During Financial Year 2019-20, the CSR Committee meeting was held on 14th May 2019.

3. Average net profit of the company for last three financial years:

₹ 9,304.66 Lakhs

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):

₹ 186.09 Lakhs

5. Details of CSR spent during the financial year 2019-20:

(a) Total amount spent during the financial year: ₹ 186.27 Lakhs

(b) Amount unspent, if any: NA

(c) Manner in which the amount spent during the financial year is detailed below.

(1) S. No	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	(7) Cumulative expenditure up to the reporting period	(8) Amount Spent: Direct or through implementing agency*
1.	Newgen Digital Discovery Paathshala	Promoting Quality of Education	Delhi NCR	4.47 Lakhs	4.47 Lakhs	-	Direct
2.	Remedial Education Program	Promoting Quality Education	Delhi NCR and Chennai	84.42 Lakhs	84.42 Lakhs	-	Implementing Agency. Through KHUSHII
3.	Mid-Day Meal Program	Promoting Quality Education and Eradication Hunger, Poverty, Malnutrition.	Uttar Pradesh, Rajasthan & Assam.	95.58 Lakhs	95.58 Lakhs	-	Implementing Agency. Through Akshaya Patra Foundation
4.	Personality Development Sessions	Promoting Quality of Education	Delhi NCR	1.80 Lakhs	1.80 Lakhs	-	Direct
	TOTAL			**₹ 186.27 Lakhs**	**₹ 186.27 Lakhs**		

** Details of Implementing Agency*

S. No.	Name of Implementing Agency	Brief Profile
1.	Akshaya Patra Foundation	It is an NGO in India headquartered in Bengaluru. Our organisation along with this NGO strives to eliminate classroom hunger by implementing the Mid-Day Meal Scheme in the government schools and government-aided schools. The association with Akshaya Patra was initiated in the year 2018.
2.	Kinship for Humanitarian, Social and Holistic Intervention in India (KHUSHII)	KHUSHII is an independent Not for Profit Organisation founded in 2003 by Cricket legend Mr. Kapil Dev and registered under the Societies Registration Act. KHUSHII is working for the upliftment and holistic development of underprivileged children, women and vulnerable families. KHUSHII works with a vision of increasing access to quality life. Newgen and KHUSHII collaborated on June 2019 for remedial education in Pratibha Primary School, Harkesh Nagar.

6. **In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**

   Not Applicable

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company**

   The CSR Committee has confirmed that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and on behalf of Board of Directors

Date: 26th May 2020 Place: New Delhi	Sd/- **Priyadarshini Nigam** Chairperson - CSR Committee DIN:00267100	Sd/- **Diwakar Nigam** Chairman & Managing Director DIN:00263222

Annexure 8

BUSINESS RESPONSIBILITY REPORT

(As per Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	:	L72200DL1992PLC049074
2.	Name of the Company	:	Newgen Software Technologies Limited
3.	Registered address	:	A-6, Satsang Vihar Marg, Qutab Institutional Area, New Delhi - 110067
4.	Website	:	https://newgensoft.com/
5.	E-mail id	:	investors@newgensoft.com
6.	Financial Year reported	:	1st April 2019 to 31st March 2020
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	:	Computer Programming, Consultancy and Related services. NIC Code of the activities - 620.
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	:	Product Solutions and Services in: (i) Enterprise Content Management (ii) Business Process Management (iii) Customer Communication Management. For detailed description on the Company's products/services kindly refer Management Discussion and Analysis Report, as annexed to the Board's Report.
9.	Total number of locations where business activity is undertaken by the Company	:	(i) Details of International Locations: USA/Americas: USA and Canada APAC: Singapore and Australia EMEA: UK and Dubai (ii) Details of National Locations: New Delhi, Noida- Uttar Pradesh, Mumbai and Chennai.
10.	Markets served by the Company - Local/State/ National/International	:	Company serves the Indian as well as International markets. For detailed description kindly refer Management and Discussion Analysis Report annexed to the Board's Report.

SECTION B: FINANCIAL DETAILS OF THE COMPANY (STANDALONE)

1.	Paid up Capital (INR)	:	6,995.5701 Lakhs
2.	Total Turnover (INR)	:	57,740.12 Lakhs
3.	Total profit after taxes (INR)	:	6,591.23 Lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	:	2% of average of net profit of the Company made during the three immediately preceding financial year.
5.	List of activities in which expenditure in 4 above has been incurred	:	Kindly refer Corporate Social responsibility Report, annexure 7 to the Board's Report.

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?**
   Yes.

2. **Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**
   Yes. All the subsidiary Companies participate in the BR initiatives.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]

No.

SECTION D: BR INFORMATION

1. Details of Director(s) responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies:

i.	DIN	:	00263222
ii.	Name	:	Mr. Diwakar Nigam
iii.	Designation	:	Chairman & Managing Director

(b) Details of the BR head:

S. No.	Particulars	Details
i.	DIN (if applicable)	00263222
ii.	Name	Mr. Diwakar Nigam
iii.	Designation	Chairman & Managing Director
iv.	Telephone number	+91-11-4077 0100
v.	e-mail id	investors@newgensoft.com

2. Principle-wise (as per NVGs) BR Policy/ Policies:

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs (MCA) has adopted nine areas of Business Responsibility which are briefed as below.

P1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

This is embedded in the Company's Code of Ethics and Business Conduct, Anti-Bribery & Anti-Corruption Policy, Disciplinary Action Policy, Code of Conduct for Directors and Senior Management Personnel and Whistle blower Mechanism.

P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

This is embedded in the Company's Code of Ethics and Business Conduct and Policy on Environment Sustainability.

P3: Businesses should promote the well-being of all employees.

This is embedded in the Company's Code of Ethics and Business Conduct, Policy on Prevention of Sexual Harassment of Women at Workplace.

P4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

This is embedded in the Company's Code of Ethics and Business Conduct, Whistle blower Mechanism and Policy on Environment Sustainability.

P5: Businesses should respect and promote human rights.

This is embedded in the Company's Code of Ethics and Business Conduct, Policy on Prevention of Sexual Harassment of Women at Workplace, Anti-Bribery & Anti-Corruption Policy, Disciplinary Action Policy and Whistle blower Mechanism.

P6: Businesses should respect, protect and make efforts to restore the environment.

This is embedded in the Company's Policy on Environment Sustainability.

P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

This is embedded in the Company's Code of Ethics and Business Conduct, Anti-Bribery & Anti-Corruption Policy, Disciplinary Action Policy, Policy on Prevention of Sexual Harassment of Women at Workplace and Whistle blower Mechanism.

P8: Businesses should support inclusive growth and equitable development.

This is embedded in the CSR policy.

P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

This is embedded in the Company's Code of Ethics and Business Conduct, Anti-Bribery & Anti-Corruption Policy and Whistle blower Mechanism.

(a) Details of compliance (Reply in Y/N):

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
i.	Do you have a policy/ policies for the respective Principles	Y	Y	Y	Y	Y	Y	Y	Y	Y
ii.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
iii.	Does the policy conform to any national / international standards? If yes, specify? (50 words)[#1]	Y	Y	Y	Y	Y	Y	Y	Y	Y
iv.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?[#2]	Y	Y	Y	Y	Y	Y	Y	Y	Y
v.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
vi.	Indicate the link for the policy to be viewed online?[#3]	Y	Y	Y	Y	Y	Y	Y	Y	Y
vii.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
viii.	Does the company have in-house structure to implement the policy/ policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
ix.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
x.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

#1 Policies of the Company are compliant in accordance to the applicable laws in India.

#2 Mandatory Policies are approved by the Board / or its Committee and signed by the Chairman & Managing Director of the Company. Some routine Policies are approved and signed by the Chairman & Managing Director of the Company.

#3 All policies are available on the website of the Company on its Investors Relations section (https://newgensoft.com/company/investor-relations/).Some of the Policies including Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace and Environment sustainability are available on the intranet.

(b) If answer to the question at Serial number 1 against any principle, is 'No', please explain why?
Not Applicable

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:
Annually

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
This financial year 2019-20 onwards, the Business Responsibility Report (BRR) will form part of the Annual Report and such report will be published on Annual basis. The same is available on the Company's website at: https://newgensoft.com/company/investor-relations/

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1:

1.1 Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The policy relating to ethics, bribery and corruption covers not only Newgen Software Technologies Limited, but extends to its all the subsidiaries, suppliers, contractors and other person associated with the Company.

1.2 How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

No such complaints related to ethics, bribery and corruption were received in the past financial year.

Total five Complaints, relating with non-receipt of dividend, were received during 2019-20 and all such complaints were satisfactorily resolved.

Principle 2:

2.1 List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

We work on digital-transformation projects that significantly impact the socio-economic progress of enterprises especially in the banking and financial services and government sector.

1) Newgen successfully implemented a large Document Management System to digitize documents for a leading insurance player in India with more than 250 million customers pan India. They had undertaken a growth strategy and were looking to enhance their operational capacity and productivity. However, they encountered challenges such as paper-based file systems and their management which acted as a primary bottleneck in their growth initiatives. The client partnered with Newgen to transform its manual paper-based processes. The key benefits that it received was archival of all policy dockets, automation across more than 2000 branches, 100 divisional offices, 7 zonal offices and a corporate office, distributed document management for 100 zonal offices and Digitization & Life Cycle Management of all departmental documents.

2) One of the largest private sector banks in India offering services across Personal Banking, Business Banking, and Corporate Banking with over 1000 branches wanted a holistic solution to digitally transform its processes. It found that Newgen's solutions offered technologies that were perfectly aligned with its requirements. The key processes that were transformed include Retail, Credit Administrative, Trade and Treasury. Newgen's OmniFlow platform has been a key enabler for the bank to deliver on its brand ethos of Responsible Banking. Newgen's solution lead to the following benefits:

   - Unified loan processing
   - End-to-end automation of credit policy
   - Integration with credit bureaus
   - Proficient risk management and effective regulatory compliance
   - Reduced abandonment rates with omni-channel onboarding

3) One of the states in India had implemented Newgen's e-Gov suite, built on key components of our platform - business process management and enterprise content management, to transform their administrative processes. With the outbreak of COVID-19, the government officials faced the daunting task of managing 24 districts, collaborating with 20 state agencies, and various other departments. They reached out to Newgen to help them in quickly shifting to the remote working environment. Newgen recognized the criticality of the situation and promptly helped in setting up the digital infrastructure enabling the remote working environment. It enabled intra-department and inter-state communication by digitizing physical files, made electronic files available to the state's 35 departments and 20,000 users and restricted user access for ensuring data security and integrity.

2.2 For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional).

As the Company is into software development services, our products are not resource intensive and hence reduction is negligible. However, being a responsible entity, we track the consumption of resources critically.

2.3 Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes,

More than 90% our inputs are sources sustainability. Specifications of sourcing of service, product and people items are finalized by considering the vendor's sustainability aspects and they have to supply items with desired specifications. Our supplier analysis also takes into account the sourcing strategy of the supplier and proximity of the supplier to the location where the order request has been raised. This helps improve logistics and saves time, cost and emissions from unwanted transportation through longer routes. We review supplier's behaviors, which help us understand the potential risks within the Supply Chain from Environmental, Social Governance perspective.

2.4 Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

The Company gives preference to local and small producers which are based near its offices.

2.5 If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Not Applicable

2.6 Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes, it is >10%. The company has a mechanism to recycle waste, but we don't deal with product recycling as we do not manufacture products.

Newgen has Policy on Environment Sustainability. The Company has taken the following initiative to recycle products and waste.

a) Initiated a project to reuse waste-water from RO plants in our facilities. This water is used in mopping, cleaning etc.

b) Towards minimizing usage of paper products, the Company has implemented use of ceramic cups & glasses for employees to consume tea & coffee. Through this step we have eliminating the usage of paper products for tea/coffee machines leading to less wastage.

c) We have worked towards stopping Single Use Plastic products and in our cafeteria, we are no more using plastic products for daily consumption.

d) We have also entered into an agreement with one NGO for recycling of paper. We are collecting all waste papers/newspaper and giving to that NGO, who in lieu of these waste-paper would provide us recycled stationary products free of cost. At the same time, they plant a tree on company's behalf, if we give them 1 ton of paper to recycle we would be saving 17 trees.

e) Newgen is also working on preventing food wastage in cafeteria. The Company gets the waste food weighted and the wastage quantity gets displayed on board in cafeterias, then it gets collected by NGO to feed animals / good quality waste food gets distributed to feed people.

Principle 3:

3.1 Please indicate the Total number of employees of the Company.

3048 employees

3.2 Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.

702 employees.

3.3 Please indicate the Number of permanent women employees.

641 permanent women employees

3.4 Please indicate the Number of permanent employees with disabilities

11 employees

3.5 Do you have an employee association that is recognized by management?

No

3.6 What percentage of your permanent employees is members of this recognized employee association?

Not Applicable

3.7 Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
i.	Child labour/forced labour/involuntary labour	Nil	Nil
ii.	Sexual harassment	1	Nil
iii.	Discriminatory employment	Nil	Nil

3.8 What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? (Skill upgradation training info can be taken from L&D team – total number of training days during the year)

Total Number of training during the year: 135

(a) Permanent Employees participant: 45%

(b) Permanent Women Employees participant: 49%

(c) Casual/Temporary/Contractual Employees: 14%

(d) Employees with Disabilities: 50%

Principle 4:

4.1 Has the company mapped its internal and external stakeholders? Yes/No

Yes, the key stakeholders of the Company include – Customers, Shareholders/ Investors, Banks, Employees, Suppliers and Business Partners.

4.2 Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes

4.3 Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Yes. For detail description, kindly refer the annexure 7 of the Board's Report relating to CSR activities.

Principle 5:

5.1 Does the policy of the Company on human rights cover only the company or extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/ Others?

The principles stated in our code and policies which include respect for human rights and dignity of all stakeholders, extend to the group, suppliers and all those who work with us.

5.2 How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

One complaint is received under Prevention of Sexual Harassment Policy during the past financial year and the same was resolved. No complaint related to violation of fundamental human rights of individuals was received during the financial year.

Principle 6:

6.1 Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

Yes. Policies cover the activities in the Company, its wholly-owned subsidiaries and also extend to suppliers, contractors, NGOs and others.

6.2 Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Yes.

Newgen has a Policy on Environmental Sustainability and we strive to achieve Excellence in Environmental Sustainability in its area of operations by:

a) Integrating Environmental considerations into our all areas of operations, taking into account our environmental risks, responsibilities and organizational capability.

b) Reducing our Ecological footprint through optimized utilization of natural resources including land, water and by ensuring the responsible use of energy throughout our operations including conserving energy, improving energy efficiency, and giving preference to renewable over non-renewable energy wherever feasible.

c) Reducing and working towards the elimination of the use of plastic products by becoming Plastic Free.

d) Introducing more sustainable and green products.

e) Preventing pollution and minimizing all type of waste by adopting Reduce-Reuse-Recycle philosophy.

6.3 Does the company identify and assess potential environmental risks? Y/N

Yes, Company has identified the potential environmental risks and for an initiative the Company has implemented the Environment Sustainability Policy.

6.4 Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Not Applicable

6.5 Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N, If yes, please give hyperlink for web page etc.

Yes.

Following initiatives are taken by the Company: -

a) PNG Genset capacity of 125 KVA for emergency efficiency.

b) Solar panel capacity of 19 KVA installed for renewable Energy.

6.6 Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes

6.7 Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

Principle 7:

7.1 Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, we are member of Nasscom and CII. We are also member in few banking associations in US regions such as ABA etc.

7.2 Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

No

Principle 8:

8.1 Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, please refer question number 3 of Principle 4 of this report.

8.2 Are the program/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?

The Company's CSR program/projects are being implemented through directly by the in-house CSR team and often some initiatives are being executed on ground with the help of Non-governmental Organizations/ Trainers/ agencies working on the areas of our focus.

8.3 Have you done any impact assessment of your initiative?

Yes. After completion of five years of the core CSR initiative, Newgen Digital Discovery Paathshala, a comprehensive CSR impact assessment was conducted by a third party in FY 2018-19. In addition, yearly progress tracking is conducted. As for the partner programs, NGOs are liable to track the impact and yearly progress of the initiatives that are being implemented by the them on ground.

8.4 What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

For details, kindly refer annexure 7 of the Board's Report relating to CSR activities.

8.5 Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

To ensure that initiatives are benefiting the targeted stakeholders and the learning of the same are adopted by the community, a comprehensive plan has been created. In 2019-20, the initiatives were planned considering indirect stakeholders of the program so as to involve them in the program. Example, for our NDDP program, we are also involving mothers of our beneficiaries and providing them with the digital learning experience by generating awareness on various thematic areas.

Principle 9:

9.1 What percentage of customer complaints/ consumer cases are pending as on the end of financial year.

There are no consumer cases as on the end of financial year.

9.2 Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks (additional information)

Not Applicable, as the Company is in the business of IT and software related services.

9.3 Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words, or so.

There are no cases alleging unfair trade practice, irresponsible advertising and/ or anti-competitive behavior.

9.4 Did your company carry out any consumer survey/ consumer satisfaction trends?

We interact with our clients on a regular basis and across multiple platforms. In addition, on an annual basis, we conduct a Consumer Satisfaction Survey through a third-party agency. This helps the organization in incorporating the feedback and take improvement actions accordingly.

For and on behalf of Board of Directors

Sd/-

Diwakar Nigam

Chairman & Managing Director

DIN: 00263222

Date: 26th May 2020

Place: New Delhi

Annexure 9

REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Your Company's Corporate Governance is driven by high level of transparency, integrity, honesty and accountability in conduct of its businesses and it places utmost prominence towards regulatory compliances. At Newgen, Corporate Governance means efficient working of Board of Directors, Management reviews, strong control procedures and a guiding culture for employees. Your Company always strives to adopt best practices and remains up-to-date with the continuous development in the Corporate Governance Practices.

Certain principles of our Corporate Governance Philosophy are:

- Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains;
- Transparency and independence in the functions of the Board. Availability of information to the members of the Board and Committees of the Board to enable them to discharge their fiduciary duties;
- Operating in a sound system of internal control and risk management with a thrust on integrity and accountability;
- Timely and adequate disclosure of all material information to all stakeholders;
- Compliance of applicable laws, rules, regulations and guidelines (including amendments from time-to-time).

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, experience and enables the Board to discharge its responsibilities and provide effective leadership to the business. The Company is managed by the Board of Directors in co-ordination with the team of Senior Management Personnel.

(i) As at 31st March 2020, the Board comprises of 7 (seven) Directors, out of which 3 (three) Directors are Executive Directors and 4 (four) Directors are Non-executive Directors. All the 4 (four) Non-Executive Directors are Independent Directors including one woman Independent Director and free from any business or other relationship that could materially influence their judgment. As at 31st March 2020, there are no institutional nominee director on the Board of the Company.

(ii) All the Independent Directors have confirmed that they meet the criteria of independence as laid down under the Act, and SEBI Listing Regulations. The Company has issued formal letters of appointment to Independent Directors, whenever required, in the manner as provided in the Act. In the opinion of the Board, all the Independent Directors satisfy the criteria of independence and fulfil all the conditions as defined under the Act and SEBI Listing Regulations. The profiles of Directors are available on the Company's website: https://newgensoft.com.

(iii) None of the Directors on the Board holds directorships in more than ten public companies (Listed or Unlisted). None of the Independent Directors serves as an independent director on more than 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 timely informed by the Directors.

(iv) The names and categories of the Directors on the Board, their attendance in the previous Annual General Meeting ("AGM"), number of Directorship(s) and the status of Committee Membership(s)/ Chairperson(s) held by them in other Companies (Listed or Unlisted), as at 31st March 2020 are given herein below:

Name of the Director	Category of Director	Whether attended last AGM held on 7th August, 2019	Number of Directorship(s) in other Companies#1	Number of Membership(s) of Committee(s) in other Companies#2	Chairmanship(s) of Committee(s) in other Companies#2
Mr. Diwakar Nigam	Promoter/ Executive/ Chairman and Managing Director	Yes	1	0	0
Mr. T. S. Varadarajan	Promoter/ Executive/ Whole - Time Director	Yes	3	0	0
Ms. Priyadarshini Nigam	Promoter Group/ Executive/ Whole - Time Director	Yes	1	0	0
Mr. Kaushik Dutta#3	Non – Executive/ Independent Director	Yes	8	2	2
Mr. Saurabh Srivastava	Non – Executive/ Independent Director	Yes	7	3	1
Mr. Subramaniam Ramnath Iyer	Non – Executive/ Independent Director	Yes	1	0	0
Ms. Padmaja Krishnan#4	Non – Executive/ Independent Director	NA	1	0	0

#1 Above list of other Directorship(s) is based on the declaration given by respective Director(s) and does not include Directorship(s) in Foreign company and Section 8 company under the Act.

#2 Committees considered are Audit committee & Stakeholders' Relationship Committee of Listed Company/Companies only, excluding that of Newgen Software Technologies Limited.

#3 Mr. Kaushik Dutta has been re-appointed as an Independent Director for a second term of five years with effect from 09th July, 2019.

#4 Ms. Padmaja Krishnan has been appointed as an Additional Director in the category of Non-Executive, Independent Director effective from 24th March 2020.

(v) Details of Directorship(s) held by the Directors on the Board in other Listed Companies during the financial year 2019-20:

Name of the 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
Ms. Priyadarshini Nigam	Nil	Nil
Mr. Kaushik Dutta	1. HCL Infosystems Limited 2. New Delhi Television Limited	1. Independent Director 2. Independent Director
Mr. Saurabh Srivastava	1. Dr. Lal Pathlabs Limited 2. Info Edge (India) Limited	1. Independent Director 2. Independent Director
Mr. Subramaniam Ramnath Iyer	Nil	Nil
Ms. Padmaja Krishnan	Nil	Nil

(vi) During the Financial Year 2019-20, 5 (five) 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#1				
		15.05.2019	24.07.2019	22.10.2019	21.01.2020	24.03.2020
Mr. Diwakar Nigam	Promoter/ Executive/ Chairman and Managing Director	Yes	Yes	Yes	Yes	Yes
Mr. T.S. Varadarajan	Promoter/ Executive/ Whole - Time Director	Yes	Yes	Yes	Yes	Yes
Ms. Priyadarshini Nigam	Promoter Group/ Executive/ Whole – Time Director	Yes	No	Yes	Yes	Yes

Name of the Director	Category of the Director	Date(s) of the Board meeting[#1]				
		15.05.2019	24.07.2019	22.10.2019	21.01.2020	24.03.2020
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
Ms. Padmaja Krishnan[#2]	Non - Executive/ Independent Director	NA	NA	NA	NA	NA

[#1] Including attendance by Videoconference.

[#2] Ms. Padmaja Krishnan is appointed as an Additional Director in the category of Non-Executive, Independent Director with effect from 24th March 2020.

(vii) The Board is updated on the discussions held at the Committee meetings and the recommendations made by various Committees.

(viii) Disclosure of relationship between Director(s) inter-se:
Except Mr. Diwakar Nigam and Ms. Priyadarshini Nigam, none of the Director is related to any other Director(s). Ms. Priyadarshini Nigam, Whole-time Director, is spouse of Mr. Diwakar Nigam who is the Chairman & Managing Director of the Company.

(ix) As at 31st March 2020 none of the Non-Executive Directors holds Equity Shares of the Company, and the Company does not have any outstanding convertible instruments.

(x) The table below summarizes the key skills/expertise/competencies which are currently possessed by the Directors of the Company:

The Board of Directors of the Company comprises professionals of eminence and stature drawn from diverse fields. They collectively bring to the fore a wide range of skills and experience, which uplifts the quality of the Board's decision-making.

All the board members take active part at the Board and Committee Meetings and provide valuable guidance to the Management on various aspects of business, governance and compliance, amongst others.

S. No.	Name of the Director	Skill/ expertise/ competence
1.	Mr. Diwakar Nigam (Chairman & Managing Director)	Qualifications: 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. Mr. Diwakar Nigam is one of the Promoter of the Newgen Software Technologies Limited and has been on our Board since 1st April 1993 and over the years he has made significant contributions to the Company's growth and development. Prior to joining Newgen, he founded Softek and was associated with it for about 12 years. He has more than 35 years of experience in the information technology industry.
2.	Mr. T.S. Varadarajan (Whole-time Director)	Qualifications: Bachelor's in Science from the Bangalore University; a bachelor's degree in Engineering (Electrical Technology) from the Indian Institute of Science, Bengaluru and Master's degree in Technology (Computer Science) from IIT, Madras. Mr. T. S. Varadarajan is one of the Promoter of the Newgen Software Technologies Limited and he has been on our Board since its incorporation and over the year he has made significant contributions to the Company's growth and development. Prior to promoting Newgen, he promoted Softek Private Limited and was associated with it for about 12 years. He has more than 35 years of experience in the field of software designing and development.
3.	Ms. Priyadarshini Nigam (Whole-time Director)	Qualifications: Holds Bachelor's and Master's degree in Economics. Ms. Priyadarshini Nigam has been on our Board since 20th September 1997. She is also the Chairperson of CSR Committee of the Board.

S. No.	Name of the Director	Skill/ expertise/ competence
		She has previously been a freelance journalist and has published articles in South- North News Service and Depthnews Press Foundation Asia. She has more than 10 years of experience in the field of journalism.
4.	Mr. Kaushik Dutta (Non-executive, Independent Director)	Qualifications: Graduated in Commerce from St. Xavier's College, University of Calcutta. Fellow Member of the Institute of Chartered Accountants of India. Mr. Kaushik Dutta is a non-executive, Independent Director of the Company. He previously served as Partner of Lovelock and Lewes and Price Waterhouse, Bengaluru. He has served as an expert with the Indian Institute of Corporate Affairs and Serious Fraud Investigation Office of the Ministry of Corporate Affairs. He is the founder and co-director of Thought Arbitrage Research Institute. He has more than 25 years of experience in the field of finance and accounting and is the author of Handbook of Independent Directors upholding the moral compass, co-author of Corporate Governance - myth to reality, India means business - how the elephant earned its stripes and contributing author of CR Datta and Company Law (VII edition). He has been enrolled with the Independent Director's Databank of IICA for a period of lifetime and pursuant to the provisions of the Act the online proficiency self-assessment test to be passed by an Independent Director who has been enrolled under the databank within a period of one year from the date of inclusion of his name is under process, which shall be completed within the above said time period.
5.	Mr. Saurabh Srivastava (Non-executive, Independent Director)	Qualifications: An alumnus of the Indian Institute of Technology, Kanpur and the Harvard University, USA. Mr. Saurabh Srivastava is a non-executive, Independent Director of the Company. He has also been awarded Padma Shri by the Government of India. He is one of India's leading IT entrepreneurs, angel investors and venture capitalists. He is a founder director of Indian Angel Network and a former chairman of NASSCOM. He has more than 40 years of experience in the field of Information Technology. He has been enrolled with the Independent Director's Databank of IICA for a period of one year and pursuant to the provisions of the Act passing of online proficiency self-assessment test by an Independent Director within a period of one year from the date of inclusion of his name in the data bank is not applicable on him.
6.	Mr. Subramaniam Ramnath Iyer (Non-executive, Independent Director)	Qualifications: A qualified Chartered Accountant, Company Secretary and Cost Accountant and holds bachelor's degree in Commerce from Shri Ram College of Commerce, University of Delhi. Mr. Subramaniam Ramnath Iyer is a non-executive, Independent Director of the Company. He is a consultant and advisor to business entities in various aspects of finance and corporate laws as founder director of Amtrak Consultants Private Limited. He has more than 38 years of experience in the fields of finance, accounting and corporate law. He has been enrolled with the Independent Director's Databank of IICA for a period of lifetime and pursuant to the provisions of the Act the online proficiency self-assessment test, to be passed by an Independent Director who has been enrolled under the databank within a period of one year from the date of inclusion of his name, has been passed by him in April 2020 with 80% marks.
7.	Ms. Padmaja Krishnan Additional Director (in the category of Independent Director)	Qualifications: Bachelor's degree in Science (Physics) and Master's degree in Science (Physics) from the University of Delhi; Master's in Philosophy (Computer & Systems Sciences) from the School of Computer & Systems Sciences, Jawaharlal Nehru University, New Delhi. Ms. Padmaja Krishnan is a certified coach at Marshall Goldsmith Stakeholder Centered Coaching, a certified TickIT Lead Assessor from UK, a Certified Corporate Director by Institute of Directors and acts as a Guest Faculty for MBA programs at FMS, BIMTECH and NIFM. She has more than 40 years of experience in the IT industry and worked with TCS, Dell-Perot Systems, Genisys Group, Sopra-Steria & CSC. She has been enrolled with the Independent Director's Databank of IICA for a period of lifetime and pursuant to the provisions of the Act the online proficiency self-assessment test, to be passed by an Independent Director who has been enrolled under the databank within a period of one year from the date of inclusion of her name, is under process which shall be completed within the above said time period.

None of the Directors have attained the age of 75 (Seventy five) years, as on date of this Report.

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.

(i) Meeting of Independent Directors:

The Independent Directors met once during the financial year ended 2019-20 on 14th May 2019, without the presence of Non-Independent Directors or Management representatives. Independent Directors, inter alia, evaluated:

a) the performance of the Chairperson of the Company taking into account the views of the Executive and Non-executive Directors; and

b) the performance of non-independent Directors and the Board of Directors as a whole.

In addition, they also discussed the issues arising out of Committee Meetings and Board discussion 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 program for Independent Directors are given below:

With a view to familiarise the Independent Directors, the Company arranged programs to familiarise the Independent Directors with the Company, their roles, rights and responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc.

The Company has divided the familiarisation initiatives in two parts viz, orientation program upon induction of new independent director and other initiatives to update the directors on a continuing basis.

Meetings with 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 management, senior management changes, compliances, cash flow, budgets, operation of the Company and of its subsidiaries.

The details of familiarisation program of the Independent Directors can be found on the Company's website: https://newgensoft.com.

IV. 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 which are considered to be performed by Members of the Board, as a part of good governance practice. The Chairman of each Committee briefs the Board on the important deliberations and decisions of the respective Committees. 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 Committee.

There are total five (5) Board Committees as on 31st March 2020 comprising four (4) mandatory/ statutory committees and one (1) 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 Audit Committee is entrusted with the responsibility to assists the Board in administration of the Company's financial reporting, internal & external audit functions, risk management and internal control system. The Committee acts as a link between the Management, Auditors and the Board of Directors. The Committee is constituted in accordance with the provisions of Section 177 of the Act and Regulation 18 read with Part D of Schedule-II of the SEBI Listing Regulations. All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation 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 Companies Act, 2013;

  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, shareholders (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) 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) Statement of significant related party transactions (as defined by the audit committee), submitted by management;

c) Management letters / letters of internal control weaknesses issued by the statutory auditors;

d) Internal audit reports relating to internal control weaknesses;

e) The appointment, removal and terms of remuneration of the Chief Internal auditor shall be subject to review by the audit committee; and

f) Statement of deviations in terms of the SEBI Listing Regulations:

- Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the SEBI listing regulations;
- Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of the SEBI Listing Regulations.

B. Composition of the Audit Committee during the Financial Year 2019-20:

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 2019-20:

During the Financial Year 2019-20, 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				
		14.05.2019	24.07.2019	22.10.2019	21.01.2020	24.03.2020
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:

The Nomination & Remuneration Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, the following:

- 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 & 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);
- 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 2019-20:

Name of the Committee Member	Category & Designation	Chairman/ Member
Mr. Subramaniam Ramnath Iyer	Non-Executive, Independent Director	Chairman
Mr. Saurabh Srivastava	Non-Executive, Independent Director	Member
Mr. Kaushik Dutta	Non-Executive, Independent Director	Member

C. Meetings and attendance of the Nomination & Remuneration Committee meeting held during the Financial Year 2019-20.

During the Financial Year 2019-20, 2 (two) meetings of Nomination & Remuneration 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/ Attendance	
		14.05.2019	24.03.2020
Mr. Subramaniam Ramnath Iyer	Non-Executive, Independent Director	Yes	Yes
Mr. Saurabh Srivastava	Non-Executive, Independent Director	Yes	Yes
Mr. Kaushik Dutta	Non-Executive, Independent Director	Yes	Yes

The necessary Quorum was present at the meeting and all the meetings were held within 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 own performance, Committees of the Board and Individual Director. The performance of the Board was evaluated by the Board itself after seeking the inputs from all the directors on the basis of the criteria such as structure & composition of Board Culture, 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 the criteria such as 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 the 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, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was 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:

The policy for setting out the criteria of making payments to Non-Executive Directors can be found on the Company's website: https://newgensoft.com.

The details of specific service contracts, if any, notice period and severance fees etc. are governed by the appointment letter issued to respective Director at the time of his / her appointment.

(i) Pecuniary transactions with Non-Executive Directors:

The Non-Executive Independent Directors were paid remuneration in the form of sitting fee for attending meetings of the Board and the Committees as well as commission on profits thereof as approved by the Board and members of the Company. The remuneration paid to the Non-Executive Independent Directors are within the threshold limit prescribed under the provisions of the Act and SEBI Listing Regulations.

There has been no pecuniary relationship or transactions of the Non-executive Independent Directors vis-à-vis the Company during the year except as stated below:

(₹ in Lakhs)

Name	Sitting Fees	Commission on Profit	Other Expenses reimbursed, if any
Mr. Kaushik Dutta	14,00,000	16,66,667	NIL
Mr. Saurabh Srivastava	13,00,000	16,66,667	NIL
Mr. Subramaniam Ramnath Iyer	14,00,000	16,66,667	NIL
Ms. Padmaja Krishnan*	NA	NA	NA

**Ms. Padmaja Krishnan has been appointed as an Additional Director in the category of Non-Executive Independent Director with effect from 24th March 2020.*

(ii) Executive Directors:

The remuneration drawn by the Executive Directors during the Financial Year 2019-20 is set out below. The remuneration paid to the Executive Directors is in accordance with the provisions of the Act and SEBI Listing Regulations.

(₹ in Lakhs)

PARTICULARS	NAME OF THE EXECUTIVE DIRECTORS		
	Diwakar Nigam	T.S. Varadarajan	Priyadarshini Nigam
Salary	203.26	96.00	47.18
Benefits, Perquisites & Allowances	0.73	1.57	0.40
Commission	75.00	45.00	30.00
Performance linked incentive and criteria of making such payment	-	-	-
Bonus	-	-	-
ESOPs	-	-	-
Total	**278.99**	**142.57**	**77.58**

3) Stakeholders' Relationship Committee:

The Stakeholder's Relationship Committee of the Board consider and resolves the grievances of Stakeholders of the Company including complaints related to transfer of shares, non-receipt of annual report or non- receipt of declared dividends, ensuring expeditious share transfer process, evaluating performance and service standards of the Registrar and Share Transfer Agent of the Company. The constitution of Committee and its composition is in compliance with 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 shareholders of the Company.

f) Review of measures taken for effective exercise of voting rights by shareholders.

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 2019-20:

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 2019-20:

During the Financial Year 2019-20 1 (one) Stakeholders' Relationship Committee meeting was held. The attendance of the members of the Committee at the meeting are as below:

Name of the Committee Member	Category & Designation	Date(s) of the meeting/ Attendance
		14.05.2019
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

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 2019-20, 5 (Five) complaints were received from the Investors/Shareholders. The number of pending share transfers and pending requests for dematerialization as at 31st March 2020 were Nil. Shareholders/Investors complaints and other correspondence are normally attended to within 30 (Thirty) working days except where constrained by disputes or legal impediments, if any. All the complaints have been redressed to the satisfaction of the Investors/Shareholders and none of them were pending as at 31st March 2020.

Particulars	Complaints Received	Complaints Redressed
Non-receipt of Dividend	5	5
Non-receipt of Annual Report	Nil	Nil

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 role of CSR Committee of the Board includes formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company, recommending the amount of expenditure to be incurred on CSR activities of the Company, reviewing the performance of Company in the area of CSR. The constitution of Corporate Social Responsibility Committee and its composition and terms of reference are in compliance with the provisions of the Act.

A. The terms of reference of the Corporate Social Responsibility Committee:

a) 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 Companies Act 2013;

b) To recommend the amount of expenditure to be incurred on activities referred in the law;

c) To monitor the Corporate Social Responsibility Policy of the Company from time to time;

d) 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 2019-20:

Name of the Committee Member	Category & Designation	Chairperson/ Member
Ms. 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 2019-20:

During the Financial Year 2019-20 1 (one) Corporate Social Responsibility Committee meeting was held. The attendance of the members of the Committee at the meeting are as below:

Name of the Committee Member	Category & Designation	Date(s) of the meeting/ Attendance
		14.05.2019
Ms. Priyadarshini Nigam	Whole-time Director	Yes
Mr. Kaushik Dutta	Non-Executive, Independent Director	Yes
Mr. T.S. Varadarajan	Whole-time Director	Yes

4. Other Committees

Apart from the above mandatory/statutory Committees, the Board of Directors has constituted the following Functional Committee to raise the level of governance and also to meet the specific business needs.

4.1. Finance and Operations Committee:

The Finance and Operations committee has been constituted to oversee the Banking operations, 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 Operation Committee during Financial Year 2019-20:

Name of the Committee Member	Category & Designation	Chairman/ Member
Mr. T.S. Varadarajan	Whole-time Director	Chairman
Mr. Diwakar Nigam	Chairman & Managing Director	Member
Ms. Priyadarshini Nigam	Whole-time Director	Member

Whereas, Mr. Arun Kumar Gupta is the permanent invitee to this committee.

No meeting of the Finance & Operation Committee was held during the Financial Year 2019-20.

V. GENERAL BODY MEETINGS:

A. ANNUAL GENERAL MEETING ("AGM")

The AGM of the Company during the preceding 3 (three) years were 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
25th AGM	28.07.2017 at 4.30 PM	D-152, Okhla Phase-I, New Delhi - 110020	1. Amendment to Newgen Employee Stock Option Scheme-2014. 2. Approval for extending benefits of Newgen Employee Stock Option Scheme-2014 to Employees of Subsidiary Company(s) 3. Authorisation to Newgen ESOP trust for Secondary Acquisition of Equity Shares. 4. To increase the Authorised Share Capital and consequent alteration of the Memorandum of Association. 5. Adoption of new set of AOA with requirements of Companies Act & SEBI Listing Regulation 6. Raising of Capital through IPO 7. Increase in FPI limit to 49% of paid up equity share capital of the Company. 8. Increase in NRI limit to 24% of paid up equity share capital. 9. Revision of remuneration of Mr. Diwakar Nigam, Managing Director. 10. Revision of remuneration of Mr. T.S. Varadarajan, Whole-time Director. 11. Revision of remuneration of Ms. Priyadarshini Nigam, Whole-time Director. 12. Appointment of Ms. Shubhi Nigam to hold an office or place of profit. 13. Appointment of Ms. Sonali Nigam to hold an office or place of profit. 14. To approve & take on record the expiration of Equity Shares with DVR.
26th AGM	09.08.2018 at 11:00 AM	NCUI Complex, 3, Siri Institutional Area, August Kranti Marg, Hauz Khas, New Delhi – 110016	1. To Ratify the Newgen Employee Stock Option Scheme-2014. 2. To Ratify issuance of Options and extending benefits of Newgen Employee Stock Option Scheme-2014 to the Employees of the Subsidiary Company(s). 3. To Ratify Newgen ESOP Trust for secondary acquisition of Equity Shares.
27th AGM	07.08.2019 at 11:00 AM	NCUI Complex, 3, Siri Institutional Area, August Kranti Marg, Hauz Khas, New Delhi – 110016	1. Re-appointment of Mr. T. S. Varadarajan as Whole-time Director of the Company for a period of five (5) years

No Extraordinary General Meeting was held during the financial year 2019-20.

B. POSTAL BALLOT

During the Financial Year 2019-20, the Company sought the approval of members by way of Special Resolutions obtained through notice of postal ballot dated 15th May 2019 for, Variation in the objects of the Public Issue as stated in the Prospectus of the Company dated 19th January 2018 and re-appointment of Mr. Kaushik Dutta (DIN: 03328890) as Non-Executive Independent Director of the Company for a second term of five years.

Both the aforestated Special Resolutions were duly passed in accordance with the provisions of the Act and SEBI Listing Regulations, vide resolution dated 26th June 2019 and the results of which were announced on 27th June 2019. M/s Kundan Agrawal & Associates, Practising Company Secretaries, was appointed as the scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner. The consolidated summary of the result of postal ballot / e-voting is as under:

Special 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
Variation in the objects stated in the Prospectus of the Company.	58905108	58904879	229	99.99%	0.01%
Re-appointment of Mr. Kaushik Dutta as Non-Executive Independent Director of the Company for a second term of five years.	58905108	58885224	19884	99.97%	0.03%

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 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 Private Limited (formerly known as Karvy Fintech Private Limited) for the purpose of providing e-voting facility. The Members had the option to vote either by physical ballot or e-voting. Company dispatched the postal ballot notice containing draft resolutions together with the explanatory statements, the postal ballot form and self-addressed envelope to its members whose names appear on the register of members / list of beneficiaries as on cut-off date in electronic form to the email addresses registered with the depository (in case of electronic shareholding)/the Company's RTA (in case of physical shareholding). For members whose email IDs are not registered, physical copies of the postal ballot notice are sent by permitted mode along with a postage prepaid self-addressed business reply envelope. 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. Alternatively, members may exercise their votes through physical ballot by sending duly completed and signed forms so as to reach the scrutinizer before a specified date and time. The scrutinizer submits his report to the Chairman, or any other person authorised by the Chairman, after the completion of scrutiny of the postal ballots (including remote e-voting). The results of the postal ballot (including remote e-voting) are announced by the Chairman or any other person, if any, authorised by the Chairman within 48 hours 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 viz. 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 receipt of duly completed postal ballot forms or e-voting.

VI. MEANS OF COMMUNICATION:

The Company follows a robust process of communicating with its stakeholders and investors. For this purpose, it provides multiple channels of communications viz. dissemination of information on the Stock Exchanges, through Press Releases and Annual Reports, and also, by placing relevant information on its website.

(i) Quarterly/Half Yearly/Annual Financial Results:

During the financial year 2019-20, Company's Quarterly/Half Yearly/Annual Financial Results (Standalone & Consolidated) are published in English daily newspapers having nation-wide circulation and the Hindi translation of the same is published in local Hindi daily newspaper.

(ii) Annual Report:

Annual Report containing audited standalone financial statements, consolidated financial statements together with Board's Report, Auditors Report and other important information are circulated to the members entitled thereto.

(iii) Press Releases and Presentations:

The Investor Relations team also conducts conference call(s) with investors/analysts, the transcripts of investors/analysts call, along with investor's presentation are displayed on the website of the Company: https://newgensoft.com.

(iv) Website:

The Company's website contains a separate dedicated section "Investor Relations" where information sought by members is available. The Annual Report of the Company, earnings, press releases, and quarterly reports of the Company, apart from the details about the Company, Board of Directors and Management, are also available on the website in a user friendly and downloadable form at: https://newgensoft.com.

(v) Others:

The Company discloses to the stock exchanges, information required to be disclosed under Regulation 30 read with Part A of Schedule III of the SEBI Listing Regulations, including material information which have a bearing on the performance/operations of the Company, or which is price sensitive in nature. All information is filed electronically on BSE Listing Centre, the online portal of Bombay Stock Exchange (BSE) and on NSE Electronic Application Processing System (NEAPS), the online portal of National Stock Exchange of India Limited (NSE).

VII. GENERAL SHAREHOLDER INFORMATION:

A. 28th Annual General Meeting:

The date, time and venue of the 28th (Twenty eighth) Annual General Meeting of the Company is provided hereunder:

Day & Date: Monday, 27th July 2020

Time: 11:00 A.M.

Venue: Video Conferencing or Other Audio Visual Means*

**due to the Covid-19 pandemic, the company is conducting its annual general meeting through video conferencing or other audio visual means.*

B. Financial Year:

The Financial Year of the Company starts from 1st April 2020 to and ends on 31st March 2021.

C. Details related with Dividend:

Dividend on equity shares, if declared at the ensuing Annual General Meeting, will be credited on or after the date of Annual General Meeting within prescribed time. Members who hold shares in demat mode should inform their depository participant, whereas Members holding shares in physical form should inform 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 period of book closure/record date for the purpose of ensuing Annual General Meeting and payment of Dividend is from 22nd July 2020 to 27th July 2020 (inclusive of both days).

Unpaid/ Unclaimed Dividends:

In accordance with the provisions of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer dividends which have remained unpaid/ unclaimed for a period of 7 (seven) years, from the date that dividend is due for payment, to the Investor Education & Protection Fund ('IEPF') established by the Government. During the financial year 2019-20, there were no unpaid and unclaimed dividend amounts lying with the Company for a continuous period of seven years. The details of unpaid and unclaimed dividend amount lying in the unpaid/unclaimed dividend Accounts (maintained with the scheduled bank) is available on the website of the Company at: https://newgensoft.com.

D. Listing on Stock Exchanges:

The Company's equity shares are listed on the following Stock Exchanges and the listing fees for the Financial Year 2019-20 have been duly paid to the exchanges:

Sr. No.	Name of the Stock Exchange	Address	Stock Code
1.	BSE Limited (BSE)	1st 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):

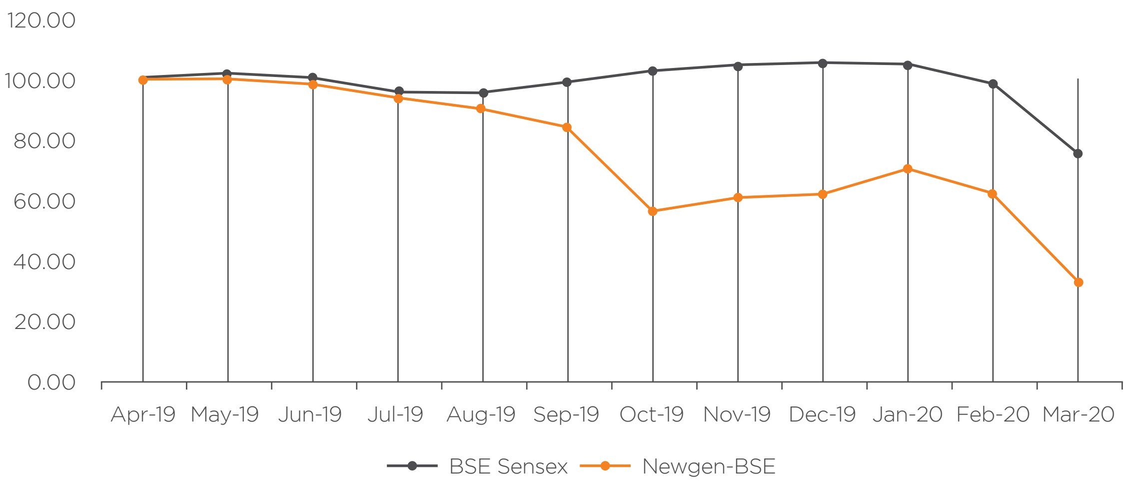
ISIN is an identification number for traded shares. This number needs to be quoted in each transaction relating to the dematerialized equity shares of the Company. ISIN for our equity shares is INE619B01017.

E. Market Price Data:

The monthly high and low prices and volumes of shares of the Company at BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) for the financial year ended 31st March 2020 are tabled below:

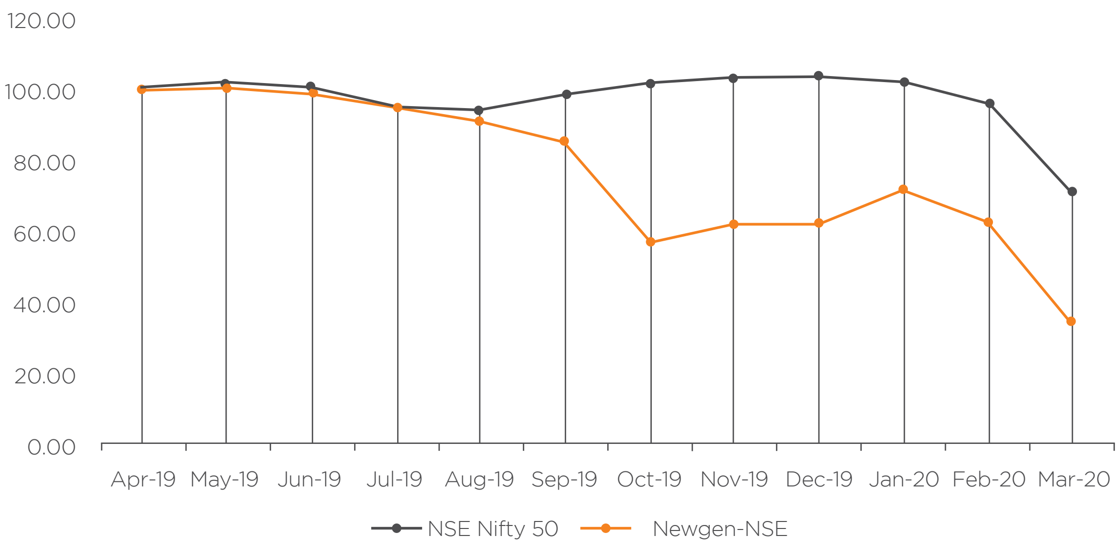
Month	BSE			NSE		
	High	**Low**	**Volume (in shares)**	**High**	**Low**	**Volume (in shares)**
April-19	371	312.45	96,306	372	312	9,84,941
May-19	363	303.3	79,552	363.95	304.65	8,27,878
June-19	320.65	288	29,022	323	287.1	3,72,611
July-19	311.05	247	43,568	316	245.05	5,94,534
August-19	304	278.1	40,152	303.1	278.15	3,79,312
September-19	290.8	255	20,250	290.35	260	3,42,319
October-19	279.15	172.1	98,362	274	163.65	12,49,140
November-19	208	167.8	2,49,492	208.65	165.2	15,71,387
December-19	203	188.5	17,538	203.45	188.5	2,39,423
January-20	249.5	192.5	91,982	249.85	191.55	10,73,786
February-20	226.85	192.1	25,402	228.8	192	8,20,030
March-20	221	96.2	88,867	207	96	15,81,636

Performance of Newgen's Share Price Vs BSE Sensex Price Movement*:



Share price and BSE Sensex index are rebased to 100 for closing price/value.

Performance of Newgen's Share Price Vs NSE Nifty 50 Price Movement*:



Share price and NSE Sensex index are rebased to 100 for closing price/value.

F. Registrar and Share Transfer Agent ("RTA"):

The Company has appointed KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited) to act as RTA and to render services on matters of Share transfer/ Dematerialisation/ Rematerialisation/ Transmission and other activities thereto for both electronic and physical shareholdings.

Members/Investors are requested to forward share transfer documents, dematerialization/ rematerialisation requests and other related correspondence directly to the RTA of the Company, as Share transfer, dividend payment and all other related matters are dealt and processed by our RTA.

Details for Correspondence:

KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited)

Selenium Building, Tower B,

Plot No. 31 and 32,

Gachibowli Financial District,

Nanakramguda, Hyderabad 500032

Tel: +91-40- 67162222 Fax: +91-40-23420814

Email: einward.ris@kfintech.com

Website: www.kfintech.com

SEBI Registration No. INR000000221

G. Share Transfer System:

Requests for transfer of Equity Shares in dematerialized form are done through depositories with no involvement of the Company. As at 31st March 2020 the Company had only 8 (Eight) members who holds shares in physical form. Transfer of shares held in physical form is not permitted after 31st March 2019 through statutory notifications. Accordingly, members holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in various corporate actions.

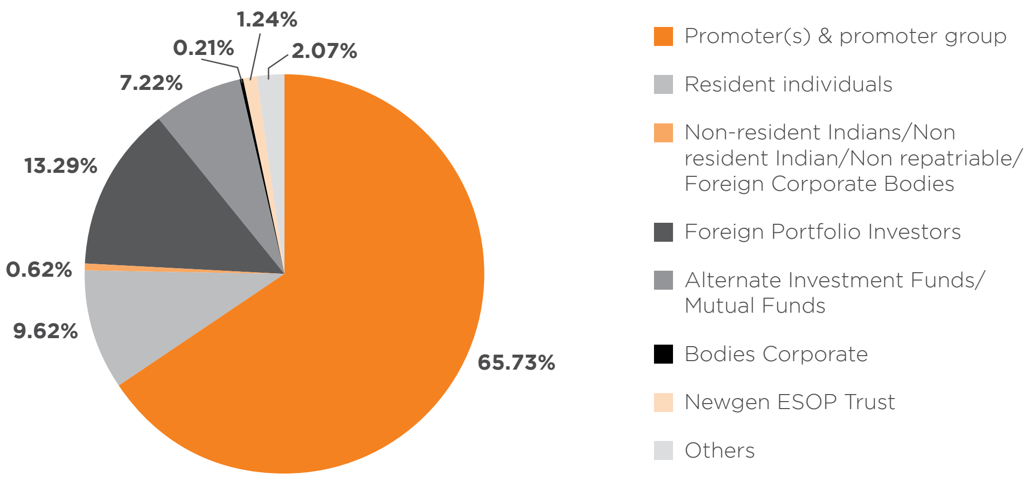
During the financial year 2019-20, there were no requests received for transfer of physical shares by the RTA.

H. Distribution of Shareholding:

Tabled below is the shareholding distribution of Equity shares of the Company as at 31st March 2020:

Categories	Number of Shares	Percentage
Promoter(s) & promoter group	45978988	65.73%
Resident Individuals	6727411	9.62%
Non-resident Indians/ Non-resident Indian Non repatriable/ Foreign Corporate Bodies	436294	0.62%
Foreign Portfolio Investors	9296068	13.29%
Alternate Investment Funds/ Mutual Funds	5053119	7.22%
Bodies Corporate	149756	0.21%
Newgen ESOP Trust	865888	1.24%
Others	1448177	2.07%
Total	**69955701**	**100.00%**

Distribution of Shareholding



Distribution Schedule - Consolidated as at 31-03-2020					
Category (Amount in ₹)	**No. of Shareholders**	**% of Shareholders**	**Total Number of Shares**	**Amount (in ₹)**	**% of Amount**
1-5000	21268	95.25	1450465	14504650	2.07
5001- 10000	366	1.64	281176	2811760	0.40
10001- 20000	260	1.16	376086	3760860	0.54
20001- 30000	117	0.52	297583	2975830	0.43
30001- 40000	60	0.27	205286	2052860	0.29
40001- 50000	36	0.16	165373	1653730	0.24
50001- 100000	82	0.37	561904	5619040	0.80
100001& Above	139	0.62	66617828	666178280	95.23
Total	**22328**	**100**	**69955701**	**699557010**	**100**

I. Dematerialization/ Rematerialisation of Shares and liquidity:

As at 31st March 2020, 6,99,26,887 of the total Equity Shares were held in dematerialized form. The market lot is one share and the trading in equity shares of the Company is permitted only in dematerialized form. The stock is highly liquid. The face value of share is ₹ 10/- (Rupees Ten) per share. Also, the Company has established connectivity with both the depositories i.e. NSDL and CDSL.

During the Financial Year 2019-20, 1 (one) case was received for dematerialisation of equity shares of the Company and no cases was received for re-materialisation of Equity Shares.

J. Details of Shares held in Demat Suspense Account:

Pursuant to the provisions laid down in Part F of Schedule V to the SEBI Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense account which pertains to the public issue of the Company:

S. No.	Particulars	Number of Shareholders	Number of Equity Shares
1.	Aggregate number of shareholders and the outstanding shares in the suspense account lying as at 1st April, 2019.	NIL	NIL
2.	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year.	NIL	NIL
3.	Number of shareholders to whom shares were transferred from suspense account during the year.	NIL	NIL
4.	Aggregate number of shareholders and the outstanding shares in the suspense account lying as at 31st March 2020.	NIL	NIL

Further, in accordance to the provisions of Regulation 39(4) read with Schedule VI of the SEBI Listing Regulations, the Company has delegated the procedural requirement to its RTA i.e. KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited).

K. Outstanding Convertible Instruments/ ADRs/ GDRs/ Warrants:

As at 31st March 2020, 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 2019-20. For details related to foreign exchange risk and hedging activities, please refer the Management Discussion and Analysis Report which forms part of this Annual Report.

M. Plant Locations:

The Company being in software development business, does not require manufacturing plant and has software development centres in India. The addresses of the development centres/ offices of the Company are given in the annual report.

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:

RTA	Details of Compliance Officer/ Investors' complaints
KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited) Selenium Building, Tower B, Plot No. 31 and 32, Gachibowli Financial District, Nanakramguda, Hyderabad 500 032 Tel: +91-40-6716 2222 Fax: +91-40-2342 0814 Toll Free No.: 1800-345-400 Email: einward.ris@kfintech.com	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

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: Ms. Deepti Mehra Chugh,
Head – Investor Relations
Tel: +91-11-46533200
Fax: +91-11-26383963
E-mail: ir@newgen.co.in

O. Details of Credit ratings obtained by the Company:

As the Company has not issued any debt instruments or accepted any fixed deposits, the Company was not required to obtain credit ratings in respect of the same. The credit rating from CRISIL Limited during the financial year 2019-20 for bank facilities is CRISIL A2+ for the short term. There has been no revision in the said rating. The details of such ratings can be found on the Company's website at: https://newgensoft.com.

VIII. OTHER DISCLOSURES:

A. Related Party Transactions:

All transactions entered into by the Company during the financial year 2019-20 with related parties were at an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel's or other Designated Persons which may have a potential conflict with the interest of the Company at large.

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 where any material related-party transaction is proposed, approval of the Members is obtained. No related party whether or not is a party to the particular transaction or nor is allowed to vote to approve the transaction in line with the SEBI Listing Regulations. The policy on related party transactions has been placed on the Company's website at: https://newgensoft.com.

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 provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated a Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct to 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.

In addition to the above, the Company has put in place 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 have also formulated a Policy for 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 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 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. Also, the Company affirms that no personnel had been denied access to the audit committee under the policy on Whistle Blower mechanism.

Directors, employees and other stakeholder may raise concern by writing to: whistleblower.newgen@arthaarbitrage.com or by postal mail/ letter to: M/s Artha Arbitrage Consulting LLP C-16, 2nd 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://newgensoft.com.

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 Chairman & Managing Director 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 2019-20. The Code is available on the website of the Company at https://newgensoft.com.

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.

During the financial year 2019-20, the Company received one complaint under this Policy and the same was resolved accordingly. As on 31st March 2020, no complaint is pending.

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://newgensoft.com.

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 were duly complied. During the year under review, there were no investments made or any significant transactions and arrangements entered into by the subsidiary companies. Minutes of the Board meetings of subsidiary companies (including its material subsidiary) were regularly placed before the Board of Directors.

H. Funds raised through preferential allotment or qualified institutions placement:

During the financial year 2019-20, the Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of SEBI Listing Regulations.

I. Compliance with Mandatory requirements:

During the Financial year 2019-20, your Company has complied with all the mandatory Corporate Governance requirements under the SEBI Listing Regulations. Specifically, your Company confirms compliance in respect of Corporate Governance Report as stated under sub-paras (2) to (10) of section (C) of Schedule V to the SEBI Listing Regulations.

J. Compliance on 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:

a) The Board: The Chairman of the Company is an Executive Director and hence this provision is not applicable to us.

b) 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.

c) Modified opinion(s) in audit report: The Company confirms that its financial statements are with un-modified opinion.

d) Reporting of Internal Auditor: The Internal Auditor reports directly to the Audit Committee of the Board.

K. 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 31st March 2020.

L. Fees paid to the Statutory Auditors:

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to Statutory Auditors of the Company and their other associated firms during the Financial Year ended 31st March, 2020, is as follows:

Particulars	(₹ in Lakhs)
Statutory Audit Fee:	39.50
Quarterly Limited review fee	22.50
Reimbursement of expenses	5.15
Others, including: - ESOP Certificate, IPO Fund Utilization Certificate, Annual Certificate on Outstanding Loan for DPT- 3 filing, APR certification, ODI certificate etc.,	8.25
Total	**75.40**

IX. 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:

Sr. No.	Particulars	Regulation Number	Compliance status (Yes/ No/NA)
1	Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
2	Board composition	17(1),(1A) & (1B)	Yes
3	Meeting of Board of directors	17(2)	Yes
4	Quorum of Board Meeting	17(2A)	Yes
5	Review of Compliance Reports	17(3)	Yes
6	Plans for orderly succession for appointments to the Board and Senior Management Personnel.	17(4)	Yes
7	Code of Conduct for all members of the Board and Senior Management Personnel.	17(5)	Yes

Sr. No.	Particulars	Regulation Number	Compliance status (Yes/ No/NA)
8	Fees/compensation paid to directors	17(6)	Yes
9	Minimum Information to be placed before the Board	17(7)	Yes
10	Compliance Certificate from Managing Director and CFO	17(8)	Yes
11	Risk Assessment & Management	17(9)	Yes
12	Performance Evaluation of Independent Directors	17(10)	Yes
13	Recommendation of the Board	17(11)	Yes
14	Maximum no. of Directorships	17A	Yes
15	Composition of Audit Committee	18(1)	Yes
16	Meeting of Audit Committee	18(2)	Yes
17	Composition of nomination & remuneration committee	19(1) & (2)	Yes
18	Quorum of Nomination and Remuneration Committee	19(2A)	Yes
19	Meeting of Nomination and Remuneration Committee	19(3A)	Yes
20	Composition of Stakeholder Relationship Committee	20(1), (2) & 20(2A)	Yes
21	Meeting of Stakeholders Relationship Committee	20(3A)	Yes
22	Composition and role of risk management committee	21(1),(2),(3),(4)	NA
23	Meeting of Risk Management Committee	21(3A)	NA
24	Vigil Mechanism	22	Yes
25	Policy for related party Transaction	23(1),(1A), (5),(6),(7) & (8)	Yes
26	Prior or Omnibus approval of Audit Committee for all related party transactions, if any.	23(2), (3)	Yes
27	Approval for material related party transactions, if any.	23(4)	Yes
28	Disclosure of Related Party Transactions on consolidated basis	23(9)	Yes
29	Composition of Board of Directors of unlisted material Subsidiary, incorporated in India or outside India.	24(1)	Yes
30	Other Corporate Governance requirements with respect to Indian subsidiary of listed entity.	24(2),(3),(4),(5) & (6)	Yes
31	Annual Secretarial Compliance Report	24(A)	Yes
32	Alternate Director to Independent Director	25(1)	NA
33	Maximum Tenure	25(2)	Yes
34	Meeting of independent directors	25(3) & (4)	Yes
35	Familiarization of independent directors	25(7)	Yes
36	Declaration from Independent Director	25(8) & (9)	Yes
37	D & O Insurance for Independent Directors	25(10)	Yes
38	Memberships in Committees	26(1)	Yes
39	Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
40	Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes
41	Policy with respect to Obligations of directors and senior management.	26(2) & 26(5)	Yes
42	Disclosure on the website of the Company under separate section	46(2)	Yes

X. CERTIFICATE FROM PRACTICING COMPANY SECRETARY ON COMPLIANCE OF CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

The Company has obtained a certificate from a M/s Aijaz & Associates, Practicing Company Secretaries 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 to the Board's Report.

For and on behalf of Board of Directors

Sd/-
Diwakar Nigam
Chairman & Managing Director
DIN: 00263222

Date: 26^{th} May 2020
Place: New Delhi

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 the copy of the same has been uploaded on the website of the Company https://newgensoft.com.

I hereby declare that all the Directors and Senior Managerial Personnel have affirmed the compliance with the Code of Conduct and have given a confirmation thereto in this regard, in respect of financial year ended 31st March 2020.

For and on behalf of Board of Directors

Sd/-
Diwakar Nigam
Chairman & Managing Director
DIN: 00263222

Date: 25th May 2020
Place: New Delhi

CERTIFICATE UNDER REGULATION 17 (8) OF THE SEBI (LODR) REGULATIONS, 2015

To
The Board of Director
Newgen Software Technologies Limited
New Delhi

Sub: Certification by Managing Director & Chief Financial Officer, pursuant to regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We, Diwakar Nigam, Chairman & Managing Director 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 31st March 2020 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 incompliance 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. Significant changes in internal control, if any, over financial reporting during the year;
   ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

	Sd/-	Sd/-
	Diwakar Nigam	**Arun Kumar Gupta**
Date: 25th May 2020	Chairman & Managing Director	Chief Financial Officer
Place: New Delhi	DIN: 00263222	Membership No. 056859

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members,
Newgen Software Technologies Limited
New Delhi-110067

We have examined the compliance of conditions of Corporate Governance by Newgen Software Technologies Limited ("the Company"), for the Financial Year ended 31st March 2020 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").

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 substantially 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, the compliances of which needs to be further strengthened.

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

Sd/-
(M. Aijaz)
CP No: 7040
M. No.: 6563
UDIN: F006563B000254525

Date : 26th May 2020
Place: New Delhi

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Newgen Software Technologies Limited having CIN L72200DL1992PLC049074 and having registered office at A-6, Satsang Vihar Marg, Qutab Institutional Area, New Delhi-110067(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] 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 31st March, 2020 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 Director	DIN	Date of Initial Appointment in the Company
1.	Mr. Diwakar Nigam	00263222	1st April 1993
2.	Mr. T. S. Varadarajan	00263115	5th June 1992
3.	Mrs. Priyadarshini Nigam	00267100	20th September 1997
4.	Mr. Kaushik Dutta	03328890	9th July 2014
5.	Mr. Saurabh Srivastava	00380453	30th August 2017
6.	Mr. Subramaniam Ramnath Iyer	00524187	22nd November 2017
7.	Mrs. Padmaja Krishnan*	03155610	24th March 2020

** An Additional Director in the category of Non-Executive, Independent Director to be in the office till ensuing AGM, if not regularised.*

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 based 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.

Sd/-
(M. Aijaz)
FCS No.: 6563
CP. No.: 7040
UDIN: F006563B000254349

Date : 19th May 2020
Place: New Delhi

Management Discussion and Analysis

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.

COMPANY OVERVIEW

Newgen Software Technologies is a low code software products Company offering Enterprise Content Management (ECM), Business Process Management (BPM) and Customer Communication Management (CCM) platform that enables organisations to rapidly develop powerful applications addressing their strategic business needs. These include managing digital content, managing complex processes & workflows and managing outbound communication. The Company provides low-code, flexible and cloud-ready platform that helps in rapidly building powerful applications for organisations to resolve complex business problems and empower them to reinvent their workplaces and adapt to the dynamic environment. By linking Systems, People and Process, it enriches customer facing processes.

The Company, with its best-in-class products and solutions, deep domain expertise and global experience, is well positioned in the market and is transforming businesses for around 560 customers across 69 countries through its enterprise solutions (including 71 new customer wins during the year). It has clients across India, USA, Canada, UAE, Saudi Arabia, UK, Philippines, Indonesia, Singapore and many more countries. It offers products and solutions across 17 industries and has been a preferred partner of some of the world's leading Banks, Insurance companies, Healthcare organisations, Governments, Telecom companies, Shared service centres, and BPOs among others.

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. They serve as the backbone of their operations. Newgen is actively helping customers to continue operations despite the disruptions.

Newgen makes continuous investments in R&D and has a strong team of 400+ employees which constantly focuses on various research & product development initiatives. During the year, it was granted 4 patents taking the total to 15 patent grants as of March 2020. The endeavour is to work on enhancing the product portfolio to meet the evolving industry and technological developments, changes in customer requirements and competitive products and features, so as to seamlessly deliver according to customer needs while reducing their total cost of ownership.

In that direction, during the year, the Company made various product upgrades for customers in order to provide advanced features & functionality, enhanced user experience, improved information security and easier integration including the new version of the product iBPS, a low code BPM platform for rapid application development. With this release and extended capabilities, the Company expects to extend the solutions stack further across all verticals and get deeper and wider market presence. With low code capabilities of the platform the customers expect to gain from significant reduction in deployment cycle, effort and cost.

Newgen's strong focus on product innovation makes it one of the few software products organizations which have attracted multiple recognitions from leading advisory and research firms from time to time. During the year, Newgen has been positioned as a Challenger in Gartner 2019 Magic Quadrant for Content Services Platforms, 30 October 2019, Michael Woodbridge et al. It has also been positioned as a Strong Performer" in The Forrester Wave™: ECM Content Platforms, Q3 2019.

It continues to extend its reach globally by expanding the direct and indirect sales network. The Company's global sales organisation is highly focussed and comprises of about 300 employees in Sales & Marketing focussed on specific geographies, supported by a large network of channel partners and system integrators. The Company would continue to leverage the partner network for further market expansion. The Company has been re-modeling new methods of sales and marketing including remote engagements and increasing localisation efforts.

With the long term vision of growth, Newgen has strengthened its management team across geographies. It has a strong team of professionals who uphold the organization's core values in all endeavours and work together for growth.

INDUSTRY OVERVIEW

The Company's core addressable market can be broadly classified across low code, global ECM, BPM and CCM market. Newgen has further expanded its addressable market by developing solution frameworks in key verticals including banking, government/PSU, BPO/IT healthcare and insurance (addressed as the Application PaaS market). The current disturbance on account of Covid19 pandemic has increased the relevance of digital transformation projects across the globe. Digital solutions are helping companies adapt to the new normal and operate seamlessly amid disruptions.

According to the Ovum Report, the Company's core addressable market (i.e. global ECM, BPM and CCM markets) were estimated at USD 14,935 million, USD 6,100 million and USD 1,460 million, respectively in 2017. The Ovum Report estimates aPaaS to account for a major share of PaaS spending. The global PaaS market is estimated at USD17.61 billion in 2017 and forecasted at USD 46.66 billion in 2021. The Indian PaaS market is expected to grow from USD 379 million in 2017 to USD 1.46 billion by the end of 2021.

Ovum Reports forecasts that while ECM will grow at a CAGR of 7.13%, BPM and CCM will grow at a CAGR of 8.39% and 9.99%, respectively between 2017 and 2021. This reflects the fact that ECM is a very mature market and that there are fewer opportunities, while CCM will enjoy new market opportunities afforded by the adoption of the technology as a marketing tool to support the customer journey.

BUSINESS CONTINUITY DURING COVID19 PANDEMIC

The outbreak of Coronavirus (COVID -19) pandemic globally is causing significant disturbance and slowdown of economic activity globally. Governments and central banks have subsequently made monetary and fiscal interventions to stabilize economic conditions.

Newgen has a resilient business model in place with large annuity revenue streams i.e. recurring business from existing customers as well as diversification across verticals, clients and geographies. Newgen's pre-emptive measures, business continuity processes and robust IT infrastructure ensured quick control and seamless transition to remote working environment.

Newgen's solutions are of mission critical nature for long term customers. They serve as the backbone of their operations. During this Covid19 time, the Company ensured customers' continued operations and business continuity. The Company focused on health and safety of employees while fully supporting clients worldwide.

The company implemented its business continuity plan, executed just-in-time requisition and provision of computers, enabled VPNs and internet connectivity, and provided team collaboration tools. Today, our workforce across locations is efficiently working remotely with data security and compliance and is fully functional. Newgen is ensuring seamless customer services by leveraging digital connectivity to successfully execute each stage of project deployments (from requirements gathering, to project planning, to implementation and production support) as well as sales and marketing efforts.

The Company is actively helping customers to continue their operations despite the disruptions. Newgen is developing and deploying new solutions under various global loan programmes including the paycheck protection programme to help financial institutions quickly process and forgive loans under the various monetary and fiscal interventions introduced by governments globally to stabilize economic conditions.

Moreover, the Company has adopted a strategic approach to cost management and cashflow optimization.

FINANCIAL PERFORMANCE

Consolidated Financials in ₹ lakhs

(All amounts in INR lakhs, except per share data and unless otherwise stated)

	2019-20	2018-19
Revenue		
Revenue from operations	66,075.62	62,064.15
Other income	2,096.29	2,037.97
Total revenue	**68,171.91**	**64,102.12**
Expenses		
Employee benefits	34,239.46	28,798.73
Finance costs	1,091.21	853.87
Depreciation and amortisation	1,991.11	597.99
Other expenses	21,375.96	20,493.34
Total expenses	**58,697.74**	**50,743.93**
Profit before tax	**9,474.17**	**13,358.19**
Profit after tax for the year	**7,273.46**	**10,220.89**
Other comprehensive income/(loss) for the year, net of income tax	241.70	27.85
Total comprehensive income for the year	**7,515.16**	**10,248.74**

Revenue from Operations

The Company's business has multiple revenue streams including from:

- Annuity based revenue: recurring fees/charges from the following:
    - SaaS: subscription fees for licenses in relation to platform deployed on cloud
    - ATS/AMC: charges for annual technical support and maintenance (including updates) of licences, and installation
    - Support: charges for support and development services
- Sale of software products: one-time upfront license fees in relation to the platform deployed on-premise
- Sale of services: milestone-based charges for implementation and development, and charges for scanning services

On a consolidated basis, the Company's revenue from operations stood at ₹ 66,075.62 lakhs reflecting an increase of 6% in FY2020 as against ₹ 62,064.15 lakhs in FY2019. The Company has seasonality in its business with the last quarter of the year being the heaviest in terms of business. During the year, the Company's business was impacted by various factors including economic sluggishness and banking sector consolidation in the India market as well as deferral of contract closures in the last quarter due to the impact of Covid19.

The Company has been focussing on expanding the recurring revenues in order to increase the predictable revenue streams. These comprised 56% of the total revenues during the year.

It has made substantial customer wins during the year and added 71 new customers and currently has an active customer base of about 560 clients.

Segment-wise Performance

Revenue by geographical segment is the primary reporting segment for the Company. EMEA was the strongest growth centre for Newgen witnessing growth of 17% during the year. Geographically, India comprised 30% of the revenues, EMEA comprised 31%, USA comprised 28% and APAC (excluding India) comprised 11% of revenues.

Given the current environment, the Company is focussing on SaaS based business model to provide digital transformation solutions to clients helping them sustain operations despite the restrictions. The Company witnessed strong growth momentum in the annuity revenues which grew by 22% during the year to reach ₹ 36,862.79 lakhs. The SaaS revenues specifically (though on a smaller base) witnessed the fastest growth amongst segments and grew 60%.

Newgen provides mission critical solutions across key verticals. Banking and Financial Services vertical continued to be our largest vertical comprising 57% of revenues during the year followed by Healthcare (9%), Government/ PSU and BPO/IT (8% each) and Insurance (6%). The Company has low presence in currently impacted verticals due to the pandemic.

Profits and Margins

Profits and Margins were impacted during the year, due to the low revenue growth on account of India market softness and deferral of new business closures, while continuing the investments in R&D and S&M efforts. The Company reported the EBITDA (adjusted for other income) of ₹ 10460.20 lakhs in FY2020 as against ₹ 12,772.08 lakhs in FY2019. Profit after Tax was at ₹ 72,73.46 lakhs in FY2020 compared to ₹ 10,220.89 lakhs in FY2019.

Share Capital

During the financial year, the Authorised Share Capital of the Company remains unchanged. The Company has issued and allotted 3,70,000 Equity shares of ₹ 10 each, fully paid up, to Newgen ESOP Trust under Newgen ESOP Scheme 2014 at price of ₹ 63 per share. The issued, subscribed and paid up equity share capital of the Company, as on 31st March 2020 is ₹ 69,95,57,010 divided into 6,99,55,701 Equity shares of ₹ 10 each. 865,888 shares are held by the Trust.

Other Equity

The total retained earnings as on March 31, 2020 was ₹ 35,113.48 lakhs. During the year, the Company earned net profit of ₹ 7,273.46 lakhs. Newgen has proposed a dividend of ₹ 2 per share.

Securities Premium account stands at ₹ 10069.60 lakhs and witnessed additions during the year on account of Securities Premium on issue of shares to ESOP Trust.

Others comprised of Capital redemption reserve, General reserve, Capital reserve, Foreign currency translation reserve, Newgen ESOP Trust reserve, Share options outstanding reserve as well as items of other comprehensive income and stands at ₹ 2814.58 lakhs

Property, Plant & Equipment, Capital Work in Progress and Intangible Assets

As at March 31, 2020, property, plant and equipment stands at ₹ 6,641.33 lakhs against ₹ 6763.48 lakhs as on March 31, 2019 largely on account of capitalisation of the new office premise in Noida. The Company has Capital Work in Progress of ₹ 9,072.62 lakhs as against ₹ 8,321.36 lakhs as on March 31, 2019

The intangible assets of the Company are at ₹ 139.56 lakhs

Investments

Investments comprise of investments in unquoted bonds and mutual funds. The aggregate value of these investments is ₹ 7,610.67 lakhs.

Trade Receivables

The trade receivables (net of allowances) as on March 31, 2020 are ₹ 26,939.67 lakhs (allowances at ₹ 5,488.49 lakhs), against ₹ 25,268.91 lakhs (allowances at ₹ 3,933.65 lakhs) on March 31, 2019.

During the year, Debtor Days (net) stood at 148 days as compared to 148 days in FY2019.

Other Financial Assets (Current)

Other Financial Assets largely comprise of unbilled revenues pertaining to amounts recognised based on services performed in advance of billing in accordance with contract terms to the extent of ₹ 7,767.02 lakhs

Current Liabilities

Current liabilities represent borrowings, trade payables, other financial liabilities, deferred income, short-term provisions and other current liabilities. As on March 31, 2020, the Current liabilities are ₹ 27,555.11 lakhs (₹ 21,621.17 lakhs as on March 31, 2019). Out of these, the deferred revenue comprises of ₹ 10,090.39 lakhs.

Cash Flow

The net cash generated from operating activities were at ₹ 9,005.33 lakhs during the year ended 31 March 2020 compared to ₹ 10,220.60 lakhs during the year ended 31 March 2019.

KEY RATIOS

During the financial year, the Return on Average Net Worth was at 13.9% compared to 22.7% in the previous financial year. The Return on Average Capital Employed was at 16.6% compared to 26.7% in the previous year (adjusted for IPO proceeds utilisation).

OPPORTUNITIES

As per Ovum, the core addressable market of the Company in ECM, BPM and CCM is likely to grow from USD 22 billion in 2017 to USD 30 billion in 2021—at a compounded annualised rate of 7.7%. However, the market for light weight solutions such as aPaaS is likely to expand by nearly 28.0% compounded annualised rate over a similar timeframe.

The Company is likely to benefit from the emerging trends in digitalisation. Content management is at the core of digital transformation. The Company is well positioned to take advantage of the market opportunity with its strong product portfolio which endeavours to enable organisations to leverage the innovations in mobile, analytics, social and cloud technologies. Relevance of Digital transformation initiatives have increased further in these uncertain times and the Company has strategized new offerings pertaining to this.

RISK REVIEW

Covid19 pandemic related risk: While the Company believes strongly that it has a good portfolio of services to partner with customers, the future business could be impacted due to the Covid19 pandemic and the lockdowns and restrictions imposed globally. Prolonged lock-down situation could decrease the chances of winning of new business as well as result in the Company's inability to deploy onsite resources at different locations given the restrictions on movement. Moreover, there is a possibility that our customers might not be able to continue their businesses due to financial resource constraints or their services no-longer being availed by their customers. Customers could also postpone their discretionary spend due to change in priorities. There could also be time and cost overruns on projects. Newgen has been quick in adapting to the changing environment with its pre-emptive measures, business continuity processes and robust IT infrastructure. The Company has had seamless transition to remote working environment. The Company has changed its practices and systems while ensuring data security and has also reinvented new ways of working across the organisation. The Company is keeping track of the developments in order to respond quickly to manage the dynamic situation.

Technology/ obsolescence risk: 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. 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. However its continuous investments in R&D and intellectual properties help the Company mitigate this risk.

Currency Risk: The Company derives about 70% of its revenues from international markets and thus is always exposed to unforeseen exchange rate fluctuations that can potentially dent the revenues and profits of the Company. To tackle with this potential risk, the Company follows natural hedging through Export Packing Credit limits. Further, export collections and payments are made through EEFC account to avoid currency fluctuations.

Market-specific risk: The IT spends in any market are affected by the domestic as well as global economic conditions. Considerable or a prolonged slowdown in a particular country or a region or industry within a region severely affects the IT spends. Similarly, policy changes in global markets may also influence IT spending pattern. The Company can also be impacted by intense competition in the market. To deal with such market-specific risks, the Company endeavours to expand its clientele across industries and geographies continuously. From about 48 countries in FY2013, the Company increased its presence across 69 countries in FY2020. Similarly, the Company now has about 560 active clients in FY2020, adding 71 new clients during the year. 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 adopted its business continuity plan.

Attrition Risk: 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 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.

OUR STRATEGIES

Newgen's strategies are based on addressing the market opportunities in enterprise platforms for ECM, BPM and CCM products, creating domain rich solution frameworks on the platform and using low code platform capabilities to create solution frameworks. These include:

Focus on increasing the Annuity Revenue Streams including moving towards increasing cloud deployments

The Company has been focusing on increasing the share of its stable revenue streams which would help in reducing the seasonality in business. Currently annuity revenues comprise 56% of revenues. These revenue streams ensure higher predictability of business. Given the current uncertain environment, the Company is witnessing increasing acceptance for cloud deployments across geographies – US, APAC, India, as well as EMEA region. During the year cloud revenues witnessed a growth of 60% reaching ₹ 3827.18 lakhs.

Expansion of business and geographical footprint

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 currently operates in 69 countries and believes that it has a significant opportunity to grow the 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 has a regional go-to-market strategy with specific strategies for mature markets such as USA and developing markets such as India and South-East Asia. It has recently expanded in the Australian market as well. Through its direct and indirect sales channels, it plans to further grow the brand presence and partner networks in these new markets. Newgen is reorganizing its sales and marketing efforts and delivery operations so as to operate remotely and increase localization esp. in mature markets.

The Company plans to grow through its differentiated 'land and expand' model. The customers receive the complete set of modules and functionality of the platform with their initial purchase/ subscription and can eventually build a number of applications on the platform due to an effective reduction in the per-user cost of each application and also save substantial costs of switching over to a new platform.

Newgen plans to develop new customer relationships by identifying potential customers that operate within the same verticals and engage in cross-selling of the solutions. It aims to also begin developing new verticals.

Focus on attractive verticals in select mature markets

Newgen has a strong presence across regions in the banking and healthcare verticals and intends to continue to expand the customer base in these verticals in select mature markets, including USA and UK. The focus areas in these regions include banking and government/PSUs in partnership with consulting firms. As part of the strategy to increase the customer base in USA, the Company has made infrastructure and operational investments in USA including hiring of senior-level professionals in sales and marketing for the USA market since fiscal 2016. Further, the Company is now making in-roads in the Australian market.

Newgen plans to expand the product portfolio through investments in advanced features and technologies. It is constantly engaged in enhancement of R&D capabilities, particularly with a view to create solutions in emerging technologies that enhance the ability to develop tools for enabling entry into new areas and developing products that address customers in specific industries. Key focus areas include business intelligence and analytics, RPA, digitalisation, blockchain, dev-ops and user experience. Newgen continues to work with customers in mature markets to build capabilities, both in domain and technology, for enhancing the product offering, strengthening the platform and expanding the number of features available to customers.

The Company has built high level domain expertise and created robust frameworks for Retail and Corporate lending in the Banking domain which are successfully operating across banks and geographies. It aims to increase customer penetration in these segments based on its strong credentials.

To further strengthen and expand the portfolio, the Company may look at inorganic ways of growth as well.

Expansion of strategic business applications to new 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 organisations within these industry verticals can help drive adoption of the platform. It also plans to target new verticals.

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.

INTERNAL CONTROLS SYSTEMS & THEIR ADEQUACY

The Company has aligned its current systems of internal financial control with the requirement of Companies Act 2013. The explanation of the term 'Internal Financial Control' has been provided only in the context of section 134(5)(e). It includes policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, thereby covering not only the controls pertaining to financial statements but also include strategic and operational controls pervasive across the entire business.

Newgen internal controls are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to 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, audit mechanism (through Internal Audit for Financial year 2019-20, 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, etc. 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, 2020. B S R & Associates, LLP, Chartered Accountants, the statutory auditors of Newgen has 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 reviews reports submitted by the management and audit reports submitted by M/s Grant Thornton, internal auditors, and B S R & Associates, 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 Companies Act 2013), the audit committee has concluded that, as of March 31, 2020, the internal financial controls were adequate and operating effectively.

Human Resources

The Company follows the philosophy of achieving mutually beneficial and all-inclusive growth and thus values its human resources as its biggest asset. The employees are provided a fair environment supported by transparent policies to foster their personal growth along with attainment of corporate objectives. It encourages all employees to strike a perfect worklife balance. The Company's policies are employee centric and aim at keeping its personnel motivated and satisfied. Nonetheless, the Company has formed disciplinary policies and a code of due diligence to ensure smooth functioning of the business.

During the year, critical functions of the organisation were strengthened with assessment of Leadership bandwidth to build a strong team aligned to the Company's fundamentals and culture. Particular emphasis was placed on attracting, developing and retaining talent and fostering a unique performance culture. The HR function launched numerous initiatives to ensure a high-performing and engaged workforce.

As on March 31, 2020, the Company had 3120 personnel (consolidated) comprising 2900 employees of the Company and its subsidiaries and 220 temporary/contract/casual/third party workers. As a result of its visionary human resource policies, the Company has managed to attract and retain talent.

OUTLOOK

Newgen's endeavour is to provide transformative experience to its customers through the Company's cutting edge products and solutions in order to change the way organisations work. Digital Transformation has become a central component for businesses across all industries. It entails leveraging digital tools and technologies to make life easier, bringing increased convenience, enhanced efficiency, improved affordability, and better access to information, goods and services. It also ensures maintaining business continuity in times of difficulty.

Newgen is pursuing its long term growth strategies to expand its market share across key geographies and solutions. The Company believes that focusing on the digital transformation needs of organisations within key industry verticals can help drive adoption of its platform. It continues to invest in direct and indirect sales channels, professional services, customer support and channel partners to expand its geographical footprint. To address the market opportunities arising from digitisation, Newgen seeks to continue to expand its product portfolio and is currently working on several new projects. The product/feature pipeline includes Intelligent Content Services, Low-Code Application Development Platform, Collaborative Work Management, Digital Sensing, BlockChain and Robotic Process Automation. It also constantly works on strengthening its management team to meet the growing business needs.

With these measures, the Company would continue to work towards creating significant value for all its stakeholders moving forward.

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Independent Auditors' Report

To
The Members
Newgen Software Technologies Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the standalone financial statements of **Newgen Software Technologies Limited** ("the Company"), which comprise the Standalone Balance Sheet as at 31 March 2020, and the Standalone Statement of Profit and Loss (including other comprehensive income (loss)), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

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 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income (loss), changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs 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 together with the ethical requirements that are relevant to our audit of the standalone 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 on the standalone financial statements.

KEY AUDIT MATTERS

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 standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

DESCRIPTION OF KEY AUDIT MATTER

Revenue from operations (refer note 27 to the standalone financial statements)

The key audit matter	How the matter was addressed in our audit
• Revenue relating to implementation services from fixed price contracts is recognised based on percentage of completion method which is estimated by the Company basis the completion of milestones and activities agreed with the customers. Due to complexity and volume of transactions, significant judgements are required to estimate percentage of completion and determine timing and accuracy of recognition of revenue.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Evaluated the design and implementation of internal controls and tested the operating effectiveness of internal controls relating to determination of percentage of completion and estimation of efforts required to complete the performance obligation; • Involved specialists to assess the design, implementation and operating effectiveness of key IT controls over the IT environment in which the business systems operate and to test information technology system controls used in recording revenue. • Selected specific/statistical samples of existing and new contracts and performed the following procedures:

The key audit matter	How the matter was addressed in our audit
	– 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. – 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.

Trade receivables (refer note 12 to the standalone financial statements)

The key audit matter	How the matter was addressed in our audit
• Significant management judgement in determining the recoverable amount of trade receivables as estimating the recoverable amount involves inherent uncertainty.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Obtained an understanding of and assessed the design and implementation of Company's key internal controls relating to debt collection and making provision for doubtful debts; • 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; • Assessed the assumptions and estimates made by the Company for the provision for doubtful debts with reference to our understanding of the debtors' financial condition, the industry in which the debtors are operating, the ageing of overdue balances and historical and post year-end cash receipts from the debtors and by performed a retrospective analysis of the historical accuracy of these estimates; and • Tested the accuracy and completeness of underlying data for "expected credit loss model".

OTHER INFORMATION

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income (loss), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are 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.

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 SAs 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 standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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 in the standalone financial statements made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report 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 purposes of our audit.

   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 Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income (loss)), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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 standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 36 to the standalone financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2020.

   (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

   In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.
116231W/W-100024

Rakesh Dewan
Partner
Membership No. 092212
UDIN: 20092212AAAABM8147

Place: Gurugram
Date: 26 May 2020

ANNEXURE A

referred to in our Independent Auditors' Report to the members of Newgen Software Technologies Limited on the standalone financial statements for the year ended 31 March 2020, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In accordance with this programme, fixed assets at certain locations were verified by the management during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds and lease deeds of the immovable properties are held in the name of the Company.

(ii) The Company is a service company, primarily 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. Accordingly, it does not hold any physical inventories at the end of the year. Thus, paragraph 3(ii) of the Order is not applicable.

(iii) The Company has not granted any loans, secured or unsecured, to Companies, limited liability partnerships, firms or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, para 3(iii) of the Order is not applicable.

(iv) According to the information and explanations given to us, the Company has not given any loan, guarantee and security as specified under section 185 and 186 of the Companies Act, 2013. Further, the investment made by the Company is in compliance with section 186 of the Companies Act, 2013.

(v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under.

(vi) The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for any of the activities carried out by the Company.

(vii) (a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income- tax, Goods and Service tax, Duty of customs, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Duty of excise, Sales tax, Service tax and Value added tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service tax, Duty of customs, Cess and other material statutory dues were in arrears as at 31 March 2020 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 dues in respect of Income tax, Goods and Service tax and Duty of customs which have not been deposited with the appropriate authorities on account of any dispute. As explained above, the Company did not have any dues on account of Duty of excise, Sales tax, Service tax and Value added tax.

(viii) In our opinion, and according to the information and explanations given to us, the Company has not defaulted in repayment of loans/borrowings to banks. Further, there were no dues payable to financial institutions, government or debenture holders during the year or outstanding as at 31 March 2020.

(ix) The Company has not raised any money by way of initial public offer during the year. However, the Company had raised money by way of initial public offer during the year 2017-18. The proceeds from IPO were Rs. 8,150.85 Lacs (net of issue related expenses).

Details of utilization of IPO Proceeds is as follows:

Particulars	Net Proceeds (in Rs Lacs)	Utilized upto 31 March 2020 (in Rs Lacs)	Amount Unutilized upto March 31 2020 (in Rs Lacs)
Purchase and furnishing of office premises near Noida-Greater Noida Expressway, Uttar Pradesh and general corporate expenses	8,150.85	8,150.85	Nil
Total	**8,150.85**	**8,150.85**	**Nil**

The Company has not raised money by way of further public offer (including debt instruments) or term loans during the year.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, managerial remuneration has been paid/provided by the Company in accordance with provisions of section 197 read with Schedule V of the Companies Act, 2013.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no transactions with related parties which are not in compliance with Section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the standalone financial statements, as required, by the applicable accounting standards.

(xiv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment, private placement of shares and fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xv) According to information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.
116231W/W-100024

Rakesh Dewan
Partner
Membership No. 092212
UDIN: 20092212AAAABM8147

Place: Gurugram
Date: 26 May 2020

ANNEXURE B

to the Independent Auditors' report on the standalone financial statements of Newgen Software Technologies Limited for the year ended 31 March 2020

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

We have audited the internal financial controls with reference to standalone financial statements of Newgen Software Technologies Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2020, 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 issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management and the Board of Directors are 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. 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 its business, including adherence to 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 Companies Act, 2013 (hereinafter referred to as "the Act").

AUDITORS' RESPONSIBILITY

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 Guidance Note and the Standards on Auditing, 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. 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 whether 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included 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.

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

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 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 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

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.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.
116231W/W-100024

Rakesh Dewan
Partner
Membership No. 092212
UDIN: 20092212AAAABM8147

Place: Gurugram
Date: 26 May 2020

Standalone Balance Sheet

as at 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	4	6,520.72	6,676.59
Capital work-in-progress	4	9,072.62	8,321.36
Right-of-use assets	19	6,007.01	-
Intangible assets	5	139.56	130.55
Investment in subsidiaries	6	1,417.65	922.39
Financial assets			
Loans	7	427.69	329.80
Other financial assets	8	351.48	316.69
Deferred tax assets (net)	33	2,269.32	1,790.62
Income tax assets (net)	9	1,581.18	995.21
Other non-current assets	10	91.20	144.65
Total non-current assets		**27,878.43**	**19,627.86**
Current assets			
Financial assets			
Investments	11	7,610.67	5,165.86
Trade receivables	12	23,813.20	23,684.65
Cash and cash equivalents	13	5,758.70	13,355.94
Other bank balances	13A	6,516.11	2,139.40
Loans	14	95.56	44.63
Other financial assets	15	8,260.42	6,275.55
Other current assets	16	651.75	624.80
Total current assets		**52,706.41**	**51,290.83**
TOTAL ASSETS		**80,584.84**	**70,918.69**
EQUITY AND LIABILITIES			
Equity			
Share capital	17	6,908.98	6,845.76
Other equity	18		
Securities premium		10,069.59	9,611.37
Retained earnings		33,286.82	29,414.27
Others (including items of other comprehensive income)		2,427.16	2,526.02
Total equity attributable to the owners of the Company		**52,692.55**	**48,397.42**
Non-current liabilities			
Financial liabilities			
Lease liabilities	19	2,129.79	1,028.56
Provisions	20	2,320.24	1,929.02
Total non-current liabilities		**4,450.03**	**2,957.58**
Current liabilities			
Financial liabilities			
Lease liabilities	19	1,217.24	291.59
Borrowings	21	7,453.21	6,772.64
Trade payables	22	3,149.06	2,461.48
Other financial liabilities	23	4,036.57	3,505.38
Deferred income	24	5,972.22	4,684.14
Other current liabilities	25	1,206.00	1,502.00
Provisions	26	407.96	346.46
Total current liabilities		**23,442.26**	**19,563.69**
Total liabilities		**27,892.29**	**22,521.27**
TOTAL EQUITY AND LIABILITIES		**80,584.84**	**70,918.69**
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the Standalone Financial Statements

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration No.:
116231W / W-100024

For and on behalf of the Board of Directors of
Newgen Software Technologies Limited

Rakesh Dewan
Partner
Membership No.: 092212
UDIN: 20092212AAAABM8147
Place: Gurugram
Date: 26 May 2020

Diwakar Nigam
Chairman &
Managing Director
DIN: 00263222
Place: New Delhi
Date: 26 May 2020

T. S. Varadarajan
Whole Time Director
DIN: 00263115
Place: Chennai
Date: 26 May 2020

Arun Kumar Gupta
Chief Financial Officer
Membership No: 056859
Place: Noida
Date: 26 May 2020

Aman Mourya
Company Secretary
Membership No: F9975
Place: Noida
Date: 26 May 2020

Standalone Statement of Profit and Loss

for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Income			
Revenue from operations	27	57,740.12	55,204.05
Other income	28	2,084.60	2,022.86
Total income		**59,824.72**	**57,226.91**
Expenses			
Employee benefits expense	29	29,272.42	24,873.40
Finance costs	30	1,069.70	841.12
Depreciation and amortisation expense	31	1,807.80	580.17
Other expenses	32	19,116.44	18,420.33
Total expenses		**51,266.36**	**44,715.02**
Profit before tax		**8,558.36**	**12,511.89**
Tax expense	33		
Current tax		2,419.17	2,792.96
Deferred tax (credit)/ charge		(452.04)	135.85
Income tax expense		**1,967.13**	**2,928.81**
Profit for the year		**6,591.23**	**9,583.08**
Other comprehensive income / (loss)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability (asset)		(106.35)	(84.78)
Income tax relating to items that will not be reclassified to profit or loss		37.16	29.63
Net other comprehensive (loss) not to be reclassified subsequently to profit or loss		**(69.19)**	**(55.15)**
Items that will be reclassified subsequently to profit or loss			
Debt instruments through other comprehensive income - net change in fair value		5.72	(2.14)
Income tax relating to items that will be reclassified to profit or loss		(2.00)	0.75
Net other comprehensive income / (loss) to be reclassified subsequently to profit or loss		**3.72**	**(1.39)**
Other comprehensive (loss) for the year, net of income tax		**(65.47)**	**(56.54)**
Total comprehensive income for the year		**6,525.76**	**9,526.54**
Profit attributable to:			
Owners of the Company		6,591.23	9,583.08
Profit for the year		**6,591.23**	**9,583.08**
Other comprehensive (loss) attributable to:			
Owners of the Company		(65.47)	(56.54)
Other comprehensive (loss) for the year		**(65.47)**	**(56.54)**
Total comprehensive income attributable to:			
Owners of the Company		6,525.76	9,526.54
Total comprehensive income for the year		**6,525.76**	**9,526.54**
Earnings per equity share	34		
Nominal value of share INR 10 (31 March 2019: INR 10)			
Basic earning per share (INR)		9.57	14.08
Diluted earning per share (INR)		9.52	13.82
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the Standalone Financial Statements

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration No.:
116231W / W-100024

For and on behalf of the Board of Directors of
Newgen Software Technologies Limited

Rakesh Dewan
Partner
Membership No.: 092212
UDIN: 20092212AAAABM8147

Place: Gurugram
Date: 26 May 2020

Diwakar Nigam
Chairman &
Managing Director
DIN: 00263222

Place: New Delhi
Date: 26 May 2020

T. S. Varadarajan
Whole Time Director
DIN: 00263115

Place: Chennai
Date: 26 May 2020

Arun Kumar Gupta
Chief Financial Officer
Membership No: 056859

Place: Noida
Date: 26 May 2020

Aman Mourya
Company Secretary
Membership No: F9975

Place: Noida
Date: 26 May 2020

Standalone Statement of Changes in Equity

for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

a. Share capital

Particulars	Equity share capital		Total share captial
	Number	Amount	Amount
Balance as at 1 April 2018	**69,235,701**	**6,923.57**	**6,923.57**
Add: Issued during the year to Newgen ESOP Trust	350,000	35.00	35.00
Balance as at 31 March 2019	**69,585,701**	**6,958.57**	**6,958.57**
Less: Shares held by Newgen ESOP Trust	1,128,091	112.81	112.81
Total Share capital as at 31 March 2019	**68,457,610**	**6,845.76**	**6,845.76**
Balance as at 1 April 2019	**69,585,701**	**6,958.57**	**6,958.57**
Add: Issued during the year to Newgen ESOP Trust	370,000	37.00	37.00
Balance as at 31 March 2020	**69,955,701**	**6,995.57**	**6,995.57**
Less: Shares held by Newgen ESOP Trust	865,888	86.59	86.59
Total Share capital as at 31 March 2020	**69,089,813**	**6,908.98**	**6,908.98**

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	Newgen ESOP Trust reserve	Share options outstanding reserve	Remeasurement of defined benefit liability	Debt instruments through OCI	
Balance as at 31 March 2018	**9,681.49**	**21,500.53**	**87.95**	**1,731.39**	**231.65**	**391.88**	**28.05**	**14.87**	**33,667.81**
Profit for the year	-	9,583.08	-	-	-	-	-	-	**9,583.08**
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	-	(55.15)	(1.39)	**(56.54)**
Securities premium on issue of shares to Newgen ESOP Trust	185.50	-	-	-	-	-	-	-	**185.50**
Transactions with owners, recorded directly in equity									
Addition to Newgen ESOP Trust reserve	-	-	-	-	26.13	-	-	-	**26.13**
Contributions by and distributions to owners									
Dividend on equity shares	-	(1,384.71)	-	-	-	-	-	-	**(1,384.71)**
Dividend distribution tax on dividend on equity shares	-	(284.63)	-	-	-	-	-	-	**(284.63)**
Employee stock compensation expense	-	-	-	-	-	178.25	-	-	**178.25**
Loss of debt instrument transferred to Statement of Profit and Loss	-	-	-	-	-	-	-	3.32	**3.32**
Transferred to securities premium account on exercise of stock options	110.93	-	-	-	-	(110.93)	-	-	**-**
Balance as at 31 March 2019	**9,977.92**	**29,414.27**	**87.95**	**1,731.39**	**257.78**	**459.20**	**(27.10)**	**16.80**	**41,918.21**
Less: Securities premium on shares held by Newgen ESOP Trust	366.55	-	-	-	-	-	-	-	**366.55**
Balance as at 31 March 2019	**9,611.37**	**29,414.27**	**87.95**	**1,731.39**	**257.78**	**459.20**	**(27.10)**	**16.80**	**41,551.66**
Balance as at 1 April 2019	**9,977.92**	**29,414.27**	**87.95**	**1,731.39**	**257.78**	**459.20**	**(27.10)**	**16.80**	**41,918.21**
Transition impact of Ind AS 116- Leases, net of taxes (refer note 19)	-	(202.00)	-	-	-	-	-	-	**(202.00)**
Restated balance as at 1 April 2019	**9,977.92**	**29,212.27**	**87.95**	**1,731.39**	**257.78**	**459.20**	**(27.10)**	**16.80**	**41,716.21**

Particulars	Securities premium	Retained earnings	Others				Items of Other comprehensive income		Total attributable to owners of the Company
			Capital redemption reserve	General reserve	Newgen ESOP Trust reserve	Share options outstanding reserve	Remeasurement of defined benefit liability	Debt instruments through OCI	
Profit for the year	-	6,591.23	-	-	-	-	-	-	**6,591.23**
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	-	(69.19)	3.72	**(65.47)**
Securities premium on issue of shares to Newgen ESOP Trust	196.10	-	-	-	-	-	-	-	**196.10**
Transactions with owners, recorded directly in equity									
Addition to Newgen ESOP Trust reserve	-	-	-	-	39.69	-	-	-	**39.69**
Contributions by and distributions to owners									
Dividend on equity shares	-	(2,087.57)	-	-	-	-	-	-	**(2,087.57)**
Dividend distribution tax on dividend on equity shares	-	(429.11)	-	-	-	-	-	-	**(429.11)**
Employee stock compensation expense	-	-	-	-	-	87.03	-	-	**87.03**
(Gain) of debt instrument transferred to Statement of Profit and Loss	-	-	-	-	-	-	-	(19.63)	**(19.63)**
Transferred to securities premium account on exercise of stock options	140.48	-	-	-	-	(140.48)	-	-	**-**
Balance as at 31 March 2020	**10,314.50**	**33,286.82**	**87.95**	**1,731.39**	**297.47**	**405.75**	**(96.29)**	**0.89**	**46,028.48**
Less: Securities premium on shares held by Newgen ESOP Trust	244.91	-	-	-	-	-	-	-	**244.91**
Balance as at 31 March 2020	**10,069.59**	**33,286.82**	**87.95**	**1,731.39**	**297.47**	**405.75**	**(96.29)**	**0.89**	**45,783.57**

* *Refer Note 18*

Summary of significant accounting policies — Note 3

The accompanying notes are an integral part of the Standalone Financial Statements

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration No.:
116231W / W-100024

For and on behalf of the Board of Directors of
Newgen Software Technologies Limited

Rakesh Dewan
Partner
Membership No.: 092212
UDIN: 20092212AAAABM8147

Place: Gurugram
Date: 26 May 2020

Diwakar Nigam
Chairman &
Managing Director
DIN: 00263222

Place: New Delhi
Date: 26 May 2020

T. S. Varadarajan
Whole Time Director
DIN: 00263115

Place: Chennai
Date: 26 May 2020

Arun Kumar Gupta
Chief Financial Officer
Membership No: 056859

Place: Noida
Date: 26 May 2020

Aman Mourya
Company Secretary
Membership No: F9975

Place: Noida
Date: 26 May 2020

Standalone Statement of Cash Flows

for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
A. Cash flows from operating activities		
Net profit before tax	**8,558.36**	**12,511.89**
Adjustments for:		
Depreciation and amortisation	1,807.80	580.17
(Profit) / Loss on sale of property, plant and equipment	(1.10)	3.89
Loss allowance on trade receivables	1,736.67	1,573.26
Liabilities/ provision no longer required written back	(169.22)	(148.19)
Loss allowance on other financial assets	23.72	22.82
Unrealised foreign exchange gain	(349.95)	(92.08)
Share based payment - equity settled	82.82	174.05
Finance cost on lease liabilities	335.74	166.99
Interest expense on packing credit	649.65	621.91
Fair value changes of financial assets at FVTPL	(173.01)	(245.75)
Loss on sale of mutual funds (net) at FVTPL	6.85	-
Loss on sale of bonds at FVTOCI	7.07	5.07
Interest income on security deposits at amortised cost	(40.09)	(28.60)
Interest income from government and other bonds at FVTOCI	(148.11)	(127.46)
Interest income from bank deposits	(804.15)	(744.87)
Operating cash flow before working capital changes	**11,523.05**	**14,273.10**
Increase in trade receivables	(1,288.73)	(4,802.79)
(Increase) / Decrease in loans	(108.73)	236.23
Increase in other financial assets	(1,753.07)	(766.29)
Decrease in other assets	29.37	48.95
Increase in provisions	346.37	326.05
Increase in other financial liabilities	171.84	273.00
Increase in other liabilities	992.08	1,255.99
Increase in trade payables	856.80	465.91
Cash generated from operations	**10,768.98**	**11,310.15**
Income taxes paid (net)	(2,990.58)	(2,441.58)
Net cash generated from operating activities (A)	**7,778.40**	**8,868.57**
B. Cash flows from investing activities		
Acquisition or construction of property plant and equipment including intangible assets, capital work-in-progress and capital advances	(4,330.75)	(7,177.34)
Proceeds from sale of property plant and equipment	2.79	16.48
Purchase of mutual funds and bonds	(4,742.85)	-
Proceeds from redemption of mutual funds and bonds	2,467.46	98.08
Interest received from bonds	168.30	74.65
Interest received from bank deposits	501.70	627.36
Investment in subsidiary company	(491.05)	-
Investment in bank deposits (net of maturity)	(4,415.08)	(2,160.85)
Net cash used in investing activities (B)	**(10,839.48)**	**(8,521.62)**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
C. Cash flows from financing activities		
Proceeds from short-term borrowings (net)	454.03	1,856.00
Repayment oflease liability	(2,258.91)	(298.76)
Proceeds from issue of equity shares under ESOP scheme	380.97	361.30
Dividend paid (including dividend distribution tax)	(2,516.68)	(1,667.57)
Interest expense on packing credit	(635.26)	(788.90)
Gain on transfer of equity shares by Newgen ESOP trust	39.69	26.13
Net cash used in financing activities (C)	**(4,536.16)**	**(511.80)**
Net decrease in cash and cash equivalents (A + B + C)	**(7,597.24)**	**(164.85)**
Cash and cash equivalents at the beginning of the year	**13,355.94**	**13,520.79**
Cash and cash equivalents at the end of the year	**5,758.70**	**13,355.94**
Components of cash and cash equivalents:(refer note 13)		
Cash in hand	4.51	5.67
Balances with banks:		
- in current accounts	1,754.19	3,948.31
- balances with scheduled banks in deposit accounts with original maturity of less than 3 months	4,000.00	9,401.96
	5,758.70	**13,355.94**

Notes:

1. 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 Standalone Financial Statements
As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration No.: 116231W / W-100024

For and on behalf of the Board of Directors of
Newgen Software Technologies Limited

Rakesh Dewan
Partner
Membership No.: 092212
UDIN: 20092212AAAABM8147
Place: Gurugram
Date: 26 May 2020

Diwakar Nigam
Chairman & Managing Director
DIN: 00263222
Place: New Delhi
Date: 26 May 2020

T. S. Varadarajan
Whole Time Director
DIN: 00263115
Place: Chennai
Date: 26 May 2020

Arun Kumar Gupta
Chief Financial Officer
Membership No: 056859
Place: Noida
Date: 26 May 2020

Aman Mourya
Company Secretary
Membership No: F9975
Place: Noida
Date: 26 May 2020

Notes

to the Standalone Financial Statements for the year ended 31 March 2020

(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 A-6, Satsang Vihar Marg, Qutab Institutional Area, New Delhi - 110067. 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 and Companies (Indian Accounting Standards) Amendment Rules, 2016. 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 authorised for issue by the Company's Board of Directors on 26 May 2020.

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
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

D. 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 significant 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;

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 2020 is included in the following notes:

- Note 3(c)(iii) –Estimation of Useful lives of intangible assets and Property, plant and equipment

Notes

to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

- 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 44(a) – Impairment of trade receivables and financial assets.
- Note 19 – Recognition of right of use asset and lease liability

E. 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.

F. 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).
- 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

Notes

to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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 44 – Financial instruments.

3 I SIGNIFICANT 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.

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 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

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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.

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

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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.

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.

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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
- Computers**	3-5

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 are amortized using the straight-line method over the estimated useful life (at present 3-4 years) or the tenure of the respective software 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.

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

i. Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost; and
- financial assets measured at FVOCI- debt investments.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company measures loss allowances at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the

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reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is 90 days or more past due.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to 'investment grade' e.g. BBB or higher as per renowned rating agencies.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. 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 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 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

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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/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 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 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

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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.

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on technical evaluation, historical warranty data and a weighting of all possible outcomes by their associated probabilities.

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 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

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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.

Digitization services

Revenue from digitization services is recognized as services are rendered to the customer.

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 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.

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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.

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.

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

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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.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning 1 April 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (1 April 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019.

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at 1 April 2019. Accordingly, a right-of-use asset of Rs. 1,381.90 lakhs and a corresponding lease liability of Rs. 1,578.15 lakhs has been recognized. The cumulative effect on transition in retained earnings net off taxes is Rs. 202 lakhs (including a deferred tax of Rs. 67.93 lakhs). The principal portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities. The weighted average incremental borrowing rate of 10% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

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

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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 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

Notes

to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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 46 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 the Standalone Financial Statements for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

4 I PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

	Freehold land	Leasehold land*	Buildings	Plant and machinery	Leasehold improvements	Vehicles	Office equipment	Furniture and fixtures	Computer and servers	Total	Capital work-in-progress#
Balance as at 1 April 2018	**4.71**	**3,523.68**	**1,705.99**	**298.97**	**5.99**	**150.49**	**417.34**	**308.86**	**1,153.69**	**7,569.72**	**1,659.47**
Additions during the year	-	-	-	33.37	-	94.36	23.77	2.00	399.73	553.23	6,661.89
Adjustments during the year	(0.43)	-	0.43	-	-	-	(12.43)	-	12.43	-	-
Less: Disposals during the year	-	-	-	0.97	-	-	6.67	20.53	213.07	241.24	-
Balance as at 31 March 2019	**4.28**	**3,523.68**	**1,706.42**	**331.37**	**5.99**	**244.85**	**422.01**	**290.33**	**1,352.78**	**7,881.71**	**8,321.36**
Transition impact of Ind AS 116 (refer note 19)	-	(3,523.68)	-	-	-	-	-	-	-	(3,523.68)	
Additions during the year	-	-	2,386.00	141.87	-	-	745.32	61.20	431.06	3,765.45	3,959.24
Capitalized during the year	-	-	-	-	-	-	-	-	-	-	(3,207.98)
Less: Disposals during the year	-	-	-	14.40	-	-	7.05	3.90	37.61	62.96	-
Balance as at 31 March 2020	**4.28**	**-**	**4,092.42**	**458.84**	**5.99**	**244.85**	**1,160.28**	**347.63**	**1,746.23**	**8,060.52**	**9,072.62**
Accumulated Depreciation											
Balance as at 1 April 2018	**-**	**79.20**	**41.20**	**66.35**	**5.99**	**44.78**	**95.67**	**71.21**	**500.43**	**904.83**	**-**
Additions during the year	-	39.30	30.67	41.38	-	31.65	54.34	36.70	287.11	521.15	-
Less: Disposals during the year	-	-	-	0.93	-	-	4.52	19.80	195.61	220.86	-
Balance as at 31 March 2019	**-**	**118.50**	**71.87**	**106.80**	**5.99**	**76.43**	**145.49**	**88.11**	**591.93**	**1,205.12**	**-**
Transition impact of Ind AS 116 (refer note 19)	-	(118.50)	-	-	-	-	-	-	-	(118.50)	-
Additions during the year	-	-	40.66	42.05	-	34.58	70.75	36.39	290.02	514.45	-
Less: Disposals during the year	-	-	-	13.95	-	-	6.99	3.25	37.08	61.27	-
Balance as at 31 March 2020	**-**	**-**	**112.53**	**134.90**	**5.99**	**111.01**	**209.25**	**121.25**	**844.87**	**1,539.80**	**-**
Carrying amount (net)											
Balance as at 31 March 2019	**4.28**	**3,405.18**	**1,634.55**	**224.57**	**-**	**168.42**	**276.52**	**202.22**	**760.85**	**6,676.59**	**8,321.36**
Balance as at 31 March 2020	**4.28**	**-**	**3,979.89**	**323.94**	**-**	**133.84**	**951.03**	**226.38**	**901.36**	**6,520.72**	**9,072.62**

As at 31 March 2020 properties with a carrying amount of INR 382.70 lakhs (31 March 2019 : INR 462.67 lakhs) are subject to first charge to working capital loans from banks.

**Represents land at Chennai and Noida location taken on finance lease for a term of 99 and 90 years respectively.*

 # Capital work in progress represents acquistion and further construction of office premises at Noida, Uttar Pradesh wherein cost incurred upto 31 March 2020 amounting to INR 9,072.62 lakhs.

Notes

to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

5 I INTANGIBLE ASSETS

	Computer software
Balance as at 1 April 2018	**204.24**
Additions during the year	100.01
Balance as at 31 March 2019	**304.25**
Additions during the year	97.69
Balance as at 31 March 2020	**401.94**
Accumulated Amortisation	
Balance as at 1 April 2018	**114.68**
Additions during the year	59.02
Balance as at 31 March 2019	**173.70**
Additions during the year	88.68
Balance as at 31 March 2020	**262.38**
Carrying amount (net)	
Balance as at 31 March 2019	**130.55**
Balance as at 31 March 2020	**139.56**

6 I INVESTMENT IN SUBSIDIARIES

	As at 31 March 2020	As at 31 March 2019
Investments in equity instruments - at cost (unquoted)		
6,000 (31 March 2019: 6,000) common shares of USD 200 each, fully paid up of Newgen Software Inc. USA.	528.10	524.71
1,000,000 (31 March 2019: 1,000,000) common shares of CAD 0.10 each, fully paid up of Newgen Software Technologies Canada, Limited.	56.52	56.52
250,000 (31 March 2019: 250,000) ordinary shares of SGD 1 each, fully paid up of Newgen Software Technologies Pte. Limited.	116.74	115.92
210,000 (31 March 2019: 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 2019: 20,000,000) common stock of GBP 0.01 each, fully paid up of Newgen Software Technologies (UK) Ltd.	178.74	178.74
1,000,000 (31 March 2019: Nil) common shares of AUD 1 each, fully paid up of Newgen Software Technologies Pty Ltd.	491.05	-
	1,417.65	**922.39**
Aggregate book value of unquoted investments	1,417.65	922.39

7 I LOANS

	As at 31 March 2020	As at 31 March 2019
(unsecured, considered good, unless otherwise stated)		
Security deposits	427.69	329.80
	427.69	**329.80**

Notes

to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

8 I OTHER FINANCIAL ASSETS (NON-CURRENT)

	As at 31 March 2020	As at 31 March 2019
Bank deposits		
- pledged with tax authorities	4.14	2.25
- held as margin money*	282.21	223.94
Interest accrued on deposits	30.74	38.90
Earnest money deposits		
Unsecured, considered good	34.39	51.60
Unsecured, considered doubtful	164.75	146.03
Less: Loss allowance for doubtful deposits	(164.75)	(146.03)
	351.48	**316.69**

**Balances with bank deposits held as margin money INR 282.21 lakhs (31 March 2019: INR 223.94 lakhs) represents the margin money on account of guarantees issued to government customers.*

Information about Company's exposure to credit and market risks and fair value measurement is included in Note 44 C.

9 I INCOME TAX ASSETS (NET)

	As at 31 March 2020	As at 31 March 2019
Advance income tax (net of provision of INR 12,005.47 lakhs (31 March 2019: INR 11,415.26 lakhs))	1,581.18	995.21
	1,581.18	**995.21**

10 I OTHER NON-CURRENT ASSETS

	As at 31 March 2020	As at 31 March 2019
Prepaid expenses	31.66	87.99
Capital advances	59.54	56.66
	91.20	**144.65**

11 I INVESTMENTS (REFER NOTE 42)

	As at 31 March 2020	As at 31 March 2019
Investments in bonds (unquoted)		
Bonds at FVOCI		
Investment in government bonds	1,982.38	938.28
Investment in other bonds	608.54	645.24
	2,590.92	**1,583.52**
Investments in mutual funds (unquoted)		
Mutual funds at FVTPL	5,019.75	3,582.34
	5,019.75	**3,582.34**
	7,610.67	**5,165.86**
Aggregate book value of unquoted investments	7,610.67	5,165.86
Aggregate market value of unquoted investments	7,610.67	5,165.86

Investments in bonds measured at FVOCI have stated interest rates of 7.04% to 9.90%. Information about Company's exposure to credit and market risks and fair value measurement is included in Note 44 C.

Notes

to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

12 I TRADE RECEIVABLES

	As at 31 March 2020	As at 31 March 2019
(Unsecured, considered good, unless stated otherwise)		
Unsecured*		
- Considered good	23,813.20	23,684.65
- Considered doubtful	4,830.79	3,621.55
	28,643.99	**27,306.20**
Less: Loss allowance for trade receivables		
- unsecured, considered doubtful	(4,830.79)	(3,621.55)
	23,813.20	**23,684.65**

**Includes balance receivables from related parties. For Details refer note 43*

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 30-45 days.

The Company's exposure to credit and currency risks and loss allowances related to trade receivables are discussed in note 44 C.

13 I CASH AND CASH EQUIVALENTS

	As at 31 March 2020	As at 31 March 2019
Cash on hand	4.51	5.67
Balances with banks		
- in current accounts*	1,754.19	3,948.31
Balances with scheduled banks in deposit accounts with original maturity of less than 3 months#	4,000.00	9,401.96
	5,758.70	**13,355.94**

**Current account balances with banks include INR 118.65 lakhs (31 March 2019: INR 138.32 lakhs) held at a foreign branch.*

#Balance in bank deposits includes INR Nil (31 March 2019: INR 3,289.4 lakhs) respectively as unutilized amounts of the IPO proceeds.

13 A I OTHER BANK BALANCES

	As at 31 March 2020	As at 31 March 2019
Balances with scheduled banks in deposit accounts		
- Original maturity of less than 12 months	6,516.11	2,139.40
	6,516.11	**2,139.40**

14 I CURRENT FINANCIAL ASSETS - LOANS

	As at 31 March 2020	As at 31 March 2019
Loans to employees*	7.54	9.90
Security deposits	88.02	34.73
	95.56	**44.63**

**These are interest bearing loans - repayable within one year given to employees, chargeable at the rate of 12% p.a.*

Notes

to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

15 I CURRENT FINANCIAL ASSETS - OTHERS

	As at 31 March 2020	As at 31 March 2019
(unsecured considered good, unless otherwise stated)		
Interest accrued on deposits	406.97	117.75
Interest accrued but not due on government bonds	86.43	137.34
Unbilled revenue*		
- other than related parties	7,767.02	6,020.46
	8,260.42	**6,275.55**

**Unbilled revenue represents amounts recognized based on services performed in advance of billing in accordance with contract terms.*

During the year ended 31 March 2020 INR 3,536.00 lakhs of unbilled revenue as of 1 April 2019 has been reclassified to trade receivables upon billing to customers on completion of milestones.

16 I OTHER CURRENT ASSETS

	As at 31 March 2020	As at 31 March 2019
Advances to vendors	11.29	38.66
Deferred contract cost	123.00	77.37
Advance to employees	138.02	156.19
Prepaid expenses	362.30	335.44
Other current assets	17.14	17.14
	651.75	**624.80**

17 I SHARE CAPITAL

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital				
Equity shares of INR 10 each	98,000,200	9,800.02	98,000,000	9,800.00
Equity share capital with differential voting rights of INR 10 each	-	-	200	0.02
0.01% Compulsory convertible preference shares of INR 10 each	11,999,800	1,199.98	11,999,800	1,199.98
	110,000,000	**11,000.00**	**110,000,000**	**11,000.00**

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Issued, subscribed and paid up				
Equity share capital of INR 10 each, fully paid up	69,585,701	6,958.57	69,235,701	6,923.57
Add: Issued during the year to Newgen ESOP Trust	370,000	37.00	350,000	35.00
Balance	**69,955,701**	**6,995.57**	**69,585,701**	**6,958.57**
Less : Shares held by Newgen ESOP Trust	865,888	86.59	1,128,091	112.81
Total Share capital	**69,089,813**	**6,908.98**	**68,457,610**	**6,845.76**

Notes

to the Standalone Financial Statements for the year ended 31 March 2020

(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

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Equity share capital of INR 10 each, fully paid up				
At the beginning of the year	69,585,701	6,958.57	69,235,701	6,923.57
Add: Issued during the year to Newgen ESOP Trust	370,000	37.00	350,000	35.00
At the end of the year	**69,955,701**	**6,995.57**	**69,585,701**	**6,958.57**
Less: Shares held by Newgen ESOP Trust	865,888	86.59	1,128,091	112.81
Total equity share capital	**69,089,813**	**6,908.98**	**68,457,610**	**6,845.76**

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.

17 A I DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY

Equity shares of INR10 each, fully paid up held by:

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% Holding	Number of shares	% Holding
- Mr. Diwakar Nigam	18,472,406	26.41%	18,422,406	26.47%
- Mr. T.S. Varadarajan	15,009,306	21.46%	15,009,306	21.57%
- Mrs. Priyadarshini Nigam	7,968,906	11.39%	7,968,906	11.45%
- Mrs. Usha Varadarajan	4,528,320	6.47%	4,528,320	6.51%
- Malabar India Fund Limited	5,678,931	8.12%	4,564,262	6.56%

17 B I SHARES RESERVED FOR ISSUE UNDER EMPLOYEE STOCK OPTION PLAN

Terms attached to stock options granted to employees are described in note 35 regarding share based payments.

17 C I Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.

Equity shares have been issued under Employee stock options plans to trust for which only exercise price has been received in cash.

	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016
Equity shares of INR 10 each	370,000	350,000	1,050,000	-	-

18 I OTHER EQUITY

	As at 31 March 2020	As at 31 March 2019
Securities premium	10,069.59	9,611.37
Retained earnings	33,286.82	29,414.27
Capital redemption reserve	87.95	87.95
General reserve	1,731.39	1,731.39
Newgen ESOP Trust reserve	297.47	257.78
Share options outstanding reserve	405.75	459.20
Other comprehensive loss	(95.40)	(10.30)
	45,783.57	**41,551.66**

Notes

to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Securities premium (refer note (i) below)

	As at 31 March 2020	As at 31 March 2019
Balance as at beginning of the year	9,977.92	9,681.49
Securities premium on issue of shares to Newgen ESOP Trust	196.10	185.50
Transferred from share options outstanding reserve on exercise of stock options	140.48	110.93
Balance as at end of the year	**10,314.50**	**9,977.92**
Less: Securities premium on shares held by Newgen ESOP Trust	244.91	366.55
Balance as at end of the year	**10,069.59**	**9,611.37**

Retained earnings (refer note (ii) below)

	As at 31 March 2020	As at 31 March 2019
Balance as at beginning of the year	29,414.27	21,500.53
Transistion impact of Ind AS 116-Leases, net of tax (refer note 19)	(202.00)	-
Profit for the year	6,591.23	9,583.08
Dividend on equity shares	(2,087.57)	(1,384.71)
Dividend distribution tax on dividend on equity shares	(429.11)	(284.63)
Balance as at end of the year	**33,286.82**	**29,414.27**

Capital redemption reserve

	As at 31 March 2020	As at 31 March 2019
Balance as at beginning of the year	87.95	87.95
Balance as at end of the year	**87.95**	**87.95**

General reserve

	As at 31 March 2020	As at 31 March 2019
Balance as at beginning of the year	1,731.39	1,731.39
Balance as at end of the year	**1,731.39**	**1,731.39**

Newgen ESOP Trust reserve (refer note (iii) below)

	As at 31 March 2020	As at 31 March 2019
Balance as at beginning of the year	257.78	231.65
Addition to Newgen ESOP Trust reserve	39.69	26.13
Balance as at end of the year	**297.47**	**257.78**

Share options outstanding reserve (refer note (iv) below)

	As at 31 March 2020	As at 31 March 2019
Balance as at beginning of the year	459.20	391.88
Employee stock compensation expense	87.03	178.25
Transferred to securities premium account on exercise of stock options	(140.48)	(110.93)
Balance as at end of the year	**405.75**	**459.20**

Notes

to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Other comprehensive income/(loss)

Remeasurement of defined benefit liability

	As at 31 March 2020	As at 31 March 2019
Balance as at beginning of the year	(27.10)	28.05
Other comprehensive (loss) (net of tax)	(69.19)	(55.15)
Balance as at end of the year	**(96.29)**	**(27.10)**

Debt instruments through other comprehensive income

	As at 31 March 2020	As at 31 March 2019
Balance as at beginning of the year	16.80	14.87
Other comprehensive income/(loss) (net of tax)	3.72	(1.39)
(Profit)/loss on sale of debt instrument transferred to profit and loss	(19.63)	3.32
Balance as at end of the year	**0.89**	**16.80**

(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) 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.

(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.

19 I RIGHT-OF-USE ASSETS

Changes in the carrying value of right of use assets for the year ended 31 March 2020

Particulars	Category of ROU asset		Total
	Leasehold land	Buildings	
Balance as at 1 April 2019*	-	1,381.90	1,381.90
Reclassified on account of adoption of Ind AS 116	3,405.18	-	3,405.18
Addition	-	2,483.05	2,483.05
Deletion	-	(58.45)	(58.45)
Depreciation	(39.40)	(1,165.27)	(1,204.67)
Balance as at 31 March 2020	**3,365.78**	**2,641.23**	**6,007.01**

**Right of use assets recognised in the balance sheet at the date of initial recognition.*

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.(refer note 31)

Lease liabilities

Break up of current and non-current lease liabilities as at 31 March 2020

Particulars	As at 31 March 2020
Non-current lease liabilities	2,129.79
Current lease liabilities	1,217.24
Total	**3,347.03**

Notes

to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Movement in lease liabilities during the year ended 31 March 2020

Particulars	As at 31 March 2020
Balance as at 1 April 2019#	1,578.15
Reclassified on account of adoption of Ind AS 116	1,320.15
Addition	2,434.24
Finance cost accrued during the period	335.74
Deletion	(62.35)
Payment of lease liabilities	(2,258.90)
Balance as at 31 March 2020	**3,347.03**

#Lease liabilities recognised in the balance sheet at the date of initial recognition.

Details regarding the contractual maturities of lease liabilities as at 31 March 2020 on an undiscounted basis:

Particulars	As at 31 March 2020
Less than one year	1,499.01
One to five years	2,020.39
More than five years	5,267.64
Total	**8,787.04**

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.

Finance lease

The Company has leases that were classified as finance leases applying Ind AS 17. For such leases, the carrying amount of the right-of-use asset and the lease liability at the date of initial application of Ind AS 116 is the carrying amount of the lease asset and lease liability on the transition date as measured applying Ind AS 17. Accordingly, an amount of ₹ 3,405.18 lakhs has been reclassified from property, plant and equipment to right-of-use assets. An amount of ₹ 291.59 lakhs has been reclassified from other current financial liabilities to lease liability – current and an amount of ₹ 1,028.55 lakhs has been reclassified from Non-current financial liabilities to lease liability – non-current.

Rental expense recorded for short-term leases was ₹ 280.38 lakhs for the year ended 31 March 2020.

Effective interest rate of 10.43% has been applied to lease liabiliites recognised in the balance sheet at the date of initial application.

Impact of COVID-19:

The Company does not foresee any large-scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Company has entered with lessors towards properties used as delivery centers / sales offices are long term in nature and no changes in terms of those leases are expected due to COVID-19.

20 I NON-CURRENT PROVISIONS

	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits (refer note 29)		
- provision for gratuity	1,799.02	1,495.50
- provision for compensated absences	521.22	433.52
	2,320.24	**1,929.02**

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

21 I CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at 31 March 2020	As at 31 March 2019
Loans from banks		
Pre-shipment loans (secured)*	7,453.21	6,772.64
	7,453.21	**6,772.64**

**Pre-shipment loans carry interest rate @ LIBOR plus margin which varied from 2.45% to 4.28% per annum. These are secured by first pari passu charge over all future and present stock, book debts and equitable mortgage of land and building with carrying amount of INR 382.70 lakhs (31 March 2019: INR 462.67 lakhs) and are repayable within 180 days from the date of disbursement.*

22 I TRADE PAYABLES

	As at 31 March 2020	As at 31 March 2019
- Total outstanding dues to micro enterprises and small enterprises	-	-
- Total outstanding dues to creditors other than micro and small enterprises	3,149.06	2,461.48
	3,149.06	**2,461.48**

Trade payables are non-interest bearing and are generally on terms of 30-45 days

a) Refer note 37 for disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

b) Refer note 43 for dues to related parties

c) The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 44 C.

23 I CURRENT FINANCIAL LIABILITIES - OTHERS

	As at 31 March 2020	As at 31 March 2019
Employee related payables	3,428.23	3,256.39
Payable in respect of retention money	180.54	59.15
Interest accrued but not due on deferred liability	14.39	-
Earnest money deposits	1.00	1.00
Payable for capital assets	412.41	188.84
	4,036.57	**3,505.38**

24 I DEFERRED INCOME

	As at 31 March 2020	As at 31 March 2019
Advance billing*	5,940.17	4,625.39
Advance from customers	32.05	58.75
	5,972.22	**4,684.14**

**Changes in deferred income (advance billing) is as follows:*

	As at 31 March 2020	As at 31 March 2019
Balance at the begining of the year	4,625.39	3,582.77
Revenue recognised that was included in deferred income at the beginning of the year	(4,363.29)	(3,582.77)
Increase due to invoicing during the year, excluding amount recognised as revenue during the year	5,678.07	4,625.39
Balance at the end of the year	**5,940.17**	**4,625.39**

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

25 I OTHER CURRENT LIABILITIES

	As at 31 March 2020	As at 31 March 2019
Statutory dues payable	1,178.45	1,494.24
Advance from employees for share options	21.22	2.82
Other current liabilities	6.33	4.94
	1,206.00	**1,502.00**

26 I CURRENT PROVISIONS

	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits (refer note 29)		
- provision for gratuity	278.87	244.76
- provision for compensated absences	129.09	101.70
	407.96	**346.46**

27 I REVENUE FROM OPERATIONS

	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of products - softwares	11,114.81	13,889.67
Sale of services		
- Implementation	14,729.93	12,874.07
- Scanning	954.90	1,936.25
- AMC/ATS	12,011.51	10,017.22
- Support	16,530.68	14,778.33
- SaaS revenue	2,398.29	1,708.51
	57,740.12	**55,204.05**

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize 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 :

(i) The performance obligation is part of a contract that has an original expected duration of one year or less.

(ii) The revenue recognized 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 materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at 31 March 2020, other than those meeting the exclusion criteria mentioned above is INR Nil.

Impact of COVID-19:

While the Company believes strongly that it has a good portfolio of services to partner with customers, the impact on future revenue streams could come from :

- the inability of our customers to continue their businesses due to financial resource constraints or their services no-longer being availed by their customers

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to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

- prolonged lock-down situation resulting in its inability to deploy onsite resources at different locations due to restrictions in mobility
- prolonged lock-down situation can decrease the chances of winning of new business due to inability of sales person to travel to customer locations
- customers postponing their discretionary spend due to change in priorities

The company has a resilient business model in place with mission critical solutions deployed majorly across banking, financial services, healthcare, insurance, government and shared services verticals. The Company does not have major exposure in the verticals which are impacted due to COVID 19. The Company has considered such impact to the extent known and available currently. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

28 I OTHER INCOME

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income under the effective interest rate method:		
- on security deposits at amortised cost	40.09	28.60
- government and other bonds at FVOCI	148.11	127.46
Interest income on deposit with banks	804.15	676.15
Other interest income	6.05	68.72
Gain on sale of property, plant and equipment	1.10	-
Fair value changes of financial assets at FVTPL	173.01	245.75
Liabilities / provision no longer required written back	169.22	148.19
Net foreign exchange fluctuation gain	704.25	706.14
Bad debt recovered	-	15.04
Miscellaneous income	38.62	6.81
	2,084.60	**2,022.86**

29 I EMPLOYEE BENEFITS EXPENSE

	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus	26,971.54	22,836.06
Contribution to provident funds (refer note i below)	994.27	767.10
Expenses related to compensated absences (refer note ii below)	352.27	275.35
Share based payment - equity settled	82.82	174.05
Expense related to defined benefit plan (refer note iii below)	371.73	311.88
Staff welfare expenses	499.79	508.96
	29,272.42	**24,873.40**

(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 994.27 lakhs (31 March 2019: INR 767.10 lakhs). The amount recognised as an expense towards employee state insurance aggregated to INR 1.26 lakhs (31 March 2019: INR 2.27 lakhs).

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to the Standalone Financial Statements for the year ended 31 March 2020
(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:

	31 March 2020	31 March 2019
Discounting rate (p.a.)	6.90%	7.66%
Future salary increase (p.a.)	6.00%	7.00%

(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.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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 2020	As at 31 March 2019
Balance at the beginning of the year	**1,740.26**	**1,407.46**
Benefits paid	(129.12)	(71.28)
Current service cost	238.43	202.10
Interest cost	133.30	109.78
Past service gain	-	-
Acturial (gains) losses recognised in OCI		
change in demographic assumptions	(21.33)	21.21
change in financial assumptions	(33.40)	22.48
experience adjustments	149.75	48.51
Balance at the end of the year	**2,077.89**	**1,740.26**

B. i) Expense recognised in profit and loss

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	238.43	202.10
Interest cost	133.30	109.78
Total expense recognised in Statement of profit and loss	**371.73**	**311.88**

ii) Remeasurements recoginsed in other comprehensive income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Acturia loss on defined benefit obligation	95.02	92.20
Total remeasurements recognised in other comprehensive income	**95.02**	**92.20**

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to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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 2020	For the year ended 31 March 2019
Discount rate	6.90	7.66
Salary escalation rate	6.00	7.00
Mortality rate	100% of IALM (2012- 14)	100% of IALM (2006 - 08)

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.

	31 March 2020		31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(73.76)	79.01	(54.53)	58.07
Future salary growth (0.50% movement)	79.32	(74.70)	58.16	(55.10)

Attrition rate (0.50% movement)

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:

	31 March 2020	31 March 2019
Net defined benefit liability		
Liability for gratuity	2,077.89	1,740.26
Liability for compensated absences	650.31	535.22
Total employee benefit liabilities	**2,728.20**	**2,275.48**
Non-current:		
Gratuity	1,799.02	1,495.50
Compensated absences	521.22	433.52
Current:		
Gratuity	278.87	244.76
Compensated absences	129.09	101.70

30 I FINANCE COSTS

	For the year ended 31 March 2020	For the year ended 31 March 2019
Finance cost on lease liabilities	335.74	166.99
Interest expense on packing credit	649.65	561.23
Other finance costs	84.31	112.90
	1,069.70	**841.12**

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to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

31 I DEPRECIATION AND AMORTIZATION

	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant and equipment (refer note 4)	514.45	521.15
Depreciation of right-of use assets (refer note 19)	1,204.67	-
Amortisation of intangible assets (refer note 5)	88.68	59.02
	1,807.80	**580.17**

32 I OTHER EXPENSES

	For the year ended 31 March 2020	For the year ended 31 March 2019
Rent	280.38	1,632.93
Repairs and maintenance	264.76	283.16
Rates and taxes	728.47	211.73
Travelling and conveyance	5,698.45	6,187.49
Legal and professional fees	2,294.93	2,099.79
Outsourced technical services expense	1,299.40	1,009.80
Cloud hosting services	959.98	426.22
Payment to auditors*	75.40	69.67
Electricity and water	419.36	354.17
Advertising and sales promotion	752.48	504.76
Membership and subscription fee	267.24	274.56
Brokerage and commission	980.67	695.72
Communication costs	386.44	399.46
Software and license maintenance	645.35	499.38
Expenditure on corporate social responsibility	186.27	125.64
Donation	36.18	34.74
Recruitment charges	280.35	149.23
Insurance	359.60	305.65
Operation and maintenance	617.59	530.20
Printing, stationery and scanning charges	460.18	671.87
Loss on sale of property, plant and equipment	-	3.89
Loss allowance on trade receivables	1,736.67	1,573.26
(net of adjustment for bad debts written off of INR 527.43 lakhs (previous year INR 1,952.57 lakhs)		
Loss allowance on other financial assets	23.72	22.82
Security charges	263.05	229.03
Loss on settlement of forward contract	-	36.30
Loss on redemption of bonds (net) at FVOCI	7.07	5.07
Loss on redemption of mutual funds (net) at FVTPL	6.85	-
Miscellaneous expenses	85.60	83.79
	19,116.44	**18,420.33**
***Payment to auditors**		
As auditor:		
- Statutory audit fee	39.50	39.50
- Limited review fee	22.50	22.50
- Certification fee	8.25	3.40
- Reimbursement of expenses	5.15	4.27
	75.40	**69.67**

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to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

33 I INCOME TAX

A. The major components of income tax (expense) / income recognised in Statement of Profit or Loss

	For the year ended 31 March 2020	For the year ended 31 March 2019
Tax expense	2,340.32	2,682.78
Tax expense for earlier years	78.85	110.19
Deferred tax (credit) /charge	(452.04)	135.85
Total	**1,967.13**	**2,928.82**
Recognised in Other comprehensive income		
Tax impact on		
- Re-measurement on defined benefit plan	37.16	29.63
- Fair value of debt instruments through other comprehensive income/(loss)	(2.00)	0.75
Total	**35.16**	**30.38**

B. Reconciliation of effective tax rate

	31 March 2020		31 March 2019	
Profit before tax		8,558.36		12,511.89
Tax using the Company's tax rate	34.94%	2,990.63	34.94%	4,372.16
Effect of deduction under section 10AA of the Income tax Act, 1961	-13.47%	(1,152.56)	-12.41%	(1,552.64)
Effect of expenses permanently disallowed under the Income Tax Act, 1961	0.35%	29.91	0.14%	17.50
Effect of income exempt/ taxed on lower rate	-0.31%	(26.92)	-0.19%	(23.27)
Effect of profit on sale of mutual funds taxable under Income tax Act, 1961	0.57%	48.46	-	-
Tax expense for earlier years	0.92%	78.85	0.88%	110.19
Others	-0.01%	(1.24)	0.04%	4.88
Income tax recognised in statement of profit and loss for the current year	22.98%	1,967.13	23.41%	2,928.82

C. Deferred tax assets (net)

Deferred tax relates to the following:

		As at 31 March 2020	As at 31 March 2019
Deferred tax related to items recognised in OCI:			
Deferred tax assets (gross)			
Investments at fair value through OCI		1.42	-
Remeasurement of defined benefit liability (asset)		51.37	14.21
	(a)	**52.79**	**14.21**

		As at 31 March 2020	As at 31 March 2019
Deferred tax liabilities			
Investments at fair value through OCI		-	7.12
	(b)	**-**	**7.12**

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Deferred tax related to items recognised in Statement of Profit and Loss:

		As at 31 March 2020	As at 31 March 2019
Deferred tax liabilities (gross)			
Property, plant and equipment		373.98	308.29
Others		145.20	84.54
	(c)	**519.18**	**392.83**

		As at 31 March 2020	As at 31 March 2019
Deferred tax assets (gross)			
Loss allowance on other financial assets		57.57	51.03
Loss allowance on trade receivables		1,688.07	1,265.52
Provision for employee benefits		931.23	772.84
Lease liabilities		58.84	-
	(d)	**2,735.71**	**2,089.39**
	(e) = (d) - (c)	**2,216.53**	**1,696.56**
Deferred tax assets (net)	(e) + (a) - (b)	**2,269.32**	**1,703.65**
MAT credit entitlement		-	86.97
Total deferred tax assets (net)		**2,269.32**	**1,790.62**

D. Movement in temporary differences

31 March 2020

Particulars	Balance as at 1 April 2019	Transition impact of Ind AS 116-Leases	Recognised in Statement of Profit or Loss during the year	Recognised in OCI during the year	Balance as at 31 March 2020
Investments at fair value through OCI	(7.12)	-	-	8.54	1.42
Remeasurement of defined benefit liability (asset)	14.21	-	-	37.16	51.37
Property, plant and equipment	(278.40)	-	(95.58)	-	(373.98)
Loss allowance on other financial assets	51.03	-	6.54	-	57.57
Loss allowance on trade receivables	1,265.52	-	422.55	-	1,688.07
Provision for employee benefits	772.84	-	158.39	-	931.23
Others	(84.54)	-	(60.66)	-	(145.20)
Lease liabilities	(29.89)	67.93	20.80	-	58.84
Total	**1,703.65**	**67.93**	**452.04**	**45.70**	**2,269.32**

31 March 2019

Particulars	Balance as at 1 April 2018	Recognised in Statement of Profit or Loss during the year	Recognised in OCI during the year	Balance as at 31 March 2019
Investments at fair value through OCI	(7.87)	-	0.75	(7.12)
Remeasurement of defined benefit liability (asset)	(15.42)	-	29.63	14.21
Property, plant and equipment	(221.74)	(56.66)	-	(278.40)
Loss allowance on other financial assets	42.63	8.40	-	51.03
Loss allowance on trade receivables	1,384.62	(119.10)	-	1,265.52
Provision for employee benefits	667.62	105.22	-	772.84
Others	(11.11)	(73.43)	-	(84.54)
Lease liabilities	(29.62)	(0.27)	-	(29.89)
Total	**1,809.11**	**(135.84)**	**30.38**	**1,703.65**

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Impact of COVID-19:

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will be realized or not. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences.

Also there is no change in Company's current tax strategies and thus no change in the accounting for Income taxes.

34 I 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

	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit attributable to equity holders of the Company	6,591.23	9,583.08
Profit attributable to equity holders of the Company for basic and diluted earnings	**6,591.23**	**9,583.08**

ii) Weighted average number of ordinary shares

	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening balance of equity's shares	68,457,610	67,884,117
Effect of share options exercised	422,753	191,325
Weighted average number of shares for basic EPS	**68,880,363**	**68,075,442**

Effect of dilution:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Add: Equity shares held by Newgen ESOP Trust with respect to options not exercised by employees but outstanding	348,839	1,255,390
Weighted average number of shares for diluted EPS	**69,229,202**	**69,330,832**

Basic and diluted earnings per share

	For the year ended 31 March 2020 INR	For the year ended 31 March 2019 INR
Basic earnings per share	9.57	14.08
Diluted earnings per share	9.52	13.82

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35 I 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 grants under this Scheme shall be limited to 3,783,800 option with underlying 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. 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 from the date of last vesting. 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.

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 2020, during the year 2019-20 there were no grants made.

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	509,468	INR 63.00	3.75	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Jul-2017	199,980	INR 63.00	6.25	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Sep-2017	126,500	INR 63.00	6.42	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Oct-2017	48,650	INR 63.00	6.50	4 years

B. 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 31 March 2020	Weighted average exercise price 31 March 2020	Number of options 31 March 2019	Weighted average exercise price 31 March 2019
Options outstanding as at the beginning of the year	1,557,524	INR 63.00	2,243,483	INR 63.00
Less: Options lapsed during the year	40,723	INR 63.00	112,466	INR 63.00
Less: Options exercised during the year	632,203	INR 63.00	573,493	INR 63.00
Options outstanding as at the year end	**884,598**	**INR 63.00**	**1,557,524**	**INR 63.00**
Exercisable as at year end	**571,519**		**1,122,797**	
Weighted - average contractual life	4.85 years		5.51 years	

C. Expense recognised in Statement of Profit and Loss

For details on the employee benefits expense, refer note 29

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36 I CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)*

		31 March 2020	31 March 2019
a.	Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances, tangible assets**	84.18	23.45
b.	Income Tax matters		
	Financial year 2015-16***	179.00	179.00
	Financial year 2016-17***	184.43	-
	Financial year 2017-18	258.00	-
	Financial year 2018-19	216.65	-
	Financial year 2019-20	220.28	-

** The Company is committed to operationally, technically and financially support the operations of its certain subsidiary companies.*

*** For other commitments – Non-cancellable operating and finance leases, refer note 19*

****The Company has received assessment orders pertaining to financial year 2015-16 and 2016-17 incorporating adjustments of ₹ 179.00 lakhs and ₹ 184.43 lakhs respectively. The Company has filed an appeal with the Commissioner of Income Tax (Appeal) against the assessment order issued by the Assessing officer. The hearing date is awaited.*

In February 2019, there was a judicial pronouncement with respect to provident fund. It is not currently clear whether the interpretation set out in the pronouncement has retrospective application. If applied retrospectively, the interpretation would result in an increase in contributions payable by the Company for past and future periods for certain of its employees. There are numerous interpretative challenges concerning the retrospective application of the judgment. Due to such challenges and a lack of interpretive guidance, it is currently impracticable to reliably estimate the timing and amount of any payments the Company may be required to make. The Company will continue to monitor and evaluate its position based on future events and developments.

37 I 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. Accordingly, the disclosure in respect of the amounts payable to such enterprises as on 31 March 2020 and 31 March 2019 has been made in the financial statements based on information received and available with the Company. Based on the information currently available with the Company, there are no dues payable to Micro and Small Suppliers as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

38 I 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. The Finance Act 2020 has repealed the Dividend Distribution Tax (DDT). The Company is now required to pay/distribute dividend after deducting applicable taxes.

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Final dividend of INR 2.00 per share (31 March 2019: INR 3/-)	1,399.11	2,087.57
Dividend distribution tax	-	429.20

39 I UTILIZATION OF CORPORATE SOCIAL RESPONSIBILITY EXPENSES

As per Section 135 of the Companies Act 2013, the following is the detail of CSR expenses incurred by the Company: Gross amount to be spent by the Company during the year ended 31 March 2020 is INR 186.27 lakhs (previous year INR. 125.64 lakhs). Amount spent during the year ended 31 March 2020:

Particulars	Amount spent during the year	Amount to be spent	Total
i) For purpose mentioned as under*	186.14	0.13	186.27

**The areas for CSR activities are promoting education, health care, sanitation, digital literacy and livelihood enhancement and participation on SOS Children's Village Projects in Faridabad. The funds were primarily utilized through the year on the following activities which are specified in Schedule VII of the Companies Act, 2013.*

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40 I 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. During the year ended 31 March 2020, the holding company has also started availing services from its overseas subsidiaries in accordance with the transfer pricing methodology under sections 92-92F of the Income Tax Act, 1961. 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 I During the year ended 31 March 2020, the IPO proceeds were utilised for furnishing of office premises near Noida-Greater Noida Expressway, Uttar Pradesh and for general corporate purpose amounting to INR 2,008.40 lakhs and INR 1,281.00 lakhs respectively. As on 31 March 2020, the net proceeds of the public issue are fully utilised.

42 I DETAILS OF CURRENT INVESTMENTS (REFER NOTE 11)

Particulars	Number of units as at		Amount in lakhs as at	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Investment in mutual funds -FVTPL				
Nippon India Short Term Fund- Direct Plan- Growth option	634,842.04	634,842.04	251.01	228.91
ICICI Prudential Short Term Plan-Direct Plan-Growth option	2,098,216.14	860,076.95	930.90	346.96
ICICI Prudential Credit Risk Fund -Direct Plan- Growth option	2,185,595.64	2,185,595.64	505.92	459.30
Kotak Credit Risk Fund- Direct Plan-Growth option	2,194,751.05	2,194,751.05	514.89	472.75
IIFL Wealth Finance Limited SR-A1-June 2022 LOA 13JU22 FVRS10LAC	20.00	20.00	257.35	242.95
IIFL Dynamic Bond Fund Reg- Growth option	-	1,442,782.84	-	212.99
Franklin India Short Term Income Plan - Retail Plan -Direct- Growth option	-	11,121.68	-	466.63
Aditya Birla Sun Life Credit Risk Fund-Direct-Growth option	-	3,202,905.98	-	454.78
UTI Credit Risk Fund-Direct Plan- Growth option	-	2,617,878.59	-	471.48
L and T Credit Risk Fund Direct Plan -Growth option	-	2,157,673.57	-	468.53
HDFC Short Term Debt Fund-Direct Plan-growth option	2,403,804.13	-	550.19	-
DSP Liquidity Fund- Regular Plan-Growth option	21,276.15	-	600.45	-
IDFC Bond Fund-Short Term Plan-growth option	1,153,064.73	-	500.00	-
Aditya Birla Sun Life Liquid Fund -Growth-Regular Plan	220,614.74	-	700.99	-
Bharat bonds ETF	20,000.00	-	208.07	-

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Particulars	Number of units as at		Amount in lakhs as at	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Investment in government bonds-FVTOCI				
8.40% IRFC 15YRS SR2A 18022029 (18-Feb-2029)	40,000.00	40,000.00	467.71	455.66
7.35% NHAI LTD Tax free Bond 15YRS SR2A Annual (11-Jan-2031)	45,000.00	45,000.00	500.96	482.62
8.54% PFC Tax free Bonds (Series 2A) 16/11/2028	16,500.00	-	203.32	-
7.04% IRFC Bond 03/03/2026	15.00	-	166.38	-
8.3% NHAI Tax free Bonds 25/01/2027	30,000.00	-	355.96	-
8.63% IRFC Bonds 26/03/2029	22,000.00	-	288.04	-
Investment in Other Bonds-FCTOCI				
Vijaya Bank SR-II 10.4 LOA Perpetual FVRS10LAC (27-Mar-2050)	-	40.00	-	402.30
State Bank of India Series 1 9.56% NCD perpetual FVRS10Lac	30.00	-	306.31	-
ICICI Bank Limited SR DDE18AT 9.90 BD Perpetual FVRS10LAC	30.00	-	302.22	-
			7,610.67	**5,165.86**

43 I 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 2020	31 March 2019
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%	-
Newgen Computers Technologies Limited	India	100%	100%

The principal place of business of all the entities listed above is the same as the respective country of incorporation.

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).

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List of key management personnel and their relatives

Diwakar Nigam - Managing Director

T.S. Varadarajan - Whole Time Director

Priyadarshini Nigam - Whole Time Director

Arun Kumar Gupta - Chief Financial Officer

Virender Jeet - Senior Vice President (Sales and Marketing/Product)

Surender Jeet Raj - Senior Vice President (HR/Operations)

Tarun Nandwani - Senior Vice President (Business Management)

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

Ms Padmaja Krishnan - Independent Director

Key management personnel compensation

	Transaction value		Balance payable	
	For the year ended 31 March 2020	For the year ended 31 March 2019	As at 31 March 2020	As at 31 March 2019
Salaries, wages and bonus*	**1,086.13**	**959.18**	**389.66**	**348.95**
Diwakar Nigam	278.99	174.90	82.42	8.42
T.S. Varadarajan	142.57	83.70	50.23	6.06
Priyadarshini Nigam	77.58	40.84	33.04	-
Arun Kumar Gupta	82.77	116.13	26.60	37.87
Virender Jeet	147.60	187.03	75.01	112.47
Surender Jeet Raj	191.46	166.52	62.70	96.86
Tarun Nandwani	148.35	176.18	58.65	86.40
Aman Mourya	16.81	13.88	1.01	0.87
Dividend paid (excluding dividend distribution tax)	**1,402.83**	**933.99**	**-**	**-**
Diwakar Nigam	552.67	368.45	-	-
T.S. Varadarajan	450.28	300.19	-	-
Priyadarshini Nigam	239.07	159.38	-	-
Arun Kumar Gupta	2.10	1.09	-	-
Virender Jeet	7.47	4.98	-	-
Surender Jeet Raj	7.48	4.55	-	-
Tarun Nandwani	7.87	4.77	-	-
Usha Varadarajan	135.85	90.57	-	-
Aman Mourya	0.04	0.01		
Share-based payments	**93.69**	**57.17**	**-**	**-**
Arun Kumar Gupta	4.60	30.18	-	-
Virender Jeet	-	-	-	-
Surender Jeet Raj	56.92	-	-	-
Tarun Nandwani	29.81	26.12	-	-
Aman Mourya	2.36	0.87		

** excludes provision for gratuity and compensated absences, as these are determined on the basis of actuarial valuation for the Company as a whole and includes share-based payments and commission.*

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	Transaction value		Balance payable	
	For the year ended 31 March 2020	For the year ended 31 March 2019	As at 31 March 2020	As at 31 March 2019
Sitting fees to independent director	**41.00**	**41.00**	**8.10**	**8.10**
Kaushik Dutta	14.00	14.00	2.70	2.70
Saurabh Srivastava	13.00	13.00	2.70	2.70
Subramaniam R Iyer	14.00	14.00	2.70	2.70
Commission to independent director	**50.00**	**-**	**47.50**	**-**
Kaushik Dutta	16.67	-	15.83	-
Saurabh Srivastava	16.67	-	15.83	-
Subramaniam R Iyer	16.67	-	15.83	-

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 2020 and 31 March 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at each reporting period.

	Transaction value		Balance receivable	
	For the year ended 31 March 2020	For the year ended 31 March 2019	As at 31 March 2020	As at 31 March 2019
Sale of products and services				
Subsidiaries				
Newgen Software Inc., USA	9,883.41	10,555.33	2,850.88	2,631.96
Newgen Software Technologies Pte Ltd.	2,048.35	1,821.08	1,237.49	584.41
Newgen Software Technologies Canada Limited	386.65	675.27	238.85	251.43
Newgen Software Technologies (UK) Ltd.	656.30	793.44	298.47	560.49
Newgen Software Technologies Pty Ltd.	-	-	-	-
Sale of services-back office support cost				
Subsidiaries				
Newgen Software Inc., USA	137.64	-	137.64	-
Newgen Software Technologies Pte Ltd.	29.52	-	29.52	-
Newgen Software Technologies Canada Limited	18.42	-	18.42	-
Newgen Software Technologies (UK) Ltd.	10.13	-	10.13	-
Newgen Software Technologies Pty Ltd.	8.20	-	8.08	-
Expense-Outsourced technical services				
Subsidiaries				
Newgen Software Inc., USA	593.52	566.26	341.11	566.26
Newgen Software Technologies Pte Ltd.	101.87	45.82	50.73	45.82

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	Transaction value		Balance receivable	
	For the year ended 31 March 2020	For the year ended 31 March 2019	As at 31 March 2020	As at 31 March 2019
Expense-Marketing support services				
Subsidiary				
Newgen Software Technologies Pty Ltd.	395.32	-	386.38	-
Rent expense				
Subsidiary				
Newgen Computers Technologies Limited	7.92	7.20	-	-
Paid on behalf of				
Subsidiary				
Newgen Computers Technologies Limited	0.69	0.95	-	-
Recovered from				
Subsidiary				
Newgen Computers Technologies Limited	0.69	0.95	-	-
Investment in subsidiaries - share based payment				
Newgen Software Inc., USA	3.39	2.20	-	-
Newgen Singapore	0.82	1.79	-	-
Newgen Software Technologies Canada Limited	-	0.12	-	-
Newgen Software Technologies (UK) Ltd.	-	0.09	-	-

D. Investment in subsidiaries

Subsidiary Company	As at 31 March 2020	As at 31 March 2019
Newgen Software Inc. USA	528.10	524.71
Newgen Software Technologies Canada Limited	56.52	56.52
Newgen Software Technologies Pte. Ltd.	116.74	115.92
Newgen Computers Technologies Limited	46.50	46.50
Newgen Software Technologies Pty Ltd.	491.05	-
Newgen Software Technologies (UK) Ltd.	178.74	178.74
	1,417.65	**922.39**

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44 I 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 hirarchy.

31 March 2020	Note	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Financial assets measured at fair value									
Investments in mutual funds	11	5,019.75	-	-	5,019.75	5,019.75	-	-	5,019.75
Investments in bonds	11	-	2,590.92	-	2,590.92	2,590.92	-	-	2,590.92
Financial assets not measured at fair value									
Other non-current financial asset	8	-	-	351.48	351.48	-	-	-	-
Trade receivables	12	-	-	23,813.20	23,813.20	-	-	-	-
Cash and cash equivalents	13	-	-	5,758.70	5,758.70	-	-	-	-
Other bank balances	13A	-	-	6,516.11	6,516.11				
Loans	7 and 14	-	-	523.25	523.25	-	-	-	-
Other financial assets	15	-	-	8,260.42	8,260.42	-	-	-	-
		5,019.75	**2,590.92**	**45,223.16**	**52,833.83**	**7,610.67**	**-**	**-**	**7,610.67**
Financial liabilities									
Financial laibilities not measured at fair value									
Lease liabilities	19	-	-	3,347.03	3,347.03	-	-	-	-
Short term borrowings	21	-	-	7,453.21	7,453.21	-	-	-	-
Trade payables	22	-	-	3,149.06	3,149.06	-	-	-	-
Other financial liabilities	23	-	-	4,036.57	4,036.57	-	-	-	-
		-	**-**	**17,985.87**	**17,985.87**	**-**	**-**	**-**	**-**

31 March 2019	Note	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Financial assets measured at fair value									
Investments in debt mutual funds	11	3,582.34	-	-	3,582.34	3,582.34	-	-	3,582.34
Investments in bonds	11	-	1,583.52	-	1,583.52	1,583.52	-	-	1,583.52
Financial assets not measured at fair value									
Other non-current financial asset	8	-	-	316.69	316.69	-	-	-	-
Trade receivables	12	-	-	23,684.65	23,684.65	-	-	-	-
Cash and cash equivalents	13	-	-	13,355.94	13,355.94	-	-	-	-
Other bank balances	13A	-	-	2,139.40	2,139.40				
Loans	7 and 14	-	-	374.43	374.43	-	-	-	-
Other financial assets	15	-	-	6,275.55	6,275.55	-	-	-	-
		3,582.34	**1,583.52**	**46,146.66**	**51,312.52**	**5,165.86**	**-**	**-**	**5,165.86**

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

31 March 2019	Note	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial liabilities									
Financial liabilities not measured at fair value									-
Long-term maturities of finance lease obligations (secured)	19	-	-	1,320.15	1,320.15	-	-	-	-
Short term borrowings	21	-	-	6,772.64	6,772.64	-	-	-	-
Trade payables	22	-	-	2,461.48	2,461.48	-	-	-	-
Other financial liabilities	23	-	-	3,505.38	3,505.38	-	-	-	-
		-	**-**	**14,059.65**	**14,059.65**	**-**	**-**	**-**	**-**

The fair value of trade receivables, cash and cash equivalents, other bank balances, 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

Particulars	Fair value hierarchy	Valuation technique	Significant unobservable inputs	Inter-relationship between unobservable inputs and fair vale measurement
Financial assets measured at FVTPL				
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
Financial assets measured at FVTOCI				
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
Financial liabilities measured at Amortised cost				
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 2020 and 31 March 2019.

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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. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

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:

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables	23,813.20	23,684.65
Loans	523.25	374.43
Cash and cash equivalents	5,758.70	13,355.94
Other bank balances	6,516.11	2,139.40
	36,611.26	**39,554.42**

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 unbilled revenues 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. Any sales/services exceeding these limits require approval from the risk management committee.

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

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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

	Carrying amount	
	As at 31 March 2020	**As at 31 March 2019**
India	7,103.27	9,300.31
USA	3,319.15	2,887.04
EMEA	9,586.80	8,540.51
APAC	3,795.90	2,956.79
Australia	8.08	-
	23,813.20	**23,684.65**

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 2020	**Gross carrying amount**	**Weighted-average loss rate**	**Loss allowance**	**Credit-impaired**
0-3 months past due	18,438.64	1.91%	352.83	No
3-6 months past due	3,588.25	7.83%	280.82	No
6-9 months past due	746.07	15.93%	118.82	No
9-12 months past due	98.49	25.68%	25.30	No
12-15 months past due	567.29	34.53%	195.88	No
15-18 months past due	336.66	38.37%	129.16	No
18-21 months past due	308.48	48.64%	150.04	No
21-24 months past due	551.49	59.01%	325.44	No
above 24 months past due	4,008.62	81.14%	3,252.50	No
	28,643.99		4,830.79	

As at 31 March 2019	**Gross carrying amount**	**Weighted-average loss rate**	**Loss allowance**	**Credit-impaired**
0-3 months past due	19,141.89	2.81%	536.95	No
3-6 months past due	966.96	9.78%	94.59	No
6-9 months past due	725.46	18.30%	132.79	No
9-12 months past due	569.91	28.02%	159.69	No
12-15 months past due	3,328.71	36.95%	1,230.10	No
15-18 months past due	1,122.21	40.93%	459.37	No
18-21 months past due	493.31	50.40%	248.63	No
21-24 months past due	268.75	59.96%	161.15	No
above 24 months past due	689.00	86.83%	598.28	No
	27,306.20		3,621.55	

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Movement in allowance for impairment in respect of trade receivables

	Impairment in trade receivables
Balance as at 1 April 2018	**4,000.87**
Impairment loss recognised	1,573.26
Amounts written off	1,952.58
Balance as at 31 March 2019	**3,621.55**
Impairment loss recognised	1,736.67
Amounts written off	527.43
Balance as at 31 March 2020	**4,830.79**

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 A 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

The exposure to credit risk for debt securities at FVTOCI and at FVTPL is as follows:-

	Net carrying amount	
	As at 31 March 2020	As at 31 March 2019
India	7,610.67	5,165.86
	7,610.67	5,165.86

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 other bank balances

The Company held cash and cash equivalents of INR 5,758.70 lakhs at 31 March 2020 (31 March 2019: INR 13,355.94 lakhs) and other bank balances of INR 6,516.11 lakhs as at 31 March 2020 (31 March 2019: INR 2,139.40 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.

Impact of COVID-19:

Financial instruments carried at fair value as at 31 March 2020 are ₹ 7,610.67 lakhs and financial instruments carried at amortised cost as at 31 March 2020 are 45,233.16 lakhs. The financial assets are classified as Level 1 having fair value of ₹ 7,610.67 lakhs as at 31 March 2020. The fair value of these assets is marked to an active market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Company are mainly investments in liquid debt securities and government bonds and accordingly, any material volatility is not expected, other than only factored in the fair value.

Financial assets of ₹ 12,274.81 lakhs as at 31 March 2020 carried at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks where the Company has assessed the counterparty credit risk. Trade receivables of ₹ 23,813.20 Lakhs as at 31 March 2020 forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for allowance using expected credit loss method. The Company closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, discounting of receivables with institutions on recourse basis, recognition of revenue on collection basis etc., depending on severity of each case. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. The same assessment has also been done in respect of unbilled receivables of ₹ 7,767.02 lakhs as at 31 March 2020. Basis this assessment, the allowance for doubtful trade receivables of ₹ 4,830.79 Lakhs as at 31 March 2020 is considered adequate.

Notes

to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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 2020, the Company had a working capital of INR 29,464.15 lakhs (31 March 2019: INR 31,727.13 lakhs) including cash and cash equivalent of INR 5,758.70 lakhs (31 March 2019: INR 13,355.94 lakhs), other bank balances of INR 6,516.11 lakhs (31 March 2019: 2,139.40 lakhs) and current investments of INR 7,610.67 lakhs (31 March 2019: INR 5,165.86 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 2020	546.79	-	546.79	-	-	-
As at 31 March 2019	227.36	-	227.36	-	-	-

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.

31 March 2020	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)	3,347.03	8,787.04	268.63	1,230.78	1,209.24	810.75	5,267.64
Employee related payables	3,428.23	3,428.23	2,477.64	950.59	-	-	-
Trade and other payables	3,149.06	3,149.06	3,149.06	-	-	-	-
Pre-shipment loans (secured)	7,453.21	7,453.21	-	7,453.21	-	-	-
Payable in respect of retention money	180.54	180.54	-	180.54	-	-	-
Earnest money deposits	1.00	1.00	-	1.00	-	-	-
Payable for capital assets	412.41	412.41	-	412.41	-	-	-
Total	**17,971.48**	**23,411.49**	**5,895.33**	**10,228.53**	**1,209.24**	**810.75**	**5,267.64**

31 March 2019	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)	1,320.15	6,509.56	-	427.63	396.90	351.54	5,333.49
Employee related payables	3,256.39	3,256.39	3,256.39	-	-	-	-
Trade and other payables	2,461.48	2,461.48	2,461.48	-	-	-	-
Pre-shipment loans (secured)	6,772.64	6,772.64	-	6,772.64	-	-	-
Payable in respect of retention money	59.15	59.15	-	59.15	-	-	-
Earnest money deposits	1.00	1.00	-	1.00	-	-	-
Payable for capital assets	188.84	188.84	-	188.84	-	-	-
Total	**14,059.65**	**19,249.06**	**5,717.87**	**7,449.26**	**396.90**	**351.54**	**5,333.49**

Notes

to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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 borrowings, receivables and other payables in foreign currency. The functional currency of the Company is Indian Rupee. The foreign currency exchange management policy is to minimize economic and transactional exposures arising from currency movements against the US dollar, Euro, Great Britain Pound, Canadian dolar, Abar Emirates Dhiram, Saudi Riyal, Singapore dollar, Australian dollar, Malaysian Ringgit and Hong Kong dollar. 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.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March 2020 and 31 March 2019 are as below:

Particulars	Currency	31 March 2020		31 March 2019	
		Amount in foreign currency (lakhs)	Amount in local currency (lakhs)	Amount in foreign currency (lakhs)	Amount in local currency (lakhs)
Financial assets					
Trade and other receivables*					
	USD	222.03	16,738.68	204.78	14,178.50
	AED	5.22	107.07	7.74	145.94
	CAD	4.98	265.73	4.84	251.43
	EUR	0.78	64.60	0.90	70.12
	GBP	3.57	328.58	6.35	574.78
	SAR	2.06	41.36	2.12	39.09
	SGD	23.91	1,267.39	11.52	584.41
	MYR	1.62	28.30	-	-
	AUD	0.17	8.08	-	-
Bank balance-Dubai	AED	5.78	118.65	7.33	138.32
Bank balance-EEFC	USD	6.87	518.17	19.80	1,369.49
Travelling Advance to employees	USD	0.67	47.72	1.32	89.36
	AED	0.70	13.85	1.15	22.01
	CAD	0.02	0.92	0.09	5.16
	GBP	0.02	1.87	0.03	2.90

Notes

to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Currency	31 March 2020		31 March 2019	
		Amount in foreign currency (lakhs)	Amount in local currency (lakhs)	Amount in foreign currency (lakhs)	Amount in local currency (lakhs)
	SGD	0.02	0.87	0.16	8.68
	EURO	-	-	0.08	6.83
	SAR	0.51	10.04	-	-
	HKD	0.06	0.56	-	-
Financial liabilities					
Trade and other payables					
	USD	(20.44)	(1,498.18)	(21.40)	(1,468.91)
	SGD	(1.02)	(53.34)	(0.90)	(45.82)
	SAR	(0.47)	(8.86)	(0.78)	(14.20)
	AED			(0.17)	(3.16)
	AUD	(8.35)	(395.32)	-	-
Short term borrowings	USD	(98.86)	(7,453.21)	(97.91)	(6,772.64)

** gross of loss allowance*

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollar, Euro, Great Britain Pound, Canadian dolar, Abar Emirates Dhiram, Saudi Riyal, Singapore dollar, Australian dollor, Malaysian Ringgit and Hong Kong Dollar 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 2020		For the year ended 31 March 2019	
	Strengthening	Weakening	Strengthening	Weakening
1% movement				
USD	83.13	(83.13)	73.73	(73.73)
EUR1	0.64	(0.64)	0.77	(0.77)
GBP1	3.34	(3.34)	4.96	(4.96)
CAD1	2.67	(2.67)	2.56	(2.56)
SGD1	12.14	(12.14)	5.92	(5.92)
AED1	2.38	(2.38)	3.03	(3.03)
SAR1	0.42	(0.42)	0.25	(0.25)
HKD1	0.01	(0.01)		
MYR1	0.28	(0.28)	-	-
AUD1	(3.78)	3.78	-	-
	101.23	**(101.23)**	**91.22**	**(91.22)**

vi. 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.

Notes

to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

The interest rate profile of the Company's interest-bearing financial instruments is as follows:

	Nominal amount in INR	
	31 March 2020	**31 March 2019**
Fixed-rate instruments		
Financial assets	13,488.94	13,395.70
Financial liabilities	3,347.03	(1,320.15)
	16,835.97	12,075.55
Variable-rate instruments		
Financial liabilities	(7,453.21)	(6,772.64)
	(7,453.21)	(6,772.64)
Total	**9,382.76**	**5,302.91**

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 16.84 lakhs after tax (31 March 2019: INR 10.30 lakhs).

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss	
	100 bp increase	**100 bp decrease**
31 March 2020		
Variable-rate instruments	74.53	74.53
Cash flow sensitivity (net)	**74.53**	**74.53**
31 March 2019		
Variable-rate instruments	67.73	67.73
Cash flow sensitivity (net)	**67.73**	**67.73**

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 accordances 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 33.68 lakhs after tax (31 March, 2019: INR 20.59 lakhs). An equal change in the opposite direction would have decreased equity by INR 33.68 lakhs after tax (31 March, 2019: INR 20.59 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 65.26 lakhs after tax (31 March, 2019: INR 46.61 lakhs). An equal change in the opposite direction would have decreased profit or loss by INR 65.26 lakhs after tax (31 March, 2019: INR 46.61 lakhs).

Notes

to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

45 I 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 2020 and 31 March 2019.

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.

	As at 31 March 2020	As at 31 March 2019
Total liabilities	10,800.24	8,092.79
Less: Cash and cash equivalent	5,758.70	13,355.94
Adjusted net debt (a)	5,041.54	(5,263.15)
Total equity (b)	52,692.55	48,397.42
Total equity and net debt (a+b) = c	57,734.09	43,134.27
Capital gearing ratio (a/c)	8.73%	-12.20%

As a part of its capital management policy the Company ensures compliance with all covenants and other capital requirements related to its contractual obligations.

46 I 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 (APAC)
- United States of America (USA)
- Australia

Notes

to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

B. Information about reportable segments

Year ended 31 March 2020

Particulars	Reportable segments					
	India	EMEA	APAC	USA	Australia	Total Segment
Revenue						
External revenue	19,499.82	20,324.55	6,707.70	11,199.85	8.20	57,740.12
Inter-segment revenue	-	-	-	-	-	-
Total Segment Revenue	**19,499.82**	**20,324.55**	**6,707.70**	**11,199.85**	**8.20**	**57,740.12**
Segment profit/(loss) before income tax	1,731.78	4,408.82	2,068.93	1,754.44	(389.20)	9,574.77
Segment assets	10,181.02	14,196.50	4,631.89	4,730.38	499.13	34,238.92
Segment liabilities	5,348.08	6,339.14	1,350.75	1,844.44	395.32	15,277.73
Capital expenditure during the year	3,863.14	-	-	-	-	3,863.14

Year ended 31 March 2019

Particulars	Reportable segments					
	India	EMEA	APAC	USA	Australia	Total Segment
Revenue						
External revenue	20,013.53	17,445.70	6,174.90	11,569.92	-	55,204.05
Inter-segment revenue	-	-	-	-	-	-
Total Segment Revenue	**20,013.53**	**17,445.70**	**6,174.90**	**11,569.92**	**-**	**55,204.05**
Segment profit/(loss) before income tax	3,382.91	3,728.17	2,125.77	2,875.40	-	12,112.25
Segment assets	11,885.87	12,043.87	3,744.71	4,091.87	-	31,766.32
Segment liabilities	4,569.15	5,253.15	1,044.23	1,810.92	-	12,677.45
Capital expenditure during the year	653.24	-	-	-	-	653.24

C. Reconciliations of information on reportable segments to Ind AS

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
(a) Revenue		
Total revenue for reportable segments	57,740.12	55,204.05
Total revenue	**57,740.12**	**55,204.05**
(b) Profit / (loss) before tax		
Total profit before tax for reportable segments	9,574.77	12,112.25
Unallocated amounts:		
- Unallocated income	2,084.60	2,022.86
- Other corporate expenses	(3,101.01)	(1,623.22)
Total profit before tax from operations	**8,558.36**	**12,511.89**
(c) Assets		
Total assets for reportable segments	34,238.92	31,766.32
Other unallocated amounts	46,345.92	39,152.37
Total assets	**80,584.84**	**70,918.69**
(d) Liabilities		
Total liabilities for reportable segments	15,277.73	12,677.45
Other unallocated amounts	12,614.56	9,843.80
Total liabilities	**27,892.29**	**22,521.25**

Notes

to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

C. Information about major customers

No customer individually accounted for more than 10% of the revenues in the year ended 31 March 2020 and 31 March 2019.

D. 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'.

47 I STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corportate Affairs ("MCA") notifies new statndard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

48 I As at 31 March 2020, the Company has gross foreign currency receivables amounting to INR 18,849.78 lakhs (previous year INR 15,898.33 lakhs). Out of these receivables, INR 1,992.90 lakhs (previous year INR 355.39 lakhs) is outstanding for more than 15 months. As per circular RBI/2019-20/206 A. P. (DIR series) circular no. 27 , receipt for export goods should be realized within a period of 15 months from the date of export. The Company must file extension with AD Bank & as per the requirements of circular no. RBI/2015-16/395 A. P. (DIR series) Circular no. 68 dated May12, 2016, in one calendar year, the Company is allowed to seek extension for an amount equivalent to 10% of the average export collection of the last 3 years only and pursuant to the same, the Company is in the process of applying for approval to seek extension of time beyond 15 months from export date. The management is of the view that the Company will be able to obtain approvals from the authorities for realising such funds beyond the stipulated timeline without levy of any penalties as it had bonafide reasons that caused the delays in realization.

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration No.: 116231W / W-100024

Rakesh Dewan
Partner
Membership No.: 092212
UDIN: 20092212AAAABM8147

Place: Gurugram
Date: 26 May 2020

For and on behalf of the Board of Directors of
Newgen Software Technologies Limited

Diwakar Nigam	**T. S. Varadarajan**	**Arun Kumar Gupta**	**Aman Mourya**
Chairman & Managing Director	Whole Time Director	Chief Financial Officer	Company Secretary
DIN: 00263222	DIN: 00263115	Membership No: 056859	Membership No: F9975
Place: New Delhi	Place: Chennai	Place: Noida	Place: Noida
Date: 26 May 2020	Date: 26 May 2020	Date: 26 May 2020	Date: 26 May 2020

Consolidated Financial Statements

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Independent Auditors' Report

To
The Members
Newgen Software Technologies Limited

Report on the Audit of Consolidated Financial Statements

OPINION

We have audited the consolidated financial statements of **Newgen Software Technologies Limited** (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2020, and the Consolidated Statement of Profit and Loss (including other comprehensive income (loss)), Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2020, of its consolidated profit and other comprehensive income (loss), consolidated changes in equity and consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs 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 ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, 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.

DESCRIPTION OF KEY AUDIT MATTER

Revenue from operations (refer note 26 to the consolidated financial statements)

The key audit matter	How the matter was addressed in our audit
• Revenue relating to implementation services from fixed price contracts is recognised based on percentage of completion method which is estimated by the Group basis the completion of milestones and activities agreed with the customers. Due to complexity and volume of transactions, significant judgements are required to estimate percentage of completion and determine timing and accuracy of recognition of revenue.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Evaluated the design and implementation of internal controls and tested the operating effectiveness of internal controls relating to determination of percentage of completion and estimation of efforts required to complete the performance obligation; • Involved specialists to assess the design, implementation and operating effectiveness of key IT controls over the IT environment in which the business systems operate and to test information technology system controls used in recording revenue.

The key audit matter	How the matter was addressed in our audit
	• Selected specific/statistical samples of existing and new 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. – 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.

Trade receivables (refer note 11 to the consolidated financial statements)

The key audit matter	How the matter was addressed in our audit
• Significant management judgement in determining the recoverable amount of trade receivables as estimating the recoverable amount involves inherent uncertainty.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: – Obtained an understanding of and assessed the design and implementation of Group's key internal controls relating to debt collection and making provision for doubtful debts; – 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; – Assessed the assumptions and estimates made by the Group for the provision for doubtful debts with reference to our understanding of the debtors' financial condition, the industry in which the debtors are operating, the ageing of overdue balances and historical and post year-end cash receipts from the debtors and by performed a retrospective analysis of the historical accuracy of these estimates; and – Tested the accuracy and completeness of underlying data for "expected credit loss model".

OTHER INFORMATION

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do 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 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. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income (loss), consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company. and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 SAs 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.

As part of an audit in accordance with SAs, 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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such 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 information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by 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. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial statements of which we are the independent auditors 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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 MATTERS

We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of Rs. 4,394.09 lakhs as at 31 March 2020, total revenues of Rs. 5,609.64 lakhs and net cash flows amounting to Rs. 1,114.76 lakhs 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 is based solely on the audit reports of the other auditors.

Certain of these 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 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 Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, 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 purposes 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 reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income (loss)), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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 the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2020 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 its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, 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 of the subsidiaries, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group. Refer Note 35 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2020.

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary company incorporated in India during the year ended 31 March 2020.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2020.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary company incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.
116231W/W-100024

Rakesh Dewan
Partner

Place: Gurugram
Date: 26 May 2020

Membership No. 092212
UDIN: 20092212AAAABN8911

ANNEXURE A

to the Independent Auditors' report on the consolidated financial statements of Newgen Software Technologies Limited for the year ended 31 March 2020

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

In conjunction with our audit of the consolidated financial statements of Newgen Software Technologies Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such company incorporated in India under the Companies Act, 2013 which is its subsidiary company, as of that date.

In our opinion, the Holding Company and such company incorporated in India which is its subsidiary company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. 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 its business, including adherence to the respective 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 Companies Act, 2013 (hereinafter referred to as "the Act").

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated 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 of the relevant subsidiary company in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial controls with reference to consolidated 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 consolidated financial statements includes 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

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.

OTHER MATTERS

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.
116231W/W-100024

Rakesh Dewan
Partner
Membership No. 092212
UDIN: 20092212AAAABN8911

Place: Gurugram
Date: 26 May 2020

Consolidated Balance Sheet

as at 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	4	6,641.33	6,763.48
Capital work-in-progress	4	9,072.62	8,321.36
Right-of-use assets	18	6,252.30	-
Intangible assets	5	139.56	130.55
Financial assets			
Loans	6	437.76	362.45
Other financial assets	7	358.29	323.18
Deferred tax assets (net)	32	2,265.97	1,784.06
Income tax assets (net)	8	1,581.18	996.52
Other non-current assets	9	91.20	144.65
Total non-current assets		**26,840.21**	**18,826.25**
Current assets			
Financial assets			
Investments	10	7,610.67	5,165.86
Trade receivables	11	26,939.67	25,268.91
Cash and cash equivalents	12	10,011.04	15,775.13
Other bank balances	12A	6,516.11	2,139.40
Loans	13	132.18	44.63
Other financial assets	14	8,260.42	6,275.55
Other current assets	15	797.35	764.69
Total current assets		**60,267.44**	**55,434.17**
TOTAL ASSETS		**87,107.65**	**74,260.42**
EQUITY AND LIABILITIES			
Equity			
Share capital	16	6,908.98	6,845.76
Other equity	17		
Securities premium		10,069.60	9,611.38
Retained earnings		35,113.48	30,607.26
Others (including items of other comprehensive income)		2,814.58	2,606.26
Total equity attributable to the owners of the Company		**54,906.64**	**49,670.66**
Non-current liabilities			
Financial liabilities			
Lease liabilities	18	2,296.15	1,028.56
Deferred tax Liability	32	17.39	11.01
Provisions	19	2,332.36	1,929.02
Total non-current liabilities		**4,645.90**	**2,968.59**
Current liabilities			
Financial liabilities			
Lease liabilities	18	1,334.14	291.59
Borrowings	20	7,453.21	6,772.64
Trade payables	21	2,750.76	2,160.57
Other financial liabilities	22	4,119.73	3,589.14
Deferred income	23	10,090.39	6,795.27
Other current liabilities	24	1,305.60	1,579.39
Provisions	25	501.28	432.57
Total current liabilities		**27,555.11**	**21,621.17**
Total liabilities		**32,201.01**	**24,589.76**
TOTAL EQUITY AND LIABILITIES		**87,107.65**	**74,260.42**
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the Consolidated Financial Statements

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration No.:
116231W / W-100024

For and on behalf of the Board of Directors of
Newgen Software Technologies Limited

Rakesh Dewan
Partner
Membership No.: 092212
UDIN: 20092212AAAABN8911

Place: Gurugram
Date: 26 May 2020

Diwakar Nigam
Chairman &
Managing Director
DIN: 00263222

Place: New Delhi
Date: 26 May 2020

T. S. Varadarajan
Whole Time Director
DIN: 00263115

Place: Chennai
Date: 26 May 2020

Arun Kumar Gupta
Chief Financial Officer
Membership No: 056859

Place: Noida
Date: 26 May 2020

Aman Mourya
Company Secretary
Membership No: F9975

Place: Noida
Date: 26 May 2020

Consolidated Statement of Profit and Loss

for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Income			
Revenue from operations	26	66,075.62	62,064.15
Other income	27	2,096.29	2,037.97
Total income		**68,171.91**	**64,102.12**
Expenses			
Employee benefits expense	28	34,239.46	28,798.73
Finance costs	29	1,091.21	853.87
Depreciation and amortisation expense	30	1,991.11	597.99
Other expenses	31	21,375.96	20,493.34
Total expenses		**58,697.74**	**50,743.93**
Profit before tax		**9,474.17**	**13,358.19**
Tax expense	32		
Current tax		2,651.04	2,993.99
Deferred tax (credit)/ charge		(450.33)	143.31
Income tax expense		**2,200.71**	**3,137.30**
Profit for the year		7,273.46	10,220.89
Other comprehensive income / (loss)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability (asset)		(106.35)	(84.78)
Income tax relating to items that will not be reclassified to profit or loss		37.16	29.63
Net other comprehensive (loss) not to be reclassified subsequently to profit or loss		**(69.19)**	**(55.15)**
Items that will be reclassified subsequently to profit or loss			
Debt instruments through other comprehensive income - net change in fair value		5.72	(2.14)
Income tax relating to items that will be reclassified to profit or loss		(2.00)	0.75
Exchange differences on translation of foreign operations		307.17	84.37
Net other comprehensive income to be reclassified subsequently to profit or loss		**310.89**	**82.98**
Other comprehensive income for the year, net of income tax		**241.70**	**27.83**
Total comprehensive income for the year		**7,515.16**	**10,248.72**
Profit attributable to:			
Owners of the Company		7,273.46	10,220.89
Profit for the year		**7,273.46**	**10,220.89**
Other comprehensive income attributable to:			
Owners of the Company		241.70	27.83
Other comprehensive income for the year		**241.70**	**27.83**
Total comprehensive income attributable to:			
Owners of the Company		7,515.16	10,248.72
Total comprehensive income for the year		**7,515.16**	**10,248.72**
Earnings per equity share	33		
Nominal value of share INR 10 (31 March 2019: INR 10)			
Basic earning per share (INR)		10.56	15.01
Diluted earning per share (INR)		10.51	14.74
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the Consolidated Financial Statements

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration No.:
116231W / W-100024

For and on behalf of the Board of Directors of
Newgen Software Technologies Limited

Rakesh Dewan
Partner
Membership No.: 092212
UDIN: 20092212AAAABN8911
Place: Gurugram
Date: 26 May 2020

Diwakar Nigam
Chairman &
Managing Director
DIN: 00263222
Place: New Delhi
Date: 26 May 2020

T. S. Varadarajan
Whole Time Director
DIN: 00263115
Place: Chennai
Date: 26 May 2020

Arun Kumar Gupta
Chief Financial Officer
Membership No: 056859
Place: Noida
Date: 26 May 2020

Aman Mourya
Company Secretary
Membership No: F9975
Place: Noida
Date: 26 May 2020

Consolidated Statement of Changes in Equity

for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

a. Share capital

Particulars	Equity share capital Number	Equity share capital Amount	Total share captial Amount
Balance as at 1 April 2018	**69,235,701**	**6,923.57**	**6,923.57**
Add: Issued during the year to Newgen ESOP Trust	350,000	35.00	35.00
Balance as at 31 March 2019	**69,585,701**	**6,958.57**	**6,958.57**
Less: Shares held by Newgen ESOP Trust	1,128,091	112.81	112.81
Total Share capital as at 31 March 2019	**68,457,610**	**6,845.76**	**6,845.76**
Balance as at 1 April 2019	**69,585,701**	**6,958.57**	**6,958.57**
Add: Issued during the year to Newgen ESOP Trust	370,000	37.00	37.00
Balance as at 31 March 2020	**69,955,701**	**6,995.57**	**6,995.57**
Less: Shares held by Newgen ESOP Trust	865,888	86.59	86.59
Total Share capital as at 31 March 2020	**69,089,813**	**6,908.98**	**6,908.98**

b. Other equity*

Particulars	Securities premium	Retained earnings	Others: Capital redemption reserve	Others: General reserve	Others: Capital reserve	Others: Newgen ESOP Trust reserve	Others: Share options outstanding reserve	Items of Other comprehensive income: Foreign currency translation reserve	Items of Other comprehensive income: Remeasurement of defined benefit liability	Items of Other comprehensive income: Debt instruments through OCI	Total attributable to owners of the Group
Balance as at 1 April 2018	**9,681.50**	**22,055.71**	**87.95**	**1,731.39**	**0.21**	**231.65**	**391.88**	**(4.34)**	**28.05**	**14.87**	**34,218.87**
Total comprehensive income for the year ended 31 March 2019											
Profit for the year	-	10,220.89	-	-	-	-	-	-	-	-	**10,220.89**
Foreign currency translation reserve	-	-	-	-	-	-	-	84.37	-	-	**84.37**
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	-	-	-	(55.15)	(1.39)	**(56.54)**
Securities premium on issue of shares to Newgen ESOP Trust	185.50	-	-	-	-	-	-	-	-	-	**185.50**
Addition to Newgen ESOP Trust reserve	-	-	-	-	-	26.13	-	-	-	-	**26.13**
Dividend on equity shares	-	(1,384.71)	-	-	-	-	-	-	-	-	**(1,384.71)**
Dividend distribution tax on dividend on equity shares	-	(284.63)	-	-	-	-	-	-	-	-	**(284.63)**
Employee stock compensation expense	-	-	-	-	-	-	178.25	-	-	-	**178.25**
Loss of debt instrument transferred to statement of profit & loss	-	-	-	-	-	-	-	-	-	3.32	**3.32**
Transferred to securities premium account on exercise of stock options	110.93	-	-	-	-	-	(110.93)	-	-	-	**-**
Balance as at 31 March 2019	**9,977.93**	**30,607.26**	**87.95**	**1,731.39**	**0.21**	**257.78**	**459.20**	**80.03**	**(27.10)**	**16.80**	**43,191.45**
Less: Securities premium on shares held by Newgen ESOP Trust	(366.55)	-	-	-	-	-	-	-	-	-	**(366.55)**
Balance as at 31 March 2019	**9,611.38**	**30,607.26**	**87.95**	**1,731.39**	**0.21**	**257.78**	**459.20**	**80.03**	**(27.10)**	**16.80**	**42,824.90**
Balance as at 1 April 2019	**9,977.93**	**30,607.26**	**87.95**	**1,731.39**	**0.21**	**257.78**	**459.20**	**80.03**	**(27.10)**	**16.80**	**43,191.45**
Transition impact of Ind AS 116- Leases, net of taxes (refer note 18)		(250.56)									**(250.56)**
Restated balance as at 1 April 2019	**9,977.93**	**30,356.70**	**87.95**	**1,731.39**	**0.21**	**257.78**	**459.20**	**80.03**	**(27.10)**	**16.80**	**42,940.89**

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	
Profit for the year	-	7,273.46	-	-	-	-	-	-	-	-	**7,273.46**
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	-	-	307.17	(69.18)	3.72	**241.71**
Securities premium on issue of shares to Newgen ESOP Trust	196.10	-	-	-	-	-	-	-	-	-	**196.10**
Transactions with owners, recorded directly in equity	-		-	-	-		-	-	-	-	**-**
Addition to Newgen ESOP Trust reserve	-	-	-	-	-	39.69	-	-	-	-	**39.69**
Contributions by and distributions to owners	-		-	-	-		-	-	-	-	**-**
Dividend on equity shares	-	(2,087.57)	-	-	-	-	-	-	-	-	**(2,087.57)**
Dividend distribution tax on dividend on equity shares	-	(429.11)	-	-	-	-	-	-	-	-	**(429.11)**
Employee stock compensation expense	-	-	-	-	-	-	87.03	-	-	-	**87.03**
(Gain) of debt instrument transferred to statement of profit & loss	-	-	-	-	-	-	-	-	-	(19.63)	**(19.63)**
Transferred to securities premium account on exercise of stock options	140.48	-	-	-	-	-	(140.48)	-	-	-	**-**
Balance as at 31 March 2020	**10,314.51**	**35,113.48**	**87.95**	**1,731.39**	**0.21**	**297.47**	**405.75**	**387.20**	**(96.28)**	**0.89**	**48,242.58**
Less: Securities premium on shares held by Newgen ESOP Trust	244.91	-	-	-	-	-	-	-	-	-	**244.91**
Balance as at 31 March 2020	**10,069.60**	**35,113.48**	**87.95**	**1,731.39**	**0.21**	**297.47**	**405.75**	**387.20**	**(96.28)**	**0.89**	**47,997.66**

** Refer Note 17*

Summary of significant accounting policies Note 3

The accompanying notes are an integral part of the Consolidated Financial Statements

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration No.:
116231W / W-100024

Rakesh Dewan
Partner
Membership No.: 092212
UDIN: 20092212AAAABN8911

Place: Gurugram
Date: 26 May 2020

For and on behalf of the Board of Directors of
Newgen Software Technologies Limited

Diwakar Nigam
Chairman &
Managing Director
DIN: 00263222

Place: New Delhi
Date: 26 May 2020

T. S. Varadarajan
Whole Time Director
DIN: 00263115

Place: Chennai
Date: 26 May 2020

Arun Kumar Gupta
Chief Financial Officer
Membership No: 056859

Place: Noida
Date: 26 May 2020

Aman Mourya
Company Secretary
Membership No: F9975

Place: Noida
Date: 26 May 2020

Consolidated Statement of Cash Flows

for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
A. Cash flows from operating activities		
Net profit before tax	**9,474.17**	**13,358.19**
Adjustments for:		
Depreciation and amortisation	1,991.10	597.99
(Profit) / Loss on sale of property, plant and equipment	(1.10)	3.89
Loss allowance on trade receivables	2,235.77	1,737.57
Liabilities/ provision no longer required written back	(169.22)	(148.19)
Loss allowance on other financial assets	23.72	22.82
Unrealised foreign exchange gain	(368.45)	(92.08)
Share based payment - equity settled	87.03	178.25
Finance cost on lease liabilities	344.78	166.99
Interest expense on packing credit	649.65	621.91
Fair value changes of financial assets at FVTPL	(173.01)	(245.75)
Loss on sale of bonds at FVTOCI	7.07	5.07
Loss on sale of mutual funds (net) at FVTPL	6.85	-
Interest income on security deposits at amortised cost	(40.09)	(28.60)
Interest income from government and other bonds at FVTOCI	(148.11)	(127.46)
Interest income from bank deposits	(804.51)	(745.14)
Operating cash flow before working capital changes	**13,115.65**	**15,305.47**
Increase in trade receivables	(2,752.31)	(4,478.37)
Decrease / (increase) in loans	(108.73)	236.23
Increase in other financial assets	(1,773.63)	(769.54)
Decrease in other assets	43.46	13.70
Increase in provisions	353.49	326.05
Increase in other financial liabilities	167.22	303.34
Increase in other liabilities	2,742.66	2,009.87
Increase/(decrease) in trade payables	435.37	(161.38)
Cash generated from operations	**12,223.18**	**12,785.38**
Income taxes paid (net)	(3,217.85)	(2,564.78)
Net cash generated from operating activities (A)	**9,005.33**	**10,220.60**
B. Cash flows from investing activities		
Acquisition or construction of property, plant and equipment including intangible assets, capital work-in-progress and capital advances	(4,379.06)	(7,191.38)
Proceeds from sale of property, plant and equipment	2.79	16.48
Purchase of mutual funds and bonds	(4,742.85)	-
Proceeds from sale of mutual funds and bonds	2,467.46	98.08
Interest received from bonds	168.30	74.65
Interest received from bank deposits	502.06	627.63
Investment in bank deposits (net of maturity)	(4,415.10)	(2,160.85)
Net cash used in investing activities (B)	**(10,396.40)**	**(8,535.38)**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
C. Cash flows from financing activities		
Proceeds from short-term borrowings (net)	454.03	1,856.00
Repayment of lease liability	(2,442.88)	(298.76)
Proceeds from issue of equity shares under ESOP scheme	380.97	361.30
Dividend paid (including dividend distribution tax)	(2,516.68)	(1,667.57)
Interest expense on packing credit	(635.26)	(788.90)
Gain on transfer of equity shares by Newgen ESOP trust	39.69	26.13
Net cash used in financing activities (C)	**(4,720.13)**	**(511.81)**
The accompanying notes are an integral part of the Consolidated Financial Statements	**(6,111.20)**	**1,173.41**
Cash and cash equivalents at the beginning of the year	**15,775.13**	**14,548.34**
Effect of exchange differences on translation of foreign currency cash and cash equivalents	347.11	53.38
Cash and cash equivalents at the end of the year	**10,011.04**	**15,775.13**
Components of cash and cash equivalents: (refer note 12)		
Cash in hand	4.51	5.67
The accompanying notes are an integral part of the Consolidated Financial Statements		
- in current accounts	6,006.53	6,367.50
- balances with scheduled banks in deposit accounts with original maturity of less than 3 months	4,000.00	9,401.96
	10,011.04	**15,775.13**

Notes:

1. 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 attached

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration No.:
116231W / W-100024

For and on behalf of the Board of Directors of
Newgen Software Technologies Limited

Rakesh Dewan
Partner
Membership No.: 092212
UDIN: 20092212AAAABN8911
Place: Gurugram
Date: 26 May 2020

Diwakar Nigam
Chairman &
Managing Director
DIN: 00263222
Place: New Delhi
Date: 26 May 2020

T. S. Varadarajan
Whole Time Director
DIN: 00263115
Place: Chennai
Date: 26 May 2020

Arun Kumar Gupta
Chief Financial Officer
Membership No: 056859
Place: Noida
Date: 26 May 2020

Aman Mourya
Company Secretary
Membership No: F9975
Place: Noida
Date: 26 May 2020

Notes

to the Consolidated Financial Statements for the year ended 31 March 2020

(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 A-6, Satsang Vihar Marg, Qutab Institutional Area, New Delhi - 110067. 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 and Companies (Indian Accounting Standards) Amendment Rules, 2016. 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 26 May 2020.

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 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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

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.

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.

Notes

to the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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. 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.

D. 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
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

E. 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 significant risk of resulting in a material adjustment in the year ending 31 March 2020 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 43(a) – Impairment of trade receivables and financial assets.
- Note 18 – Recognition of right of use asset and lease liability

F. 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;

Notes

to the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

- 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.

G. 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 43 – Financial instruments.

3 I SIGNIFICANT 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.

Notes

to the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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.

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
- 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

Notes

to the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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.

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 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. De-recognition

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.

Notes
to the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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 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	8
Computer hardware servers and networks	6
Computers**	3-5

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.*

Notes

to the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

d. Intangible assets

Recognition and measurement

Intangible assets that are acquired by the Group 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 Group represents computer software and are amortized using the straight-line method over the estimated useful life (at present 3-4 years) or the tenure of the respective software 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.

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

i. Impairment of financial instruments

The Group recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost; and
- financial assets measured at FVOCI- debt investments.

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Group measures loss allowances at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is 90 days or more past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to 'investment grade' e.g. BBB or higher as per renowned rating agencies.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for

Notes

to the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

ii. 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.

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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.

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.

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on technical evaluation, historical warranty data and a weighting of all possible outcomes by their associated probabilities.

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

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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 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.

Digitization services

Revenue from digitization services is recognized as services are rendered to the customer.

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 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.

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

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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.

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.

'Transition to Ind AS 116

'Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

'The Group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Group has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

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'For transition, the Group has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition and leases for which the underlying asset is of low value on a lease-by-lease basis. The Group has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Group has used a single discount rate to a portfolio of leases with similar characteristics..

On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at 1 April 2019. Accordingly, a right-of-use asset of Rs. 1,799.68 lakhs and a corresponding lease liability of Rs. 2,047.74 lakhs has been recognized. The cumulative effect on transition in retained earnings net off taxes is Rs. 250.56 lakhs (including a deferred tax of Rs. 67.93 lakhs). The principal portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities. The weighted average incremental borrowing rate of 10% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

'On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

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

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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 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 Groupby 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. Newgen ESOP Trust

The 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.

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

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4 I PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

	Freehold land	Leasehold land*	Buildings	Plant and machinery	Leasehold improvements	Vehicles	Office equipment	Furniture and fixtures	Computer and servers	Total	Capital work-in-progress#
Balance as at 31 March 2018	**4.71**	**3,523.68**	**1,727.97**	**312.09**	**5.99**	**150.49**	**417.77**	**363.09**	**1,179.20**	**7,684.98**	**1,659.48**
Additions during the year	-	-	-	33.37	-	94.36	23.77	2.00	411.40	564.90	6,661.88
Adjustments during the year	(0.43)	-	0.43	-	-	-	(12.43)	-	12.43	-	-
Less: Disposals during the year	-	-	-	0.97	-	-	6.67	20.53	213.07	241.24	-
Balance as at 31 March 2019	**4.28**	**3,523.68**	**1,728.40**	**344.49**	**5.99**	**244.85**	**422.44**	**344.56**	**1,389.96**	**8,008.64**	**8,321.36**
Transition impact of Ind AS 116 (refer note 18)	-	(3,523.68)	-	-	-	-	-	-	-	(3,523.68)	-
Additions during the year	-	-	2,386.00	141.87	-	-	745.76	99.24	443.72	3,816.59	3,959.24
Adjustment During the Year							0.03	3.19	1.66	4.88	
Capitalized during the year	-	-	-	-	-	-	-	-	-	-	(3,207.98)
Less: Disposals during the year	-	-	-	14.41	-	-	7.05	3.89	37.61	62.96	-
Balance as at 31 March 2020	**4.28**	**-**	**4,114.40**	**471.95**	**5.99**	**244.85**	**1,161.18**	**443.10**	**1,797.72**	**8,243.46**	**9,072.62**
Accumulated Depreciation											
Balance as at 31 March 2018	**-**	**79.20**	**42.68**	**66.89**	**5.98**	**44.78**	**95.82**	**78.67**	**513.03**	**927.06**	**-**
Additions during the year	-	39.30	31.41	41.38	-	31.65	54.43	46.09	294.71	538.97	-
Less: Disposals during the year	-	-	-	0.93	-	-	4.52	19.80	195.61	220.87	-
Balance as at 31 March 2019	**-**	**118.50**	**74.09**	**107.34**	**5.98**	**76.43**	**145.73**	**104.96**	**612.13**	**1,245.16**	**-**
Transition impact of Ind AS 116 (refer note 18)	-	(118.50)	-	-	-	-	-	-	-	(118.50)	-
Additions during the year	-	-	41.40	42.05		34.58	70.89	47.12	299.51	535.55	-
Adjustments during the year	-	-	-	-	0.01	-	0.01	0.70	0.47	1.19	-
Less: Disposals during the year	-	-	-	13.94	-	-	6.99	3.25	37.08	61.26	-
Balance as at 31 March 2020	**-**	**-**	**115.49**	**135.45**	**5.99**	**111.01**	**209.64**	**149.53**	**875.03**	**1,602.14**	**-**
Carrying amount (net)											
Balance as at 31 March 2019	**4.28**	**3,405.18**	**1,654.31**	**237.15**	**0.01**	**168.42**	**276.71**	**239.60**	**777.82**	**6,763.48**	**8,321.36**
Balance as at 31 March 2020	**4.28**	**-**	**3,998.91**	**336.50**	**-**	**133.84**	**951.54**	**293.57**	**922.69**	**6,641.33**	**9,072.62**

As at 31 March 2020 properties with a carrying amount of INR 382.70 lakhs (31 March 2019 : INR 462.67 lakhs) are subject to first charge to working capital loans from banks.

**Represents land at Chennai and Noida location taken on finance lease for a term of 99 and 90 years respectively.*

 # Capital work in progress represents acquistion and further construction of office premises at Noida, Uttar Pradesh wherein cost incurred upto 31 March 2020 amounting to INR 9,072.62 lakhs.

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5 I INTANGIBLE ASSETS

	Computer software
Balance as at 1 April 2018	**204.24**
Additions during the year	100.01
Balance as at 31 March 2019	**304.25**
Additions during the year	97.69
Balance as at 31 March 2020	**401.94**
Accumulated Amortisation	
Balance as at 1 April 2018	**114.68**
Additions during the year	59.02
Balance as at 31 March 2019	**173.70**
Additions during the year	88.68
Balance as at 31 March 2020	**262.38**
Carrying amount (net)	
Balance as at 31 March 2019	**130.55**
Balance as at 31 March 2020	**139.56**

6 I LOANS

	As at 31 March 2020	As at 31 March 2019
(unsecured, considered good, unless otherwise stated)		
Security deposits	437.76	362.45
	437.76	**362.45**

7 I OTHER FINANCIAL ASSETS (NON-CURRENT)

	As at 31 March 2020	As at 31 March 2019
Bank deposits		
- pledged with tax authorities	4.14	2.25
- held as margin money*	287.96	229.69
Interest accrued on deposits	31.80	39.64
Earnest money deposits		
-Unsecured, considered good	34.39	51.60
-Unsecured, considered doubtful	164.75	146.03
Less: Loss allowance for doubtful deposits	(164.75)	(146.03)
	358.29	**323.18**

**Balances with bank deposits held as margin money INR 282.21 lakhs (31 March 2019: INR 223.94 lakhs) represents the margin money on account of guarantees issued to government customers.*

Information about Group's exposure to credit and market risks and fair value measurement is included in Note 43 C

8 I INCOME TAX ASSETS (NET)

	As at 31 March 2020	As at 31 March 2019
Advance income tax (net of provision of INR 12,005.47 lakhs lakhs (31 March 2019: INR 11,417.14 lakhs))	1,581.18	996.52
	1,581.18	**996.52**

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9 I OTHER NON-CURRENT ASSETS

	As at 31 March 2020	As at 31 March 2019
Prepaid expenses	31.66	87.99
Capital advances	59.54	56.66
	91.20	**144.65**

10 I INVESTMENTS (REFER NOTE 41)

	As at 31 March 2020	As at 31 March 2019
Investments in bonds (unquoted)		
Bonds at FVOCI		
-Investment in government bonds	1,982.38	938.28
-Investment in other bonds	608.54	645.24
	2,590.92	**1,583.52**
Investments in mutual funds (unquoted)		
Mutual funds at FVTPL	5,019.75	3,582.34
	5,019.75	**3,582.34**
	7,610.67	**5,165.86**
Aggregate book value of unquoted investments	7,610.67	5,165.86
Aggregate market value of unquoted investments	7,610.67	5,165.86

Investments in bonds measured at FVOCI have stated interest rates of 7.04% to 9.90%. Information about Group's exposure to credit and market risks and fair value measurement is included in Note 43 C.

11 I TRADE RECEIVABLES

	As at 31 March 2020	As at 31 March 2019
(Unsecured, considered good, unless stated otherwise)		
Unsecured*		
- Considered good	26,939.67	25,268.91
- Considered doubtful	5,488.49	3,933.65
	32,428.16	**29,202.56**
Less: Loss allowance for trade receivables		
- unsecured, considered doubtful	(5,488.49)	(3,933.65)
	26,939.67	**25,268.91**

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 30-45 days.

The Group's exposure to credit and currency risks and loss allowances related to trade receivables are discussed in note 43 C.

12 I CASH AND CASH EQUIVALENTS

	As at 31 March 2020	As at 31 March 2019
Cash on hand	4.51	5.67
Balances with banks		
- in current accounts*	6,006.53	6,367.50
Balances with scheduled banks in deposit accounts with original maturity of less than 3 months#	4,000.00	9,401.96
	10,011.04	**15,775.13**

**Current account balances with banks include INR 118.65 lakhs (31 March 2019: INR 138.32 lakhs) held at a foreign branch.*

#Balance in bank deposits includes INR Nil (31 March 2019: INR 3,289.4 lakhs) respectively as unutilized amounts of the IPO proceeds.

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12 A I OTHER BANK BALANCES

	As at 31 March 2020	As at 31 March 2019
Balances with scheduled banks in deposit accounts		
- Original maturity of less than 12 months	6,516.11	2,139.40
	6,516.11	**2,139.40**

13 I CURRENT FINANCIAL ASSETS - LOANS

	As at 31 March 2020	As at 31 March 2019
Loans to employees*	7.54	9.90
Security deposits	124.64	34.73
	132.18	**44.63**

These are interest bearing loans - repayable within one year given to employees, chargeable at the rate of 12% p.a.

14 I CURRENT FINANCIAL ASSETS - OTHERS

	As at 31 March 2020	As at 31 March 2019
(unsecured considered good, unless otherwise stated)		
Interest accrued on deposits	406.97	117.75
Interest accrued but not due on government bonds	86.43	137.34
Unbilled revenue*		
- other than related parties	7,767.02	6,020.46
	8,260.42	**6,275.55**

**Unbilled revenue represents amounts recognized based on services performed in advance of billing in accordance with contract terms..*

During the year ended 31 March 2020, INR 3,536.00 lakhs of unbilled revenue as of 1 April 2019 has been reclassified to trade receivables upon billing to customers on completion of milestones.

15 I OTHER CURRENT ASSETS

	As at 31 March 2020	As at 31 March 2019
Advances to vendors	19.49	46.86
Balances with government authorities*	26.54	10.71
Deferred contract cost	123.00	77.37
Advance to employees	163.93	176.33
Prepaid expenses	438.48	427.91
Other current assets	25.91	25.51
	797.35	**764.69**

**Balances with government authorities comprises of Goods and Service tax/ Service tax / VAT credit receivable.*

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16 I SHARE CAPITAL

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital				
Equity shares of INR 10 each	98,000,200	9,800.02	98,000,000	9,800.00
Equity share capital with differential voting rights of INR 10 each	-	-	200	0.02
0.01% Compulsory convertible preference shares of INR 10 each	11,999,800	1,199.98	11,999,800	1,199.98
	110,000,000	**11,000.00**	**110,000,000**	**11,000.00**

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Issued, subscribed and paid up				
Equity share capital of INR 10 each, fully paid up	69,585,701	6,958.57	69,235,701	6,923.57
Add: Issued during the year to Newgen ESOP Trust	370,000	37.00	350,000	35.00
Balance	**69,955,701**	**6,995.57**	**69,585,701**	**6,958.57**
Less : Shares held by Newgen ESOP Trust	865,888	86.59	1,128,091	112.81
Total Share capital	**69,089,813**	**6,908.98**	**68,457,610**	**6,845.76**

Reconciliation of shares outstanding at the beginning and at the end at the reporting year

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Equity share capital of INR 10 each, fully paid up				
At the beginning of the year	69,585,701	6,958.57	69,235,701	6,923.57
Add: Issued during the year to Newgen ESOP Trust	370,000	37.00	350,000	35.00
At the end of the year	**69,955,701**	**6,995.57**	**69,585,701**	**6,958.57**
Less: Shares held by Newgen ESOP Trust	865,888	86.59	1,128,091	112.81
Total equity share capital	**69,089,813**	**6,908.98**	**68,457,610**	**6,845.76**

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.

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16 A I DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY

Equity shares of INR10 each, fully paid up held by:

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% Holding	Number of shares	% Holding
- Mr. Diwakar Nigam	18,472,406	26.41%	18,422,406	26.47%
- Mr. T.S. Varadarajan	15,009,306	21.46%	15,009,306	21.57%
- Mrs. Priyadarshini Nigam	7,968,906	11.39%	7,968,906	11.45%
- Mrs. Usha Varadarajan	4,528,320	6.47%	4,528,320	6.51%
- Malabar India Fund Limited	5,678,931	8.12%	4,564,262	6.56%

16 B I SHARES RESERVED FOR ISSUE UNDER EMPLOYEE STOCK OPTION PLAN

Terms attached to stock options granted to employees are described in note 34 regarding share based payments.

16 C I Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.

Equity shares have been issued under Employee stock options plans to trust for which only exercise price has been received in cash.

	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016
Equity shares of INR 10 each	370,000	350,000	1,050,000	-	-

17 I OTHER EQUITY

	As at 31 March 2020	As at 31 March 2019
Securities premium	10,069.60	9,611.38
Retained earnings	35,113.48	30,607.26
Capital redemption reserve	87.95	87.95
General reserve	1,731.39	1,731.39
Capital reserve	0.21	0.21
Newgen ESOP Trust reserve	297.47	257.78
Share options outstanding reserve	405.75	459.20
Foreign currency translation reserve	387.20	80.03
Other comprehensive Loss	(95.39)	(10.31)
	47,997.66	**42,824.90**

Securities premium (refer note (i) below)

	As at 31 March 2020	As at 31 March 2019
Balance as at beginning of the year	9,977.93	9,681.49
Securities premium on issue of shares to Newgen ESOP Trust	196.10	185.50
Transferred from share options outstanding reserve on exercise of stock options	140.48	110.94
Balance as at end of the year	**10,314.51**	**9,977.93**
Less: Securities premium on shares held by Newgen ESOP Trust	244.91	366.55
Balance as at end of the year	**10,069.60**	**9,611.38**

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Retained earnings (refer note (ii) below)

	As at 31 March 2020	As at 31 March 2019
Balance as at beginning of the year	30,607.26	22,055.71
Transistion impact of Ind AS 116-Leases, net of tax (refer note 18)	(250.56)	-
Profit for the year	7,273.46	10,220.89
Dividend on equity shares	(2,087.57)	(1,384.71)
Dividend distribution tax on dividend on equity shares	(429.11)	(284.63)
Balance as at end of the year	**35,113.49**	**30,607.26**

Capital redemption reserve

	As at 31 March 2020	As at 31 March 2019
Balance as at beginning of the year	87.95	87.95
Balance as at end of the year	**87.95**	**87.95**

General reserve

	As at 31 March 2020	As at 31 March 2019
Balance as at beginning of the year	1,731.39	1,731.39
Balance as at end of the year	**1,731.39**	**1,731.39**

Capital reserve

	As at 31 March 2020	As at 31 March 2019
Balance as at beginning of the year	0.21	0.21
Balance as at end of the year	**0.21**	**0.21**

Newgen ESOP Trust reserve (refer note (iii) below)

	As at 31 March 2020	As at 31 March 2019
Balance as at beginning of the year	257.78	231.65
Addition to Newgen ESOP Trust reserve	39.69	26.13
Balance as at end of the year	**297.47**	**257.78**

Share options outstanding reserve (refer note (iv) below)

	As at 31 March 2020	As at 31 March 2019
Balance as at beginning of the year	459.20	391.89
Employee stock compensation expense	87.03	178.24
Transferred to securities premium account on exercise of stock options	(140.48)	(110.93)
Balance as at end of the year	**405.75**	**459.20**

Other comprehensive income/(loss)
Remeasurement of defined benefit liability

	As at 31 March 2020	As at 31 March 2019
Balance as at beginning of the year	(27.10)	28.05
Other comprehensive (loss) (net of tax)	(69.18)	(55.15)
Balance as at end of the year	**(96.28)**	**(27.10)**

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Debt instruments through other comprehensive income

	As at 31 March 2020	As at 31 March 2019
Balance as at beginning of the year	16.80	14.87
Other comprehensive income/(loss) (net of tax)	3.72	(1.39)
(Profit)/loss on sale of debt instrument transferred to profit and loss	(19.63)	3.32
Balance as at end of the year	**0.89**	**16.80**

Foreign currency translation reserve (refer note (v) below)

	As at 31 March 2020	As at 31 March 2019
Balance as at beginning of the year	80.03	(4.34)
Other comprehensive income/(loss) (net of tax)	307.17	84.37
Balance as at end of the year	**387.20**	**80.03**

(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) Accumulated balances of profits over the years after appropriations for general reserves and adjustments of dividend

(iii) The 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.

(iv) The Company 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) Foreign currency translation reserve comprises of all exchange differences arising from translation of financial statements of foreign subsidiaries into functional and presentational currency.

18 I RIGHT-OF-USE ASSETS

Changes in the carrying value of right of use assets for the year ended 31 March 2020

Particulars	Category of ROU asset		Total
	Leasehold land	Buildings	
Balance as at 1 April 2019*	-	1,799.68	1,799.68
Reclassified on account of adoption of Ind AS 116	3,405.18	-	3,405.18
Addition	-	2,483.05	2,483.05
Deletion	-	(58.45)	(58.45)
FCTR	-	(10.55)	(10.55)
Depreciation	(39.40)	(1,327.20)	(1,366.61)
Balance as at 31 March 2020	**3,365.78**	**2,886.53**	**6,252.30**

**Right of use assets recognised in the balance sheet at the date of initial recognition.*

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.(refer note 30)

Lease liabilities

Break up of current and non-current lease liabilities as at 31 March 2020

Particulars	As at 31 March 2020
Non-current lease liabilities	2,296.15
Current lease liabilities	1,334.14
Total	**3,630.29**

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Movement in lease liabilities during the year ended 31 March 2020

Particulars	As at 31 March 2020
Balance as at 1 April 2019#	2,047.74
Reclassified on account of adoption of Ind AS 116	1,320.15
Addition	2,434.24
Finance cost accrued during the period	335.74
Deletion	(62.35)
Payment of lease liabilities	(2,445.23)
Balance as at 31 March 2020	**3,630.29**

#Lease liabilities recognised in the balance sheet at the date of initial recognition.

Details regarding the contractual maturities of lease liabilities as at 31 March 2020 on an undiscounted basis:

Particulars	As at 31 March 2020
Less than one year	1,678.70
One to five years	2,205.39
More than five years	5,267.64
Total	**9,151.73**

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.

Finance lease

The Group has leases that were classified as finance leases applying Ind AS 17. For such leases, the carrying amount of the right-of-use asset and the lease liability at the date of initial application of Ind AS 116 is the carrying amount of the lease asset and lease liability on the transition date as measured applying Ind AS 17. Accordingly, an amount of ₹ 3,405.18 lakhs has been reclassified from property, plant and equipment to right-of-use assets. An amount of ₹ 291.59 lakhs has been reclassified from other current financial liabilities to lease liability – current and an amount of ₹ 1,028.55 lakhs has been reclassified from Non-current financial liabilities to lease liability – non-current.

Rental expense recorded for short-term leases was INR 424.54 lakhs for the year ended 31 March 2020.

Effective interest rate of 10.43% has been applied to lease liabiliites recognised in the balance sheet at the date of initial application.

Impact of COVID-19:

The Company does not foresee any large-scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Company has entered with lessors towards properties used as delivery centers / sales offices are long term in nature and no changes in terms of those leases are expected due to COVID-19.

19 I NON-CURRENT PROVISIONS

	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits (refer note 28)		
- provision for gratuity	1,799.02	1,495.50
- provision for compensated absences	533.34	433.52
	2,332.36	**1,929.02**

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20 I CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at 31 March 2020	As at 31 March 2019
Loans from banks		
Pre-shipment loans (secured)*	7,453.21	6,772.64
	7,453.21	**6,772.64**

**Pre-shipment loans carry interest rate @ LIBOR plus margin which varied from 2.45% to 4.28% per annum. These are secured by first pari passu charge over all future and present stock, book debts and equitable mortgage of land and building with carrying amount of INR 382.70 lakhs (31 March 2019: INR 462.67 lakhs) and are repayable within 180 days from the date of disbursement.*

21 I TRADE PAYABLES

	As at 31 March 2020	As at 31 March 2019
- Total outstanding dues to micro enterprises and small enterprises	-	-
- Total outstanding dues to creditors other than micro and small enterprises	2,750.76	2,160.57
	2,750.76	**2,160.57**

Trade payables are non-interest bearing and are generally on terms of 30-45 days

a) Refer note 36 for disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

c) The Group's exposure to currency and liquidity risks related to trade payables is disclosed in note 43 C.

22 I CURRENT FINANCIAL LIABILITIES - OTHERS

	As at 31 March 2020	As at 31 March 2019
Employee related payables	3,511.39	3,340.15
Payable in respect of retention money	180.54	59.15
Interest accrued but not due on deferred liability	14.39	-
Earnest money deposits	1.00	1.00
Payable for capital assets	412.41	188.84
	4,119.73	**3,589.14**

23 I DEFERRED INCOME

	As at 31 March 2020	As at 31 March 2019
Advance billing*	10,058.34	6,736.52
Advance from customers	32.05	58.75
	10,090.39	**6,795.27**

**Changes in deferred income (advance billing) is as follows:*

	As at 31 March 2020	As at 31 March 2019
Balance at the begining of the year	6,736.52	4,917.82
"Revenue recognised that was included in deferred income at the beginning of the year"	(6,497.70)	(5,005.32)
Increase due to invoicing during the year, excluding amount recognised as revenue during the year	9,773.13	6,736.52
Foreign Currency Translation Reserve	46.39	87.50
Balance at the end of the year	**10,058.34**	**6,736.52**

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24 I OTHER CURRENT LIABILITIES

	As at 31 March 2020	As at 31 March 2019
Statutory dues payable	1,278.05	1,571.63
Advance from employees for share options	21.22	2.82
Other current liabilities	6.33	4.94
	1,305.60	**1,579.39**

25 I CURRENT PROVISIONS

	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits (refer note 28)		
- provision for gratuity	278.87	244.76
- provision for compensated absences	129.09	101.70
- provision for income tax	93.32	86.11
	501.28	**432.57**

26 I REVENUE FROM OPERATIONS

	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of products - softwares	11,765.80	15,378.46
Sale of services		
- Implementation	16,492.14	14,449.45
- Scanning	954.90	1,936.25
- AMC/ATS	13,030.30	10,361.22
- Support	20,005.30	17,546.56
- SaaS revenue	3,827.18	2,392.21
	66,075.62	**62,064.15**

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Group expects to recognize 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 recognized 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 materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at 31 March 2020, other than those meeting the exclusion criteria mentioned above is INR Nil.

Impact of COVID-19:

While the Company believes strongly that it has a good portfolio of services to partner with customers, the impact on future revenue streams could come from :

- the inability of our customers to continue their businesses due to financial resource constraints or their services no-longer being availed by their customers

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- prolonged lock-down situation resulting in its inability to deploy onsite resources at different locations due to restrictions in mobility
- prolonged lock-down situation can decrease the chances of winning of new business due to inability of sales person to travel to customer locations
- customers postponing their discretionary spend due to change in priorities

The company has a resilient business model in place with mission critical solutions deployed majorly across banking, financial services, healthcare, insurance, government and shared services verticals. The Company does not have major exposure in the verticals which are impacted due to COVID 19. The Company has considered such impact to the extent known and available currently. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

27 I OTHER INCOME

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income under the effective interest rate method:		
- on security deposits at amortised cost	40.09	28.60
- government and other bonds at FVOCI	148.11	127.46
Interest income on deposit with banks	804.51	676.42
Other interest income	6.05	68.72
Gain on sale of property, plant and equipment	1.10	-
Fair value changes of financial assets at FVTPL	173.01	245.75
Liabilities / provision no longer required written back	169.22	148.19
Net foreign exchange fluctuation gain	710.64	715.27
Bad debt recovered	-	15.04
Miscellaneous income	43.56	12.52
	2,096.29	**2,037.97**

28 I EMPLOYEE BENEFITS EXPENSE

	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus	31,927.25	26,757.19
Contribution to provident funds (refer note i below)	994.27	767.10
Expenses related to compensated absences (refer note ii below)	359.39	275.35
Share based payment - equity settled	87.03	178.25
Expense related to defined benefit plan (refer note iii below)	371.73	311.88
Staff welfare expenses	499.79	508.96
	34,239.46	**28,798.73**

(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 994.27 lakhs (31 March 2019: INR 767.10 lakhs). The amount recognised as an expense towards employee state insurance aggregated to INR 1.26 lakhs (31 March 2019: INR 2.27 lakhs).

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(ii) Compensated absences:

The Principal assumptions used in determining the compensated absences benefit obligation are as given below:

	31 March 2020	31 March 2019
Discounting rate (p.a.)	6.90%	7.66%
Future salary increase (p.a.)	6.00%	7.00%

(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 Group does not have any limit on gratuity amount.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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 2020	As at 31 March 2019
Balance at the beginning of the year	**1,740.26**	**1,407.46**
Benefits paid	(129.12)	(71.28)
Current service cost	238.43	202.10
Interest cost	133.30	109.78
Past service gain	-	-
Acturial (gains) losses recognised in OCI		
change in demographic assumptions	(21.33)	21.21
change in financial assumptions	(33.40)	22.48
experience adjustments	149.74	48.51
Balance at the end of the year	**2,077.88**	**1,740.26**

B. i) Expense recognised in profit and loss

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	238.43	202.10
Interest cost	133.30	109.78
Past service gain	-	-
Total expense recognised in Statement of profit and loss	**371.73**	**311.88**

ii) Remeasurements recognised in other comprehensive income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Acturial loss on defined benefit obligation	95.01	92.20
Total remeasurements recognised in other comprehensive income	**95.01**	**92.20**

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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 2020	For the year ended 31 March 2019
Discount rate	6.90	7.66
Salary escalation rate	6.00	7.00
Mortality rate	100% of IALM (2012- 14)	100% of IALM (2006 - 08)

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.

	31 March 2020		31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(73.76)	79.01	(54.53)	58.07
Future salary growth (0.50% movement)	79.32	(74.70)	58.16	(55.10)

Attrition rate (0.50% movement)

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 Group's financial statements as at balance sheet date:

	31 March 2020	31 March 2019
Net defined benefit asset	-	-
Total employee benefit asset	-	-
Net defined benefit liability		
Liability for gratuity	2,077.89	1,740.26
Liability for compensated absences	662.43	519.63
Total employee benefit liabilities	**2,740.32**	**2,259.89**
Non-current:		
Gratuity	1,799.02	1,495.50
Compensated absences	533.34	433.52
Current:		
Gratuity	278.87	244.76
Compensated absences	129.09	86.11

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

29 I FINANCE COSTS

	For the year ended 31 March 2020	For the year ended 31 March 2019
Finance cost on lease liabilities	344.78	166.99
Interest expense on packing credit	649.65	561.23
Other finance costs	96.78	125.65
	1,091.21	**853.87**

30 I DEPRECIATION AND AMORTIZATION

	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant and equipment (refer note 4)	535.82	538.97
Depreciation of right-of use assets (refer note 18)	1,366.61	-
Amortisation of intangible assets (refer note 5)	88.68	59.02
	1,991.11	**597.99**

31 I OTHER EXPENSES

	For the year ended 31 March 2020	For the year ended 31 March 2019
Rent	416.61	1,904.77
Repairs and maintenance	264.76	283.40
Rates and taxes	772.96	254.82
Travelling and conveyance	6,311.94	6,770.69
Legal and professional fees	1,659.58	2,512.88
Outsourced technical services expense	1,299.40	397.72
Cloud hosting services	959.98	426.22
Payment to auditors*	75.40	69.67
Electricity and water	419.36	354.17
Advertising and sales promotion	1,067.32	764.92
Membership and subscription fee	366.35	375.07
Brokerage and commission	1,038.14	749.66
Communication costs	522.41	509.03
Software and license maintenance	656.75	511.92
Expenditure on corporate social responsibility	186.27	125.64
Donation	36.18	34.74
Recruitment charges	316.97	221.14
Insurance	1,045.64	824.56
Operation and maintenance	680.95	578.09
Printing, stationery and scanning charges	460.18	671.87
Loss on sale of property, plant and equipment	-	3.89
Loss allowance on trade receivables	2,235.77	1,737.57
(net of adjustment for bad debts written off of INR 527.43 lakhs (previous year INR 1,952.57 lakhs)		-
Loss allowance on other financial assets	23.72	22.82
Security charges	263.05	229.03
Net foreign exchange fluctuation loss	13.45	24.45

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Loss on settlement of forward contract	-	36.30
Loss on redemption of bonds (net) at FVOCI	7.07	5.07
Loss on redemption of mutual funds (net) at FVTPL	6.85	-
Miscellaneous expenses	268.90	93.23
	21,375.96	**20,493.34**
***Payment to auditors**		
As auditor:		
- Statutory audit fee	39.50	39.50
- Limited review fee	22.50	22.50
- Certification fee	8.25	3.40
- Reimbursement of expenses	5.15	4.27
	75.40	**69.67**

32 I INCOME TAX

A. The major components of income tax (expense) / income recognised in Statement of Profit or Loss

	For the year ended 31 March 2020	For the year ended 31 March 2019
Tax expense	2,572.19	2,883.80
Tax expense for earlier years	78.85	110.19
Deferred tax (credit) /charge	(450.33)	143.31
Total	**2,200.71**	**3,137.30**
Recognised in Other comprehensive income		
Tax impact on		
- Re-measurement on defined benefit plan	37.16	29.63
- Fair value of debt instruments through other comprehensive income/(loss)	(2.00)	0.75
Total	**35.16**	**30.38**

B. Reconciliation of effective tax rate

	31 March 2020		31 March 2019	
Profit before tax		9,474.17		13,358.19
Tax using the Group's tax rate	34.94%	3,310.65	34.94%	4,667.89
Impact of different rate in each jurisdiction	-0.91%	(86.44)	-0.65%	(87.25)
Effect of deduction under section 10AA of the Income tax Act, 1961	-12.17%	(1,152.56)	-11.62%	(1,552.24)
Effect of expenses permanently disallowed under the Income Tax Act, 1961	0.32%	29.91	0.13%	17.50
Effect of income exempt/ taxed on lower rate	-0.28%	(26.92)	-0.17%	(23.27)
Effect of profit on sale of mutual funds taxable under Income tax Act, 1961	0.51%	48.46	-	-
Tax expense for earlier years	0.83%	78.85	0.82%	110.19
Others	-0.01%	(1.24)	0.03%	4.48
Income tax recognised in statement of profit and loss for the current year	23.23%	2,200.71	23.49%	3,137.29

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to the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

C. Deferred tax assets (net)

Deferred tax relates to the following:

		As at 31 March 2020	As at 31 March 2019
Deferred tax related to items recognised in OCI:			
Deferred tax assets (gross)			
Investments at fair value through OCI		1.42	-
Remeasurement of defined benefit liability (asset)		51.37	14.21
	(a)	**52.79**	**14.21**

Deferred tax liabilities

		As at 31 March 2020	As at 31 March 2019
Investments at fair value through OCI		-	7.12
	(b)	**-**	**7.12**

Deferred tax related to items recognised in Statement of Profit and Loss:

		As at 31 March 2020	As at 31 March 2019
Deferred tax liabilities (gross)			
Property, plant and equipment		373.98	308.30
Others		145.20	84.54
	(c)	**519.18**	**392.84**

		As at 31 March 2020	As at 31 March 2019
Deferred tax assets (gross)			
Loss allowance on other financial assets		57.57	51.03
Loss allowance on trade receivables		1,681.52	1,258.97
Provision for employee benefits		934.43	772.84
Lease liabilities		58.84	-
	(d)	**2,732.36**	**2,082.84**
	(e) = (d) - (c)	**2,213.18**	**1,690.00**
Deferred tax assets (net)	(e) + (a) - (b)	**2,265.97**	**1,697.09**
MAT credit entitlement		-	86.97
Total deferred tax assets (net)		**2,265.97**	**1,784.06**

D. Deferred tax liabilities (gross)

	As at 31 March 2020	As at 31 March 2019
Property, plant and equipment	17.39	11.01
Deferred tax Liabilities (net)	**17.39**	**11.01**

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to the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

E. Movement in temporary differences

31 March 2020

Particulars	Balance as at 1 April 2019	Transition impact of Ind AS 116-Leases	Recognised in Statement of Profit or Loss during the year	Recognised in OCI during the year	Balance as at 31 March 2020
Deferred tax Liabilities (net)					
Property, plant and equipment	11.01	-	6.38	-	17.39
Total	**11.01**	**-**	**6.38**	**-**	**17.39**
Deferred tax assets (net)					
Investments at fair value through OCI	(7.12)	-	-	8.54	1.42
Remeasurement of defined benefit liability (asset)	14.21	-	-	37.16	51.37
Property, plant and equipment	(278.40)	-	(95.58)	-	(373.98)
Loss allowance on other financial assets	51.03	-	6.54	-	57.57
Loss allowance on trade receivables	1,258.97	-	422.55	-	1,681.52
Provision for employee benefits	772.84	-	161.59	-	934.43
Others	(84.54)	-	(60.66)	-	(145.20)
Lease liabilities	(29.89)	67.93	20.80	-	58.84
Total	**1,697.09**	**67.93**	**455.23**	**45.70**	**2,265.97**

31 March 2019

Particulars	Balance as at 1 April 2018	Recognised in Statement of Profit or Loss during the year	Recognised in OCI during the year	Balance as at 31 March 2019
Deferred tax Liabilities (net)				
Property, plant and equipment	11.28	(0.26)	-	11.01
Total	**11.28**	**(0.26)**	**-**	**11.01**
Investments at fair value through OCI	(7.87)	-	0.75	(7.12)
Remeasurement of defined benefit liability (asset)	(15.42)	-	29.63	14.21
Property, plant and equipment	(221.74)	(56.66)	-	(278.40)
Loss allowance on other financial assets	42.64	8.39	-	51.03
Loss allowance on trade receivables	1,381.66	(122.70)	-	1,258.97
Provision for employee benefits	667.62	105.21	-	772.84
Others	(11.01)	(73.53)	-	(84.54)
Lease liabilities	(29.62)	(0.27)	-	(29.89)
Total	**1,806.16**	**(139.56)**	**30.38**	**1,697.09**

Impact of COVID-19:

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will be realized or not. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences.

Also there is no change in Company's current tax strategies and thus no change in the accounting for Income taxes.

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

33 I 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

	31 March 2020	31 March 2019
Profit attributable to equity holders of the Company	7,273.46	10,220.89
Profit attributable to equity holders of the Company for basic and diluted earnings	**7,273.46**	**10,220.89**

ii) Weighted average number of ordinary shares

	31 March 2020	31 March 2019
Opening balance of equity shares	68,457,610	67,884,117
Effect of share options exercised	422,753	191,325
Weighted average number of shares for basic EPS	**68,880,363**	**68,075,442**

Effect of dilution:

	31 March 2020	31 March 2019
Add: Equity shares held by Newgen ESOP Trust with respect to options not exercised by employees but outstanding	348,839	1,255,390
Weighted average number of shares for diluted EPS	**69,229,202**	**69,330,832**

Basic and diluted earnings per share

	31 March 2020 INR	31 March 2019 INR
Basic earnings per share	10.56	15.01
Diluted earnings per share	10.51	14.74

34 I SHARE-BASED PAYMENT ARRANGEMENTS:

A. Description of share-based payment arrangements

i. Share option programmes (equity-settled)

The Group had 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 grants under this Scheme shall be limited to 3,783,800 option with underlying 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. 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 from the date of last vesting. 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.

The 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.

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Following table represents general terms of the grants for the ESOP outstanding as on 31 March 2020, during the year 2019-20 there were no grants made.

Newgen 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	509,468	INR 63.00	3.75	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Jul-2017	199,980	INR 63.00	6.25	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Sep-2017	126,500	INR 63.00	6.42	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Oct-2017	48,650	INR 63.00	6.50	4 years

B. 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 31 March 2020	Weighted average exercise price 31 March 2020	Number of options 31 March 2019	Weighted average exercise price 31 March 2019
Options outstanding as at the beginning of the year	1,557,524	INR 63.00	2,243,483	INR 63.00
Less: Options lapsed during the year	40,723	INR 63.00	112,466	INR 63.00
Less: Options exercised during the year	632,203	INR 63.00	573,493	INR 63.00
Options outstanding as at the year end	**884,598**	**INR 63.00**	**1,557,524**	**INR 63.00**
Exercisable as at year end	**571,519**		**1,122,797**	
Weighted - average contractual life	4.85 years		5.51 years	

C. Expense recognised in Statement of Profit and Loss

For details on the employee benefits expense, refer note 28

35 I CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)*

		31 March 2020	31 March 2019
a.	Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances, tangible assets**	84.18	23.45
b.	Income Tax matters		
	Financial year 2015-16***	179.00	179.00
	Financial year 2016-17***	184.43	-
	Financial year 2017-18	258.00	-
	Financial year 2018-19	216.65	-
	Financial year 2019-20	220.28	-

**The Company is committed to operationally, technically and financially support the operation of certain of its subsidiary companies.*

*** For other commitments – Non-cancellable operating and finance leases, refer note 18*

****The Company has received assessment orders pertaining to financial year 2015-16 and 2016-17 incorporating adjustments of ₹ 179.00 lakhs and ₹ 184.43 lakhs respectively. The Company has filed an appeal with the Commissioner of Income Tax (Appeal) against the assessment order issued by the Assessing officer. The hearing date is awaited.*

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In February 2019, there was a judicial pronouncement with respect to provident fund. It is not currently clear whether the interpretation set out in the pronouncement has retrospective application. If applied retrospectively, the interpretation would result in an increase in contributions payable by the Company for past and future periods for certain of its employees. There are numerous interpretative challenges concerning the retrospective application of the judgment. Due to such challenges and a lack of interpretive guidance, it is currently impracticable to reliably estimate the timing and amount of any payments the Company may be required to make. The Company will continue to monitor and evaluate its position based on future events and developments.

36 I 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. Accordingly, the disclosure in respect of the amounts payable to such enterprises as on 31 March 2020 and 31 March 2019 has been made in the financial statements based on information received and available with the Group. Based on the information currently available with the Company, there are no dues payable to Micro and Small Suppliers as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

37 I 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.The Finance act 2020 has repealed the Divided Distribution Tax(DDT). The comapny is now required to pay/distribute dividend after deducting applicable taxes.

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Final dividend of INR 2.00 per share (31 March 2019: INR 3/-)	1,399.11	2,087.57
Dividend distribution tax	-	429.20

38 I UTILIZATION OF CORPORATE SOCIAL RESPONSIBILITY EXPENSES

As per Section 135 of the Companies Act 2013, the following is the detail of CSR expenses incurred by the Company: Gross amount to be spent by the Company during the year ended 31 March 2020 is INR 186.27 lakhs (previous year INR. 125.64 lakhs). Amount spent during the year ended 31 March 2020:

Particulars	Amount spent during the year	Amount to be spent	Total
i) For purpose mentioned as under*	186.14	0.13	186.27

**The areas for CSR activities are promoting education, health care, sanitation, digital literacy and livelihood enhancement and participation on SOS Children's Village Projects in Faridabad. The funds were primarily utilized through the year on the following activities which are specified in Schedule VII of the Companies Act, 2013.*

39 I The Group 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 Group has got the updated documentation for the international transactions entered into with the associated enterprises during the financial year. During the year ended 31 March 2020, the holding company has also started availing services from its overseas subsidiaries in accordance with the transfer pricing methodology under sections 92-92F of the Income Tax Act, 1961. 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.

40 I During the year ended 31 March 2020, the IPO proceeds were utilised for furnishing of office premises near Noida-Greater Noida Expressway, Uttar Pradesh and for general corporate purpose amounting to INR 2,008.40 lakhs and INR 1,281.00 lakhs respectively. As on 31 March 2020, the net proceeds of the public issue are fully utilised.

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41 I DETAILS OF CURRENT INVESTMENTS (REFER NOTE 10)

Particulars	Number of units as at		Amount in lakhs as at	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Investment in mutual funds -FVTPL				
Nippon India Short Term Fund- Direct Plan- Growth option	634,842.04	634,842.04	251.01	228.91
ICICI Prudential Short Term Plan-Direct Plan-Growth option	2,098,216.14	860,076.95	930.90	346.96
ICICI Prudential Credit Risk Fund -Direct Plan- Growth option	2,185,595.64	2,185,595.64	505.92	459.30
Kotak Credit Risk Fund- Direct Plan-Growth option	2,194,751.05	2,194,751.05	514.89	472.75
IIFL Wealth Finance Limited SR-A1-June2022 LOA 13JU22 FVRS10LAC	20.00	20.00	257.35	242.95
IIFL Dynamic Bond Fund Reg-Growth option	-	1,442,782.84	-	212.99
Franklin India Short Term Income Plan - Retail Plan -Direct- Growth option	-	11,121.68	-	466.63
Aditya Birla Sun Life Credit Risk Fund-Direct-Growth option	-	3,202,905.98	-	454.78
UTI Credit Risk Fund- DirectPlan- Growth option	-	2,617,878.59	-	471.48
L and T Credit Risk Fund Direct Plan -Growth option	-	2,157,673.57	-	468.53
HDFC Short Term Debt Fund-Direct Plan-growth option	2,403,804.13	-	550.19	-
DSP Liquidity Fund- Regular Plan-Growth option	21,276.15	-	600.45	-
IDFC Bond Fund-Short Term Plan-growth option	1,153,064.73	-	500.00	-
Aditya Birla Sun Life Liquid Fund -Growth-Regular Plan	220,614.74	-	700.99	-
Bharat bonds ETF	20,000.00	-	208.07	-
Investment in government bonds-FVTOCI				
8.40% IRFC 15YRS SR2A 18022029 (18-Feb-2029)	40,000.00	40,000.00	467.71	455.66
7.35% NHAI LTD Tax free Bond 15YRS SR2A Annual (11-Jan-2031)	45,000.00	45,000.00	500.96	482.62
8.54% PFC Tax free Bonds (Series 2A) 16/11/2028	16,500.00	-	203.32	-
7.04% IRFC Bond 03/03/2026	15.00	-	166.38	-
8.3% NHAI Tax free Bonds 25/01/2027	30,000.00	-	355.96	-
8.63% IRFC Bonds 26/03/2029	22,000.00	-	288.04	-

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Particulars	Number of units as at		Amount in lakhs as at	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Investment in Other Bonds-FCTOCI				
Vijaya Bank SR-II 10.4 LOA Perpetual FVRS10LAC (27-Mar-2050)	-	40.00	-	402.30
State Bank of India Series 1 9.56% NCD perpetual FVRS10Lac	30.00	-	306.31	-
ICICI Bank Limited SR DDE18AT 9.90 BD Perpetual FVRS10LAC	30.00	-	302.22	-
			7,610.67	**5,165.86**

42 I 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 2020	31 March 2019
Newgen Software Inc.	United States of America	100%	100%
Newgen Software Technologies Pte Limited	Singapore	100%	100%
Newgen Software Technologies Canada Limited	Canada	100%	100%
Newgen Software Technologies (UK) Limited	United Kingdom	100%	100%
Newgen Software Technologies Pty Limited	Australia	100%	-
Newgen Computers Technologies Limited	India	100%	100%

The principal place of business of all the entities listed above is the same as the respective country of incorporation.

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 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 - Managing Director

T.S. Varadarajan - Whole Time Director

Priyadarshini Nigam - Whole Time Director

Arun Kumar Gupta - Chief Financial Officer

Virender Jeet - Senior Vice President (Sales and Marketing/Product)

Surender Jeet Raj - Senior Vice President (HR/Operations)

Tarun Nandwani - Senior Vice President (Business Management)

Usha Varadarajan - Relative of Whole Time Director - T.S. Varadarajan

Shubhi Nigam - Relative of Managing Director

Aman Mourya- Company Secretary

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List of non-executive and independent directors

Kaushik Dutta - Independent Director
Saurabh Srivastava - Independent Director
Subramaniam R Iyer - Independent Director
Ms Padmaja Krishnan - Independent Director

Key management personnel compensation

	Transaction value		Balance payable	
	For the year ended 31 March 2020	For the year ended 31 March 2019	As at 31 March 2020	As at 31 March 2019
Salaries, wages and bonus*	**1,174.61**	**1,043.33**	**389.66**	**348.95**
Diwakar Nigam	278.99	174.90	82.42	8.42
T.S. Varadarajan	142.57	83.70	50.23	6.06
Priyadarshini Nigam	77.58	40.84	33.04	-
Arun Kumar Gupta	82.77	116.13	26.60	37.87
Virender Jeet	147.60	187.03	75.01	112.47
Surender Jeet Raj	191.46	166.52	62.70	96.86
Tarun Nandwani	148.35	176.18	58.65	86.40
Shubhi Nigam	88.48	84.15	-	-
Aman Mourya	16.81	13.88	1.01	0.87
Dividend paid (excluding dividend distribution tax)	**1,402.83**	**933.99**	**-**	**-**
Diwakar Nigam	552.67	368.45	-	-
T.S. Varadarajan	450.28	300.19	-	-
Priyadarshini Nigam	239.07	159.38	-	-
Arun Kumar Gupta	2.10	1.09	-	-
Virender Jeet	7.47	4.98	-	-
Surender Jeet Raj	7.48	4.55	-	-
Tarun Nandwani	7.87	4.77	-	-
Usha Varadarajan	135.85	90.57	-	-
Aman Mourya	0.04	0.01		
Share-based payments	**93.69**	**57.17**	**-**	**-**
Arun Kumar Gupta	4.60	30.18	-	-
Virender Jeet	-	-	-	-
Surender Jeet Raj	56.92	-	-	-
Tarun Nandwani	29.81	26.12	-	-
Aman Mourya	2.36	0.87		

excludes provision for gratuity and compensated absences, as these are determined on the basis of actuarial valuation for the Company as a whole and includes share-based payments and commission.

	Transaction value		Balance payable	
	For the year ended 31 March 2020	For the year ended 31 March 2019	As at 31 March 2020	As at 31 March 2019
Sitting fees to independent director	**45.25**	**41.00**	**12.35**	**8.10**
Kaushik Dutta**	18.25	14.00	6.95	2.70
Saurabh Srivastava	13.00	13.00	2.70	2.70
Subramaniam R Iyer	14.00	14.00	2.70	2.70
Commission to independent director	**50.01**	**-**	**47.49**	**-**
Kaushik Dutta	16.67	-	15.83	-
Saurabh Srivastava	16.67	-	15.83	-
Subramaniam R Iyer	16.67	-	15.83	-

** includes sitting fees of INR 4.25 lakhs paid in Newgen Software Inc., USA*

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

43 I 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 hirarchy.

31 March 2020	Note	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Financial assets measured at fair value									
Investments in mutual funds	10	5,019.75	-	-	5,019.75	5,019.75	-	-	5,019.75
Investments in bonds	10	-	2,590.92	-	2,590.92	2,590.92	-	-	2,590.92
Financial assets not measured at fair value									
Other non-current financial asset	7	-	-	358.29	358.29	-	-	-	-
Trade receivables	11	-	-	26,939.67	26,939.67	-	-	-	-
Cash and cash equivalents	12	-	-	10,011.04	10,011.04	-	-	-	-
Other bank balances	12A	-	-	6,516.11	6,516.11	-	-	-	-
Loans	6 and 13	-	-	569.94	569.94	-	-	-	-
Other financial assets	14	-	-	8,260.42	8,260.42	-	-	-	-
		5,019.75	**2,590.92**	**52,655.47**	**60,266.14**	**7,610.67**	**-**	**-**	**7,610.67**
Financial liabilities									
Financial laibilities not measured at fair value									
Lease liabilities	18	-	-	3,630.29	3,630.29	-	-	-	-
Short term borrowings	20	-	-	7,453.21	7,453.21	-	-	-	-
Trade payables	21	-	-	2,750.76	2,750.76	-	-	-	-
Other financial liabilities	22	-	-	4,119.73	4,119.73	-	-	-	-
		-	**-**	**17,953.99**	**17,953.99**	**-**	**-**	**-**	**-**

31 March 2019	Note	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Financial assets measured at fair value									
Investments in debt mutual funds	10	3,582.34	-	-	3,582.34	3,582.34	-	-	3,582.34
Investments in bonds	10	-	1,583.52	-	1,583.52	1,583.52	-	-	1,583.52
Financial assets not measured at fair value									
Other non-current financial asset	7	-	-	323.18	323.18	-	-	-	-
Trade receivables	11	-	-	25,268.91	25,268.91	-	-	-	-
Cash and cash equivalents	12	-	-	15,775.13	15,775.13	-	-	-	-
Other bank balances	12A	-	-	2,139.40	2,139.40	-	-	-	-
Loans	6 and 13	-	-	407.08	407.08	-	-	-	-
Other financial assets	14	-	-	6,275.55	6,275.55	-	-	-	-
		3,582.34	**1,583.52**	**50,189.25**	**55,355.11**	**5,165.86**	**-**	**-**	**5,165.86**

31 March 2019	Note	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial liabilities									
Financial liabilities not measured at fair value									-
Long-term maturities of finance lease obligations (secured)	18	-	-	1,320.15	1,320.15	-	-	-	-
Short term borrowings	20	-	-	6,772.64	6,772.64	-	-	-	-
Trade payables	21	-	-	2,160.57	2,160.57	-	-	-	-
Other financial liabilities	22	-	-	3,589.14	3,589.14	-	-	-	-
		-	**-**	**13,842.50**	**13,842.50**	**-**	**-**	**-**	**-**

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

The fair value of trade receivables, cash and cash equivalents, other bank balances, 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

Particulars	Fair value hierarchy	Valuation technique	Significant unobservable inputs	Inter-relationship between unobservable inputs and fair vale measurement
Financial assets measured at FVTPL				
Investments in debt 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
Investments in arbitrage funds	Level 1			
Financial assets measured at FVTOCI				
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
Financial liabilities measured at Amortised cost				
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 2020 and 31 March 2019.

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'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.

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to the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

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.

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 2020	As at 31 March 2019
Trade receivables	26,939.67	25,268.91
Loans	569.94	407.08
Cash and cash equivalents	10,011.04	15,775.13
Other bank balances	6,516.11	2,139.40
	44,036.76	**43,590.52**

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 unbilled revenues 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.

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

The Group's exposure to credit risk for trade receivables by geographic region is as follows

	Carrying amount	
	As at 31 March 2020	As at 31 March 2019
India	7,103.27	9,300.31
USA	6,783.82	4,322.87
EMEA	9,503.08	8,536.22
APAC	3,549.50	3,109.51
	26,939.67	**25,268.91**

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 2020	Gross carrying amount	Weighted-average loss rate	Loss allowance	Credit-impaired
0-3 months past due	20,135.75	1.55%	312.75	No
3-6 months past due	4,309.99	6.52%	281.08	No
6-9 months past due	1,218.95	9.82%	119.65	No
9-12 months past due	320.71	16.14%	51.76	No
12-15 months past due	588.00	36.84%	216.59	No
15-18 months past due	399.55	48.07%	192.05	No
18-21 months past due	332.39	52.33%	173.95	No
21-24 months past due	557.74	59.47%	331.70	No
above 24 months past due	4,565.08	83.44%	3,808.96	No
	32,428.16		5,488.49	

As at 31 March 2019	Gross carrying amount	Weighted-average loss rate	Loss allowance	Credit-impaired
0-3 months past due	19,538.87	2.85%	557.61	No
3-6 months past due	1,438.59	7.84%	112.80	No
6-9 months past due	986.14	16.21%	159.82	No
9-12 months past due	752.30	23.84%	179.36	No
12-15 months past due	3,488.12	37.12%	1,294.68	No
15-18 months past due	1,172.46	39.98%	468.72	No
18-21 months past due	528.05	48.37%	255.39	No
21-24 months past due	284.37	57.95%	164.78	No
above 24 months past due	1,013.66	73.05%	740.49	No
	29,202.56		3,933.65	

Movement in allowance for impairment in respect of trade receivables

	Impairment in trade receivables
Balance as at 31 March 2018	**4,000.87**
Impairment loss recognised	1,737.57
Amounts written off	1,804.79
Balance as at 31 March 2019	**3,933.65**
Impairment loss recognised	2,235.77
Amounts written off	680.93
Balance as at 31 March 2020	**5,488.49**

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.

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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 A 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

The exposure to credit risk for debt securities at FVTOCI and at FVTPL is as follows:-

	Net carrying amount	
	As at 31 March 2020	As at 31 March 2019
India	7,610.67	5,165.86
	7,610.67	5,165.86

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 other bank balances

The Group held cash and cash equivalents of INR 10,011.04 lakhs at 31 March 2020 (31 March 2019: INR 15,775.13 lakhs) and other bank balances of INR 6,516.11 lakhs as at 31 March 2020 (31 March 2019: INR 2,139.40 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.

Impact of COVID-19:

Financial instruments carried at fair value as at 31 March 2020 are ₹ 7,610.67 lakhs and financial instruments carried at amortised cost as at 31 March 2020 are ₹ 52,655.47 lakhs. The financial assets are classified as Level 1 having fair value of ₹ 7,610.67 lakhs as at 31 March, 2020. The fair value of these assets is marked to an active market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Group are mainly investments in liquid debt securities and government bonds and accordingly, any material volatility is not expected, other than only factored in the fair value.

Financial assets of ₹ 16,527.15 lakhs as at 31 March 2020 carried at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks where the Group has assessed the counterparty credit risk. Trade receivables of ₹ 26,939.67 Lakhs as at 31 March 2020 forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for allowance using expected credit loss method. The Group closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, discounting of receivables with institutions on recourse basis, recognition of revenue on collection basis etc., depending on severity of each case. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. The same assessment has also been done in respect of unbilled receivables of ₹ 7,767.02 lakhs as at 31 March 2020. Basis this assessment, the allowance for doubtful trade receivables of ₹ 5,488.49 Lakhs as at 31 March 2020 is considered adequate.

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 2020, the Group had a working capital of INR 32,712.33 lakhs (31 March 2019: INR 33,813 lakhs) including cash and cash equivalent of INR 10,011.04 lakhs (31 March 2019: INR 15,775.13 lakhs), other bank balances of INR 6,516.11 lakhs (31 March 2019: 2,139.40 lakhs) and current investments of INR 7,610.67 lakhs (31 March 2019: INR 5,165.86 lakhs).

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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 2020	546.79	-	546.79	-	-	-
As at 31 March 2019	227.36	-	227.36	-	-	-

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.

31 March 2020	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)	3,630.29	9,151.73	322.58	1,356.53	1,310.38	894.60	5,267.64
Employee related payables	3,511.39	3,511.39	2,560.80	950.59	-	-	-
Trade and other payables	2,750.76	2,750.76	2,750.76	-	-	-	-
Pre-shipment loans (secured)	7,453.21	7,453.21	-	7,453.21	-	-	-
Payable in respect of retention money	180.54	180.54	-	180.54	-	-	-
Earnest money deposits	1.00	1.00	-	1.00	-	-	-
Payable for capital assets	412.41	412.41	-	412.41	-	-	-
Total	**17,939.60**	**23,461.04**	**5,634.14**	**10,354.28**	**1,310.38**	**894.60**	**5,267.64**

31 March 2019	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)	1,320.15	6,509.56	-	427.63	396.90	351.54	5,333.49
Employee related payables	3,340.15	3,340.15	3,340.15	-	-	-	-
Trade and other payables	2,160.57	2,160.57	2,160.57	-	-	-	-
Pre-shipment loans (secured)	6,772.64	6,772.64	-	6,772.64	-	-	-
Payable in respect of retention money	59.15	59.15	-	59.15	-	-	-
Earnest money deposits	1.00	1.00	-	1.00	-	-	-
Payable for capital assets	188.84	188.84	-	188.84	-	-	-
Total	**13,842.50**	**19,031.91**	**5,500.72**	**7,449.26**	**396.90**	**351.54**	**5,333.49**

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.

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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 borrowings, receivables and other payables in foreign currency. The functional currency of the Company is Indian Rupee.

The foreign currency exchange management policy is to minimize economic and transactional exposures arising from currency movements against the US dollar, Euro, Great Britain Pound, Canadian dolar, Abar Emirates Dhiram, Saudi Riyal, Singapore dollar, Australian dollar, Malaysian Ringgit and Hong Kong dollar. 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.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March 2020 and 31 March 2019 are as below:

Particulars	Currency	31 March 2020		31 March 2019	
		Amount in foreign currency (lakhs)	Amount in local currency (lakhs)	Amount in foreign currency (lakhs)	Amount in local currency (lakhs)
Financial assets					
Trade and other receivables*					
	USD	222.03	16,738.68	204.78	14,178.50
	AED	5.22	107.07	7.74	145.94
	CAD	4.98	265.73	4.84	251.43
	EUR	0.78	64.60	0.90	70.12
	GBP	3.57	328.58	6.35	574.78
	SAR	2.06	41.36	2.12	39.09
	SGD	23.91	1,267.39	11.52	584.41
	MYR	1.62	28.30	-	-
	AUD	0.17	8.08	-	-
Bank balance-Dubai	AED	5.78	118.65	7.33	138.32
Bank balance-EEFC	USD	6.87	518.17	19.80	1,369.49
Travelling Advance to employees	USD	0.67	47.72	1.32	89.36
	AED	0.70	13.85	1.15	22.01
	CAD	0.02	0.92	0.09	5.16
	GBP	0.02	1.87	0.03	2.90
	SGD	0.02	0.87	0.16	8.68
	EURO	-	-	0.08	6.83
	SAR	0.51	10.04	-	-
	HKD	0.06	0.56	-	-
Financial liabilities					
Trade and other payables					
	USD	(20.44)	(1,498.18)	(21.40)	(1,468.91)
	SGD	(1.02)	(53.34)	(0.90)	(45.82)
	SAR	(0.47)	(8.86)	(0.78)	(14.20)
	AED			(0.17)	(3.16)
	AUD	(8.35)	(395.32)	-	-
Short term borrowings	USD	(98.86)	(7,453.21)	(97.91)	(6,772.64)

** gross of loss allowance*

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollar, Euro, Great Britain Pound, Canadian dolar, Abar Emirates Dhiram, Saudi Riyal, Singapore dollar, Australian dollor, Malaysian Ringgit and Hong Kong Dollar 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 2020		For the year ended 31 March 2019	
	Strengthening	Weakening	Strengthening	Weakening
1% movement				
USD	83.13	(83.13)	73.73	(73.73)
EUR1	0.64	(0.64)	0.77	(0.77)
GBP1	3.34	(3.34)	4.96	(4.96)
CAD1	2.67	(2.67)	2.56	(2.56)
SGD1	12.14	(12.14)	5.92	(5.92)
AED1	2.38	(2.38)	3.03	(3.03)
SAR1	0.42	(0.42)	0.25	(0.25)
HKD1	0.01	(0.01)	-	-
MYR1	0.28	(0.28)	-	-
AUD1	(3.78)	3.78	-	-
	101.23	**(101.23)**	**91.22**	**(91.22)**

vi. 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:

	Nominal amount in INR	
	31 March 2020	31 March 2019
Fixed-rate instruments		
Financial assets	13,531.31	13,401.45
Financial liabilities	3,630.29	(1,320.15)
	17,161.60	12,081.30
Variable-rate instruments		
Financial liabilities	(7,453.21)	(6,772.64)
	(7,453.21)	(6,772.64)
Total	**9,708.39**	**5,308.66**

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 16.84 lakhs after tax (31 March 2019: INR 10.30 lakhs).

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

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	Profit or loss	
	100 bp increase	**100 bp decrease**
31 March 2020		
Variable-rate instruments	74.53	74.53
Cash flow sensitivity (net)	**74.53**	**74.53**
31 March 2019		
Variable-rate instruments	67.73	67.73
Cash flow sensitivity (net)	**67.73**	**67.73**

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 accordances with the limits set by the Group.

b) Sensitivity analysis

Group 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 33.68 lakhs after tax (31 March, 2019: INR 20.59 lakhs). An equal change in the opposite direction would have decreased equity by INR 33.68 lakhs after tax (31 March, 2019: INR 20.59 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 65.26 lakhs after tax (31 March, 2019: INR 46.61 lakhs). An equal change in the opposite direction would have decreased profit or loss by INR 65.26 lakhs after tax (31 March, 2019: INR 46.61 lakhs)

44 I 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 ordinary 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 2020 and 31 March 2019.

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, retained earnings and long term borrowings.

	As at 31 March 2020	As at 31 March 2019
Total liabilities	11,083.49	8,092.79
Less: Cash and cash equivalent	10,011.04	15,775.13
Adjusted net debt (a)	1,072.45	(7,682.34)
Total equity (b)	54,906.64	49,670.66
Total equity and net debt (a+b) = c	55,979.09	41,988.32
Capital gearing ratio (a/c)	1.92%	-18.30%

As a part of its capital management policy the Group ensures compliance with all covenants and other capital requirements related to its contractual obligations.

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to the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

45 I 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 (APAC)
- United States of America (USA)
- Australia

B. Information about reportable segments

Year ended 31 March 2020

Particulars	Reportable segments					
	India	EMEA	APAC	USA	Australia	Total Segment
Revenue						
External revenue	19,499.82	20,734.45	7,556.53	18,284.82	0.00	66,075.62
Inter-segment revenue	-	-	-	-	-	-
Total Segment Revenue	**19,499.82**	**20,734.45**	**7,556.53**	**18,284.82**	**0.00**	**66,075.62**
Segment profit/(loss) before income tax	1,738.54	4,431.59	2,263.24	2,422.78	(377.24)	10,478.91
Segment assets	10,204.77	14,386.81	5,669.50	10,373.98	126.65	40,761.71
Segment liabilities	5,349.50	6,467.29	1,928.31	5,803.79	37.54	19,586.43
Capital expenditure during the year	3,863.14	0.50	0.96	48.02	1.67	3,914.29

Year ended 31 March 2019

Particulars	Reportable segments					
	India	EMEA	APAC	USA	Australia	Total Segment
Revenue						
External revenue	20,013.53	17,742.56	6,889.85	17,418.21	-	62,064.15
Inter-segment revenue	-	-	-	-	-	-
Total Segment Revenue	**20,013.53**	**17,742.56**	**6,889.85**	**17,418.21**	**-**	**62,064.15**
Segment profit/(loss) before income tax	3,389.00	3,754.31	2,273.50	3,526.63	-	12,943.44
Segment assets	11,904.61	12,156.06	4,450.97	6,596.41	-	35,108.05
Segment liabilities	4,571.86	5,336.58	1,505.70	3,331.82	-	14,745.96
Capital expenditure during the year	653.24	-	2.70	8.97	-	664.91

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to the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

C. Reconciliations of information on reportable segments to Ind AS

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
(a) Revenue		
Total revenue for reportable segments	66,075.62	62,064.15
Total revenue	**66,075.62**	**62,064.15**
(b) Profit / (loss) before tax		
Total profit before tax for reportable segments	10,478.91	12,943.44
Unallocated amounts:		
- Unallocated income	2,096.29	2,037.97
- Other corporate expenses	(3,101.03)	(1,623.22)
Total profit before tax from operations	**9,474.17**	**13,358.19**
(c) Assets		
Total assets for reportable segments	40,761.71	35,108.05
Other unallocated amounts	46,345.94	39,152.37
Total assets	**87,107.65**	**74,260.42**
(d) Liabilities		
Total liabilities for reportable segments	19,586.43	14,745.96
Other unallocated amounts	12,614.58	9,843.80
Total liabilities	**32,201.01**	**24,589.76**

C. Information about major customers

No customer individually accounted for more than 10% of the revenues in the year ended 31 March 2020 and 31 March 2019.

D. 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'.

46 I STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corportate Affairs ("MCA") notifies new statndard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

47 I As at 31 March 2020, the Company has gross foreign currency receivables amounting to INR 18,849.78 lakhs (previous year INR 15,898.33 lakhs). Out of these receivables, INR 1,992.90 lakhs (previous year INR 355.39 lakhs) is outstanding for more than 15 months. As per circular RBI/2019-20/206 A. P. (DIR series) circular no. 27 , receipt for export goods should be realized within a period of 15 months from the date of export. The Company must file extension with AD Bank & as per the requirements of circular no. RBI/2015-16/395 A. P. (DIR series) Circular no. 68 dated May12, 2016, in one calendar year, the Company is allowed to seek extension for an amount equivalent to 10% of the average export collection of the last 3 years only and pursuant to the same, the Company is in the process of applying for approval to seek extension of time beyond 15 months from export date. The management is of the view that the Company will be able to obtain approvals from the authorities for realising such funds beyond the stipulated timeline without levy of any penalties as it had bonafide reasons that caused the delays in realization.

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to the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

48 I Additional information pursuant to Para 2 of general instruction for the preparation of consolidated financial statement

Name of the enterprise	Net assets (Total assets-Total liabilities)			
	31 March 2020		31 March 2019	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent	95.97%	52,692.54	97.44%	48,397.42
Newgen Software Technologies Limited				
Indian Subsidiary				
Newgen Computers Technologies Limited	0.13%	68.83	0.13%	62.53
Foreign Subsidiaries				
Newgen Software Inc. USA.	3.78%	2,072.91	2.71%	1,344.27
Newgen Software Technologies UK Ltd.	0.44%	240.89	0.42%	207.50
Newgen Software Technologies Canada Ltd.	0.35%	194.83	0.29%	145.56
Newgen Software technologies PTE Ltd	1.05%	576.77	0.73%	361.49
Newgen Software technologies PTY Ltd	0.87%	476.35	-	-
Adjustment arising out of consolidation	-2.58%	(1,416.48)	-1.71%	(848.11)
Total	**100.00%**	**54,906.64**	**100.00%**	**49,670.65**

Name of the enterprise	Share in profit and loss after tax			
	31 March 2020		31 March 2019	
	As % of consolidated profit and loss	Amount	As % of consolidated profit and loss	Amount
Parent	90.62%	6,591.23	93.76%	9,583.08
Newgen Software Technologies Limited				
Indian Subsidiary				
Newgen Computers Technologies Limited	0.09%	6.30	0.05%	4.62
Foreign Subsidiaries				
Newgen Software Inc. USA.	7.51%	546.45	4.10%	419.38
Newgen Software Technologies UK Ltd.	0.36%	26.52	0.21%	21.13
Newgen Software Technologies Canada Ltd.	0.62%	45.02	0.42%	42.46
Newgen Software technologies PTE Ltd	2.67%	194.34	1.27%	130.00
Newgen Software technologies PTY Ltd	0.19%	14.12	-	-
Adjustment arising out of consolidation	-2.07%	(150.52)	0.20%	20.22
Total	**100.00%**	**7,273.46**	**100.00%**	**10,220.89**

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration No.:
116231W / W-100024

Rakesh Dewan
Partner
Membership No.: 092212
UDIN: 20092212AAAABN8911

Place: Gurugram
Date: 26 May 2020

For and on behalf of the Board of Directors of
Newgen Software Technologies Limited

Diwakar Nigam
Chairman &
Managing Director
DIN: 00263222

Place: New Delhi
Date: 26 May 2020

T. S. Varadarajan
Whole Time Director
DIN: 00263115

Place: Chennai
Date: 26 May 2020

Arun Kumar Gupta
Chief Financial Officer
Membership No: 056859

Place: Noida
Date: 26 May 2020

Aman Mourya
Company Secretary
Membership No: F9975

Place: Noida
Date: 26 May 2020

Notes

NEWGEN

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https://www.newgensoft.com

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