

2022/2023

ANNUAL REPORT



Shaping Enterprises and Beyond



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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 realized. 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.

Newgen at a Glance



Crossed milestone of ₹ 10,000 million in Total Income



Serving over 520 Active Customers⁽¹⁾



Direct Presence across 7 Countries – India, USA, Canada, UK, Australia, Dubai, and Singapore. Customers across 74 countries



44 Patents Filed, 23 Approved⁽³⁾



Consistently recognized by Gartner and Forrester



27% increase in average deal sizes:

51 customers over ₹ 50 million billing

Key Financial Highlights (FY'23)

Total Income

₹ **10,080** million
(25% YoY growth)

Subscription Revenues⁽²⁾

₹ **3,227** million
(31% YoY growth)
with over ₹ 1,000 million SaaS revenues

EBITDA

₹ **2,122** million
(22% Margin)

Profit after Tax

₹ **1,763** million
(18% Margin)

Networth

₹ **9,768** million

Cash Flow from Operations

₹ **1,364** million

(1) Customers billed in the last 12 months

(2) Subscription Revenues comprise ATS/AMC, Subscription license and Cloud/SaaS revenue streams

(3) 44 Patent Filings, of which 23 patents are granted in India and US and 3 Patent Applications are under processing

Shaping Enterprises and Beyond



Enterprises of today need to rethink and drive successful digital transformation in order to future-proof themselves. For this, they need to think enterprise-wide, balance their short-term goals with long-term objectives, and prioritize sustainability and resilience in the face of change.

Newgen Software Technologies Limited with its unified low code cloud-based digital transformation platforms ensure that it shapes the enterprises of tomorrow by bringing in the desired outcomes from Enterprise-wide digital transformation -

- 1) Customer Experience** - Superior customer experience entails delighting customers at every touchpoint, and it is the single most important revenue driver.
- 2) Operational Excellence** - Operational excellence entails consistently delivering business outcomes day in and day out. It's about providing customers and stakeholders with quality, quick, and superior service while reducing costs and increasing profitability.

- 3) Business Innovation** - Business innovation is about continuous improvement. Business must innovate and become agile in order to identify missed opportunities, take new products to market, stay ahead of the competition, and change parameters to handle seasonal spikes.

Newgen's low-code digital transformation platform enables end-to-end customer journeys and drives enterprise-wide transformation. Our solutions are scalable, flexible, sustainable, help enterprises to holistically automate processes, enable customer success and future-proofing organizations, thus, shaping the world of tomorrow.



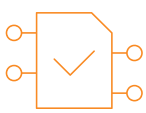
Outcomes from Enterprise-wide Digital Transformation



NewgenONE Platform



NewgenONE



Digitize

Process & Adapt

Communicate

Data Science

Contextual Content Services (ECM)
OmniDocs

Low Code Process Automation (BPM)
iBPS

Omnichannel Customer Engagement (CCM)
OmniOMS

Artificial Intelligence Cloud

Manage complex business information and extract intelligent insights

Digitalize end-to-end customer and employee journeys with low code

Deliver personalized communication across channels at scale

Enable intelligent decision-making by infusing AI into business processes

NewgenONE, AI-led low code platform, helps accelerate enterprise-wide digital transformation. The core modules of the platform are - advanced content management, comprehensive process automation, omnichannel customer communication, and powerful AI capabilities. They are backed by a robust integration ecosystem, low code application development environment, governance, and security. Also,

the modules work in tandem, acting as building blocks to enable organizations to design, develop, and deliver cloud-ready enterprise-grade applications rapidly.

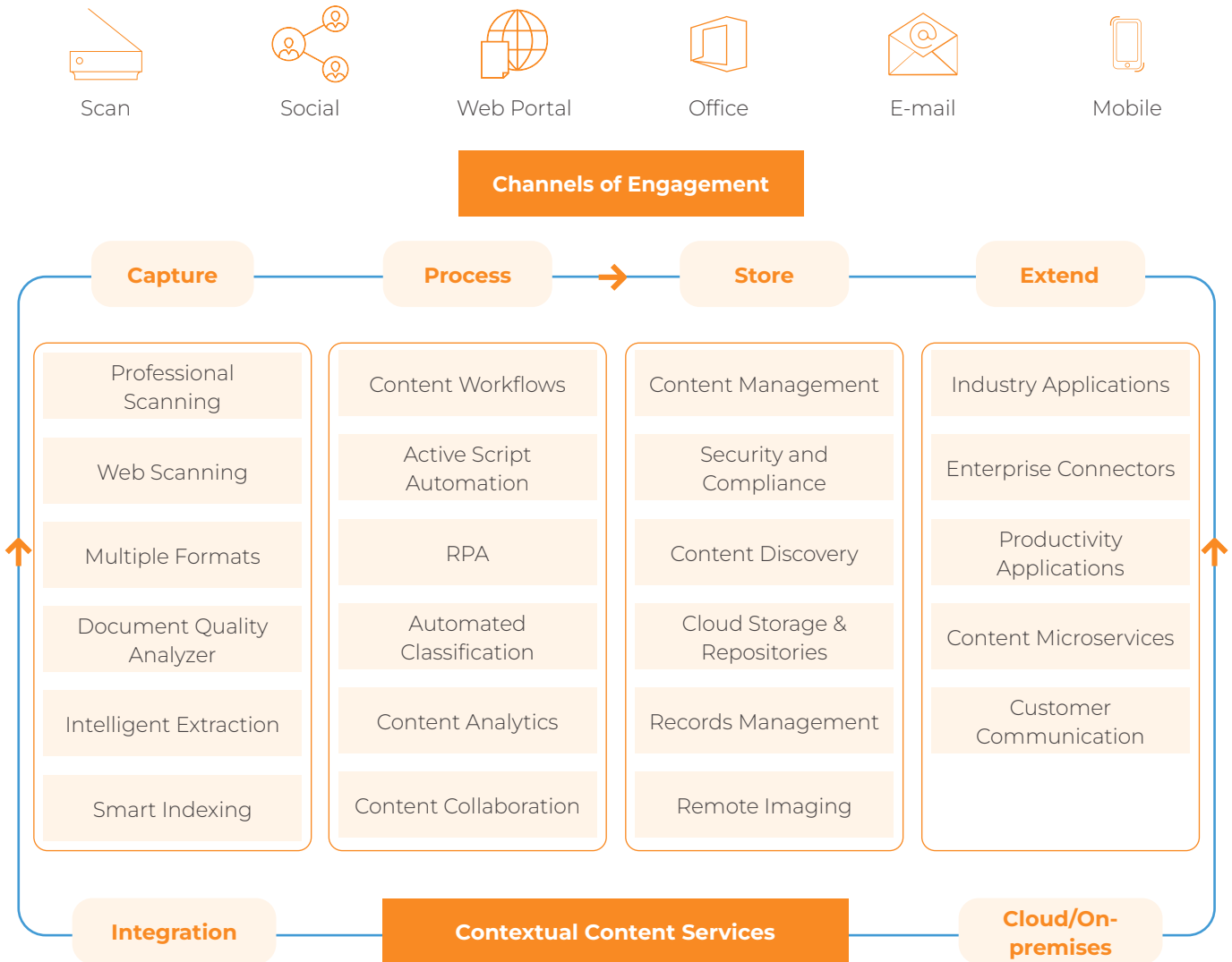
Our platform automates business needs that are complex, content-driven, and involve sophisticated, omnichannel customer interactions. We thus deliver a modern experience and empower users with information, while enabling professional IT developers

with speed and agility. Our platform's capabilities, including mobility, social, analytics, cloud, Robotic Process Automation, and Artificial Intelligence/Machine Learning, accelerate the digital journey of an enterprise, keeping it ahead of the curve.

We possess multi-vertical industry expertise and provide purpose-built applications to meet the requirements of many different verticals.

Contextual Content Services (ECM)

Digitize Workplace with Contextual Automation, Compliance, and Intelligence - OnCloud

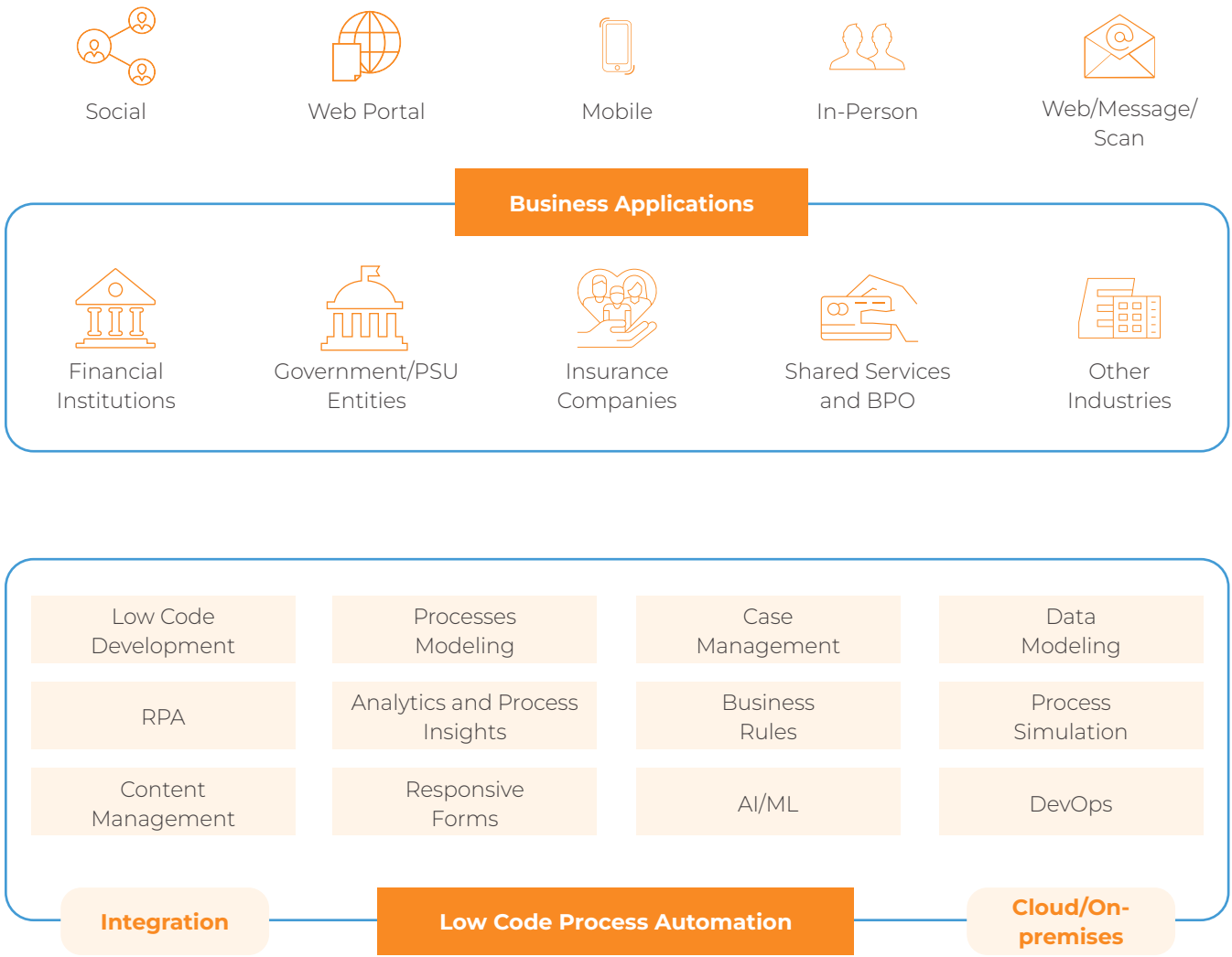


NewgenONE allows businesses to effectively capture, organize, and collaborate on content generated across multiple channels and sources while maintaining its security and integrity. The platform's pre-built components and templates can be easily customized to create content applications that meet the specific needs of each organization. With secure access controls, NewgenONE enables authorized access to sensitive information.

The platform facilitates long-term retention and disposition of enterprise records. Organizations can leverage intelligent technologies to automatically extract data from documents, classify bulk documents, visualize data, mine patterns, and employ content analytics to make informed decisions and enhance productivity.

Low Code Process Automation (BPM)

Rapid Application Development for Deep and Complex Business Application - Across Devices

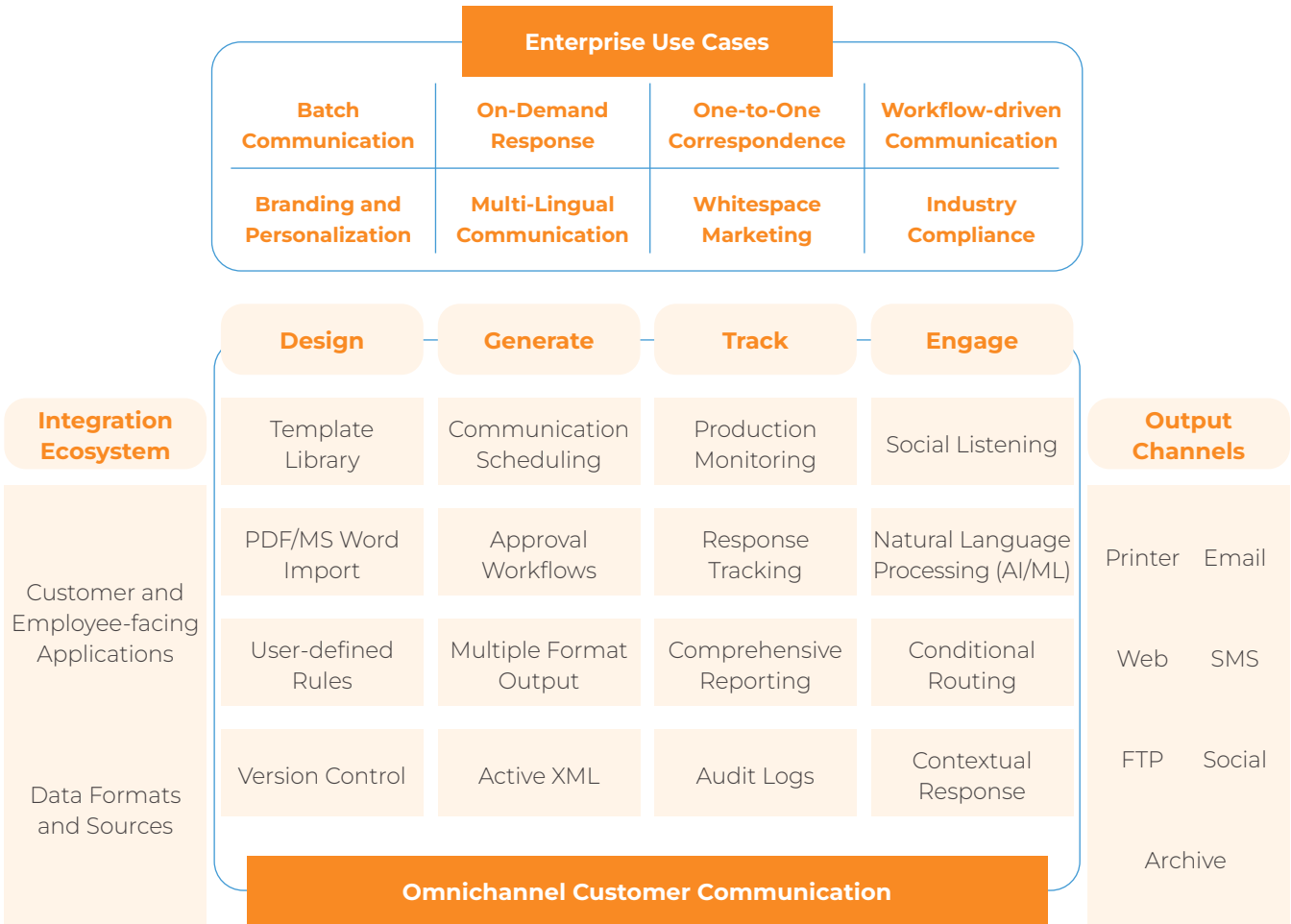


NewgenONE helps organizations automate end-to-end business processes by orchestrating information flow across the enterprise. It helps in creating processes that map organizational workflows. It allows users to create, deploy, and manage complex business decisions, identify bottlenecks and suggests future workloads and automate repetitive tasks to accelerate business processes.

With NewgenONE, Enterprises can rapidly compose business applications through a visual drag-and-drop tool with minimal or no coding. It helps in developing applications across the front office, mid office, and back office using low code philosophy.

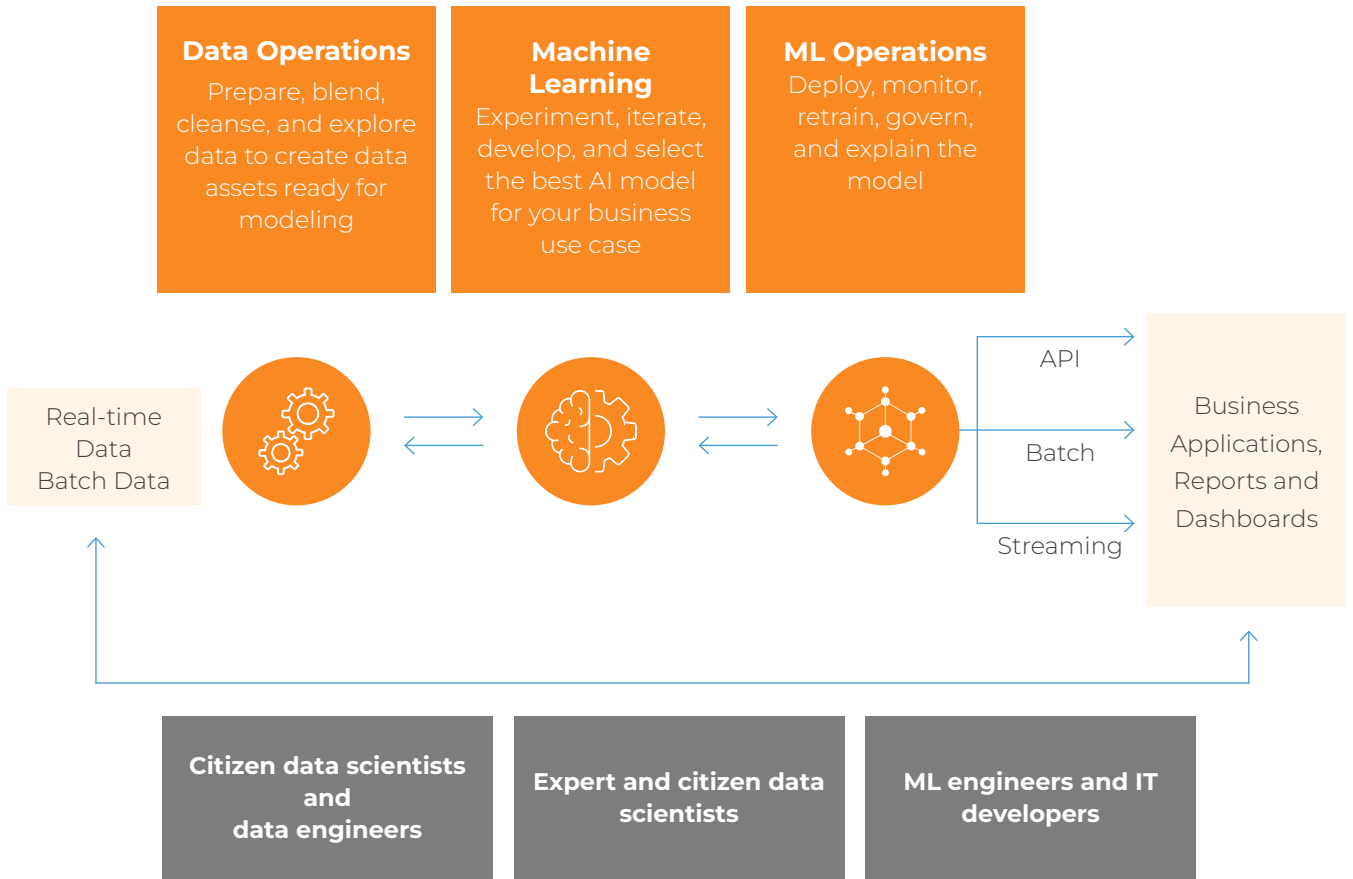
Omnichannel Customer Engagement (CCM)

Use the Business Data and Manage the Communication Output – Personalized and at Scale



NewgenONE enables users to design, manage, and distribute communications from a centralized platform, including batch, on-demand, or interactive. The platform enables organizations to offer a superior customer experience by delivering personalized communications through customers' preferred channels. It allows users to tap up-sell and cross-sell opportunities across channels via email, SMS, social, web, and print.

Newgen AI Cloud – A Unified Platform for all Data Science needs



NewgenONE enables organizations to create AI models that deliver intelligence by analyzing trends, identifying critical insights, and discovering new business opportunities. The platform helps visually manage the end-to-end data lifecycle, from preparing and deploying models to monitoring. Equipped with intelligent automation capabilities, it enables citizens and expert data scientists, and engineers to perform key machine-learning tasks. Moreover, the AI models developed facilitate smarter content management, intelligent process automation, and contextual customer engagement.



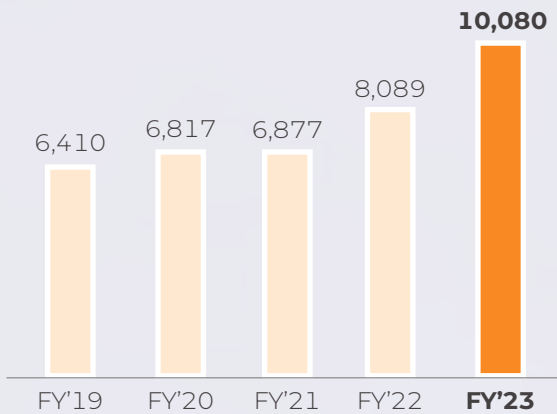
The Year That Was



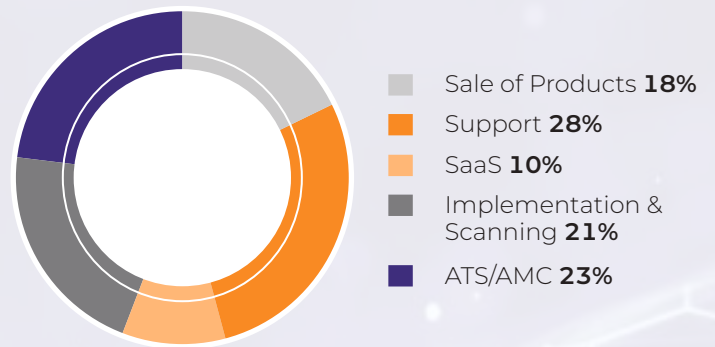


Financial Performance

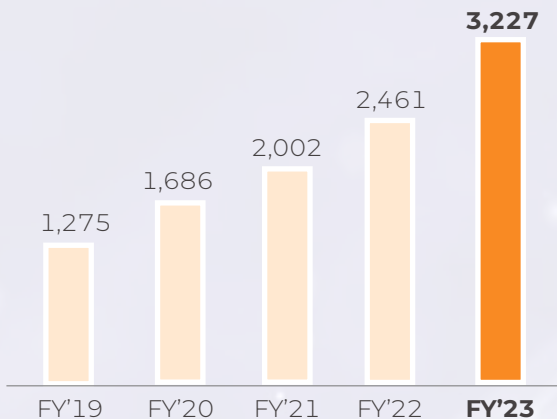
Total Income (₹ in Million)



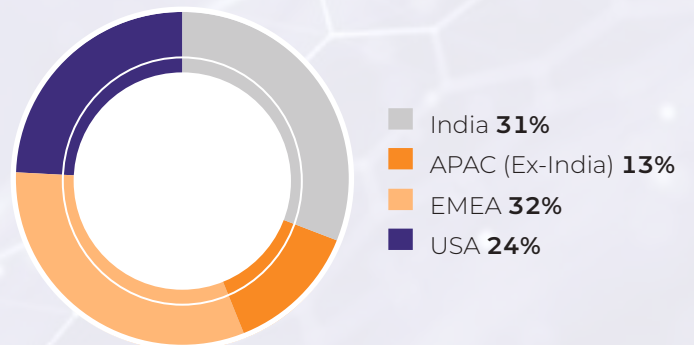
FY'23 Revenue Streams by Segment (%)



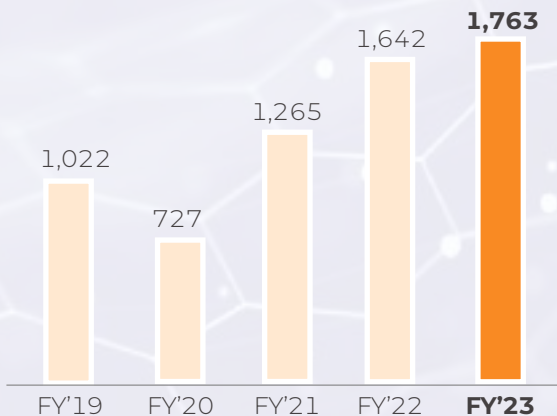
Subscription Revenues (₹ in Million)



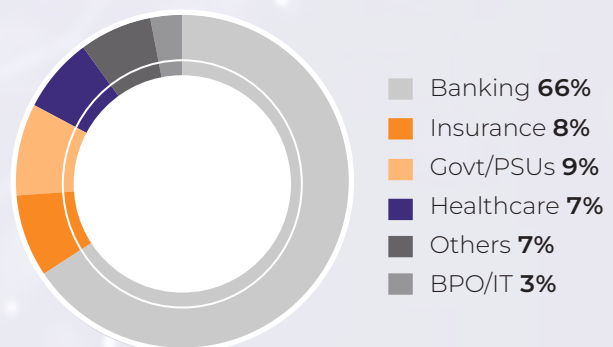
FY'23 Revenue Concentration by Geography (%)



PAT (₹ in Million)



FY'23 Revenue Split by Vertical (%)



Key Recognitions

FORRESTER

'Leader' in Forrester Wave™ **Content Platforms, Q1 2023**¹

'Strong Performer' in Forrester Wave™: **Robotic Process Automation, Q1 2023**²

'Strong Performer' in Forrester Wave™: **Digital Process Automation Software, Q4 2021**³

A notable vendor in Forrester The Low-Code Development Platforms For Professional Developers Landscape, Q1 2023⁴

G2 Grid

Leader in Enterprise G2 Grid®: ECM Software for Enterprise Businesses

Leader in Enterprise G2 Grid®: BPM Software for Enterprise Businesses

dun & bradstreet

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



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

Gartner

'Niche Player' in Gartner® **Magic Quadrant™ for Enterprise Low-Code Application Platforms, 2023**⁵

Recognized in **Gartner's Market Guide for Content Services Platforms**⁶

Recognized in **Gartner's Market Guide for U.S. Healthcare Payers' Provider Network Management Applications 2023**⁷

Key Awards



Winner of Best CSR Practices-Digital Education in Responsible Business Awards organized by Dr. R L Bhatia, Founder of World CSR Day and World Sustainability



Winner of CMO Asia Awards 2022 – Asia's Best CSR Practices – Digital Education category



Winner of CSR Universe Social Impact Awards 2022 – Education category

1. Authored by Cheryl McKinnon et al.
2. Authored by John Bratincevic, Jessica D'Oliveira et al.
3. Authored by Rob Koplowitz et al.
4. Authored by John Bratincevic, Jessica D'Oliveira et al.
5. Published on 31 December, 2022, Paul Vincent et al.
6. Published on 9 January 2023, Marko Sillanpaa
7. Published on 13th January, 2023, Connie Salgy

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Chairman's Message



We have always been at the forefront of innovation and transformation at Newgen and continue to invest 10% of our revenues on various R&D initiatives. We have embraced emerging technologies, trends, and customer needs to drive our growth.

Dear valued Shareholders,

It is with great pleasure that I present to you our Annual Report for the year 2022-23. This year has been remarkable for us as we reached the milestone of ₹ 1,000 crores in total revenues witnessing a growth of 25% year-on-year.

We have made significant progress as an organization and delivered strong performance across key business metrics during the financial year. Our growth has been broad-based across geographies and segments. While accomplishing the growth in revenues, we continued with our smooth transition from license to subscription revenues. The subscription revenues

now comprise 33% of our total revenues, providing more visibility and predictability to the business.

Growing Large Customer Base

We have built strong and lasting relationships across verticals with our customers by consistently providing quality solutions and services. Our solutions today are driving deeper penetration into our customer base. We have been seeing a trend of increasing average ticket sizes per customer. Of the 520+ active customers today, 51 customers had billing in excess of ₹ 5 crores for the year compared to 38 last year. At the same time, we continue to maintain low levels of client concentration.

Innovation – The Foundation of our Growth

We have always been at the forefront of innovation and transformation at Newgen and continue to invest 10% of our revenues on various R&D initiatives. We have embraced emerging technologies, trends, and customer needs to drive our growth.

The new generation of our product suite, NewgenONE has contemporary user interfaces and more integrated development environment. Using low code principles, it produces better applications, attractive portals, efficient Desktop interfaces. This facilitates end-to-end integrated processes at Enterprise scale.

The low code platform now has integrated AI/ML platform, using which, our users can now create suggestive and prescriptive intelligence into their processes.

In our chosen vertical of Lending and Trade Processing, we are incorporating these technologies. We are enriching our lending solutions with AI/ML based auto-decisioning and no-touch, low-touch strategies. Our recently launched trade finance solution is taking us deeper into the banking and financial services verticals and here, we are again using our AI-based strategy for extracting data from paper images and PDF documents.

Our products have been well recognized by various reputed industry analysts like Gartner and Forrester in our categories of Content Platforms, Low Code Application Platforms as well as Robotic Process Automation. We were happy to be recognized as a Leader for the first time in the Forrester Wave – Content Platforms report.

NewgenONE platform is ideally suited to achieve enterprise goals of revenue enhancement, increased productivity, optimization of cost and business operations & team collaborations.

Investing for Growth in Sales and Marketing initiatives

We are continuously making disciplined investments towards our global expansion, go-to-market and platform enhancement to address the market opportunity. On the sales and marketing front, we are working on building our direct sales channel along with a focused alliance with our partners especially the system integrators to expand our market footprints. We are driving joint sales and marketing activities and

campaigns as well as joint solution development with our partners. We are also providing them with continuous support through our comprehensive set of training courses, certification programs, partner portal and product lab empowering our partners with the skills and knowledge related to our products and platform and enabling them to create solutions on their own and become certified Newgen specialists.

Focus on Employee Welfare and Productivity

2022-23 marked prioritization of initiatives aimed at enhancing employee engagement, talent management, and capability building. We are utilizing AI technologies internally to enhance employee productivity.

Our focus has been on fostering a culture of inclusion, promoting diversity, investing in learning and development, and empowering our employees. This is essential for driving our long-term goals.

Strengthening Balance Sheet

With another profitable year, we have strengthened our Networth. We have no term debt on the balance sheet. We have a healthy cash and bank balance enhancing our financial stability. Our net cash generated from operating activities during the year was at ₹ 136 crores.

Building a Sustainable Organization

As we scale up, we embark on another long-term goal to build a responsible and sustainable organization. We are aligning our sustainability agenda with our business and technological transitions, and organizational growth, to create long-term sustained value towards business, community and the planet.

Newgen has been actively carrying out various CSR initiatives with the mission to contribute to the social and economic development of the communities in which we operate. We aim to actively contribute to the holistic development of underprivileged children, specifically. Our various CSR programs include imparting digital education, life skills and personality development programs, remedial education programs and mid-day meal programs.

Priorities for 2022-23

Newgen continues to empower enterprises towards a more holistic or enterprise-wide automation which is built for change. This is essential towards building sustainable organizations of the future. We believe generative AI would open up further opportunities for us in areas including content services, search optimization, content creation, etc. It is also expected to provide operational benefits and employee productivity enhancement by augmenting capabilities for engineers. We are focusing on expanding in the mature markets of US, Europe and Australia along with getting deeper into the emerging markets. We continue to enhance our partner network. We believe, we are well equipped to take this journey with our cutting-edge products, focus on innovation, skilled team and deeper customer relationships across the globe.

I extend my heartfelt appreciation to all our stakeholders, customers, partners, investors and employees, for your continued collaboration and trust in us. We are ready to shape the future enterprises and beyond.

Diwakar Nigam

Chairman and Managing Director

CEO's Message



At Newgen, customer-centricity and excellence lie at the heart of our business. Our unwavering focus on building long-term relationships and creating a strong foundation has yielded remarkable results



Dear Shareholders,

I am delighted to present to you another year of exceptional performance and growth at Newgen. We have made significant progress in our journey towards building a sustainable and resilient organization, and I am proud to share the highlights with you.

In FY'23, we achieved strong and profitable growth across

geographies, showcasing a remarkable 25% increase in Total Income compared to the previous year, reaching ₹ 1,000 crores. This growth was primarily driven by our traditional markets, with India leading at 41%, followed by EMEA at 28%, APAC at 17%, and the US at 10%.

While delivering robust revenue growth, we successfully continued our transition from license to subscription-based revenues. Our

subscription revenues have now reached ₹ 323 crores, accounting for 33% of our total revenues. I'm pleased to share that we maintained healthy margins at both operating and net levels throughout the year.

At Newgen, customer-centricity and excellence lie at the heart of our business. Our unwavering focus on building long-term relationships and creating a strong foundation has yielded remarkable



Our Newgen products have earned leadership positions in global reports, and we remain committed to investing in research, learning, and development to keep pace with the rapidly evolving world. Embracing new technologies, change, and AI is crucial to enhancing all aspects of our operations.

results. By providing innovative and world-class solutions, services, and value to our customers, we have established a loyal customer base of 520+ active customers. We are dedicated to shaping the enterprises of tomorrow, fostering agility, adaptability, profitability, and sustainability. Moreover, we are continuously strengthening our partnerships and ensuring seamless support to deliver value to enterprises.

Our Newgen products have earned leadership positions in global reports, and we remain committed to investing in research, learning, and development to keep pace with the rapidly evolving world. Embracing new technologies, change, and AI is crucial to enhancing all aspects of our operations. The latest version of our NewgenONE platform revolutionizes the approach to digital transformation. Its modular design, advanced AI

capabilities, RPA functionalities, and cloud-first approach enable organizations to deliver superior customer experiences, achieve operational excellence, and drive business innovation. Our new solution accelerators in banking and financial services have garnered positive results and opened up exciting new opportunities for us.

Our greatest strength lies in our dedicated and hardworking employees, who tirelessly strive to achieve our long-term organizational goals. I express my deepest appreciation to our employees for their unwavering commitment, dedication, and passion. It is through their relentless pursuit of excellence that Newgen continues to soar to new heights. Together, we will continue to foster a culture that nurtures innovation, collaboration, and personal growth, empowering each individual to contribute their very best.

I extend my heartfelt gratitude to all our stakeholders. Your unwavering trust in us and our products serves as a constant source of motivation to achieve even more. Our partners have been instrumental in our growth, and we remain committed to working closely with them to drive mutual success. As we strive to build a sustainable organization and make a positive impact on society, we are dedicated to fostering an inclusive, respectful, and empowering environment for all.

Thank you for your continued support and belief in Newgen. We are excited about the journey ahead and look forward to another successful year of growth and accomplishments together.

Virender Jeet

Chief Executive Officer

Investing in the Future through Organic and Inorganic Product Investments



As an organization, we are constantly investing in learning and development to meet the fast-changing requirements of the world.

This year the focus has been on improving the following:

User Interface

Modern React-based UI for improved accessibility and user experience

Security

Two-factor authentication across products. Introduced vaults to securely manage user and system credentials during various stages of application deployment

Microservices

Introduced microservices architecture in the IBPS portal and OmniDocs, allowing flexibility in configuring, deploying, and scaling services

Integration

Partnered with leading enterprise application providers to develop an integration portfolio serving both horizontal and vertical use cases



570+

R&D Employees

44

Patents Filings
(with 23 Patents Granted)

10%

of Revenues invested
in R&D in FY'23

We continue to enhance our NewgenONE platform. We have backed it with a cloud-native, multi-persona AI/ML data science platform, enhanced document classification and extraction with AI/ML-based capabilities, integrated process and RPA capabilities, and strengthened our DevOps for easy application deployment/update.

We also launched the Low Code Trade Finance offering. It is a comprehensive, configurable, and future-ready platform that helps banks go paperless and streamline their end-to-end trade processes while ensuring compliance with domestic and international regulations.

As of March 31, 2023, the Company has 44 patent filings to its credit, of which 23 have been granted in India and the US, and 3 applications are under processing.

Expanding Business Presence

Newgen adopts a vertical-based go-to-market strategy through multiple channels - direct sales channel and the partner network (including System Integrators) for its sales across the globe. The Company has a strong presence in the traditional markets of India, the Middle East, Africa and other Asian countries, and continues to expand. There is a concerted focus on expanding its presence in the mature markets of the US, Europe and Australia.



The Company has a sales and marketing team of 330+ employees across geographies which are supported by a large partner network of global Systems Integrators, consulting and advisory partners, value-added resellers and technology partners. Newgen makes disciplined investments towards improving the go-to-market strategy including various in-person and digital initiatives and events, analyst and consultant engagements and customer interactions to further enhance the brand presence and visibility,

generate leads and accelerate the sales pipeline. During the year, we participated in multiple industry events and conducted customer meets across Mumbai, Dubai and New Delhi. We received an overwhelming response and engaged with our customers and stakeholders in person through the various events.

Newgen continues to strengthen the partner ecosystem globally, especially, towards building deeper relationships with System Integrators for making in-roads in the 'Fortune 2000' customers

in mature markets. The Company provides continuous support to the partners on Sales, Marketing, Pre-Sales and Technical support including trainings, certification programs and partner portal. In FY'23, Newgen entered into a strategic alliance with Coforge to accelerate digital for organizations in the US, Europe, and the rest of the world and Anabatic Digital, a leading IT solutions provider in Indonesia, for delivering high-value solutions to financial institutions across Indonesia and Asia-Pacific region.

Shaping the way we work



Close-Knit for Better Collaboration and Collective Growth

As one of the leading software technology companies, Newgen is committed to creating an inclusive and engaging workplace culture that fosters innovation, collaboration, and growth. We believe that the success of our organization is driven by our employees and their unique perspectives, talents, and experiences. This is why we prioritize initiatives aimed at enhancing employee engagement, talent management, and capability building while adhering to our core values of ethics and compliance.

Better Working Together

One of the greatest business challenges of our time has been navigating the COVID-19 pandemic and its aftermath. Reimagining office and work-life post COVID-19, the world looks very different now. Globally, business prospects are brighter. Newgen is attempting to support its employees and keep up with the rapidly-changing demands in a shifting landscape.

Our plans for returning to work have been implemented with careful consideration. We have chosen a hybrid work model considering the changing needs of the workforce and the need to provide a safe working environment. Despite the introduction of flexible work arrangements, the foundation of our work culture continues to be collective development, collaboration within teams and departments, and communication between the Company, its customers, and society.



Steering Change through Employee Engagement

At Newgen, we understand that employee engagement is critical to our success. We believe that by fostering a sense of community and collaboration, we can drive positive change within our organization and create an environment where every employee feels valued and supported.

We are delighted to report that our past efforts on employee engagement have yielded significant results, as confirmed by the Global Employee Engagement Survey. The survey results revealed a jump in employee engagement, reflecting the

success of our engagement levers. Our focus on fostering a culture of inclusion, promoting diversity, investing in learning and development, and empowering our employees has resulted in a workplace where every employee feels valued, supported, and motivated to contribute to our organization's success. We are proud of this achievement and remain committed to building on this success to drive innovation, collaboration, and growth within our organization.

Imbibing Values and Culture of Inclusion

Newgen is embarking on an exciting journey towards greater diversity and inclusion

in the workplace. We believe that a diverse and inclusive workforce is essential to driving innovation, enhancing employee engagement, and creating a workplace culture that reflects our values. We have already taken several steps towards this goal, including promoting equal employment opportunities, providing training on unconscious bias, and encouraging managers to lead by example through their actions and behavior.

We are proud of the examples set by our managers and employees in upholding our values in action, such as mentoring and sponsoring employees from diverse backgrounds, celebrating cultural festivals, and promoting a safe and welcoming workplace for all. We remain committed to building on these efforts and creating a workplace where every employee feels valued and supported, regardless of their background or identity.

Our commitment to diversity and inclusion is reflected in our policies, practices, and culture. We believe that by promoting diversity and inclusivity, we can leverage the unique strengths and perspectives of our employees to drive innovation and growth.

Newgen is committed to crafting policies that promote diversity and inclusion. Our vision on D&I (Diversity and Inclusion) is aimed at creating an environment where every employee feels valued and supported, regardless of gender, race, religion, or sexual orientation. We believe that by promoting diversity and inclusivity, we can drive innovation, enhance employee engagement, and foster a culture of excellence.

As part of this commitment, we focus on empowering women in leadership positions and crafting more inclusive policies that promote equal employment opportunities for all, including PwDs (People with Disabilities) and transgender persons.

Empowering People with Skills and Knowledge for Career Progression

At Newgen, we believe that empowering our employees is critical to driving organizational success. We offer a range of career development opportunities, including mentorship programs, leadership development programs, and job rotation opportunities aimed at supporting employee growth and progression. We believe that by empowering our employees, we can foster a culture of excellence and drive innovation and growth.

We believe that by investing in the growth and development of our employees, we can enhance their skills, knowledge, and capabilities, while also driving the retention

of our top talent. To this end, we have implemented a robust talent management framework that provides our employees with clear career paths, regular performance feedback, and targeted learning and development opportunities. We also encourage internal mobility, allowing our employees to explore diverse roles and functions within the organization. By empowering our employees with the tools and resources they need to succeed, we are confident that we can continue to attract, retain, and develop the best talent in the industry.

Flagship projects were introduced by the L&D (Leadership and Development) Team with much-appreciated results. From investing in leadership development to focusing on strengthening Newgen's culture, the year marked the introduction of several new initiatives:

Some of the key programs introduced this year include:

- Initial Learning Track for Software Engineers and Application Engineers



Shaping the way we work



- New Course Design for Associate Business Analysts
- Sales and Marketing Enablement Program [SMEP] launched on a global scale
- Introduction of Learning Carnival for Implementation Teams
- Signing-in programs for new Project Leaders and Project Managers
- Established Learning Councils across Products and Implementation Teams
- Other programs include Building Capability of Campus Cadres at various Learner Levels, Customer Centricity Workshop, Low Code Philosophy Workshop, Being Newgen – Our Signature Program and many more

Enhancing Talent Management through Learning and Development

At Newgen, we believe that our success is driven by our employees' skills, knowledge and expertise. This is why we prioritize talent management and learning, and development initiatives aimed at enhancing employee skills, promoting innovation, and supporting career growth. We offer a range of training and development programs that focus on building technical, leadership, and communication skills to ensure that our employees are equipped with the knowledge and tools they need to succeed.

We recognize the importance of capability management in driving organizational performance and growth. Our capability



management initiatives are aimed at identifying skill gaps, promoting skill development, and leveraging employee strengths to enhance our organizational capabilities. We believe that by investing in capability management, we can improve our ability to innovate, adapt to changing market conditions, and drive growth.

Enabling Individuals with Effective Correspondence and Organizational Commitment

Newgen's capacity to engage clients in their computerized change venture is driven by the aggregate greatness of our kin. We have implemented the following initiatives with a special focus on leadership development and improving our employee experience:

- Regular communication by CXOs to align all Newgenites with a common vision and purpose
- Open house gatherings are coordinated to convey past success and the way ahead through collaborative efforts to achieve the organizational vision
- Vital HR projects have been implemented to guarantee that Newgen continues to have a flourishing working environment – such as Global D&I Sentiment Surveys, Employee Engagement Surveys, gathering feedback on L&D-related aspirations and much more
- Online Award and Acknowledgment (R&R) program to feature remarkable commitments and drive commitment, combined with other motivators
- Other communications like #EmployeeAppreciationMonth, #NewgenitesSpeak #PrideMonth #EES #DidYouKnow

- Hackathons and cross-functional teams drive authoritative worth by fostering innovation as one of our core values
- Special recruitment drives organized with a preference for women candidates to fill mid and senior leadership positions
- ESOPs issued for incentivizing and retaining top talent, aligning employee and company interests, and driving long-term value creation for all stakeholders

Committed to Ethics and Compliance

At Newgen, we are committed to upholding the highest standards of ethics and compliance. We believe that operating with integrity and transparency is critical to building trust with our employees, customers, and stakeholders.

Newgen is committed to upholding the highest standards of ethics and compliance in all aspects of our operations. We recognize the importance of aligning with the laws of the land which flow out through the values of the organization to ensure that we provide a fair, safe, and inclusive workplace for all employees.

While many of the policies have been implemented in letter and spirit, Newgen is on its journey to promote diversity, prevent discrimination and harassment, and protect the rights of our employees, including those with disabilities or belonging to marginalized communities. By upholding these values, we are proud to contribute to building a more ethical, diverse, and inclusive society.

We have robust compliance policies and procedures in place that promote ethical behavior

ensure regulatory compliance, and protect our company's reputation. We believe that by operating with integrity, we can create a culture of trust and accountability that supports our organizational goals.

Thus, we see that the last year has set the stage for Newgen to be fostering a more inclusive and engaging work culture that promotes innovation, collaboration, and growth. We believe that our employees are our most valuable asset, and we prioritize initiatives aimed at enhancing the employee experience, talent management, and capability development. We are committed to upholding the highest standards of ethics and compliance and creating a workplace where every employee feels valued and supported.



CSR - Making an Impact

Newgen initiated its CSR activities in 2016 with the mission to actively contribute to the social and economic development of the communities in which we operate. The core philosophy is to empower the less privileged sections of society through a holistic approach to help them realize their full potential and ensure a good quality of life.

In 2022-23, Newgen continued its flagship CSR initiative, Newgen Digital Discovery Paathshala (Digital education) along with driving partner-supported programs with KHUSHII (Education), The Akshaya Patra Foundation (Mid-day Meal), KK Academy (Education) and I Am Foundation (Personality Development).

Newgen Digital Discovery Paathshala (NDDP)

Newgen Digital Discovery Paathshala (NDDP) is designed to impart knowledge to girls studying in government schools, using web-based technology and transform traditional classroom teachings into fun learning sessions. Classroom education is made very simple and interesting by engaging students through role-plays, quizzes, movies, presentations, audio-visuais, iPads, and other digital mediums. They are encouraged to do research and create content using iPads/ tablets. The initiative focuses on promoting quality digital learning among government school students.

In FY 2022-23, the implementation strategy incorporated a hybrid model for conducting digital learning sessions at the adopted secondary government schools for girls, in Harkesh Nagar and Tekhand, in Delhi, where we are reaching out to 3,000 girl students from class 6th to 8th. At the end of the fiscal year, over 1,200 students received digital devices and recharged SIM cards to assist them with online classes.



NDDP Alumni

Once the students graduate from NDDP, they become a part of our NDDP alumni – classes 9th to 12th – where we focus on their personality development and career counseling. The current batch of NDDP alumni has over 500 girl students.

Self-Motivation and Self-Development Program (SMSDP)

Under Personality Development (PD), Self-Motivation and Self-Development Program (SMSDP) has been created. The sessions cover various topics like time management, critical thinking, problem-solving, health and hygiene, emotion management and ethical behavior.

Career Counseling

Counseling helps students from classes 9th to 12th in selecting the right stream and identifying their career goals. For FY 2022-23, extensive career counseling was conducted for students appearing in class 12th. Handholding them to get into regular and vocational colleges remains a key feature of the program.

NDDP Maargdarshaks

This program has been created in collaboration with the meritorious 12th grade students, who could be the torchbearers and guide juniors on various aspects of higher education and career planning.

NDDP's Stakeholders

Over time, the NDDP program has realized the significance of involving the primary stakeholders i.e., the teachers and parents to strengthen the program and make it sustainable.

1. Interaction with Mothers (Chai pe Charcha) – Before the online session, in December 2022, an exhibition of handmade items by 108 NDDP mothers was held in Newgen's Noida office for the employees. The winners were announced later during the enjoyable online mothers' session.
2. Interaction with Teachers (SamarthShikshaks) – During the year, 20+ teachers were interviewed to gauge the impact of NDDP sessions, and their feedback and suggestions were incorporated into NDDP plan.

New Initiatives

NDDP Emerge

NDDP Emerge is a platform for NDDP students who have excelled during the academic year. The identified group of students are guided by professionals as mentors on various education streams, career opportunities and soft skills on a regular basis.

NDDP Samarth Saarthis (Mothers' Group)

The mothers of NDDP students are being interviewed to determine their interests and abilities. This will be followed up by activities focused on promoting digital education among mothers and to help them develop their skills.



Students' Testimonials



The way the facilitator addresses the chapter, it seems like a story. When my schoolteacher took the test, I answered all the questions correctly. Now this chapter will remain in my mind for the rest of my life.

Priya (name changed),
Class 7th, Tekhand School



I look forward to informative AVs shown in the NDDP classroom and I always share the takeaways of the sessions with my mother over lunch.

Asma (name changed),
Class 6th, Harkesh Nagar School



NDDP sessions are the only place where our hidden talents are brought out. I never knew that I would be a good newsreader or be successful in a debate. Now I have aced my public speaking skills.

Khushi (name changed),
Class 8th, Tekhand School



I have been a part of NDDP from class 6th and it helped me in my academic performance. Using the NDDP device, I studied all my subjects and scored 77% in 12th exams, Science stream.

Shreya (name changed),
NDDP Alumni, pursuing Bachelor in Physiotherapy-1st year, DPSRU

CSR - Making an Impact



Mothers' Testimonials

“

The tablet provided by NDDP device came as a blessing during the distressed times. My kids are now able to study, fill university application forms using the tablet. With my daughter I have always attended PD sessions based on nutrition and menstruation that has given me a different outlook on such tabooed and less discussed topics.

Paramshila, NDDP mother”

“

I never saw Krishna (name changed) too much into studies and sports before the inclusion of NDDP smartphone in her studies. She scored well in various subjects, won sports competitions on zonal and district level. The changes have been visible throughout her academic journey as well since she started attending NDDP sessions. I never miss a single session with her, few sessions have been enlightening for me as well. Learning got no age and bar, it should never be stopped.

Lata, NDDP mother”

“

The intervention of NDDP made it easier for my children to study and dream of a career after my husband's demise. If NDDP comes forward to work with women like us I would like to participate and encourage others to learn digital education.

Monika, NDDP mother”

Teachers' Testimonials

“

Earlier, students called SST as 'SARA SAAL TENSION'. Surprisingly, now the students found SST subject very interesting and call it 'SARA SAAL STORIES' as in NDDP sessions SST subjects are narrated in the form of stories and it fascinates them.

Harkesh Nagar School Teacher”

“

With the NDDP facilitators covering the SST and Science topics with a different inclusive approach, I can notice remarkable changes in the students as they have become more participative in the class.

Harkesh Nagar School Teacher”

“

It's great to see that NDDP focuses on the low performers equally. I have seen many students now being able to answer in class on specific history topics taught in NDDP sessions like Delhi Sultans, Mughal Empire.

Tekhand School Teacher”

“

NDDP has helped us teachers a lot. The way you make students understand chapters through AVs is very different. These types of sessions are much needed in government schools.

Harkesh Nagar School Teacher”



Remedial Education Program with KHUSHII

Newgen is working with NGO KHUSHII (Kinship for Humanitarian, Social and Holistic Intervention in India) to offer remedial classes. The project reaches 5,433 students in Harkesh Nagar and Tekhand in Delhi, Nandambakkam in Chennai and Ramgarh in Uttarakhand.



Holistic Education Program with KK Academy

Newgen's partnership with KK Academy in Lucknow reaches out to 220 students from diverse backgrounds and enables them to learn and grow together, thereby, building an environment of inclusivity.



Mid-Day Meal Program with The Akshaya Patra Foundation

Newgen supported The Akshaya Patra Foundation to provide 10 lakh+ mid-day meals to 4,334 school students and work towards their overall development. With this initiative, Newgen ensures that healthy and nutritious meals are served to children to support their growth in their formative years. The project locations include Baran and Nathdwara in Rajasthan, Bhillai in Chhattisgarh, Mangalgiri in Andhra Pradesh, and Gorakhpur in Uttar Pradesh.



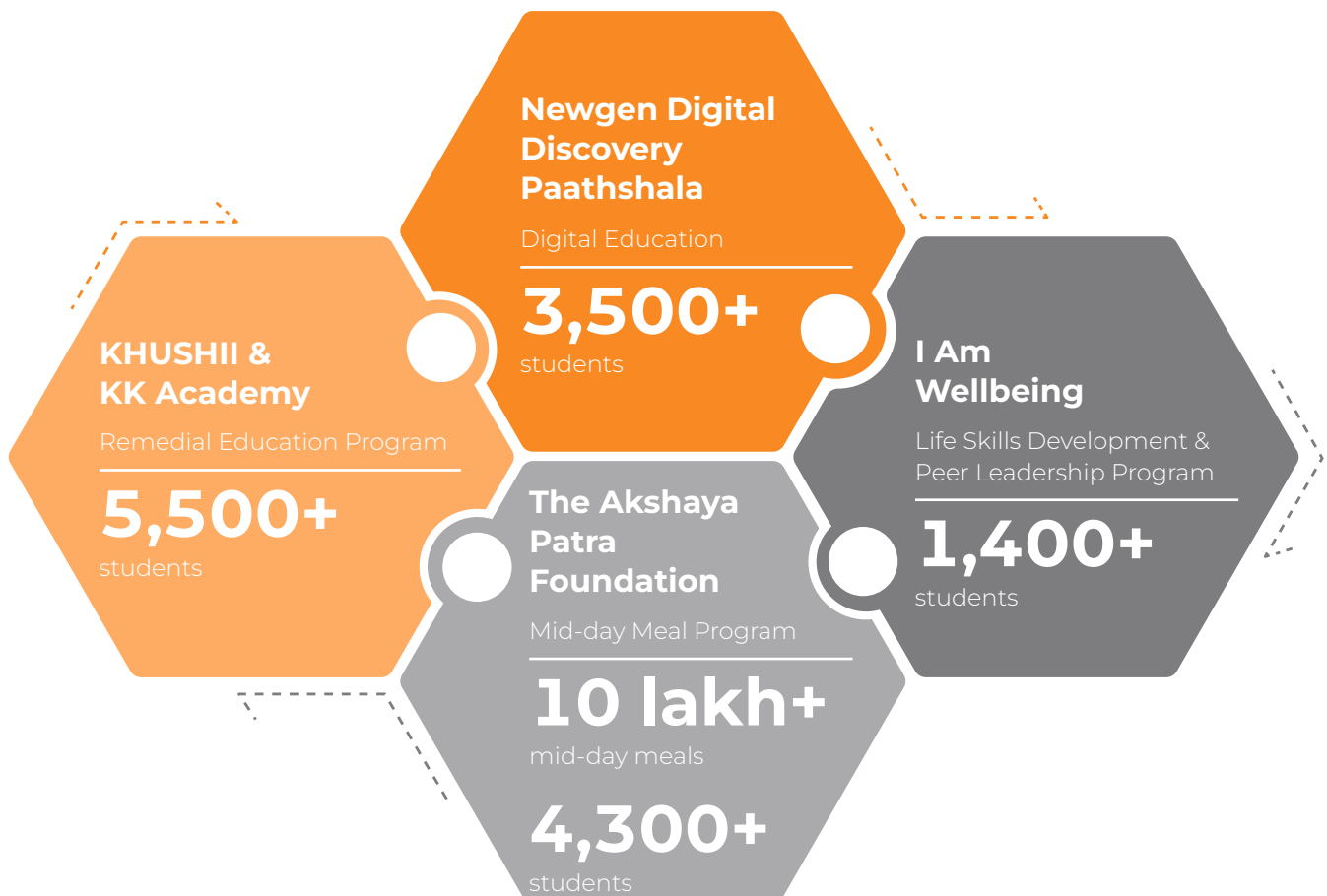
Life Skills Development and Peer Leadership with I Am Wellbeing

Newgen Software Technologies collaborated with I Am Wellbeing to provide expertise in life skills and personality development and build resilience amongst young children from underprivileged communities. The program covers over 1,400 NDDP and NDDP alumni through monthly sessions.

CSR - Making an Impact



Connecting the Dots with Implementation Partners' Program



Engagement with Newgen Volunteers

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

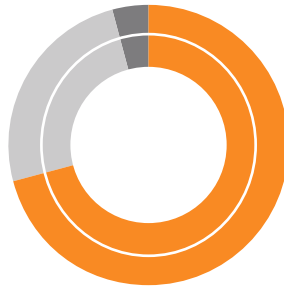
CSR Week 2022

April 2022 witnessed the engagement of Newgen volunteers with the program beneficiaries during a week-long event. Major highlights included debate session, quiz competition, declamation competition, virtual tour of Akshaya Patra's kitchen and an in-person painting competition with KHUSHII's junior classes. The volunteers were felicitated with participation certificates and a token of appreciation.

Accolades Won by Newgen CSR: 2022-23

Newgen CSR for its innovative initiatives in the sector of education has been recognized on national and international level with 'Responsible Business Awards for Best CSR Practices in Digital Education', 'CMO Asia's Best CSR Practices-Digital Education' and 'CSR Universe Social Impact Awards 2022-Education'.

CSR Budget Allocation 2022-23



- Education (Remedial & Digital Education) – NDDP, KHUSHII, KK Academy **74%**
- Nutrition (Mid-Day Meals) – The Akshaya Patra Foundation **22%**
- Personality Development – I Am **4%**

₹ **29** million

CSR Annual Budget (2022-23)

Miscellaneous Activities Facilitated by CSR

- Donated 80 refurbished desktop sets to Project Computer Shiksha to support building computer labs in resource poor schools
- Provided 8 tablets to support digital education of girls of Sakhi Foundation, Mumbai
- Held Goonj's annual collection drive

Expanding Initiatives Across the Globe

- Newgen collaborated with Hillsborough Education Foundation and Tampa Metropolitan Area YMCA to collect school supplies for Title-1 schools in the Tampa area

Board of Directors



Diwakar Nigam – Chairman and Managing Director

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

Diwakar has served on Newgen's Board of Directors since 1993 and has more than 36 years of experience in the information technology industry.

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



T S Varadarajan – Whole-time Director

T.S. Varadarajan co-founded Newgen in 1992 and has been on the Company's Board of Directors since incorporation. Prior to Newgen, he promoted Softek Private Limited and was associated with it for about 12 years. He has more than 36 years of experience in the field of software design and development. He did his Bachelor's in science from Bangalore University and engineering (electrical technology) from the Indian Institute of Science, Bengaluru. He holds a Master's degree in technology (computer science) from IIT, Madras.



Priyadarshini Nigam – Whole-time Director

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



Kaushik Dutta – Independent Director

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

**Saurabh Srivastava – Independent Director**

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

**Padmaja Krishnan – Independent Director**

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

**Subramaniam Ramnath Iyer – Independent Director**

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

Management Team



Virender Jeet – Chief Executive Officer

Virender Jeet has been with Newgen for over 26 years and manages the overall strategic and operational functions for the company's entire portfolio of offerings. He oversees product development, global sales and marketing, besides business enablement. He has spearheaded the filing of various patents in India and the U.S. He holds a Bachelor's degree in Engineering from Savitribai Phule, Pune University.



Tarun Nandwani – Chief Operating Officer

Tarun Nandwani has been with Newgen for over 26 years and manages the company's existing customer and commercial business areas. He is responsible for customer relationship management, commercial activities, contract management, new business solutions, and application development, besides driving business from existing customers. He holds a Bachelor's degree in engineering from Delhi University.



S J Raj – EVP - Global Business Strategy and HR

Dr. SJ Raj has been with Newgen for over 25 years and manages the company's human resources (HR) strategy, global operations, and programs aligned with HR strategy. Before joining Newgen, he worked with Eicher Goodearth, SRF Nippondenso, PCS Data Products, and Semiconductor Complex Limited. He holds a M.A., with specialization in social work, from Jamia Millia Islamia University and a Ph.D. from Chandigarh University.



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

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



Arun Kumar Gupta – Chief Financial Officer

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



Rajvinder Singh Kohli – Senior Vice President, Sales

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

Management Team



Sunil Pandita
VP Sales (India)



Vivek Bhatnagar
VP Sales (EMEA)



R. Krishna Kumar
VP Sales (Australia)



Prashant Sahai
VP Sales (Middle East)



Pramod Kumar
VP Sales (APAC)



Sandeep Hinduja
VP, Sales (US)



Ashok Kapoor
VP – Marketing



Atin Kumar
Head – Global Delivery



Vivek Mani Tripathi
VP-HRD & Operations



Anurag Kumar Shah
VP – Product & Solutions
(Americas)



Nitin Gupta
VP – Customer Success
(Americas)



Arpan Bansal
VP – Marketing
(Govt. & GSI Initiatives)



Nikhil Sawhney
VP – Customer Relations
(EMEA, APAC)



Manojit Majumdar
VP – Channel Sales



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



Shikha Bhatt
VP – Delivery (India)



Mukesh Bhatnagar
VP – International
Operations



Sanjay Pandey
VP – Engineering



Varun Goswami
VP – Product
Management

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

Independent Director

Mr. Saurabh Srivastava

Independent Director

Mr. Subramaniam Ramnath Iyer

Independent Director

Ms. Padmaja Krishnan

Independent Director

Key Managerial Personnel

Mr. Virender Jeet

Chief Executive Officer

Dr. S.J. Raj

EVP - Global Business Strategy and HR

Mr. Tarun Nandwani

Chief Operating Officer

Mr. Arun Kumar Gupta

Chief Financial Officer

Mr. Aman Mourya

Company Secretary & Compliance Officer

Bankers

Standard Chartered Bank

Citi Bank

Statutory Auditors

Walker Chandiok & Co LLP,

Chartered Accountants, Gurgaon

(Firm Registration No.: 001076N/N500013)

Secretarial Auditors

M/s Aijaz & Associates

Practicing Company Secretaries, Delhi

Membership No. F6563

C.P. No. 7040

Internal Auditors

PricewaterhouseCoopers Services LLP

Noida

Registered Office

E-44/13, Okhla Phase 2,

New Delhi - 110020

Corporate Office

A-6, Satsang Vihar Marg,

Qutab Institutional Area,

New Delhi - 110067

Board's Report

Dear Members,

The Board of Directors are pleased to present 31st Annual Report on Business and Operations of your Company Newgen Software Technologies Limited ("the Company" or "Newgen") along with the Audited Standalone and Consolidated Financial Statements for the financial year ended 31st March 2023.

1. Company's Affairs and Financial Performance:

Newgen Software Technologies is the provider of an enterprise-wide unified digital transformation platform for automating the end-to-end process and comprehensively managing content and communications. This is backed by AI-based cognitive capabilities, strong governance and a robust integration ecosystem. The company's core platforms include Contextual Content Services (ECM), Low Code Process Automation

(BPM), Omnichannel Customer Engagement (CCM) and Artificial Intelligence Cloud. Globally, many enterprises successfully employ Newgen's industry-recognized low code application platform to develop and deploy complex, content-driven, and customer-engaging business applications on the cloud. 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.

Key highlights of the Financial Results of the Company prepared as per the Indian Accounting Standards (Ind-AS) for the financial year ended 31st March 2023 are as under. Wherever applicable, the Consolidated Financial Statements are also being presented in addition to the Standalone Financial Statements of the Company.

(₹ in Lakh)

Particulars	Standalone		Consolidated	
	Financial Year 2022-23	Financial Year 2021-22	Financial Year 2022-23	Financial Year 2021-22
Revenue from Operations	88,780.06	71,078.57	97,397.88	77,896.15
Other Income	3,314.48	2,993.38	3,398.57	2,991.20
Total Income	92,094.54	74,071.95	100,796.45	80,887.35
Operating Expenditure	69,073.22	52,966.60	76,176.39	58,429.80
Profit/ loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	23,021.32	21,105.35	24,620.06	22,457.55
Less: Depreciation/ Amortisation/ Impairment	1,916.84	1,532.43	2,466.91	1,763.03
Less: Finance Costs	387.31	317.79	425.10	349.16
Profit /loss before Exceptional items and Tax Expenses	20,717.17	19,255.13	21,728.05	20,345.36
Add/(less): Exceptional items	-	-	-	-
Profit /loss before Tax Expense	20,717.17	19,255.13	21,728.05	20,345.36
Less: Provision for Current Tax	3,929.82	3,090.56	4,359.92	3,369.64
Less: Provision for deferred tax (credit)/charge	(202.01)	565.32	(258.40)	554.25
Profit after Tax (A)	16,989.36	15,599.25	17,626.53	16,421.47
Total Comprehensive Income/Loss (B)	(224.66)	(268.34)	520.87	(72.13)
Total (A+B)	16,764.70	15,330.91	18,147.40	16,349.34
Balance of profit /loss for earlier years	56,797.94	43,647.14	60,342.22	46,362.60
Less: Dividend paid on Equity Shares during the year for the previous financial year	3,148.01	2,448.45	3,148.01	2,448.45
Add: Adjustment of deferred tax	-	-	-	-
Profit available for Appropriation	70,639.29	56,797.94	74,820.74	60,342.22
Balance carried to Balance Sheet	70,639.29	56,797.94	74,820.74	60,342.22

- On a consolidated basis, the Company's revenue from operations stood at ₹ 97,397.88 lakh reflecting an increase of 25.04 % in the financial year 2022-23 as against ₹ 77,896.15 lakh in the financial year 2021-22.
- The Company reported EBITDA (adjusted for other income) of ₹ 21,221.49 lakh in the financial year 2022-23, which is 9.02% more than ₹ 19,466.35 lakh in the financial year 2021-22.
- Consolidated Profit after Tax for the year stood at ₹ 17,626.53 lakh compared to ₹ 16,421.47 Lakh reflecting an increase of 7.34 % in the financial year 2022-23.

2. Material Changes, If any, Affecting the Company:

There have been no occurrences of any material changes and commitments, which affect the financial position of the Company between the end of the financial year to which the financial statements relate and the date of this Report. There is no change in the nature of business of the Company during the financial year 2022-23.

3. Industry overview:

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

4. Transfer to General Reserve:

Your directors have decided not to transfer any amount to the general reserve during the financial year 2022-23.

5. Dividend:

Considering the Company's financial performance, and the dividend policy of the Company, your Board of Directors has recommended a payment of dividend at a rate of ₹ 5/-per equity share (i.e., 50 % on the paid-up capital of the Company) for the financial year ended 31st March 2023 (dividend declared in previous year was ₹ 4.5 per equity share i.e. 45 %), this is payable to shareholders whose names appear in the Register of Members as on record date, subject to the approval of the Members at the ensuing 31st Annual General Meeting of the Company ("AGM"). The total outgo for such a dividend will amount to ₹ 3,497.79 Lakh.

The Company has formulated a Dividend Distribution Policy, which includes the circumstances under which the member may/may not expect dividend, the financial parameters, internal and external factors, utilization of retained earnings, parameters with regard to different classes of shares. The provisions of this Policy are in line with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the Policy is available on the website of the Company at <https://newgensoft.com/company/investor-relations/dividend-distribution-policy/>.

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

Pursuant to the provisions of Section 124 of the Companies Act, 2013("Act"), those dividend

amounts which have remained unpaid or unclaimed for a period of seven consecutive years are required to be transferred to the Investor Education and Protection Fund ("IEPF") established pursuant to Section 125 of the Act. As on 31st March 2023, no such unpaid or unclaimed dividend amount is required to be transferred to IEPF. The contact details of the Nodal Officer, Mr. Aman Mourya, Company Secretary of the Company, as required under the provisions of IEPF rules, are available on the website of the Company at <https://newgensoft.com/company/investor-relations/#contact>.

6. Subsidiary companies:

As on 31st March 2023, the Company had eight wholly - owned subsidiaries, as below. There has been no material change in the nature of the business of these subsidiaries in the financial year 2022-23.

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

During the year, the Company incorporated in Dubai its Subsidiary Newgen Software Technologies L.L.C. on 15th June 2022. There are no associate companies or joint venture Companies within the meaning of Section 2(6) of the Act.

Status update on Merger

The Board of Directors at its meeting held on 03rd May 2022 approved the Scheme of Merger of Number Theory Software Private Limited with the Company. Accordingly, the companies filed the petitions before the Hon'ble National Company Law Tribunal (NCLT), New Delhi. The petitions are pending for final hearing as on the date of this Report.

There are no companies that have become or ceased to be the subsidiary, associate or joint venture of the Company during the financial year 2022-23.

The Consolidated Financial Statements of the Company for the financial year ended 31st March 2023 are prepared in compliance with the applicable provisions of the Act, including Indian Accounting Standards specified under Section 133 of the Act. The audited Consolidated Financial Statements together with the Auditors' Report thereon forms part of this Board Report. The statement containing salient features of the financial statement of subsidiaries is enclosed herewith in form AOC-1 as **"Annexure -1"** to this Report.

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

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

7. Capital structure:

During the financial year 2022-23, the authorized share capital of the Company remains unchanged. During the financial year, the Company has not issued any shares or convertible securities. The issued, subscribed and paid-up equity share capital of the Company stand at ₹ 69,95,57,010 divided into 6,99,55,701 equity shares of ₹ 10/- each, as on 31st March 2023.

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

8. Employee Share Based Scheme:

As on 31st March 2023, the Company has in place following Schemes: -

- a) Newgen Employees Stock Option Scheme-2014 ("Newgen ESOP 2014"). Newgen ESOP 2014 is administered by the Nomination & Remuneration Committee of the Board, through Newgen ESOP Trust. The details on Options granted, exercised, vested and lapsed during the financial year 2022-23 and other particulars as required under the Act, read with its rules and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 in respect to this Scheme are enclosed herewith as **"Annexure - 2"** to this Report.
- b) Newgen Software Technologies limited Employees Stock Option Scheme- 2022 ("Newgen ESOP 2022"). Newgen ESOP 2022 is administered by the Nomination & Remuneration Committee of the Board, through Newgen ESOP Trust. The details on Options granted, exercised, vested and lapsed during the financial year 2022-23 and other particulars as required under the Act, read with its rules and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 in respect to this Scheme are enclosed herewith as **"Annexure - 2A"** to this Report.
- c) Newgen Software Technologies Restricted Stock Units Scheme - 2021 ("Newgen RSU 2021"). Newgen RSU-2021 is also operated and administered by the Nomination & Remuneration Committee of the Board, through Newgen RSU Trust. Particulars required under the Act, read with its rules and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 in respect to this scheme are enclosed herewith as **"Annexure - 2B"** to this Report.

9. Credit Rating and Liquidity:

The Company has not issued any debt instruments or accepted any fixed deposits and was therefore, not required to obtain credit ratings in respect of the same. The credit rating from CRISIL Limited during the financial year 2022-23 for bank facilities is CRISIL A1 for the short term.

Our principal sources of liquidity are existing cash and cash equivalents and the cash flow that we generate from our operations. The Company follows a conservative investment policy and invests in high-quality debt instruments and bonds. As on 31st March 2023, on a standalone

basis, cash and cash equivalents were ₹ 4,626.36 Lakh and in addition to that ₹ 13,138.80 Lakh was invested in mutual funds & bonds and ₹ 27,623.81 Lakh in current and non-current fixed deposits with Banks and NBFC.

As of 31st March 2023, on a consolidated basis, cash and cash equivalents were ₹ 10,802.06 Lakh and in addition to that ₹ 13,138.80 Lakh was invested in mutual funds & bonds and 32,044.74 Lakh in current and non-current fixed deposits with Banks and NBFC.

10. Directors and Key Managerial Personnel:

The Company has a professional Board with an optimum combination of executive and non-executive directors who bring to the table the right mix of knowledge, skills and expertise. The Board provides strategic guidance and direction to the Company in achieving its business objectives and protecting the interest of stakeholders.

At the 30th Annual General Meeting of the Company held on 23rd June 2022 the shareholders approved the reappointment of Mr. Saurabh Srivastava (DIN: 00380453) and Mr. Subramaniam Ramnath Iyer (DIN: 00524187) as an Independent Director for a second term of five years w.e.f. 30th August 2022 and 22nd November 2022 respectively.

In accordance with Section 152 of the Act, Ms. Priyadarshini Nigam (DIN:00267100), who has been longest in the office, is liable to retire by rotation at the ensuing 31st Annual General Meeting and being eligible, seeks re-appointment. The Board recommends her appointment for the approval of the members of the Company in the ensuing 31st AGM.

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

Declaration of Independence by Independent Directors.

During the year under review, all Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and have complied with the Code of Conduct for Independent Directors prescribed in Schedule IV of the Act. The Independent Directors have also given declaration(s) of compliance with Rules

6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to their name appearing in the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs. In the opinion of the Board of Directors, all the Independent Directors have relevant integrity, skills, expertise, experience and proficiency.

Board and Committee Meetings.

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

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

All the recommendations by the Audit Committee and other statutory committees were accepted by the Board of Directors.

Salient feature of the Remuneration policy and criteria for selection of candidates for appointment as Directors and Senior Management Personnel.

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

- a) Formulating the criteria for determining qualifications, positive attributes and independence of a 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.

- b) To provide guidance to the Board and the Committee in relation to appointment/removal of Directors, Key Managerial Personnel and Senior Management Personnel.
- c) Formulating the criteria for evaluation of performance of Chairperson, Independent directors, non-Independent Directors and the Board of Directors as a whole.
- d) 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.
- e) To retain, motivate and promote talent and to ensure long term retention of talented managerial persons and create competitive advantage.

Company's Policy on Directors' appointment and remuneration including criteria for determining qualification, positive attributes, independence of a director and other matters provided under section 178(3) of the Act, is available on the website of the Company at <https://newgensoft.com/wp-content/uploads/2018/03/Nomination-and-Remuneration-Policy.pdf>.

Board effectiveness:

a) Familiarization program for Independent Directors:

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

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

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

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

11. Internal Control Systems and their Adequacy:

The Company follows a robust system of internal controls to ensure that all assets are safeguarded and protected against loss from any unauthorized use or disposition and that the transactions are authorized, recorded and reported quickly. Based on the framework of internal financial controls and compliance systems established and maintained by the Company, 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 2022-23.

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

12. Quality Systems & Information Security Initiative:

Newgen has sustained its commitment to the highest levels of quality, robust information security and privacy management practices that have collectively helped in achieving a significant milestone during the financial year 2022-23. Newgen's Quality and Information Security system has been a steady journey starting from 1997. The same is evident from implementing the best of industry standards, namely ISO 9001, ISO 27001, ISO 27017, ISO 27018, SOC 1 Type 2, SOC 2 Type 2 and CMMI Dev with process improvement and resulting Customer/Employee benefits as the core objective. Emphasis has been on System driven, transparent processes, which deliver exceptional Quality first time right with the required level of security.

13. Audit Reports And Auditors:

Secretarial Auditor and their Report.

The Board of Directors of your Company in its meeting held on 18th October 2022 re-appointed M/s Aijaz & Associates, Company Secretaries in Practice, as Secretarial Auditors of the Company to conduct Secretarial Audit for the financial year 2022-23. The Secretarial Audit Report for the financial year ended 31st March 2023, is enclosed herewith as **"Annexure-4"** to this Report. The Secretarial Audit Report for the financial year 2022-23 does not contain any qualification, reservation or adverse remarks.

Statutory Auditors and their Report.

M/s Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration No 001076N/N500013), have been appointed at the 29th AGM to hold office as statutory auditors till the conclusion of the 34th AGM of the Company. There are no qualifications, reservation or adverse remarks or disclaimer in the Auditor's Report for the financial year ended 31st March 2023.

Cost Auditors.

In terms of Section 148 of the Act and the Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable to the Company for the financial year ended 31st March 2023.

14. Reporting Of Frauds By Auditors:

During the financial year 2022-23, the internal Auditors, statutory auditors and the secretarial auditors have not reported to the Audit Committee under sub-section (12) of section 143 of the Act, any instances of fraud committed against the Company by its officers or employees.

15. Deposits:

During the financial year 2022-23, the Company has not accepted any fixed deposit within the meaning of Section 73 of the Act and the rules made thereunder.

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

The particulars of loans, guarantees and investments, if any, as per Section 186 of the Act by the Company, have been disclosed in the financial statements (refer note no. 14 and 43).

17. Particulars of Contracts or Arrangements with Related Parties:

There were no contracts or arrangements, or transactions entered with related parties during the financial year 2022-23, 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 ("KMPs") 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-5**" to this Report.

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

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

18. Details of CSR Policy And Initiatives taken during the Financial Year 2022-23:

Company's CSR Policy is established by the Board of Directors with the recommendation of the CSR Committee. Corporate social responsibility (CSR), for Newgen, goes beyond charity and volunteering. CSR is an integral part of our Company culture, rooted in our values as an organization. Newgen is committed to make efforts for the nation's social, economic, and environmental good. Objective of the CSR Policy is to make CSR a key business process for the sustainable development of whole communities. We aim to actively contribute to the holistic development of underprivileged children. Our efforts are concentrated on raising the human development index in India specifically by enhancing children's quality of education and life. The CSR policy lays down the principles/ process on identification, selection, implementation of CSR activities & programmes keeping in mind the Company's CSR vision. It also provides the framework to monitor & evaluate the CSR activities & programmes in accordance with the provisions of the Act. Further brief outline on the initiatives undertaken by the Company on CSR activities during the financial year 2022-23, is enclosed herewith as "**Annexure-6**". Other details regarding Company's CSR activities and CSR Policy are available on the website of the Company at: <https://newgensoft.com/company/corporate-social-responsibility/>

19. 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 Company is committed to conserve the environment by adopting the “Go Green Initiatives” and being responsible for energy and water management in its area of operations and perform energy efficiency by consuming energy and water in an efficient, economical and environment friendly manner throughout all its premises. The operations of your Company do not consume high levels of energy. 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. Your Company is on a constant look out for newer and efficient energy conservation technologies and introduces them appropriately. Following initiatives have been taken by the Company time to time.

- Adequate measures have been taken to conserve energy by using energy-efficient computers, LED lightings and related equipment's with the latest technologies.
- Installation of PNG Genset capacity of 125 KVA for emergency efficiency.
- Installation of Solar panel for renewable energy.
- Installed a PNG Gas pipeline in the office kitchen/cafeteria.
- Wastewater from the RO plant is being recycled to conserve water.
- Continuous monitoring of floor areas after normal working hours and switching off lights and air-conditioning.
- Installation of chillers graded with VFD in HVAC plant to Substantially reduce energy consumption has commenced.
- Installation of auto controls over running hours of some AC equipments in areas like Hub Rooms, UPS Rooms, Cafeteria, Audi, etc has been done.

b. Technology Absorption, Adaptation and Innovation.

The 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.

Newgen continually invests in research and development related to the technologies that power digital transformation for organizations. As of 31st March 2023 Newgen has been granted 23 patents across India and US. Newgen, with its integrated, robust, and scalable digital automation platform, continues to enable its customers by helping them deliver process and content applications—ranging from simple and wide to deep and complex. The platform, with low code development capability, leverages our industry-recognized products – low code process automation (BPM), contextual content services (ECM), omnichannel customer engagement (CCM) and Artificial Intelligence cloud—to manage enterprise-wide processes, content, and communications. Newgen focuses on advanced application design and development capabilities to strengthen its offering, while also continuously enhancing its deployment technology stack, enabling compliance, security, and scalability for enterprise needs. In line with changing market requirements, we continually develop new business capabilities/modules/products to cater the ever-changing business needs.

The Company acquired an AI/ML data science platform company, Number Theory Software Private Limited, in the financial year 2021-22. With this acquisition, Newgen will further enhance its low code digital transformation platform, NewgenONE, making it well-positioned to deliver cloud-native AI/ML capabilities to every enterprise

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

c. Research and Development.

The Company has made and will continue to make, significant investments in software product research and development and related product opportunities. For fiscal 2023 and 2022 the Company spent 12.38% and 13.14% respectively (as a proportion of our total expenditure) on research and development. We believe that the industry, in which we compete, witnesses rapid technological advances in software development due to constantly evolving customer preferences and requirements. The Company believes 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 Lakh)

Particulars	31 st March 2023	31 st March 2022
Foreign Exchange Earnings	58,164.35	49,768.08
Foreign Exchange Outgo	16,107.30	9,886.33

20. Risk Management:

The Board of Directors of the Company have constituted a Risk Management Committee to, inter-alia, assist the Board in overseeing the responsibilities with regard to identification, evaluation and mitigation of operational, strategic and external environmental risks. This Committee has developed and approved a Risk Management Policy. The details of Risk Management Committee are included in the Corporate Governance Report which forms the part of this report.

The Company has also laid down a Risk Management Policy, defining Risk profiles involving Strategic, Technological, Operational, Financial, Organizational, Legal, and Regulatory risks within a well-defined framework. The Risk Management Policy acts as an enabler of growth for the Company by helping its businesses to

identify the inherent risks, assess, evaluate and monitor these risks continuously and undertake effective steps to manage these risks. The Board evaluates the risk management systems through Risk Management Committee. More details on Risk Management including identification of risks and their mitigation are covered in the Management Discussion & Analysis Report, which forms part of this report.

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

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

The Company is committed to develop a culture of the highest standards of ethical, moral, and legal business conduct wherein it is open to communication regarding the Company's business practices for employees to raise concerns about any poor or unacceptable practice and to protect employees from unlawful victimization, retaliation or discrimination for their having disclosed or reported fraud, unethical behaviour, violation of Code of Conduct, questionable accounting practices, grave misconduct etc.

To implement the above, the Company has adopted a Whistle Blower Policy and Vigil Mechanism that provides a framework to report violations, any unethical behaviour, suspected or actual fraud, violation of the Code of Conduct, including providing adequate safeguards against victimisation. The Code/ Policy provides for adequate safeguards against victimization of director(s)/ employee(s) who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases.

During the financial year 2022-23, One case was reported under Whistle Blower Policy of the Company which was related to HR and the same has already been closed -

S. No.	Category	No. of complaints pending as on 1 st April 2022	Number of Complaints filed during the year	Number of complaints pending as on 31 st March 2023	Brief matter of complaints	Any order passed by the internal Committee or any other authority
1.	Complaint through Whistle Blower Mechanism	Nil	1	Nil	HR Related	NA

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/wp-content/uploads/investor/Whistle%20Blower%20Policy.pdf>.

22. 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

23. Web Address for Annual Return:

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

24. Business Responsibility and Sustainability Report:

At a time and age when enterprises are increasingly seen as critical components of the social system, they are accountable not merely to their shareholders from a revenue and profitability perspective but also to the larger society which is also its stakeholder. The Business responsibility and sustainability report seeks disclosure on the performance of the Company against nine principles of the "National Guidelines on Responsible Business Conduct" ('NGRBCs'). As per the SEBI Circulars, effective from the financial year 2022-23, filing of BRSR is mandatory for the top thousand listed companies by market capitalisation and your company covered under the top thousand listed companies.

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

25. Corporate Governance:

The report on Corporate Governance as stipulated under the SEBI Listing Regulations forms an integral part of this Report and the same is enclosed herewith as "Annexure - 8" to this Report. The

requisite compliance certificate from Secretarial Auditor confirming compliance of conditions of Corporate Governance is also attached with the Corporate Governance Report.

26. Management Discussion and Analysis:

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

27. Other Disclosures:

- a) Your Company has complied with the provisions, including relating to the Constitution of Internal Complaints Committee, of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The details related with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is set out in the Corporate Governance Report which forms the part of this report.
- b) There are no significant and material orders passed by the regulators or courts or tribunal impacting the going concern status and the Company's operations in the future. Further, No application was made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year 2022-23.
- c) The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof. – Not Applicable
- d) No case/ complaint was reported under Child labour/ forced labour/ involuntary labour and Discriminatory employment related matters in the financial year 2022-23.
- e) The Company complies with all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.
- f) During the year, the Company has shifted its registered office from A-6 Satsang Vihar Marg, Qutab Institutional Area, New Delhi – 110067 to E-44/13, Okhla Phase-II, New Delhi – 110020 with effect from 18th October 2022.

28. Directors' Responsibility Statement:

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

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

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

29. 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.

30. Appreciation:

Your directors take this opportunity to thank all the members, customers, vendors, investors, bankers and other stakeholders for their confidence and continued support during the financial year 2022-23. Directors place on record their appreciation to the contribution made by employees through their hard work, dedication, competence, support and co-operation towards the growth of the Company.

For and on behalf of Board of Directors
Diwakar Nigam

Date: 02.05.2023
Place: New Delhi

Chairman & Managing Director
DIN: 00263222

Annexure 1

Form AOC-I

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

Part "A": Subsidiaries

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

S. No.	1	2	3	4	5	6	7	8
Name of the subsidiary	Number Theory Software Private Limited	Newgen Computers Technologies Limited	Newgen Software Technologies (UK) Ltd.	Newgen Software Inc. USA	Newgen Software Technologies Canada Ltd.	Newgen Software Technologies Pte Ltd.	Newgen Software Technologies Pty Ltd.	Newgen Software Technologies L.L.C.
The date since when subsidiary was acquired	28-01-2022	20-01-1993	24-09-2015	03-11-1997	25-04-2012	25-04-2012	30-04-2019	15-06-2022
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	INR	INR	GBP @ 101.56	USD @ 82.11	CAD @ 60.70	SGD @ 61.76	AUD @55.04	AED @22.36
Share capital	5,00,000	21,00,000	2,03,12,000	9,85,32,000	60,70,000	1,54,40,000	5,50,40,000	6,70,80,000
Reserves & surplus	-2,71,85,377	55,75,108	1,35,98,827	36,68,39,929	3,21,91,807	14,05,96,711	1,23,43,047	3,22,928
Total Assets	4,99,39,286	78,75,853	14,53,09,241	1,52,96,67,463	7,40,21,657	52,68,30,252	9,75,28,921	12,01,90,063
Total Liabilities	79,77,492	2,00,744	11,13,98,416	1,06,42,95,533	3,57,59,848	37,07,93,542	3,01,45,875	5,27,87,134
Investments	-	-	-	-	-	-	-	-
Turnover	6,94,35,304	-	26,00,07,772	2,79,93,72,244	10,94,80,599	80,44,53,761	9,66,88,438	9,20,76,392
Profit before taxation	52,36,936	6,25,372	39,24,189	12,52,46,728	1,07,65,475	3,60,20,118	88,67,786	3,15,274
Provision for taxation	25,16,528	1,67,465	10,07,003	2,91,97,914	28,38,297	70,76,203	28,95,448	-
Profit after taxation	27,20,408	4,57,907	29,17,186	9,60,48,814	79,27,178	2,89,43,915	59,72,338	3,15,274
Proposed Dividend	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%

2 Names of subsidiaries which are yet to commence operations

None

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

None

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013
related to Associate Companies and Joint Ventures

NOT APPLICABLE

NOT APPLICABLE

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

None

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

None

For Newgen Software Technologies Limited

Diwakar Nigam

Chairman & Managing Director
DIN: 00263222

Arun Kumar Gupta

Chief Financial Officer
Membership No: 056859

Date.: 02.05.2023
Place: New Delhi

T.S. Vardarajan

Whole-Time Director
DIN: 00263115

Aman Mourya

Company Secretary
FCS: 9975

Annexure 2

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

1) Details related to the Scheme:

As on 31st March 2023, the Company has in place the Newgen Employees Stock Option Scheme – 2014 (“Newgen ESOP Scheme 2014”). This scheme is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“Regulations”) and Companies Act 2013. All the relevant details as prescribed under above Rule and Regulations are provided below and the same is also available on the website of the Company at <https://newgensoft.com/company/investor-relations/#corporate-governance>.

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

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

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

Fully diluted EPS pursuant to issue of Equity Shares on exercise of ESOPs calculated in accordance with Ind AS - 33 ‘Earning Per Share’ (Consolidated)	Basic: 25.32 Diluted: 25.00
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C. Other Details relating to Newgen ESOP 2014.

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

S. No.	Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015
ii.	Method used to account for NEWGEN ESOP 2014 (Intrinsic or fair value)	Fair Value Method using Black-Scholes Model								
iii.	Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	During the financial year 2022-23 Company followed fair value accounting of stock options.								

iv. Option movement during the year

Fiscal Year	2023	2022	2021	2020	2019	2018	2017	2016	2015
a) Number of options outstanding at the beginning of the year	6,03,212	9,01,406	8,84,598	15,57,524	22,43,483	30,61,209	33,84,305	36,53,525	-
b) Number of options granted during the year	20,000	NIL	2,33,000	NIL	NIL	5,62,550	NIL	NIL	36,53,525
c) Number of options forfeited / lapsed during the year	58,625	64,008	NIL	40,723	1,12,466	1,26,096	1,66,525	2,13,175	NIL
d) Number of options vested during the year	29,600	1,68,777	1,34,171	90,605	12,68,724	9,43,211	7,77,170	2,88,188	NIL
e) Number of options exercised during the year	1,15,485	2,34,186	1,98,689	6,49,706	5,73,493	12,54,180	1,56,571	56,045	NIL
f) Number of shares arising as a result of exercise of options	1,15,485	2,34,186	2,16,192	6,32,203	5,73,493	12,54,180	1,56,571	56,045	NIL
g) Money realized by exercise of options (INR), if scheme is implemented directly by the company	72,75,555	1,47,53,718	1,25,17,407	40,93,1478	3,61,30,059	7,90,13,340	98,63,973	35,30,835	NIL
h) Loan repaid by the Trust during the year from exercise price received	Nil	1,52,82,434.99	NIL	2,04,75,000	1,48,05,000	8,53,02,000	1,82,10,000	19,50,000	NIL
i) Number of options outstanding at the end of the year	4,49,102	6,03,212	9,01,406	8,84,598	15,57,524	22,43,483	30,61,209	33,84,305	36,53,525
j) Number of options exercisable at the end of the year	3,28,102	4,20,012	4,89,498	5,71,519	11,22,797	4,45,616	7,77,170	2,88,188	36,53,525

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

vi. Employee wise details of the options granted:

a. Option granted to Senior Managerial Personnel & KMPs during the year	Nil		
b. Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Name	Designation	No. of ESOPs during the year
	Chetan Goyal	Solutions Architect	5,000
	Mukesh Kumar Gupta	General Manager	5,000
	Kamal Chanana	Project Manager	5,000
	Deepak Kumar Bachani	Senior General Manager	5,000
c. Identified employees who were granted option during any one year equal to or exceeding 1% of the issued capital of the Company (excluding outstanding warrants and conversions) at the time of grant.	Nil		

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

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

Particulars	Newgen ESOP 2014 Grant - VI
Date of grant	17-Jan -2023
Fair value of options at grant date	341.99
Share price at grant date	404.60
Exercise price	63
Expected volatility (weighted-average)	43.14%
Expected life (weighted-average)	6 years
Expected dividends	0.95%
Risk-free interest rate (based on government bonds)	7.20%-7.26%

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

The method used and the assumptions made to incorporate the effects of expected early exercise The fair value of the employee share options has been measured using the Black-Scholes formula which presumes the option will be exercised at the end of the term.

Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition Yes. That has already taken effect through volatility and risk-free rate.

2) Details Related to Trust:

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

(i) Details:

S. No.	Particulars	Newgen ESOP Trust (For Newgen ESOP 2014)
1.	Name of the Trust	Newgen ESOP Trust
2.	Details of the Trustee (s)	Mr. Amarendra Kishore Sharan and Mr. Arvind Kaul
3.	Amount of loan disbursed by the company/ any company in the group during the year	NIL
4.	Amount of loan outstanding (repayable to company/ any company in the group) as at the end of the year	NIL
5.	Amount of loan, if any, taken from any other source for which the company or any company in the group has provided any security or guarantee	NIL
6.	Any other contribution made to the Trust during the year	NIL

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

S. No.	Particulars	Newgen ESOP Trust (For Newgen ESOP 2014)
1.	Number of shares held at the beginning of the year	6,49,696
2.	Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid-up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share	NIL
3.	Number of shares transferred to the employees / sold along with the purpose thereof	2,34,186
4.	Number of shares held at the end of the year.	4,15,510

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

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

For and on behalf of Board of Directors

Date: 02.05. 2023
Place: New Delhi

Diwakar Nigam
Chairman & Managing Director
DIN: 00263222

Annexure 2A

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

1) Details related to the Scheme:

As on 31st March 2023, the Company has in place the Newgen Software Technologies Limited Employees Stock Option Scheme – 2022 (“**Newgen ESOP Scheme 2022**”). This scheme is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“Regulations”) and Companies Act 2013. All the relevant details as prescribed under above Rule and Regulations are provided below and the same is also available on the website of the Company at <https://newgensoft.com/company/investor-relations/#corporate-governance>.

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

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

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

Fully diluted EPS pursuant to issue of Equity Shares on exercise of ESOPs calculated in accordance with Ind AS - 33 ‘Earning Per Share’ (Consolidated)	Basic: 25.32 Diluted: 25.00
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C. Other Details relating to Newgen ESOP 2022.

S. No.	Particulars	Fiscal 2023	
i.	a) Date of shareholders’ approval	As on 31 st March 2023, the Company has in place the Newgen Software Technologies Limited Employee Stock Option Scheme – 2022 (“Newgen ESOP Scheme 2022”), as approved by the shareholders on 23 rd June 2022	
	b) Total number of options approved	The maximum number of 14,00,000 shares can be issued under NEWGEN ESOP 2022.	
	c) Vesting requirements	Set forth below is the vesting schedule, subject to there being a gap of at least one year between the date of grant of options and the vesting of such options.	
		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
	d) Exercise price or pricing formula	The Exercise Price of the Shares will be based upon the Market Price, along with a maximum discount of 10%, as approved by the Nomination & Remuneration Committee.	
	e) Maximum term of options granted	Once the options have vested, such options have to be exercised within a period of five years from the date on which the last of the options vest. Vesting period shall be as stated in above point (c).	
	f) Source of shares (primary, secondary or combination)	Company uses Trust Route for implementing this Scheme. Source of Share to the Trust as on 31 st March 2023 is Primary. For more information, please refer details related to Newgen ESOP Trust as provided in this disclosure	
	g) Variation in terms of options	NIL	

S. No.	Particulars	Fiscal 2023
ii.	Method used to account for NEWGEN ESOP 2022(Intrinsic or Fair value)	Fair Value Method using Black-Scholes Model
iii.	Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	During the financial year 2022-23 Company followed fair value accounting of stock options.

iv. Option movement during the year

Fiscal Year	2023
a) Number of options outstanding at the beginning of the year	NIL
b) Number of options granted during the year	9,41,800
c) Number of options forfeited / lapsed during the year	24,150
d) Number of options vested during the year	NIL
e) Number of options exercised during the year	NIL
f) Number of shares arising as a result of exercise of options	NIL
g) Money realized by exercise of options (INR), if scheme is implemented directly by the company	NIL
h) Loan repaid by the Trust during the year from exercise price received	NIL
i) Number of options outstanding at the end of the year	9,17,650
j) Number of options exercisable at the end of the year	Nil

- 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: ₹ 364.20/-
 - Weighted-average fair values of options granted during the year: NA

- vi. **i. Employee wise details of the options granted:**
a. Option granted to Senior Managerial Personnel & KMPs during the year

Name	Designation	Fiscal 2023
Aman Mourya	Company Secretary	2,000
b. Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year		Not Applicable
c. Identified employees who were granted option during any one year equal to or exceeding 1% of the issued capital of the Company (excluding outstanding warrants and conversions) at the time of grant.		Not Applicable

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

Particulars	ESOP Grant in Financial Year 2022-23
Date of grant	
Fair value of options at grant date	200.65
Share price at grant date	404.60
Exercise price	364.20
Expected volatility (weighted-average)	43.14%
Expected life (weighted-average)	5 years
Expected dividends	0.95%
Risk-free interest rate (based on government bonds)	7.07%-7.26%
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	Historical volatility for the entire period has been taken since the shares are listed in the stock exchange.
The method used and the assumptions made to incorporate the effects of expected early exercise.	The fair value of the employee share options has been measured using the Black-Scholes formula which presumes the option will be exercised at the end of the term.
Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	Yes. That has already taken effect through volatility and risk-free rate.

2) Details Related to Trust:

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

(i) Details:

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

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

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

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

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

For and on behalf of Board of Directors

Date: 02.05. 2023
Place: New Delhi

Diwakar Nigam
Chairman & Managing Director
DIN: 00263222

Annexure 2B

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

1) Details related to the Scheme:

As on 31st March 2023, the Company has also in place the Newgen Software Technologies Restricted Stock Units Scheme – 2021 (“Newgen RSU - 2021”). This scheme is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“Regulations”) and Companies Act 2013. All the relevant details as prescribed under the above Rule and Regulations are provided below and the same is also available on the website of the Company at <https://newgensoft.com/company/investor-relations/#corporate-governance>.

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

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

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

Fully diluted EPS pursuant to issue of Equity Shares on exercise of RSUs calculated in accordance with Ind AS - 33 ‘Earning Per Share’ (Consolidated)	Basic: 25.32 Diluted: 25.00
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C. Other Details relating to Newgen RSU - 2021

S. No.	Particulars	Fiscal 2023						
i.	a) Date of shareholders’ approval	As on 31 st March 2023, the Company has in place Newgen Software Technologies Restricted Stock Units Scheme – 2021 (“Newgen RSU - 2021”), as approved by the shareholders on 26 th December 2020, which was further amended on 25 th October 2021 by the Board of Directors of the Company, to be compliant with the SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021. This Scheme is further amended on 23 rd June 2022 by the Shareholders of the Company, to be compliant with the SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021.						
	b) Total number of RSUs approved	The maximum number of 14,00,000 shares can be issued under this Scheme.						
	c) Total number of RSUs granted during the year.	35,000						
	d) Vesting requirements	Set forth below is the vesting schedule, subject to the performance matric and eligibility: <table border="1"> <thead> <tr> <th>Time Period</th> <th>% of RSUs to be vested</th> </tr> </thead> <tbody> <tr> <td>At the end of 3rd year from the grant date</td> <td>50% of the RSUs Granted</td> </tr> <tr> <td>At the end of 5th year from the grant date</td> <td>50% of the RSUs Granted</td> </tr> </tbody> </table> <p>*Vesting schedule is subject to the performance matric as defined in the Scheme.</p>	Time Period	% of RSUs to be vested	At the end of 3 rd year from the grant date	50% of the RSUs Granted	At the end of 5 th year from the grant date	50% of the RSUs Granted
Time Period	% of RSUs to be vested							
At the end of 3 rd year from the grant date	50% of the RSUs Granted							
At the end of 5 th year from the grant date	50% of the RSUs Granted							
	e) Exercise price or pricing formula	₹ 10/- each RSU						

S. No.	Particulars	Fiscal 2023
f)	Maximum term of RSUs granted	Once the RSUs have vested, such RSUs have to be exercised within a period of five years from the date on which the last of the RSUs vest. Vesting period shall be as stated in above point (c).
g)	Source of shares (primary, secondary or combination)	Company uses Trust Route for implementing this Scheme. For more information, please refer details related to Newgen RSU Trust as provided in this disclosure.
h)	Variation in terms of RSUs	NIL
ii.	Method used to account for NEWGEN RSU 2021 (Intrinsic or Fair value)	Fair value method
iii.	Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed	During the financial year 2022-23 Company followed fair value accounting of stock RSUs.

iv. RSUs movement during the year

S. No.	Fiscal Year	2022-23
a	Number of RSUs outstanding at the beginning of the year	13,60,000
b	Number of RSUs granted during the year	35,000
c	Number of RSUs forfeited / lapsed during the year	90,000
d	Number of RSUs vested during the year	NIL
e	Number of RSUs exercised during the year	NIL
f	Number of shares arising as a result of exercise of RSUs	NIL
g	Money realized by exercise of RSUs (INR), if scheme is implemented directly by the Company	NIL
h	Loan repaid by the Trust during the year from exercise price received	NIL
i	Number of RSUs outstanding at the end of the year	13,05,000
j	Number of RSUs exercisable at the end of the year	NIL
v.	Weighted-average exercise prices and weighted-average fair values of RSUs disclosed separately for RSUs whose exercise price either equals or exceeds or is less than the market price of the stock.	Not Applicable

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

a. RSUs granted to Senior Managerial Personnel & KMPs during the year NIL

b. Any other employee who receives a grant in any one year of RSUs amounting to 5% or more of RSUs granted during that year.

Name	Designation	Fiscal 2023
Mr. Harinder Pal Singh Sethi	Trade finance and LMS Consultant	35,000

c. Identified employees who were granted RSUs during any one year equal to or exceeding 1% of the issued capital of the Company (excluding outstanding warrants and conversions) at the time of grant. NIL

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

Particulars	Newgen RSU – 2021 Grant - III
Date of grant	18-Oct-2022
Fair value of options at grant date	334.03
Share price at grant date	362.05
Exercise price	10
Expected volatility (weighted-average)	38.60
Expected life (weighted-average)	6.5 years
Expected dividends	0.95%
Risk-free interest rate (based on government bonds)	7.28%-7.34%
The method used and the assumptions made to incorporate the effects of expected early exercise	The fair value of the employee share RSUs has been measured using the Black-Scholes formula which presumes the RSUs will be exercised at the end of the term.
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility.	The fair value of the employee share options has been measured using the Black-Scholes formula which presumes the RSUs will be exercised at the end of the term.
Whether and how any other features of the RSUs grant were incorporated into the measurement of fair value, such as a market condition	Yes. That has already taken effect through volatility and risk-free rate.

2) Details Related to Trust:

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

(i) Details:

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

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

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

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

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

For and on behalf of Board of Directors

Date: 02.05. 2023
Place: New Delhi

Diwakar Nigam
Chairman & Managing Director
DIN: 00263222

Annexure 3

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

- i. Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23.

Sr. No.	Name of the Director	Ratio to the median remuneration of the employees
1.	Mr. Diwakar Nigam, Chairman & Managing Director	44.38
2.	Mr. T. S. Varadarajan, Whole - time Director	23.44
3.	Mrs. Priyadarshini Nigam, Whole - time Director	13.54
4.	Mr. Kaushik Dutta, Independent Director	7.61
5.	Mrs. Padmaja Krishnan, Independent Director	6.72
6.	Mr. Saurabh Srivastava, Independent Director	7.39
7.	Mr. Subramaniam Ramnath Iyer, Independent Director	7.72

- ii. Percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the financial year 2022-23:

Sr. No.	Name of the Director	Ratio to the median remuneration of the employees
1.	Mr. Diwakar Nigam, Chairman & Managing Director	7.74%
2.	Mr. T. S. Varadarajan, Whole - time Director	7.65%
3.	Mrs. Priyadarshini Nigam, Whole-time Director	7.54%
4.	Mr. Kaushik Dutta, Independent Director	56.32%
5.	Mrs. Padmaja Krishnan, Independent Director	73.75%
6.	Mr. Saurabh Srivastava, Independent Director	62.91%
7.	Mr. Subramaniam Ramnath Iyer, Independent Director	58.60%
8.	Mr. Virender Jeet, Chief Executive Officer	10.42%
9.	Mr. Arun Kumar Gupta, Chief Financial Officer*	-25.32%
10.	Mr. Aman Mourya, Company Secretary*	21.73%

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

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

- iii. Percentage increase in the median remuneration of employees in the financial year 2022-23: -14%.
- iv. The number of permanent employees on the rolls of the Company as on 31st March 2023 was 2776 (Standalone). Permanent Employees exclude probation, Temporary, Casual, Contractual & Third-Party Employees, Trainees.
- v. The average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year was 19.08 % and the average percentile increase in the remuneration of managerial personnel i.e executive directors was 7.68 %. The increase in salaries during the year is based on the remuneration policy/reward philosophy of the Company and due to annual appraisals of employees.

- vi. The key parameters for any variable component of remuneration availed by the directors:

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

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

- vii. The remuneration is in accordance with the Remuneration Policy of the Company which is available on the website of the Company at: <https://newgensoft.com/wp-content/uploads/2018/03/Nomination-and-Remuneration-Policy.pdf>.

Statement of particulars under Section 197(12) of the Companies Act, 2013 and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the year ended 31st March 2023 (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 2022-23) and the name of every employee of the Company, who - if employed throughout the financial year 2022-23, was in receipt of remuneration which, in the aggregate, was not less than One Crore and Two Lakh rupees:

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	3,99,39,194	69	MSC, M. Tech	39	NA	He has been on the Board of the Company since 01-04-1993
2.	Virender Jeet	CEO	Permanent	3,21,38,130	54	B.E	29	NIE - Jaipur	01-12-1992
3.	Surender Jeet Raj**	EVP - Global Business Strategy & HR	Permanent	2,84,40,275	65	Ph.D.	42	PCS DG	16-08-1993
4.	Tarun Nandwani***	COO	Permanent	2,74,25,818	51	B.E	29	N.A.	15-07-1993
5.	T.S. Varadarajan	Whole-time Director	Permanent	2,10,93,039	71	M.Tech.	37	N.A.	He has been on the Board, since inception of the Company.
6.	Sunil Pandita	Vice President	Permanent	1,87,87,632	52	BE MBA	23	Samsung India Electronics Limited	03-06-2019
7.	Vivek Bhatnagar	Vice President Sales International	Permanent	1,47,05,730	52	MBA	32	TCS Ltd	24-08-2011
8.	Rajvinder Singh Kohli	Sr.Vice President	Permanent	1,39,59,809	57	PGDRM	36	Tecnova	23-11-2020
9.	Arun Kumar Gupta	CFO	Permanent	1,37,80,985	53	CA, CS, CMA	24	Interra Infotech	15-10-2010
10.	Ashok Kapoor	Vice President Software Development	Permanent	1,32,08,042	57	PGDM	31	NIIT	06-04-2015
11.	Vivek Mani Tripathi	Vice President	Permanent	1,28,05,421	57	B.Sc PGDM	30	Biba Apparels Pvt Ltd	05-04-2021

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
12	Priyadarshini Nigam	Whole Time Director	Permanent	1,21,83,955	66	Master's degree in Economics.	32	Not Applicable	20-09-1997
13	Atin Kumar	Vice President	Permanent	1,13,49,425	49	MCA	26	N.A.	03-06-1997
14	Ritesh Varma	Vice President	Permanent	1,05,09,062	48	PGDBM	24	N.A.	15-06-1999
15	Nikhil Sawhney	Vice President	Permanent	97,65,189	48	B.E	22	N.A.	04-06-2001

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

**ESOP perquisites amounting to ₹ 33.67 lakhs is added in his salary.

***ESOP perquisites amounting to ₹ 18.73 lakhs is added in his salary.

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

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	Arvind Jha	Senior Vice President	Permanent	1,18,13,318	60	B.Tech	35	Pariksha Labs Pvt Ltd	23-11-2020

- 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 the financial year 2022-23 or five lakh rupees per month:

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.	Prashant Sahai	Vice President	Permanent	2,25,18,279	47	MBA	24	Vicisoft Technologies Pvt.Ltd	15-06-1998
2.	Anup Verma	Business Development Manager	Permanent	1,64,17,720	46	MBA	15	Oracle Inc	07-07-2019
3.	Glitty Paul	Sr. Business Development Manager	Permanent	1,03,39,766	39	MBA	14	Intertec System	23-02-2016
4.	Mayank Sharma	Senior Manager- Products & Solutions	Permanent	92,61,272	32	MBA	10	N.A.	03-06-2013
5.	Zainual Bashar Bhutto	Deputy General Manager Products & Solutions	Permanent	86,41,406	37	MBA	10	N.A.	01-12-2011

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
6	Vivek Kumar Gupta	Senior Manager Products & Solutions	Permanent	77,69,515	44	M.Tech	17	TCS	01-04-2010
7	Nese Salincakli	Regional Sales Manager	Permanent	65,46,380	49	MBA	24	ENKI SOFTWARE LIMITED	24-03-2021
8	Mohd. Ashhad Raza Qadri	Deputy General Manager	Permanent	64,36,488	41	MBA	18	3i Infotech.	09-Aug-2021
9	Sanal Grover	Project Manager	Permanent	60,25,080	33	B.Tech	10	N.A	07-Jan-2013
10	Gaurav Berry	Project Leader	Permanent	60,25,080	36	MCA	11	Cloudoptix Pvt. Ltd.	06-Aug-2014

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

Notes:

- a) Above remunerations also include provisions for the bonus, variable incentives, and ESOP perquisites to the extent options exercised during the year and includes the amount outstanding, if any, at the year end.
- b) Except Mr. Diwakar Nigam, Chairman & Managing Director (holding 22.41% of equity shares himself and 9.39% of equity shares through his spouse) and Mr. T.S. Varadarajan (holding 21.46% of equity shares himself and 1.90% of equity shares through his spouse), no other employees, as listed above, holding, by himself or herself along with his/her spouse and dependent children, 2% or more of equity shares of the Company.
- c) None of the employees as listed above is a relative of the Director of the Company except below:-
 - Mrs. Priyadarshini Nigam, Whole-time Director is the spouse of Mr. Diwakar Nigam, Chairman & Managing Director of the Company.
- iv. Details of the employee if employed throughout the financial year 2022-23 or part thereof, was in receipt of remuneration in that year which is in excess of that drawn by the Managing Director and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company, except the details of employees forming part of this annexure.

NIL

For and on behalf of Board of Directors

Date: 02.05.2023
Place: New Delhi

Diwakar Nigam
Chairman & Managing Director
DIN: 00263222

Annexure 4

SECRETARIAL AUDIT REPORT (For the financial year ended 31st March 2023)

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit and on the basis of the written representations/explanations received from the management, we hereby report that in our opinion the Company has, during the audit period covering the financial year ended on 31st March 2023 ('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 2023, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to

the extent of foreign direct investment, overseas direct investment;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **not applicable during the period under review**
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **not applicable during the period under review**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **not applicable during the period under review**
 - h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; **not applicable during the period under review**
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) The company carries business of software development and related activities for which it has

registration with the SEZ Noida and the Management has identified and confirmed the following laws as specifically applicable to the Company:

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

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

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

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

We Further Report That:-

- the Board of directors of the company is duly constituted with proper balance of executive directors, non-executive directors and independent directors. 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.
- advance notice is given to all directors to schedule the board meetings, agenda and detailed notes on agenda (except items related to UPSI) were sent normally at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- all decisions at Board Meetings and Committee Meetings are normally carried out unanimously as recorded in the minutes of the meetings of the Board or Committees of the Board, as the case may be.
- the Company has complied with the requirements of Structured Digital Database (SDD) pursuant to provisions of Regulation 3(5) and 3(6) of **Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations)**.

- During the period under review, PricewaterhouseCoopers Services LLP (LLPIN (Registration Number: AAI-8885) re-appointed as Internal Auditors of the Company for the financial year 2022-2023.
- During the period under review, Company has approved Newgen ESOP Scheme 2022 in the Shareholders meeting held on 23rd June 2022.
- During the period under review, the Company has incorporated a wholly-owned subsidiary in the country of United Arab Emirates ("UAE") under the name "Newgen Software Technologies L.L.C."
- During the period under review, the registered office of the Company shifted to "E-44/13 Okhla Phase-II-110020.
- During the period under review, Company has amended the ESOP & RSU scheme in order to align with the new Regulations viz. SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
- During the financial year Company approved the Scheme of Merger of Number Theory Software Private Limited with the Company. Accordingly, the companies filed the petitions before the Hon'ble National Company Law Tribunal (NCLT), New Delhi. The petitions are pending for final hearing as on the date of this Report.

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.

Name of Auditor: **Aijaz & Associates**

FCS No. : 6563

C.P. No. : 7040

P.R.C. No. : 2632

Place: New Delhi

Date: 25.04.2023

UDIN: F006563E000192573

Annexure 'A'

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

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

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

Place: New Delhi
Date : 25.04.2023

Annexure 5

Form No. AOC-2

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

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

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

Not Applicable. Newgen Software Technologies Limited (the Company) has not entered into any contract/arrangement/transaction with its related parties which is not in ordinary course of business or not at arm's length during FY 2022-23.

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

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

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any:	Aggregate Transaction Value during Financial Year (if Material) (Amount in Lakh)	Amount paid as advances, if any:
Newgen Software Inc. USA (Material Wholly Owned Subsidiary)	Sale of products and services	Ongoing (duration of transaction 1 st April 2022- 31 st March 2023)	Pursuant to the Master service agreement executed between Company and Newgen Software Inc, USA, the Company provides licensed software products, including support, maintenance and other services to the clients of Newgen Software Inc. (USA). Newgen Software Inc. (USA) provides marketing and sales support to the Company. The Company provides back-office support services to the NSI as may be required time to time.	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.	17,178.64	
	Back office support services				203.42	
	Employee Transfer Cost				37.75	
	Sub-contracting expenses				4,953.11	

Aggregated transaction with a related party shall be considered material if the transaction(s) entered during the financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity. Aggregate transactions, during the financial year 2022-23 with other respective subsidiaries are not material.

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

Date: 02.05.2023

Place: New Delhi

Diwakar Nigam
Chairman & Managing Director
DIN: 00263222

Annexure 6

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

1. Brief outline on CSR Policy of the Company:

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

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

Newgen CSR Programs:

a. Newgen Digital Discovery Paathshala (NDDP)

Newgen Digital Discovery Paathshala (NDDP) program is designed to impart knowledge to school children using web-based technology and transform traditional classroom teachings into fun learning sessions. Under the aegis of NDDP, over 1200 students received digital devices and recharged SIM cards to assist them with online classes. This assists in bridging the technology accessibility gap among the students.

NDDP supports two schools in Delhi - Government Girls Senior Secondary Schools in Harkesh Nagar and Tekhand. Over 3,000 students of classes 6th to 8th benefit from the program. In 2022-23, the implementation strategy incorporated a hybrid model for conducting digital education sessions at the adopted secondary government schools.

NDDP Alumni - Once the students graduate from NDDP, they become a part of our NDDP alumni—classes 9th to 12th—where we focus on their personality development and career counseling. The current batch of NDDP alumni has over 500 girl students.

Under Personality Development (PD), Self-Motivation and Self Development Program (SMSDP) has been created. The sessions cover various topics like time management, critical thinking, problem-solving, health and hygiene, emotion management and ethical behavior.

Career Counselling, helps the students of classes 9th to 12th in selecting the right stream and identifying their career goals. For the year 2022-23, extensive career counseling was conducted for students appearing in class 12th. Handholding them to get into regular and vocational colleges remained a key feature of the program.

NDDP Maargdarshaks has been created with the meritorious 12th passed students, who could be the torch bearers and guide the juniors on various aspects of higher education and career planning.

NDDP’s Stakeholders

Over time the NDDP program has realised the significance of involving the primary stakeholders i.e., the teachers and the parents to strengthen the program and make it sustainable.

1. Interaction with Mothers (Chai pe Charcha) – Before the online session, in December 2022, an exhibition of handmade items’ by 108 NDDP mothers was held in Newgen’s Noida office for the employees. The winners were announced later during the enjoyable online mothers’ session.
2. Interaction with Teachers (SamarthShikshaks) – During the year 20+ teachers were interviewed to gauge the impact of NDDP sessions, and their feedback and suggestions were incorporated into NDDP plan.

New Initiatives

NDDP Emerge – NDDP Emerge is a platform for the NDDP students who have excelled during the academic year. The identified group of students are guided by professionals as mentors on various education streams, career opportunities and soft skills on a regular basis.

NDDP SamarthSaarthi (Mothers' Group) - The mothers of the NDDP students are being interviewed to determine their interests and abilities. This will be followed up by activities focused on promoting digital education among the mothers and to help them develop their skills.

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 of classes 1st to 6th and prepare them for senior secondary education. The project locations are Harkesh Nagar, Tekhand, Sangam Vihar, Nandambakkam in Chennai and Ramgarh in Uttarakhand. Over all 5000+ students benefit from this program.

c. Partnership with KK Academy, Lucknow

Newgen collaborated with KK Academy to ensure that children from underprivileged families receive a complete education. The academy is based in Lucknow and is recognized by the State Board to cater to around 220 students from classes nursery to 8th. KK academy empowers students from different marginalized backgrounds and helps them become literate and confident, thereby bringing social transformation through digital holistic education.

d. Mid-Day Meal Programme.

To complement the growth and well-being of children in their formative years, Newgen in partnership with The Akshaya Patra Foundation supports the nutrition of government school students in the remote areas of Baran and Nathdwara in Rajasthan, Bhilai in Chhattisgarh, Mangalgiri in Andhra Pradesh, and Gorakhpur in Uttar Pradesh. In the targeted year, 10lac+ mid-day meals were provided to 4,334 school students.

e. Personality Development Sessions.

The personality development program caters to children from economically weaker backgrounds and helps them be confident, develop soft skills, and build resilience amongst young children from underprivileged communities. The program covers over 1,400 NDDP and NDDP alumni through monthly sessions.

2. Composition of the CSR Committee:

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

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

[https://newgensoft.com/company/corporate-social-responsibility/.](https://newgensoft.com/company/corporate-social-responsibility/)

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

Not Applicable

5. (a) Average net profit of the company as per sub-section (5) of section 135: ₹ 145,08,10,576
 (b) Two percent of average net profit of the company as per section sub-section (5) of section 135: ₹ 2,90,16,211.52
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Not Applicable.
 (d) Amount required to be set off for the financial year, if any: ₹ 3,19,798.48.
 (e) Total CSR obligation for the financial year (5b+5c-5d): ₹ 2,86,96,413.04
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): 2,89,69,795.06
 (b) Amount spent in Administrative Overheads: ₹ 3,75,001
 (c) Amount spent on Impact Assessment, if applicable: Not Applicable.
 (d) Total amount spent for the Financial Year [(6a)+(6b)+(6c)]: ₹ 2,93,44,796.06
 (e) CSR amount spent or unspent for the financial year:

Amount Unspent (in ₹)					
Total Amount Spent for the Financial Year (in ₹)	Total Amount transferred to Unspent CSR Account as sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of Transfer
2,93,44,796.06					Not Applicable

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

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135.	2,90,16,211.52
(ii)	Total amount spent for the Financial Year	2,93,44,796.06
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3,28,584.54
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	3,28,584.54

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Balance Amount in Unspent CSR Account under section 135(6)	Amount spent in the Financial Year	Amount transferred to a fund specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any	Amount remaining to be spent in succeeding financial years	Deficiency, if any
					Amount	Date of transfer	
							Not Applicable

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

Yes No

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

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

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

Not Applicable

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

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

Not Applicable

For Newgen Software Technologies Limited

Diwakar Nigam

Chairman & Managing Director
DIN: 00263222

Priyadarshini Nigam

Chairperson (CSR Committee)
DIN: 00267100

Date: 02.05.2023

Place: New Delhi

Annexure 7

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of listed Company

1. Corporate Identification Number (CIN) of the Company:	L72200DL1992PLC049074
2. Name of the Company:	Newgen Software Technologies Limited
3. Year of Incorporation:	05-06-1992
4. Registered Office Address:	E-44/13 Okhla Phase II, New Delhi South Delhi DL 110020
5. Corporate Address:	E-44/13 Okhla Phase II, New Delhi South Delhi DL 110020
6. E-mail id:	investors@newgensoft.com
7. Telephone:	+91 11 46533200
8. Website:	https://newgensoft.com
9. Financial Year for which reporting is being done:	1st April 2022 to 31st March 2023
10. Name of the Stock Exchange(s) where shares are listed:	Bombay Stock Exchange (BSE) National Stock Exchange of India (NSE)
11. Paid-up Capital (In ₹):	₹ 69,95,57,010
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:	Arun Kumar Gupta investors@newgensoft.com +91 11 46533200
13. Reporting boundary	Disclosures made in this report are on a standalone basis and pertain only to Newgen Software Technologies Limited

II. Products/Services

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the Company
1.	Software & IT services	Software application development Services and related activities	>90 % of the turnover

15. Products/Services sold by the Company (accounting for 90% of the Company's Turnover):

S. No.	Product/Service	NIC Code	% of total contributed Turnover
1.	Sale of Software/SaaS/ATS/AMC	9983	51%
2.	Sale of Services/ Others		48%

III. Operations

16. Number of locations where plants and/or operations/offices of the Company are situated:

Location	Number of plants	Number of offices	Total
National	NA	16	25
International	NA	9	

17. Market served by the Company:
a. Number of locations

Locations	Number
National (No. of States)	7
International (No. of Countries)	6

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

Contribution of exports during the financial year ended 31st March 2023: 69%

c. A brief on types of customers:

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

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

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent* (D)	3190	2400	75.24%	790	24.76%
2.	Other than Permanent** (E)	571	435	76.18%	136	23.82%
3.	Total Employees (D+E)	3761	2835	75.38%	926	24.62%

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

**Other than Permanent Employees include Temporary, Casual, Contractual & Third-Party Employees, Trainees.

*** The Company does not employ workers on any of its office premises.

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male/Others		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES*						
1.	Permanent (D)					
2.	Other than Permanent (E)	31	28	90%	3	10%
3.	Total Employees (D+E)	31	28	90%	3	10%

19. Participation/ Inclusion/Representation of women

	Total (A)	No. and Percentage of Females	
		No. (B)	% (B/A)
Board of directors	7	2	28 %
Key Management Personnel	5	0	0 %

20. Turnover rate for permanent employees and workers

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	30%	30%	30%	48%	56%	50%	24%	28%	25%

V. Holding, Subsidiary and Associate Companies (Including Joint ventures)

21. (a) Name of holding/ subsidiary/ associate companies/ joint ventures

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

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of companies Act, 2013: (Yes/No)- Yes

(ii) Turnover (in ₹) -88780.06 lakhs (Standalone)

(iii) Net worth (in ₹) - 92047.85 lakhs (Standalone)

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of the complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of the complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	NA	NA	NA	-	NA	NA	-
Investors (Other than shareholder)	NA	NA	NA	-	NA	NA	-
Shareholders	Yes*	16	0	-	10	0	-
Employees and workers	Yes*	1	0	-	Nil	Nil	-
Customers	Yes*	6	0	-	-	0	-
Value Chain Partners	Yes*	Nil	Nil	-	Nil	Nil	-
Other (Please specify)	NA	NA	NA	-	NA	NA	-

*The Grievance Redressal Policy is available on the Newgen intranet platform.

24 Overview of the Company's material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environment and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach or mitigate the risk along-with its financial implications:

S. No.	Material issues identified	Indicate whether risk or opportunity	Rational for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Talent Management	Risk/ Opportunity	<p>Opportunity Increased demand for digital transformation projects from customers given the demand supply mismatch of talent</p> <p>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.</p>	<p>As a company we have a strong focus on nurturing the existing workforce, attracting new talent through campus recruitment drives and lateral placements, and reskilling employees through different training programs.</p> <p>The company also has a broad based Employee Stock Option schemes and Restricted Stock Options scheme for incentivization of employees bringing in inclusive ownership.</p>	<p>Positive- Increased demand for digital transformation projects from customers given the demand supply mismatch of talent</p> <p>Negative- Higher cost given the current environment.</p>
2	Data Security/ cyber-Security and Data breach	Risk	<p>Risk- Increasing exposure to cyber threats and data breach</p>	<p>As an organization, we are constantly vigilant about the evolving cyber-security threat landscape in order to make our processes more robust and achieve higher compliance. We continue to be certified against the Information Security Management System (ISMS) Standard ISO 27001:2013 as well as ISO 27017. Additionally, we have also been assessed on SOC 1 and SOC 2 by an independent audit firm.</p>	<p>Negative- Financial loss and damage of reputation</p>
3	Environmental footprint: Climate Change	Risk/ Opportunity	<p>Opportunity- Certain Newgen solutions help in measuring the carbon footprint and digitizing content hence reducing the requirement for physical paper. Newgen provides technology-led solutions that help customers in the process of achieving certain sustainability goals.</p> <p>Risk- Climate Change and the resultant extreme weather events can lead to disruption to the company's operations, and the safety and wellbeing of its employees.</p>	<p>Successive efforts are being undertaken to reduce the overall emissions/ waste across the organization</p> <p>We also have a robust risk management system in place</p>	<p>Positive- Helping enterprises in their digital transformation journey to manage the uncertain environment.</p> <p>Negative-Business/ Operations risk</p>

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines for Responsible Business Conduct (NGRBC) as brought out by the Ministry of Corporate Affairs advocates nine principles as P1-P9 as given below:

P1	Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive to all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a). Whether your Company's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b). Has the policy been approved by the Board? (Yes/No)	Yes	No*	No*	No*	Yes	Yes	Yes	Yes	Yes
c). Web Link of the policies, if available	#	#	#	#	#	#	#	#	#
2. Whether the Company has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes
4. Name of the national and international codes/certifications/labels/standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your Company and mapped to each principle.	ISO 9001:2015- Quality Management System ISO 27001:2013- Information Security Management ISO 27017- Information Security Controls in Cloud environment ISO 27018- Personal Data Security Controls SOC-1 and SOC-2 Compliance- System and Organization Controls								
5. Specific commitments, goals and targets set by the Company with defined timelines, if any	-	-	-	-	-	-	-	-	-
6. Performance of the Company against the specific commitments, goals and targets along-with reasons in case the same are not met.	-	-	-	-	-	-	-	-	-

Governance, leadership and oversight

7. Statement by the director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements.

Newgen provides technology-led solutions that have been instrumental in driving digital transformation in the country by innovatively connecting systems, processes, people, and things.

Our products and services do not involve ESG risks. Our digital transformation platform, deployed on the cloud, helps enterprises in mapping and reducing their carbon footprint by driving end-to-end digitalization of processes across the enterprise. Our cloud-based technology significantly lowers energy use and carbon emissions.

As we scale up, we embark on another long-term goal to build a responsible and sustainable organisation. We are working on the long term goal of creating sustained value for our business, stakeholders and the community at large.

Under CSR, our mission is to actively contribute to the social and economic development of the communities in which we operate. The core philosophy is to empower lesser privileged sections of society through a holistic approach to help them realize their full potential and ensure a good quality of life. Our initiatives have contributed toward two Sustainable Development Goals of the United Nations:

- a. Goal 2 (Zero Hunger)
- b. Goal 4 (Quality Education)

We are constantly committed towards the environmental wellbeing by promoting sustainable practices across our organization. We are in the process of setting specific goals and targets which will be disclosed at a later stage.

8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Arun Kumar Gupta Chief Financial Officer investors@newgensoft.com +91 11 46533200
9.	Does the Company have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	Yes, Mr. Diwakar Nigam (Chairman and Managing Director)

*Approved by the Senior Management

Weblink of the Policies:

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

- Anti-Bribery and Anti-corruption Policy*
- Whistleblower Policy- <https://newgensoft.com/wpcontent/uploads/investor/Whistle%20Blower%20Policy.pdf>
- Code of Ethics and Business Conduct - <https://newgensoft.com/wp-content/uploads/investor/Code%20of%20Ethics%20&%20Business%20Conduct%20for%20Website.pdf>
- Disciplinary Action Policy*
- Code of Conduct for Directors and Senior Management Personnel - <https://newgensoft.com/wp-content/uploads/2018/03/Code-of-Conduct-for-Board-SMP.pdf>

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

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

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

- Code of Ethics and Business Conduct - <https://newgensoft.com/wp-content/uploads/investor/Code%20of%20Ethics%20&%20Business%20Conduct%20for%20Website.pdf>
- Prevention of Sexual Harassment of Women at workplace (POSH) - <https://newgensoft.com/wp-content/uploads/2021/06/POSH-compressed.pdf>
- Equal Opportunity Policy*
- Compensation philosophy and promotion guidelines*

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

- CSR Policy - <https://newgensoft.com/wp-content/uploads/2020/05/Policy-on-Corporate-Social-Responsibility.pdf>
- Supplier Code of Conduct*

Principle 5: Businesses should respect and promote human rights:

- Code of Ethics and Business Conduct - <https://newgensoft.com/wp-content/uploads/investor/Code%20of%20Ethics%20&%20Business%20Conduct%20for%20Website.pdf>
- Supplier Code of Conduct*
- Nomination and Remuneration Policy - <https://newgensoft.com/wp-content/uploads/2018/03/Nomination-and-Remuneration-Policy.pdf>
- Prevention of Sexual Harassment of Women at workplace (POSH) - <https://newgensoft.com/wp-content/uploads/2021/06/POSH-compressed.pdf>
- Equal Opportunity Policy*
- Whistleblower Policy*

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

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

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

- Code of Ethics and Business Conduct - <https://newgensoft.com/wp-content/uploads/investor/Code%20of%20Ethics%20&%20Business%20Conduct%20for%20Website.pdf>

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

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

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

- Policy on Incident Reporting*
- Risk Management Policy - <https://newgensoft.com/wp-content/uploads/2021/06/Risk-Management-Policy.pdf>
- Information Security Policy*

*The Policies are available on Newgen's Intranet Platform.

10. Details of Review of NGRBCs by the Company:

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

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

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

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

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE
PRINCIPLE 1

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

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

Segment	Total number of training and Awareness Programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	2	Awareness sessions on Newgen’s Code of Conduct under SEBI listing regulations and Familiarization program which include Governance Topics like Anti bribery and corruption disclosures, stakeholders’ engagements, social topics like welfare benefits etc.	100%
Key Managerial Personnel	2		100%
Employees other than BoD and KMPs	12	During induction, all new employees are trained on Newgen’s Code of Conduct and various policies like Anti-Bribery, Anti-corruption Policy, Vigil Mechanism, Whistleblower Policy, Prevention of Sexual Harassment of Women at workplace (POSH) etc. Further, all existing employees at Newgen are required to undergo refresher training on annual basis. Additionally, we regularly conduct Health and Safety trainings such as Fire Safety, Information Security etc.	100%
Workers	NA	NA	NA

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the Company or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year.

(Note: The Company shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the Company’s website):

During the financial year 2022-23, no fines/penalties/punishment/award/compounding fees/settlement amount was paid in proceedings (by the Company or by directors/KMPs with regulators/law enforcement agencies/judicial institutions.

Monetary					
	NGRBC Principle	Name of regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/fine					
Settlement			No		
Compounding fees					

Non-Monetary				
	NGRBC Principle	Name of regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment				
Punishment			No	

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

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

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

Yes, we have an Anti-Bribery & Anti-Corruption (ABAC) policy which provide a detailed framework for preventing, detecting, and addressing bribery and corruption issues within the organization.

Newgen is committed under the UN Global Compact’s principles for prevention, deterrence and detection of fraud, bribery and other corrupt practices. It is our objective to conduct all business activities with honesty, integrity and with the highest ethical standards.

The policy applies to all individuals working/associated worldwide with Newgen at all levels and grades.

The policy is available on Newgen’s intranet platform.

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

Segment	FY 2022-23	FY 2021-22
Directors		
KMPs	None	None
Employees		

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

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	Not applicable	0	Not Applicable
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	Not applicable	0	Not Applicable

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

Not Applicable

PRINCIPLE 2

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

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

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	100%	100%	Our R&D efforts are solely focused on designing solutions that assist customers in digitizing their business processes, making them more effective and paperless and ultimately lowering their carbon footprint.
CAPEX	39.5%	77.2%	Most of our Capex in IT infrastructure is on upgrading our old Laptops, Desktops & Servers with more energy efficient and technologically advanced equipment.

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

Yes. Newgen has procedures in place for sustainable sourcing. Our Supplier Code of Conduct and Procurement policy provides for the same.

We select our supplier/vendors based on clear and set communication with transparency about the requirements of Human rights, Health & safety, Business Ethics and Environment policy. Our procurement policy provides weightage to the sustainability practices of the suppliers during selection.

With the procurement policy and suppliers' code of conduct we ensure that the sustainability framework is adhered across our value chain.

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

With Newgen being an IT company that has intangible inputs and products, we have applied principles of sustainable sourcing to our supplies, wherever feasible.

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

Not applicable

4. Whether Extended Producer Responsibility (EPR) is applicable to the Company's activities. If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not applicable

PRINCIPLE 3

Employee Wellbeing: Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential Indicators

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

Newgen continues to put a strong emphasis on employee well-being by hosting awareness seminars on mental health and various lifestyle diseases with eminent doctors besides providing medical and parental benefits to all our employees. We have also partnered with outside creche facilities at all of our office locations to cater to the needs of new parents.

Category	Total (A)	% of Employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	2400	2400	100%	2400	100%	-	-	2400	100%	2400	100%
Female	790	790	100%	790	100%	790	100%	-	-	790	100%
Total	3190	3190	100%	3190	100%					3190	100%
Other than Permanent employees											
Male	435	33*	7.6%	33	7.6%	-	-	435	100%	435	100%
Female	136	1	0.7%	1	0.7%	136	100%	-	-	136	100%
Total	571	0	0	0	0					571	100%

*Casual and Temporary employees covered

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

Not Applicable

2. Details of retirement benefits, for FY 2022-23 and FY 2021-22:

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total Workers	Deducted and deposited with the authority.	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority.
PF	100%	NA	Yes	100%	NA	Yes
Gratuity	100%	NA	Yes	100%	NA	Yes
ESI	0.03%	NA	Yes	0.03%	NA	Yes
Others- please specify	NA	NA	NA	NA	NA	NA

*The data relates to permanent employees only.

3. Accessibility of workplaces

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

Yes, most of our premises/offices are accessible to differently abled employees and visitors with provision of ramps, handrails, accessible washrooms, availability of wheelchair, accessible parking etc.

Newgen is continuously working towards improving infrastructure for eliminating any existing barrier to accessibility to ensure that they remain compliant with any changes to accessibility requirements. We are constantly evaluating the accessibility of our offices and gathering feedback from employees to identify any gaps and addresses issues pointed out.

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

Yes, the Newgen has an equal opportunity policy and is available on our intranet. We don't discriminate based on their disability, race, gender, age, religion, sexual orientation, or other beliefs.

We continue to work towards ensuring equal opportunities for persons with disabilities in all aspects of employment, including recruitment, training, promotions and working conditions.

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

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	NA, as the Company started Paternal Leave Policy from 1 st Jan 2023		Not Applicable
Female	100%	58%		
Total	100%	58%		

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

Yes/No (If yes, then give details of the mechanism in brief)

Permanent Employees	<p>Yes, we have a mechanism available to receive and redress grievances to maintain a work culture that is healthy, fair, and inclusive. This ensures that employees feel heard and valued, and their concerns are addressed promptly and effectively.</p> <p>Some of the common mechanism available to receive and redress grievances include-</p> <ul style="list-style-type: none"> • Open door Policy
Other than Permanent Employees	<ul style="list-style-type: none"> • Grievance redressal committee • Whistleblower policy <p>When needed, a resolution committee is formed within the company to resolve the grievance. The committee may consist of members of management, HR, Legal, or other relevant departments depending upon the nature of the grievance.</p> <p>Further, Newgen has appointed an Independent External Ombudsman under this Whistleblower mechanism. The designated Ombudsman administers the entire process – from reviewing and investigating concerns raised and undertaking all necessary actions to resolve the issue.</p>

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

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

8. Details of training given to employees and workers:

Employee Health, Wellbeing and Safety has always remained a priority area at Newgen. In addition to ensuring a safe workplace, we conduct awareness programs on various health topics with eminent doctors, conduct training and awareness on fire and safety protocols at the office buildings. In addition, we also conduct regular mock drills for fire evacuation as well as medical emergencies involving all our employees across our offices.

Technology is always evolving and to keep pace with this evolution, our workforce must constantly upgrade its knowledge and skills. We at Newgen believe in employee development as one of our prime responsibilities, and towards this our Managers and HR team constantly work with all our employees in identifying their training and development needs. Different training courses are designed and conducted in-house besides

certification programs conducted in collaboration with external agencies. We also have our internal online learning portal through which employees can participate in multitude of self-paced online trainings.

Category	FY 2022-23					FY 2022-21				
	Total (A)	On health and safety measures		On Skill upgradation		Total (D)	On health and safety measures		On Skill upgradation	
		No.(B)	%(B/A)	NO.(C)	%(C/A)		No.(E)	%(E/D)	NO. (F)	%(F/D)
Employees*										
Male	2835	2835	100%	2053	72.42%	2360	2360	100%	1102	46.69%
Female	926	926	100%	656	70.84%	839	839	100%	384	45.77%
Total	3761	3761	100%	2709	72.03%	3199	3199	100%	1486	46.45%

* Includes Permanent and Other than Permanent Employees

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

Category	FY 2022-23			FY 2022-21		
	Total (A)	No.(B)	%(B/A)	Total ©	No. (D)	%(D/C)
Employees*						
Male	2400	2400	100%	2041	2041	100%
Female	790	790	100%	684	684	100%
Total	3190	3190	100%	2725	2725	100%

* Includes Permanent Employees only

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the Company? If yes, the coverage of such a system?

Yes, we work diligently to maintain high standard of occupational health and safety across our offices. These include Fire and Safety apparatus and drills, provision of defibrators, provision of safe transport practices in company provided transport facilities with special focus on safe commute of female employees, etc.

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

Being a software company, nature of our work doesn't involve any significant hazards. Our offices are designed with ergonomic workstations and furniture, provision of breakout, recreational and collaboration space as we strive to provide a stress-free work environment for our employees.

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

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

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

d. Do the employees/ worker of the Company have access to non-occupational medical and healthcare services?

Yes, for the healthcare of our employees, an Annual Health Check-up is undertaken. We also have tied up with eminent doctors to conduct awareness sessions on mental health and various lifestyle diseases for our employees.

11. Details of safety related incidents:

No work-related injuries during the reporting period.

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
No. of fatalities	Employees	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil

12. Describe the measures taken by the Company to ensure a safe and healthy workplace.

Our offices are designed with ergonomic workstations and furniture, provision of breakout, recreational and collaboration space as we strive to provide a stress-free work environment to our employees. In our office location, we have provision and maintenance of fire detection, alarm, and suppression systems. We also conduct regular mock drills for fire evacuation as well as medical emergencies. Further, we have robust management of Covid protocols in our organization.

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

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions		Nil			Nil	
Health & Safety		Nil			Nil	

14. Assessments for the year:

	% of your plants and offices that were Assessed (by Company or Statutory Authorities or Third Parties)
Health and safety practices	We assess most of our offices internally on a regularly basis on Health and Safety practices and working conditions. In addition, we regularly conduct mock drills & testing of our Fire & Safety equipment for proper functioning across all our offices.
Working Conditions	
	Most of the Health and Safety and Working Conditions aspects are covered under ISO 9001, ISO 27001 and CMMI

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

No such incidents were reported during the year.

PRINCIPLE 4

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

Essential Indicators
1. Describe the processes for identifying key stakeholder groups of the Company:

As part of the business activities, CSR and ESG activities and other engagements, Newgen identifies and engages with a broad spectrum of stakeholders in consultation with the Company's management including the customers, employees, investors/ shareholders, vendors, government and statutory bodies and the community at large. These stakeholders are individuals, groups of individuals or organizations that affect and/or could be affected by the Company's activities, platforms or services. The company is in constant engagement with the different stakeholder groups and committed towards them to understand their needs and requirements and their impact on the business, future outlook and risks in order to enhance the strategic and operational decisions.

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

Stakeholders Group	Whether identified as Vulnerable & Marginalised Group	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, website, Others)	Frequency of engagement (Annually/ Half yearly/ quarterly/ others- please specify)	Purpose and scope of engagement including Key topics and concerns raised during such engagement
Customers	No	<ul style="list-style-type: none"> - Customer meetings/ visits/ reviews - Industry Events - Customer Satisfaction Surveys - Customer Meets - Brochures/ Case Studies/ Website/ Social Media/ Mailers 	<ul style="list-style-type: none"> • Continuous: Website/ Social Media/ Meetings/ Mailers/ Industry Events • Annual: Customer Satisfaction Surveys/ Customer Meet 	<p>Updates on New products,</p> <p>Resolving Queries,</p> <p>Seeking Customer Feedback & Satisfaction</p>
Employees	No	<ul style="list-style-type: none"> - NEWS Committee/ Events - Townhall - HR Surveys - Mailers/ Internal Communications - Intranet 	<ul style="list-style-type: none"> • Continuous: NEWS Committee/ Events/ Mailers/ Internal Communications/ Intranet • Annual: Townhall/ HR Surveys 	<p>Learning & Development,</p> <p>Employee recognition and Engagement activities,</p> <p>Employee performance review and career development,</p> <p>Employee Safety and Well Being</p>
Investors	No	<ul style="list-style-type: none"> - Quarterly Results/ Earnings Call - Roadshows - Annual General Meeting - Financial Reports - Press Releases and Presentations - Mails - Annual Report 	<ul style="list-style-type: none"> • Continuous: Website/ Social Media/ Meetings • Quarterly: Quarterly Results/ Earnings Call/ Roadshows/ Financial Reports/ Presentations • Event basis: Press Releases Annual: Annual General Meeting, Annual Report 	<p>Dividend Updates, Financial Performance, Resolving Queries etc.</p>
Government and Regulatory Bodies	No	<ul style="list-style-type: none"> - Engagement in global forums - Interacting with statutory/ regulatory bodies 	As and when required	<p>Discussions with regards to various regulations and amendments, inspections, approvals.</p>
Suppliers and Business Partners	No	<ul style="list-style-type: none"> Meetings/ Mails/ visits/ Events 	As and when required	<p>Resolving queries and operational challenges</p>
Communities	No	<ul style="list-style-type: none"> - School/ Site visits - Press Releases - Social Media - Website 	As and when required	<p>Implementation of CSR projects.</p>

PRINCIPLE 5
Human Rights: Businesses should respect and promote human rights.
Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the Company:**

Category	FY 2022-23			FY 2021-22		
	Total(A)	No. of employees/ workers covered(B)	% (B/A)	Total(C)	No. of employees/ workers covered(D)	% (D/C)
Employees						
Permanent	3190	3011	94.39%	2725	1997	73.28%
Other than permanent	571	490	85.81%	474	375	79.11%
Total Employees	3761	3501	93.08%	3199	2372	74.15%

2. **Details of minimum wages paid to employees and workers:**

Category	FY 2022-23					FY 2021-22				
	Equal to minimum wage			More than minimum wage		Equal to minimum wage			More than minimum wage	
	Total(A)	No.(B)	%(B/A)	No.(C)	%(C/A)	Total(D)	No.(E)	%(E/D)	No.(F)	%(F/D)
Employees										
Permanent										
Male	2400	-	-	2400	100%	2041	-	-	2041	100%
Female	790	-	-	790	100%	684	-	-	684	100%
Other than permanent										
Male	351	-	-	351	100%	227	-	-	227	100%
Female	125	-	-	125	100%	119	-	-	119	100%

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

In ₹	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BoD)	5	69,50,000	2	91,16,978
Key managerial Personnel	5	2,74,25,818	0	-
Employees other than BOD and KMP	2400	9,00,022	790	8,50,050
Workers	NA	NA	NA	NA

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?**

Yes

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

We have a robust internal mechanism system in place to receive and redress grievances to maintain a work culture that is healthy, fair and inclusive.

It ensures that employees feel heard and valued, and their concerns are addressed promptly and effectively.

Some of the common mechanism available to receive and redress grievances include-

- Open door Policy
- Grievance redressal committee
- Whistleblower policy

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

The committee may consist of members of management, HR, Legal, or other relevant department depending upon the nature of the grievance.

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

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	Nil	Nil	-	Nil	Nil	-
Discrimination at Workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/ Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issues	1	Nil	-	Nil	Nil	-

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

As part of our Equal Opportunity Policy, we ensure equal opportunities at all levels of employment without any discrimination based on disability, race, gender, age, religion, sexual orientation or other beliefs. We conduct trainings and awareness sessions of employees to educate them about their Rights and responsibilities.

In case of receipt of complaint, we conduct Investigation keeping the identity and proceedings confidential.

Members are asked to sign a Non-Disclosure Agreement.

The company’s policies on Code of Ethics and Business Conduct, Prevention of Sexual Harassment of Women at workplace (POSH), Whistle-Blower, and Disciplinary Action Protocol (DAP) further provide detailed mechanism on the same. We also have an external Ombudsman for the Whistle Blower Mechanism.

8. Do human rights requirements form part of your business agreements and contracts?

Yes, as per applicable Labour Laws.

9. Assessments for the year:

	% of your plants and offices that were assessed (by Company or Statutory Authorities or Third parties)
Child Labour	
Forced Labour/ Involuntary Labour	
Sexual Harassment	
Discrimination at Workplace	100%*
Wages	
Others-Please specify	

*Internal Assessment

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

No concerns or risks were identified during these assessments.

PRINCIPLE 6:
Environment: Businesses should respect and make efforts to protect and restore the environment.
Essential Indicators
1. Details of total energy consumption (in Joules or multiples) and energy intensity:

Parameter (in GJ)	FY 2022-23	FY 2021-22
Total Energy Consumption(A)	13,089.09	9,645.34
Total Fuel Consumption(B)	501.35	473.35
Energy Consumption through Other Sources (C)	-	-
Total Energy Consumption(A+B+C)	13,590.43	10,118.69
Energy intensity per lakh rupees of turnover (Total energy consumption/Turnover in Lakh rupees)	0.153 GJ/ Lakh rupees	0.142 GJ/ Lakh rupees

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

No

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

Not Applicable

3. Provide details of the following disclosures related to water:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	36,028.94	19,497.23
(iv) Seawater/desalinated water	-	-
(v) Others- Packaged Drinking Water	238.79	104.73
Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)	36,267.72	19,601.96
Total volume of water consumption (in kilolitres)	36,267.72	19,601.96
Water intensity per lakh rupees of turnover (Kilolitres of water consumed/turnover in Lakh rupees)	0.409 Kilolitre / Lakh rupees	0.276 Kilolitre / Lakh rupees

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

No

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

Yes, we have Zero Liquid Discharge mechanism in our Chennai office. We have our own water treatment plant here of 12 KLD based on Batch process STP. This technology combines age old anaerobic digestion with modern disinfection systems. The water free of bio pollutants is disinfected by Ozonation and Filtered. Currently the treated water is reused for gardening purposes.

Further, most of our other offices are in multi-tenanted building where the responsibility of water treatment and recycling lies with the building management.

5. Please provide details of air emissions (other than GHG emissions) by the Company:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	Kg	108.09	
Sox	Kg	2.08	
Particulate Matter (PM)	Kg	11.59	
Persistent organic pollutants (POP)	NA	NA	Not Measured
Volatile organic compounds (VOC)	NA	NA	
Hazardous air pollutants (HAP)	NA	NA	
Others- Please specify	NA	NA	

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

No

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

Parameter	Unit	FY 2022-23	FY 2021-22
Total scope 1 emissions (Break-up of GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	290.53	110.77
Total scope 2 emissions (Break-up of GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	2,490.45	1,819.05
Total scope 1 and scope 2 emissions per lakh rupee of turnover	tCO ₂ e/lakh rupees	0.03	0.03

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

No

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

Yes, we have adopted following measure to reduce our energy consumption:

- One of our office premises in Noida is housed inside a Gold rated LEED certified building.
- Switched to LED lights and occupancy sensor lights in majority of our offices.
- Installation of 19 KW- 3 phase solar power plant in our Delhi Okhla Phase-II office and planning to install 40KW solar power plant in our Chennai Office.
- Installation of Auto controls in A.C equipment in areas like Hub Rooms, UPS Rooms etc.

Additionally, we have implemented the following measures to reduce plastic waste:

- Increasing the usage of reusable cups, plates and glasses for snacks, beverages, and water.
- Serving water in glasses in meeting rooms during meetings/trainings etc in some of our office premises.
- Splitting up garbage into separate bins and using recyclable garbage bags as bin liners.
- Reduced usage of packaged drinking bottles etc.

8. Provide details related to waste management by the Company, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (In metric tonnes)		
Plastic waste(A)	0.13	0.14
E-waste(B)	3.32	-
Bio-medical waste(C)	-	-
Construction and demolishment waste(D)	-	-
Battery waste(E)	4.04	1.17
Radioactive waste(F)	-	-
Other Hazardous waste (G)	-	-
Other non-Hazardous waste generated(H)	-	-
Total(A+B+C+D+E+F+G+H)	7.49	1.31
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	6.91*	1.31
(ii) Reused	0.58**	-
(iii) Other recovery operations	-	-
Total	7.49	1.31
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	NA	NA
(ii) Landfilling	NA	NA
(iii) Other disposal operations	NA	NA
Total	NA	NA

* We sell our Plastic waste, E-waste & Battery waste in a responsible manner to authorized dealers for recycling.

** We donate some of our old but functional desktops and laptops to the NGOs/ Schools for reuse.

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

No

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

The company aims to minimize all types of waste by adopting Reduce-Reuse-Recycle philosophy. The company ensures that all the waste collected like Plastic Waste, Battery Waste, E-waste etc. are disposed through authorized dealers for recycle. Further, Electronic waste management is being done as per the guidelines established in E-waste Management Rules, 2016.

Further, Newgen being an IT Software company, we have no such usage of hazardous and toxic chemicals in our products and processes.

Following are the waste management practices adopted by the company:

- Adopted practice to reuse wastewater from RO plants in our facilities. This water is used in mopping, cleaning, etc.
- To minimize the usage of paper products, the company has implemented use of reusable cups & glasses for employees to consume tea & coffee. This step has reduced waste by doing away with the need of paper products for tea/ coffee leading to less wastage.
- Encourage employees to switch to reusable water bottles to reduce plastic waste.
- We have removed dustbins from individual workstations to reduce the usage of Garbage bags.
- We donate some of our old but functional Laptops & Desktops to the NGOs / School so that they can be reused thus reducing waste generation.

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

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

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

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

12. Is the Company compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder. If not, provide details of all such non-compliances.

Compliance to all applicable laws and regulations is at the core of Newgen’s philosophy and thus we are compliant.

PRINCIPLE 7:

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

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**
The company has affiliations with three trade and industry chambers/ associations.
- b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the Company is a member of/ affiliated to.**

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

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

Not Applicable

PRINCIPLE 8:

Inclusive Growth: Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the Company based on applicable laws, in the current financial year.**

The company has not undertaken any SIAs in the current financial year.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your Company.**

Not Applicable

3. **Describe the mechanisms to receive and redress grievances of the community.**

Not Applicable

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

The company supports local and small suppliers (MSMEs) by procuring goods and services in proximity to its offices/ locations. First Preference is given to local vendors to the extent possible.

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	10.42%	9.26%
Sourced directly from within the district and neighboring districts	98.50%	99.09%

PRINCIPLE 9:

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

Essential Indicators
1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback:

Newgen has a helpdesk portal in which various tickets on consumer queries / complaints/ feedback can be submitted by customers / department concerned. These issues are taken up and resolved by concerned departments within the internally defined SLA period.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	
Recycling and/or safe disposal	

Newgen, being a software product company, does not have any products that carry any label and hence this is not applicable

3. Number of consumer complaints in respect of the following:

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber-security	Nil	Nil	-	Nil	Nil	-
Delivery of essential services	NA	NA	-	NA	NA	-
Restrictive Trade Practices	NA	NA	-	NA	NA	-
Unfair Trade Practices	NA	NA	-	NA	NA	-
Other	6	0	-	-	0	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reason for recall
Voluntary Recalls		
Forced Recalls		Not Applicable

5. Does the Company have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, Newgen has a cyber security framework in place. Newgen is an ISO-27001:2013 Certified world-class Information Security Management System that helps in identifying, monitoring, managing and mitigating risks and controls in cyber space against cyber-attacks, threats, and vulnerabilities.

The company's Information Security Policy ensures privacy, confidentiality, integrity, and availability of information assets required or provided by any Stakeholders, Customers, and for delivery of software products, software solutions, and services to the customers. We also establish and maintain Information Security objectives derived from risk assessment, at relevant levels within the organization, which are reviewed and approved periodically by Senior Management.

The policy is available at Newgen's Intranet platform.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

No issues related to such matters were reported during the year.

Annexure 8

REPORT ON CORPORATE GOVERNANCE

I Company's Philosophy on Corporate Governance:

Your Company's philosophy on Corporate Governance envisages the accomplishment of a high level of transparency, integrity and accountability in the conduct of its businesses and accords importance to regulatory compliances. These principles have evolved, over the years, from the Company's culture of continuous innovation and rich experiences gathered from the past. The Company recognizes that good governance is a continuing exercise and reiterates its commitment to pursue the highest standards of corporate governance in the overall interest of its stakeholders.

Our core principles represent the edifice of our two-tier governance model, with the Board of Directors and the Committees of the Board at the apex, and the management structure at the operational level. The Board and its Committees guide, support, and complement the management team's ideas and initiatives, which in turn assumes accountability, strives to achieve the set objectives, and enhances value creation for all.

II Board of Directors:

The composition of the Board is in conformity with the requirements of the Companies Act, 2013 (the "Act") including the rules framed thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The composition of the Board represents an optimal mix of professionalism, knowledge, and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

(i) As on 31st March 2023, the Board comprises of 7 (seven) Directors, out of which 3 (three)

Directors are Executive Directors and 4 (four) Directors are Non-Executive Directors. 2 (two) Executive Directors are Promoter Directors, and 1 (one) Executive Director is the member of the promoter group. All 4 (four) of Non-Executive Directors are Independent Directors including 1 (one) woman Independent Director.

- (ii) Based on the declarations received from the Independent Directors, the Board of Directors confirms that they meet the criteria of Independence as mandated by Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. The Company had issued formal letters of appointment to Independent Directors, whenever required, in the manner as provided in the Act and SEBI Listing Regulations.
- (iii) None of the Directors on the Board holds directorships in more than 10 (ten) public companies (Listed or Unlisted). None of the Independent Directors serves as an independent director on more than 7 (seven) listed entities. Necessary disclosures about their Directorship(s) and status of Committee's Membership(s)/ Chairpersonship(s) in other Companies (Listed or Unlisted) have been made.
- (iv) The names and categories of the Directors on the Board, their attendance at the last Annual General Meeting ("AGM"), number of Directorships(s) and the status of Committee Membership(s)/ Chairperson(s) held by them in other Companies (Listed or Unlisted), as at 31st March, 2023 are given hereinbelow:

Name of the Director	Category of Director	Whether attended last AGM held on 23 rd June 2022	Number of Directorship(s) in Companies other than Newgen ^{#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	2	0	0
Mr. T. S. Varadarajan	Promoter/ Executive/ Whole - Time Director	Yes	3	0	0
Mrs. Priyadarshini Nigam	Promoter Group/ Executive/ Whole - Time Director	Yes	2	0	0

Name of the Director	Category of Director	Whether attended last AGM held on 23 rd June 2022	Number of Directorship(s) in Companies other than Newgen ^{#1}	Number of Membership(s) of Committee(s) in other Companies ^{#2}	Chairmanship(s) of Committee(s) in other Companies ^{#2}
Mr. Kaushik Dutta	Non – Executive/ Independent Director	Yes	6	3	2
Mr. Saurabh Srivastava	Non – Executive/ Independent Director	Yes	8	3	1
Mr. Subramaniam Ramnath Iyer	Non – Executive/ Independent Director	Yes	0	0	0
Mrs. Padmaja Krishnan	Non – Executive/ Independent Director	Yes	1	0	0

#1 Above list of other Directorship(s) is based on a declaration given by respective Director(s) and does not include Directorship(s) in foreign companies, Limited Liability Partnership (LLP) and Section 8 Company under the Act.

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

(v) **Details of Directorship(s) held by the Directors on the Board in other Listed Companies during the financial year 2022-23:**

Name of Director	Name of Other Listed Companies	Category of Directorship(s) in such other listed Companies
Mr. Diwakar Nigam	NIL	NIL
Mr. T.S. Varadarajan	NIL	NIL
Mrs. Priyadarshini Nigam	NIL	NIL
Mr. Kaushik Dutta	1. HCL Infosystems Limited 2. PB Fintech Limited 3. Zomato Limited	1. Independent Director 2. Independent Director 3. 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
Mrs. Padmaja Krishnan	NIL	NIL

(vi) **During the financial year 2022-23, 6 (Six) meetings of the Board of Directors were held, the details of attendance of each Director at the Board meetings are given below:**

Name of the Director	Category of the Director	Date(s) of the Board meeting ^{#1}					
		03-05-2022	20-07-2022	18-10-2022	17-01-2023	14-02-2023	24-03-2023
Mr. Diwakar Nigam	Promoter/ Executive/ Chairman and Managing Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. T.S. Varadarajan	Promoter/ Executive/ Whole - Time Director	Yes	Yes	Yes	Yes	Yes	Yes
Mrs. Priyadarshini Nigam	Promoter Group/ Executive/ Whole – Time Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Kaushik Dutta	Non – Executive/ Independent Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Saurabh Srivastava	Non – Executive/ Independent Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Subramaniam Ramnath Iyer	Non – Executive/ Independent Director	Yes	Yes	Yes	Yes	Yes	Yes
Mrs. Padmaja Krishnan	Non – Executive/ Independent Director	Yes	Yes	Yes	Yes	Yes	Yes

#1 Including attendance by Videoconference.

- (vii) The Board is updated on the discussions held at the Committee meetings and the recommendations made by various Committees.
- (viii) Except for Mr. Diwakar Nigam and Mrs. Priyadarshini Nigam, none of the Directors is related to any other Director(s). Mrs. Priyadarshini Nigam a Whole-time Director is the spouse of Mr. Diwakar Nigam who is the Chairman & Managing Director of the Company.
- (ix) As on 31st March 2023 none of the Non-Executive Directors holds Equity Shares of the Company, and the Company does not have any outstanding convertible instruments.
- (x) The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Technology	Reasonable knowledge and experience in technology with an ability to foresee technological trends and changes, apply new technology and bring about innovations in business strategies.
Strategic Planning and Analysis	Ability to critically identify and assess strategic opportunities and threats and develop effective strategies in the context of long-term objectives and the organizations' relevant policies and priorities.
Financial Management	Wide-ranging knowledge and financial skills, oversight for risk management and internal controls and proficiency in financial management and financial reporting processes.
Global Business	Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities.
Governance	Understanding of the various governance and compliance requirements under various applicable laws, supporting a strong Board base and management accountability, transparency, and protection of stakeholder interests.
Leadership	Leadership experience for understanding the needs of the organization, risk management systems and succession planning for the organization.
Diversity	Representation of gender, ethnic, geographic, cultural, or other perspectives that expand the Board's understanding of the needs and viewpoints of our customers, partners, employees, governments, and other stakeholders worldwide.

The table below expresses the specific areas of focus skills/ expertise/ competencies which are currently possessed by the Directors of the Company. However, the absence of a tick mark does not necessarily mean the member does not possess the corresponding skills/ expertise.

Name of Directors	Technology	Strategic Planning and Analysis	Financial Management	Global Business	Governance	Leadership	Diversity
Mr. Diwakar Nigam	✓	✓	✓	✓	✓	✓	✓
Mr. T.S. Varadarajan	✓	✓	✓	✓	✓	✓	✓
Mrs. Priyadarshini Nigam	-	✓	-	✓	✓	✓	✓
Mr. Kaushik Dutta	-	✓	✓	-	✓	✓	✓
Mrs. Padmaja Krishnan	✓	✓	-	✓	✓	✓	✓
Mr. Saurabh Srivastava	✓	✓	✓	✓	✓	✓	✓
Mr. Subramaniam Ramnath Iyer	-	✓	✓	-	✓	✓	✓

The profiles of Directors are available on the Company's website at <https://newgensoft.com/company/leadership-team/> and shall also be included in the Annual Report of the Company.

III. Independent Directors:

At Newgen, the appointment of Independent Directors is carried out in a structured manner in accordance with the provisions of the Act and the SEBI Listing Regulations. The Nomination & Remuneration Committee of the Board identifies candidates based on certain laid down criteria and takes into consideration the need for diversity of the Board and accordingly makes its recommendations to the Board.

Independent Directors play a significant role in the governance processes of the Board. By virtue of their varied experience & expertise, they enrich the Board's decision-making and prevent possible conflicts of interest that may emerge in such decision-making.

(i) Meeting of Independent Directors:

The Independent Directors met once in a financial year, without the presence of Non-Independent Directors or Management representatives. Independent Directors, inter alia, evaluated:

- 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.

During the period under review, meeting of Independent Directors was held on 03rd May 2022.

In addition, they also discussed the issues arising out of Committee Meetings and Board discussions including the quality, quantity and timely flow of information between the Company Management and the Board, which are essential for the Board members to effectively and reasonably perform their duties.

(ii) The details of the familiarisation programme for Independent Directors are given below:

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

The Company has divided the familiarization initiatives into two parts viz, orientation

program upon induction of new Independent Director and other initiatives 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, and operation of the Company and of its subsidiaries.

The details of the familiarization program of the Independent Directors can be found on the Company's website: <https://newgensoft.com/wp-content/uploads/2021/06/Familiarization-Programme-for-Independent-Directors-2.pdf>.

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 that are considered to be performed by Members of the Board, as a part of good governance practice. The minutes of the meetings of all Committees are placed before the Board for noting. Special invitees are invited to join the meetings of the Committee as considered appropriate by the Chairman of the respective Committee.

There are a total 5 (five) Board Committees as on 31st March 2023 and 1 (one) non-statutory committee that have been constituted considering the best practices in Corporate Governance and in the best interest of the Company. These Committees review, discuss and monitor the activities falling within their terms of reference, the details of which are provided below:

1) Audit Committee:

The Committee is constituted in accordance with the provisions of the Act and the provisions of the SEBI Listing Regulations. All members of the Audit Committee are financially literate and bring in expertise in the fields of 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 Act;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions; and
 - g) Modified opinion(s) in the draft audit report.
- (6) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

- (7) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (8) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (9) Approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;

Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Act.

- (10) Scrutiny of inter-corporate loans and investments;
- (11) Valuation of undertakings or assets of the Company, wherever it is necessary;
- (12) Evaluation of internal financial controls and risk management systems;
- (13) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (14) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (15) Discussion with internal auditors of any significant findings and follow up there on;
- (16) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (17) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

- (18) Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, members (in case of non-payment of declared dividends) and creditors;
- (19) Recommending to the board the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
- (20) Reviewing the functioning of the whistle blower mechanism;
- (21) Overseeing the vigil mechanism established by the Company, with the Chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
- (22) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
- (23) To approve the appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.
- (24) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
- (23) Carrying out any other functions required to be carried out by the audit committee in terms of applicable law.

The Audit Committee shall mandatorily review the following information:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Management letters/letters of internal control weaknesses issued by the statutory auditors;
- c) Internal audit reports relating to internal control weaknesses;
- d) The appointment, removal and terms of remuneration of the Chief Internal auditor shall be subject to review by the Audit Committee; and
- e) Statement of deviations in terms of the listing regulations.

B. Composition of the Audit Committee during the financial year 2022-23:

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 2022-23:

During the financial year 2022-23, 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				
		02-05-2022	20-07-2022	18-10-2022	17-01-2023	24-03-2023
Mr. Kaushik Dutta	Non-Executive, Independent Director	Yes	Yes	Yes	Yes	Yes
Mr. Saurabh Srivastava	Non-Executive, Independent Director	Yes	Yes	Yes	Yes	Yes
Mr. Subramaniam Ramnath Iyer	Non-Executive, Independent Director	Yes	Yes	Yes	Yes	Yes

The necessary Quorum was present at all the meetings and all the meetings were held within prescribed time gap.

2) Nomination & Remuneration Committee:

The Committee is constituted in accordance with the provisions of Section 178(3) of the Act and Regulation 19(4) read with Part D of Schedule-II of the SEBI Listing Regulations.

A. The terms of reference of the Nomination & Remuneration Committee:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board, a policy relating to the remuneration of the directors, key managerial personnel and other employees;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
 - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- Formulation of criteria for evaluation of Independent Directors and the Board;
 - Devising a policy on Board diversity;
 - Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance (including independent director);
 - For every appointment of an independent director, the Nomination & Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.

- Recommend to the Board, all remuneration, in whatever form, payable to senior management;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of directors; and
- Carrying out any other functions/ role as required to be undertaken by the Nomination & Remuneration Committee under applicable law and/ or by the Board of Directors of the Company;
- Administer and implement any Employee based benefit plan including but not limited to Stock Options Scheme (ESOP)/ Plan, RSU, SAR etc, including:
 - a) Delegation of duties and powers in whole or in part as it determines, to one or more officers of the Company and/ or to any one or more sub-committees in respect of aforesaid Plan;
 - b) To choose eligible employees for grant of options and formulate the detailed terms and conditions of the scheme or plan;
 - c) To meet at such intervals as may be required for consideration of grant of options/units under aforesaid Plan;
 - d) To take decision about the criteria of employees to whom shares, under any aforesaid Plan, to be directly issued or through transfer of shares from trust as may be set up under respective scheme or plan;
 - e) To do all such other act and matters as may be provided in any aforesaid Plan and empowered by the Board of Directors time to time.

B. Composition of the Nomination & Remuneration Committee during the financial year 2022-23:

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 2022-23:

During the financial year 2022-23,3 (three) meetings of the Nomination & Remuneration Committee were held. The attendance of the members of the Committee at the meetings is as below:

Name of the Committee Member	Category & Designation	Date(s) of the meeting/ Attendance		
		02-05-2022	18-10-2022	17-01-2023
Mr. Subramaniam Ramnath Iyer	Non-Executive, Independent Director	Yes	Yes	Yes
Mr. Saurabh Srivastava	Non-Executive, Independent Director	Yes	Yes	Yes
Mr. Kaushik Dutta	Non-Executive, Independent Director	Yes	Yes	Yes

The necessary Quorum was present at the meeting and all the meetings were held within the maximum prescribed time gap.

D. Board Annual Evaluation:

Pursuant to the provisions of the Act and SEBI Listing Regulations, the Board of Directors in consultation with the Nomination & Remuneration Committee has carried out the annual performance evaluation of its own performance, Committees of the Board and Individual Director. The performance of the Board was evaluated by the Board itself after seeking inputs from all the directors on the basis of the criteria such as structure & composition of Board Culture, the effectiveness of Board processes, functioning, execution and performance of specific duties, obligations and governance etc. The performance of Committees was evaluated by the Board after seeking inputs from respective committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings and quality of recommendation to the Board, etc.

The Board and the Nomination & Remuneration Committee reviewed the performance of the individual directors on the basis of 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, the performance of Non-Independent Directors, the performance of the Board as a whole and the performance of the Chairman were evaluated, taking into account the views of executive directors and non-executive directors. The performance evaluation of the Independent Directors was carried out by the entire Board. All the Directors expressed their satisfaction with the evaluation process.

E. Details of the Remuneration of Directors:

(i) Pecuniary transactions with Non-Executive Directors:

The Non-Executive Directors are paid remuneration by way of sitting fee(s) for attending meetings of the Board & the Committees and commission on profit as approved by the Board of Directors, considering the performance of the Company, the current trends in the industry, the director's participation in Board and Committee meetings during the year and such other responsibilities associated with their respective position. The remuneration paid to the non-executive directors is within the threshold limit prescribed under the provisions of the Act and SEBI Listing Regulations.

(in ₹)

Name	Sitting Fees	Commission on Profit	Other Expenses reimbursed, if any
Mr. Kaushik Dutta	17,00,000	51,50,000.00	Nil
Mr. Saurabh Srivastava	15,00,000	51,50,000.00	Nil
Mr. Subramaniam Ramnath Iyer	18,00,000	51,50,000.00	Nil
Mrs. Padmaja Krishnan	9,00,000	51,50,000.00	Nil

The policy for setting out the criteria of making payments to Non-Executive Directors is available on the Company's website: <https://newgensoft.com/wp-content/uploads/2021/06/Criteria-of-making-payments-to-Non-Executive-Directors-1.pdf>.

(ii) Executive Directors:

The remuneration draw by the Executive Directors during the financial year 2022-23 is set out below. The remuneration to Executive Director includes fixed salary, perquisites and commission on profit as determined by the Nomination & Remuneration Committee based on their individual responsibilities and contributions to the performance of the organization. The remuneration paid to the Executive Directors is in accordance with the provisions of the Act and SEBI Listing Regulations.

(in ₹)

PARTICULARS	NAME OF THE EXECUTIVE DIRECTORS		
	Diwakar Nigam	T.S. Varadarajan	Priyadarshini Nigam
Salary	2,26,48,706	1,06,97,846	52,57,200
Benefits, Perquisites & Allowances	72,600	64,460	39,600
Commission on Profit	1,72,17,888.08	1,03,30,732.85	68,87,155.23
Total	3,99,39,194	2,10,93,039	1,21,83,955

The Company enters into service contracts with all Executive Directors for a period of 5 (five) years. The notice period is of 3 (three) months and the severance fee is the sum equivalent to remuneration for the notice period or part thereof in case of shorter notice. The details of the notice period and severance fees etc. are governed by the appointment letter issued to the respective Non-Executive Director at the time of his / her appointment. The aforesaid appointment letters are available on the Company's website. <https://newgensoft.com/company/investor-relations/terms-and-conditions-of-appointment-of-independent-directors/>.

3) Stakeholders' Relationship Committee:

The constitution of the Committee and its composition follows the Act and SEBI Listing Regulations.

A. The terms of reference of the Stakeholders' Relationship Committee:

- 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.
- 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.;
- 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.

- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the members of the Company.
- Review of measures taken for effective exercise of voting rights by members.
- Allotment of shares.
- 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 2022-23:

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 2022-23:

During the Financial Year 2022-23, 1 (one) Stakeholders' Relationship Committee meeting was held. The attendance of the members of the Committee at the meeting is as below:

Name of the Committee Member	Category & Designation	Date(s) of the meeting/ Attendance
		02-05-2022
Mr. Subramaniam Ramnath Iyer	Non-Executive, Independent Director	Yes
Mr. Diwakar Nigam	Chairman and Managing Director	Yes
Mr. T.S. Varadarajan	Whole-time Director	Yes

The necessary Quorum was present at the meeting.

Mr. Aman Mourya, Company Secretary functions as the Compliance Officer of the Company. He has also been appointed as the nodal officer in line with statutory requirements. During the financial year 2022-23, complaint was received from the Investors/Shareholders. Members/Investors complaints and other correspondence are normally attended to within 30 (Thirty) working days. All the complaints have been redressed to the satisfaction of the Investors/Shareholders and none of them were pending as on 31st March 2023. The number of pending share transfers and pending requests for dematerialization as on 31st March 2023 was.

Particulars	Complaints Received	Complaints Redressed
Non-receipt of Dividend	16	16
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 constitution of Corporate Social Responsibility Committee and its composition and terms of reference are in compliance with the provisions of Act.

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

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;

- To recommend the amount of expenditure to be incurred on activities referred in the law;
- formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-
 - To monitor the Corporate Social Responsibility Policy of the Company from time to time; and
 - To take decisions and to spend the amount in CSR related activities and projects as defined in the CSR Policy of the Company

B. Composition of the Corporate Social Responsibility Committee during the financial year 2022-23:

Name of the Committee Member	Category & Designation	Chairperson/ Member
Mrs. Priyadarshini Nigam	Whole-time Director	Chairperson
Mr. Kaushik Dutta	Non-Executive, Independent Director	Member
Mr. T.S. Varadarajan	Whole-time Director	Member

C. Meetings and attendance of the Corporate Social Responsibility Committee meeting held during the financial year 2022-23:

During the Financial Year 2022-23, 1 (one) Corporate Social Responsibility Committee meeting was held. The attendance of the members of the Committee at the meeting is as below:

Name of the Committee Member	Category & Designation	Date(s) of the meeting/ Attendance
		02-05-2022
Mrs. Priyadarshini Nigam	Whole-time Director	Yes
Mr. Kaushik Dutta	Non-Executive, Independent Director	Yes
Mr. T.S. Varadarajan	Whole-time Director	Yes

The necessary Quorum was present at the meeting.

5) Risk Management Committee:

The Company has constituted the Risk Management Committee in compliance with SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 read with SEBI Listing Regulations.

A. The terms of reference of the Risk Management Committee:

- a) To formulate a detailed risk management policy which shall include:
- (i) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
- (ii) Measures for risk mitigation including systems and processes for internal control of identified risks.
- (iii) Business continuity plan.
- b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- d) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- e) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- f) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any, as of now it is not mandatory) shall be subject to review by the Risk Management Committee.
- g) The Committee shall have access to any internal information necessary to fulfil its oversight role. As and when required the Committee may assign tasks to the Internal Auditor, the Company's internal risk management team and any external expert advisors considered necessary for any task and they will provide their findings to the Committee.
- h) Such other terms as may be specified by the Board of Directors from time to time.
- i) Such other terms/ activities as may be prescribed under applicable laws and regulations, time to time.

B. Composition of the Risk Management Committee:

Name of Committee member	Designation	Chairman/ Member
Mrs. Padmaja Krishnan	Independent Director	Chairperson
Mr. Diwakar Nigam	Chairman and Managing Director	Member
Mr. Kaushik Dutta	Independent Director	Member
Mr. Subramaniam Ramnath Iyer	Independent Director	Member
Mr. Virender Jeet	Chief Executive Officer	Member
Mr. Surender Jeet Raj	EVP - Global Business Strategy & HR	Member

During the financial year 2022-23, 2 (two) Risk Management Committee meeting were held. The attendance of the members of the Committee at the meeting is as below:

Name of the Committee Member	Category & Designation	Date(s) of the meeting/ Attendance	
		20-07-2022	04-01-2023
Mrs. Padmaja Krishnan	Independent Director	Yes	Yes
Mr. Diwakar Nigam	Chairman and Managing Director	Yes	Yes
Mr. Kaushik Dutta	Independent Director	Yes	No
Mr. Subramaniam Ramnath Iyer	Independent Director	Yes	Yes
Mr. Virender Jeet	Chief Executive Officer	Yes	Yes
Mr. Surender Jeet Raj	EVP - Global Business Strategy & HR	Yes	Yes

6) Other Committees

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

6.1. Finance and Operations Committee:

The Finance and Operations Committee has been constituted to oversee the Banking operations, a delegation of operational powers, dealing with the

statutory bodies and other finance and routine operations that arise in the normal course of the business. The Committee reports to the Board and the minutes of these meetings are placed before the Board for information.

A. The terms of reference of the Finance and Operations Committee:

- a) To provide the authorization for applying, negotiating and finalizing, with the existing / proposed Bankers, the sanctioning / renewal of the Temporary / Ad hoc / Regular Working Capital or Short-Term Finance / Loan requirements, whether fund based or non-fund based (LC/BG), interchangeable or otherwise in the ordinary course of business.
- b) To provide authorization to open, operate and close the Bank Account(s) of the Company, to change the Authorized Signatories therein from time to time; and to provide authorization in respect of executing/submitting bank related documents.
- c) To provide authorization to take on lease/rent/or on Leave and license basis any premises in the ordinary course of business or for the purpose of guest house of the Company and execution of agreements, papers and other document thereto and to deal with any Government or semi-government departments / authorities, local bodies and corporation for registration of such agreements/documents with Registrar or Sub- Registrar.
- d) To act as per the Investment Policy approved by the Board of Directors.

- e) To provide authorization to deal with State, Central Government or Government authorities, Statutory Corporations, government undertaking, local bodies.

B. Composition of the Finance and Operation Committee during financial year 2022-23:

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

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

During the financial year 2022-23, 1 (one) Finance and Operation Committee meeting was held. The attendance of the members of the Committee at the meeting is as below:

Name of the Committee Member	Category & Designation	Date(s) of the meeting/ Attendance
		24-03-2023
Mr. T.S. Varadarajan	Whole-time Director	Yes
Mr. Diwakar Nigam	Chairman & Managing Director	Yes
Mrs. Priyadarshini Nigam	Whole-time Director	Yes

V GENERAL BODY MEETINGS:

The Annual General Meeting ("AGM") of the Company during the preceding 3 (three) years was held at the following venues, dates and times, wherein the following special resolutions were passed:

AGM	Date & Time of AGM	Venue	Details of Special resolutions
28 th AGM	27-07-2020 at 11:00 A.M.	Through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM)	1. To consider the continuation of Directorship of Mr. Saurabh Srivastava (DIN: 00380453), Independent Director of the Company, post attaining the age of Seventy-five (75) during his present tenure.
29 th AGM	27-07-2021 at 11:00 A.M.	Through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM)	NIL

AGM	Date & Time of AGM	Venue	Details of Special resolutions
30 th AGM	23-06-2022 at 11:00 A.M.	Through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM)	<ol style="list-style-type: none"> 1. Re-appointment of Mr. Saurabh Srivastava (DIN: 00380453) as a Non-Executive Independent Director of the Company for the second term of five (5) years 2. Re-appointment of Mr. Subramaniam Ramnath Iyer (DIN: 00524187) as a Non-Executive Independent Director of the Company for the second term of five (5) years. 3. Approval of Newgen Software Technologies Limited Employees Stock Option Scheme– 2022 4. Approval for grant of stock options to the employees of group Company including subsidiary Companies or its associate Company, in India or outside India of the Company under Newgen Software Technologies Limited Employees Stock Option Scheme – 2022 5. Approval for the acquisition of equity shares by way of secondary acquisition under Newgen Software Technologies Limited Employees Stock Option Scheme – 2022 6. Approval for provision of money by the Company for purchase of its own shares by the trust / trustees for the benefit of employees under Newgen Software Technologies Limited Employees Stock Option Scheme – 2022 7. Approval for amendment in the Newgen Software Technologies Limited Employees Stock Option Scheme – 2014 (“Newgen ESOP Scheme 2014”) 8. Approval for amendment in the Newgen RSU Scheme 2021.

No Extraordinary General Meeting and Postal Ballot were held during the year 2022-23.

VI. MEANS OF COMMUNICATION:

The quarterly results of the Company were published in an English daily newspaper (Financial Express) having nationwide circulation and in local Hindi daily newspaper (Jansatta) and also displayed at the Company's website at <https://newgensoft.com/company/investor-relations/financial-results-published-in-the-newspaper/>.

All official press/ news releases, presentations made to analysts and institutional investors and other general information about the Company are also available on the Company's website. The presentations made to the institutional investors or analysts, if any, are not communicated individually to the shareholders of the Company. However, in addition to uploading the same on the website of the Company, the presentations are sent to the Stock Exchange for dissemination.

VII GENERAL SHAREHOLDER INFORMATION:

A. 31st Annual General Meeting:

The date, time, and venue of the 31st (Thirty- First) Annual General Meeting of the Company are provided hereunder:

Day & Date	: Tuesday, 27 th June 2023
Time	: 11:00 A.M.
Venue	: Video Conferencing or Other Audio-Visual Means* Deemed Venue: Registered office of the Company situated at E-44/13 Okhla Phase-II-110020

B. Financial Year:

The Company follows the financial year from 1st April to 31st March. The financial year was from 1st April 2022 to 31st March 2023.

C. Details related to Dividend:

Dividend on equity shares, if declared at the ensuing Annual General Meeting, will be credited on or before 25th July 2023. Members who hold shares in Demat mode should inform their depository participant, whereas Members holding shares in physical form should inform the Company's RTA of their banking account details.

In cases where the banking account details are not available, the Company will issue the demand drafts stating the existing bank details available with the Company.

The cut-off date for the purpose of Dividend will be 20th June 2023.

Record Date/Book Closure: 20th June 2023.

D. Listing on Stock Exchanges:

The Company's equity shares are listed on the following Stock Exchanges and the annual listing fees have been duly paid to the stock exchanges.

Sr. No.	Name of the Stock Exchange	Address	Stock Code
1.	BSE Limited (BSE)	1 st Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	540900
2.	National Stock Exchange of India Limited (NSE)	Exchange Plaza, Bandra - Kurla Complex, Bandra (E), Mumbai 400 051	NEWGEN

International Securities Identification Number (ISIN): INE619B01017.

E. Market Price Data:

The monthly high and low prices of shares of the Company at BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) for the financial year ended 31st March 2023 along with performance in comparison to such indices are tabled below:

Month	Newgen at BSE		BSE Sensex	
	High	Low	High	Low
Apr-22	522.30	463.05	60,845.10	56,009.07
May-22	501.65	354.00	57,184.21	52,632.48
Jun-22	397.25	320.85	56,432.65	50,921.22
Jul-22	420.00	344.05	57,619.27	52,094.25
Aug-22	429.95	367.00	60,411.20	57,367.47
Sep-22	416.00	347.55	60,676.12	56,147.23
Oct-22	385.95	333.10	60,786.70	56,683.40
Nov-22	360.00	327.95	63,303.01	60,425.47
Dec-22	384.80	329.00	63,583.07	59,754.10
Jan-23	446.15	354.05	61,343.96	58,699.20
Feb-23	469.60	412.90	61,682.25	58,795.97
Mar-23	483.80	426.90	60,498.48	57,084.91

Month	Newgen at NSE		NSE Nifty	
	High	Low	High	Low
Apr-22	524.90	464.05	18114.65	16824.7
May-22	530.00	353.75	17132.85	15735.75
Jun-22	396.90	323.75	16793.85	15183.4
Jul-22	420.70	343.70	17172.8	15511.05
Aug-22	429.95	366.65	17992.2	17154.8
Sep-22	416.00	347.45	18096.15	16747.7
Oct-22	386.00	333.00	18022.8	16855.55
Nov-22	360.70	328.00	18816.05	17959.2
Dec-22	384.75	299.95	18887.6	17774.25
Jan-23	446.00	356.70	18251.95	17405.55
Feb-23	469.75	412.50	18134.75	17255.2
Mar-23	484.05	433.30	17799.95	16828.35

F. Registrar and Share Transfer Agent (“RTA”):

KFin Technologies Limited (formerly Known as KFin Technologies Private Limited) is our Registrar and Share Transfer Agent (RTA) to render services related to Share transfer/ Dematerialisation/ Rematerialisation/ Transmission, dividend payment and other activities thereto for both electronic and physical shareholdings. Members/ Investors are requested to forward share transfer documents, dematerialization/rematerialization requests, dividend payment-related queries and other related correspondence directly to the RTA of the Company.

Details for Correspondence:

KFin Technologies Limited (Formerly known as KFin Technologies Private Limited)
Selenium Building, Tower B, Plot No. 31 and 32,
Gachibowli Financial District, Nanakramguda,
Hyderabad 500032

Toll free number - 1- 800-309-4001

Email: einward.ris@kfintech.com

Website: <https://www.kfintech.com> and / or <https://ris.kfintech.com/>

SEBI Registration No. INR000000221

The above-mentioned details are also available on the Company’s website <https://newgensoft.com/company/investor-relations/email-address-for-grievance-redressal/>.

G. Share Transfer System:

Requests for transfer of Equity Shares in dematerialized form are done through depositories with no involvement of the Company. Transfer of shares held in physical form is not permitted after 31st March 2019 through statutory notifications. Accordingly, members holding equity shares in physical form are urged to have their shares dematerialized.

H. Distribution of Shareholding:

Tabled below is the shareholding distribution of Equity shares of the Company as on 31st March 2023:-

Categories	Number of Shares	Percentage
Promoter & Promoter Group	3,85,86,300	55.16
Mutual Funds	17,79,245	2.54
Alternate Investment Funds	39,42,209	5.64
Foreign Portfolio Investors	97,84,806	13.99
Bodies Corporate & Oversees Corporate Bodies	7,97,674	1.14
Resident Individuals	1,33,23,260	19.05
Non-resident Indians	11,46,813	1.64
Any Other (Trusts, Clearing member, HUF, NBFC registered with RBI)	2,94,769	0.42
Newgen ESOP Trust	3,00,025	0.43
Total	6,99,55,701	100

Category (Amount)	No. of Shareholders	% of Shareholders	Total number of Shares	Amount (in ₹)	% to Equity
1-5000	91408	96.44	5310728	53107280.00	7.59
5001- 10000	1771	1.87	1329413	13294130.00	1.90
10001- 20000	835	0.88	1204068	12040680.00	1.72
20001- 30000	303	0.32	756233	7562330.00	1.08
30001- 40000	97	0.10	337725	3377250.00	0.48
40001- 50000	77	0.08	357674	3576740.00	0.51
50001- 100000	132	0.14	958666	9586660.00	1.37
100001 & Above	163	0.17	59701194	597011940.00	85.34
Total		100.00	6,99,55,701	69,95,57,010	100.00

I. Dematerialization/ Rematerialisation of Shares and liquidity:

As on 31st March 2023, 99.97% of the total Equity Shares were held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited. The market lot is one share and the trading in equity shares of the Company is permitted only in dematerialized form. The face value of share is ₹ 10/- (Rupees Ten only) per share.

During the financial year 2022-23, no case was received for dematerialisation as well as for rematerialisation of equity shares of the Company.

J. Details of Shares held in Demat Suspense Account:

Not Applicable.

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

As on 31st March 2023, 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 2022-23. For details related to foreign exchange risk and hedging activities, please refer the "Management and Discussion Analysis Report" which forms part of this Annual Report.

M. Plant Locations:

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

O. Details of Credit ratings obtained by the Company:

The Company has not issued any debt instruments which necessitate any credit rating. The Credit Rating, from CRISIL Ratings Limited during the year 2022-23 for short-term Working Capital Facilities is CRISIL A1. There has been revision in the above rating.

P. Disclosure of 'Loans and advances in the nature of loans to firms/companies in which directors are interested in the name and amount:

(₹ in Lakh)

Name of the Company	Amount of Loan and advances
Number Theory Software Private Limited (Wholly owned subsidiary)	435.70

** Includes interest INR 21.20 Lakh

Q. Details of material subsidiaries:

S. No.	Name of material subsidiary	Date and Place of incorporation	Name of Statutory Auditor	Date of re-appointment of Statutory Auditor
1.	Newgen Software Inc.(USA)	03-11-1997, USA	Ryan and wetmore, P.C	15 th March 2023

N. Address for Correspondence:

Members may write either to the Company or the RTA for redressal of queries and grievances. The address and contact details of the concerned officials are given below:

Registrar and Transfer Agent	Details of Compliance Officer/ Investors' complaints
KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) Selenium Building, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India – 500 032 Toll Free No.: 1- 800-309-4001 Email: einward.ris@kfintech.com	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: Mrs. Deepti Mehra Chugh,
Head – Investor Relations
Tel: +91-1 1-46533200
Fax: +91-1 1-26383963
E-mail: ir@newgensoft.com

III Other Disclosures:

(a) Related Party Transactions:

There have been no materially significant related party transactions that may have a potential conflict with the interest of the Company at large. The Policy on Related Party Transactions is available on the Company's website at <https://newgensoft.com/wp-content/uploads/2021/06/Policy-on-Related-Party-Transaction-2.pdf>.

Based on the disclosures received from Senior Management Personnel of the Company, none of the officials have any personal interest in any of the financial or commercial transactions with the Company, except for their remuneration. The policy on related party transactions has been placed on the Company's website at <https://newgensoft.com/wp-content/uploads/2021/06/Policy-on-Related-Party-Transaction-2.pdf>.

(b) Details of non-compliance, if any, by the Company, on any matter related to capital markets:

During the last 3 (three) years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to the capital markets.

(c) Code for Prevention of Insider Trading:

Pursuant to the provision of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated a Code of Conduct to Regulate and monitor trading in the securities of the Company ("the Code"). The aforesaid Newgen's Code are devised to regulate, monitor and report trading by Designated Persons and their Immediate Relatives under the SEBI (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes code of practices and procedures for fair disclosure of unpublished price sensitive information which has been made available on the Company's website at <https://newgensoft.com/company/investor-relations/#other-key-policies>.

In addition to the above, the Company has put in place an adequate and effective system of internal controls to ensure compliance with the requirements of the Prohibition of Insider Trading Regulations. A structured in-house digital database is being maintained by the Company. The Board has also formulated a Policy for the determination of 'legitimate purposes' as a part of the Code of Fair Disclosure and Conduct as per the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Company Secretary has been appointed as the Compliance Officer for ensuring the implementation of the Code. Further, the Board, designated persons and other connected persons have affirmed compliance with the aforesaid Code.

(d) Whistle Blower Policy/ Vigil Mechanism:

Pursuant to the provisions of the Companies Act and SEBI Listing Regulations, the Company has adopted a policy on Whistle Blower mechanism. The Whistle Blower Policy includes vigil mechanism as mandated under the SEBI Listing Regulations and provides a mechanism for directors, employees and other stakeholder to raise concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Ethics & Business Conduct, etc.

At Newgen, we ensure that Directors, employees and other stakeholder are allowed to voice concern in a responsible and effective manner. Your Company has an Ombudsman as a channel for receiving and redressing complaints from directors, employees and other stakeholder under the Whistle Blower mechanism. All complaints, if any, are addressed to Ombudsman and investigative findings thereon are reviewed and reported to the Ethics Committee/ Chairman of Board of Directors or Chairman of Audit Committee, depending on case to case. The Company hereby affirms that no personnel had been denied access to the audit committee under the policy on Whistle Blower mechanism.

Details of complaints received through whistle blower mechanism are tabled below:

*Number of Complaints filed during the financial year	1
Number of complaints disposed of during the financial year	1
Number of Complaints pending as at the end of the financial year	NIL

*the complaint was related with HR and has been closed post preliminary investigation

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/wp-content/uploads/investor/Whistle%20Blower%20Policy.pdf>.

(e) Code of Conduct for the Board members and Senior Management:

The Board of Directors has adopted a Code of Conduct for the Board members and Senior Management Personnel of the Company, in line with the amended SEBI Listing Regulations. The Code lays down the standard of conduct which is expected to be followed by the Board members and Senior Management personnel. On the basis of declarations received from the Board Members and the Senior Management Personnel, the Chief Executive Officer has given a declaration that the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code, with respect to the financial year 2022-23. The Code is available on the website of the Company at <https://newgensoft.com/wp-content/uploads/2021/06/Code-of-Conduct-for-Board-SMP-1.pdf>.

(f) Sexual Harassment Policy:

Your Company has constituted Internal Complaints Committee as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and also has a policy and framework for employees to report sexual harassment cases at workplace and its process ensures complete anonymity and confidentiality of information. Adequate workshops and awareness programmes against sexual harassment are conducted across the organization.

Details of complaints received, redressed and pending during the financial year 2022-23 on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are tabled below:

Number of Complaints filed during the financial year	NIL
Number of complaints disposed of during the financial year	NIL
Number of Complaints pending as at the end of the financial year	NIL

(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/wp-content/uploads/2021/06/Policy-for-determining-Material-Subsidiaries-1-1.pdf>.

As per the materiality policy, Newgen Software Inc. is our material subsidiary company incorporated in USA. Provisions to the extent applicable under the SEBI Listing Regulations with reference to other

subsidiary companies duly complied. Minutes of the Board meetings of subsidiary companies (including its material subsidiary) were regularly placed before the Board of Directors.

(h) Funds raised through preferential allotment or qualified institutions placement:

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

(i) Compliance with Mandatory requirements:

During the financial year 2022-23, your Company has complied with all the mandatory Corporate Governance requirements under the SEBI Listing Regulations. your Company confirms compliance in respect of the Corporate Governance Report as stated under sub-paras (2) to (10) of section (C) of Schedule V to the SEBI Listing Regulations.

(j) Recommendations of the Committees of the Board:

During the financial year ended 31st March 2023, the Board of Directors has accepted all the recommendations of its Committees.

(k) Compliance with Discretionary requirements under Regulation 27(1) of the SEBI Listing Regulations:

The status of compliance with the non-mandatory requirements, as stated under Regulation 27(1) read with Part E of Schedule-II to the SEBI Listing Regulations:

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

ii. Shareholders' rights: To ensure dissemination of Company's financial results to its shareholders, the Company publishes the quarterly and half-yearly results in newspapers having wide circulation in India and particularly in New Delhi, where the registered office of the Company is located. These results are also filed with stock exchanges and uploaded on Company's website immediately after the Board meeting. Company also conducts conference call/ investors / analyst meets, if any, to respond to any investor queries with regard to the financial results or operations of the Company.

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

iv. **Reporting of Internal Auditor:** The Internal Auditors report directly to the Audit Committee of the Board.

v. **Separate post of Chairman and Managing Director or CEO:** The Chairman of the Company is a Managing Director and also a promoter of the Company and his position is separate from that of the Chief Executive Officer.

vi. **Compliance with Secretarial Standards:** The Company has complied with the applicable Secretarial Standards (SS) issued by the Institute of Companies Secretaries of India, which have mandatory application during the year under review.

vii. **Accounting Standards:** The Company has adopted the relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing its Standalone and Consolidated Financial Statements for the financial year ended 31st March 2023.

(I) Fees paid by the Company or its subsidiaries to the Statutory Auditors and all entities in the network firm/network entity of which the statutory auditor is a part:

Total fee for Statutory Audit and Limited Review paid by the Company to M/s Walker Chandiook & Co LLP, Chartered Accountants, Statutory Auditor is ₹ 58,00,000 and ₹ 2,69,350 as reimbursement of expenses. Further, fee of ₹ 8,66,350 in aggregate was paid to the Auditors for other services related to certifications as required time to time.

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:

It is hereby confirmed that the Company has complied with the mandatory requirements of Corporate Governance as specified in Regulations 17 to 27 and 46(2) of SEBI Listing Regulations. The Certificate from the Chief Executive Officer and Chief Financial Officer of the Company, as stipulated in Regulation 17(8) of the SEBI Listing Regulations read with Part B of Schedule II was placed before the Board along with the financial statements for the financial year ended 31st March 2023 and the Board reviewed the same. The said Certificate is annexed with this Corporate Governance Report.

X CERTIFICATE FROM PRACTICING COMPANY SECRETARY ON COMPLIANCE OF CORPORATE GOVERNANCE UNDER SEBI LISTING REGULATIONS:

The Company has obtained a certificate from M/s Aijaz & Associates, Practicing Company Secretary regarding compliance with the provisions relating to corporate governance laid down in Part C(10)(i) and E of Schedule V to the SEBI Listing Regulations and the same is annexed with this report.

Date: 02.05.2023
Place: New Delhi

Diwakar Nigam
Chairman & Managing Director
DIN: 00263222

DECLARATION TO COMPLIANCE OF CODE OF CONDUCT

This is to certify that the Company has laid down its Code of Conduct for all the Board Members and Senior Management Personnel of the Company and a copy of the same has been uploaded on the website of the Company at <https://newgensoft.com/wp-content/uploads/2021/06/Code-of-Conduct-for-Board-SMP-1.pdf>.

I hereby declare that all the Directors and Senior Managerial Personnel of the Company, have affirmed compliance with the aforesaid Code of Conduct and have given a confirmation thereto in this regard, in respect of the financial year ended 31st March 2023.

Date: 25.04.2023
Place: New Delhi

Virender Jeet
Chief Executive Officer
PAN: AAOPJ2433N

To
The Board of Director
Newgen Software Technologies Limited
New Delhi-110020

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

We, Virender Jeet, Chief Executive Officer and Arun Kumar Gupta, Chief Financial Officer of Newgen Software Technologies Limited, hereby certify that: -

- a) We have reviewed financial statements and cash flow statement for the year ended 31st March 2023 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee: -
 - i. that there are no significant changes in internal control over financial reporting during the year;
 - ii. that there are no significant changes in accounting policies during the year; and
 - iii. that there are no instances of significant fraud of which we have become aware and that there is no involvement of the management or employee having a significant role in the Company's internal control system over financial reporting.

Date: 01.05.2023
Place: New Delhi

Virender Jeet
Chief Executive Officer
PAN: AAOPJ2433N

Arun Kumar Gupta
Chief Financial Officer
PAN: ADTPG6017D

**CERTIFICATE ON COMPLIANCE OF CONDITIONS OF
CORPORATE GOVERNANCE**

To
The Members,
Newgen Software Technologies Limited
E-44/13, Okhla Phase-II, New Delhi-110020
CIN:- L72200DL1992PLC049074

We have examined the compliance of conditions of Corporate Governance by Newgen Software Technologies Limited ("the Company"), for the financial year ended 31st March 2023 as stipulated under regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

We have examined the relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company. The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company

For **Aijaz & Associates**
Practicing Company Secretaries

Name : M. Aijaz

CP No. : 7040

M. No. : 6563

P.R. No.: 2632

UDIN : F006563E000192421

Date: 25.04.2023

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
E-44/13 Okhla Phase-II, New Delhi-110020
CIN: L72200DL1992PLC049074

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Newgen Software Technologies Limited bearing CIN L72200DL1992PLC049074 and having its registered office at E-44/13, Okhla Phase II, New Delhi-110020 (hereinafter referred to as ("the Company")) produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub clause (i) of clause 10 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications including [Directors Identification Number (DIN) status at the portal www.mca.gov.in] 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 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of the Directors	Designation	DIN	Date of Initial Appointment in the Company
1.	Mr. Diwakar Nigam	Chairman & Managing Director	00263222	01 st April 1993
2.	Mr. T.S. Varadarajan	Whole-time Director	00263115	05 th June 1992
3.	Mrs. Priyadarshini Nigam	Whole-time Director	00267100	20 th September 1997
4.	Mr. Kaushik Dutta	Independent Director	03328890	09 th July 2014
5.	Mr. Saurabh Srivastava	Independent Director	00380453	30 th August 2017
6.	Mr. Subramaniam Ramnath Iyer	Independent Director	00524187	22 nd November 2017
7.	Mrs. Padmaja Krishnan	Independent Director	03155610	24 th March 2020

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on the basis of our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended 31st March 2023.

For **Aijaz & Associates**
Practicing Company Secretaries

Name : M. Aijaz

CP No. : 7040

M. No. : 6563

P.R. No.: 2632

UDIN : F006563E000192531

Date: 25.04.2023
Place: New Delhi

Management Discussion and Analysis

Company Overview

Newgen Software Technologies Limited is the provider of enterprise-wide unified digital transformation platform (NewgenONE) for automating the end-to-end process and comprehensively managing content and communications, backed by AI-based cognitive capabilities, strong governance and robust integration ecosystem. The core products of NewgenONE platform are Contextual Content Services (ECM), Low Code Process Automation (BPM), Omnichannel Customer Engagement (CCM) and Artificial Intelligence Cloud. Globally, successful enterprises rely on Newgen's industry-recognized low code application platform to develop and deploy complex, content-driven, and customer-engaging business applications on the cloud. The platform has a wide spectrum of use cases across industries from onboarding to service requests, lending to underwriting, and many more.

The NewgenONE platform is built on a unified architecture and thus is extremely compatible and capable of seamless integration, providing competitive differentiation from other market products. The platform has a cloud ready architecture on AWS and Azure and is well-suited for Fortune 2000 enterprises with multiple platform needs for their current and future solutions.

Newgen is successfully certified/assessed for ISO 9001:2015, ISO 27001:2013 and CMMi 2.0 for Dev Level 3. The Company, with its well-recognized products and solutions, deep domain expertise and global experience, is well positioned in the market and is transforming businesses for over 520 customers across 74 countries through its enterprise solutions over the last 30 years. It has clients across India, USA, Canada, UAE, Saudi Arabia, UK, Philippines, Indonesia, Singapore, Australia among others. It offers products and solutions across 17 industries and has been a preferred partner to some of the world's leading Banks, Insurance companies, Healthcare organizations, Governments, Telecom companies, Shared service centers, and BPOs among others. It is also a trusted partner for leading global system integrators for delivering value to enterprises with future-ready solutions.

The Company has a resilient business model in place with large annuity revenue streams and diversification across customers and geographies. Moreover, the Company's solutions are of mission critical nature for the long-term customers which serves as the backbone to their operations. Newgen is actively helping customers

to continue operations despite the disruptions caused by the pandemic and act as a catalyst of change by offering solutions tailor-made to adapt to the future.

Newgen continuously invests in research and development activities and areas of emerging technology to further amplify the digital transformation platform and be ahead of the market and its competitors. It has a strong R&D team which constantly focuses on various research & product development initiatives. Newgen's patent portfolio comprises 23 patent grants as of March 2023 in India and US.

The Company's constant endeavor 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, to seamlessly deliver according to customer needs while reducing their total cost of ownership. Newgen focuses on advanced application design and development capabilities to strengthen its offering, while also continuously enhancing its deployment technology stack, enabling compliance, security, and scalability for enterprise needs. In line with changing market requirements, the Company constantly develops new business capabilities/modules/products to cater to the ever-changing businesses. Newgen's focus is also on training the employees on new technology areas along with enhancing the Centres of Excellence (CoEs).

In FY'23, the Company enhanced the NewgenONE platform. The Company backed the platform with a cloud-native, multi-persona AI/ML data science platform, enhanced document classification and extraction with AI/ML-based capabilities, integrated process and RPA capabilities, and strengthened our DevOps for easy application deployment/update. It also launched the low code Trade Finance offering and the Integrated Robotic Process Automation (RPA) offering thereby strengthening the low code process automation portfolio. With the acquisition of Number Theory Software Pvt. Ltd in FY'22, the Company continues to strengthen its AI/ML and data analytics platform.

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. In March 2023, Newgen has been recognized as a "Leader" in The Forrester Wave™: Content Platforms, Q1 2023, authored by Cheryl McKinnon et al.

It continues to extend its reach globally by expanding the direct and indirect sales network. Currently, the Company has a direct presence in 7 countries. Its global sales organization is highly focused and comprises about 330+ employees in Sales & Marketing targeting specific geographies, supported by a large network of channel partners and system integrators. The Company continues to develop and leverage the system integrator and partner network for further market expansion.

With these structural changes, Newgen is getting ready for the future and strengthening its capabilities to capitalize the opportunities in the digital transformation space. The Company's strong team of professionals uphold the organization's core values in all endeavors and work together for growth.

Industry Overview

The Company's core addressable market can be broadly classified across Process-agnostic software that enables Hyperautomation including Low Code Application Development, Robotic Process

Automation (RPA), Business Process Automation and Content Services Platform 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 relevance of digital transformation projects across the globe has been consistently rising to create sustainable and future-ready organizations.

According to Gartner Market Estimates, the global content services platform market is estimated at \$7.6 billion in 2022. (*1) The business process automation market is estimated at \$2.6 billion in 2022. (*2) The all-encompassing Process-Agnostic Software that enables Hyperautomation market is estimated at \$38.5 billion in 2022. It forecasts that Content services platform market will be \$9.3 billion by 2026. (*1) The business process automation market is estimated to reach \$3.3 billion by 2026. (*2). The all-encompassing Hyperautomation market is estimated to be \$65.4 billion by 2026.

Financial Performance

Consolidated Financials in ₹ lakhs

(All amounts in ₹ lakhs, except per share data and unless otherwise stated)	FY 2023	FY 2022
Revenue		
Revenue from operations	97,397.87	77,896.15
Other income	3,398.57	2,991.20
Total revenue	1,00,796.45	80,887.35
Expenses		
Employee benefits	51,589.93	40,901.36
Finance costs	425.10	349.16
Depreciation and amortization	2,466.91	1,763.03
Other expenses	24,586.46	17,528.44
Total expenses	79,068.40	60,541.99
Profit before tax	21,728.05	20,345.36
Profit after tax for the year	17,626.53	16,421.47
Other comprehensive income/(loss) for the year, net of income tax	520.87	-72.13
Total comprehensive income for the year	18,147.40	16,349.34

Revenue from Operations

The Company's business has multiple revenue streams including:

- Annuity-based revenue: recurring fees/charges from the following:
 - SaaS: subscription fees for licenses in relation to platform deployed on cloud; on-premise subscription
 - ATS/AMC: charges for annual technical support and maintenance (including updates) of licenses, 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 ₹ 97,397.88 lakhs reflecting an increase of 25% in FY'23 as against ₹ 77,896.15 lakhs in FY'22. During the year, the Company has made continuous progress despite the uncertain environment and had significant incremental business from existing as well as new customers especially in the traditional markets. The Company has an increasing trend of average ticket size per customer.

The Company has been focusing on expanding the recurring revenues in order to increase the predictable revenue streams. The Annuity revenues comprised 61% of the total revenues during the year. It has made substantial customer wins during the year and added 47 new logos, having an active customer base of about 520+ clients.

Segment-wise Performance

Revenue by geographical segment is the primary reporting segment for the Company. India was the strongest growth market for Newgen during the year witnessing 41% YoY growth, followed by EMEA, APAC, and US.

Given the current environment, the Company is focusing on SaaS/Cloud/Subscription based business model to provide digital transformation solutions to clients. The Company witnessed strong growth momentum in the subscription revenues (including ATS/AMC, SaaS and subscription license) which grew by 31% during the year to reach ₹ 32,273.50 lakhs.

Newgen provides mission critical solutions across key verticals. Banking and Financial Services vertical continued to be our largest vertical comprising 66% of the revenues during the year followed by Government/PSU (9%), Insurance (8%), Healthcare (7%) and BPO/IT (3%).

Profits and Margins

The Company reported EBITDA (adjusted for other income) of ₹ 21,221.49 lakhs in FY'23, as against ₹ 19,466.35 lakhs in FY'22. It continues to make significant investments in Research & Development and Sales & Marketing initiatives. Profit after Tax stood at ₹ 17,626.53 lakhs in FY'23, as against ₹ 16,421.47 lakhs in FY'22.

Share Capital

During the financial year, the Authorized Share Capital of the Company remained unchanged. The issued, subscribed and paid-up equity share capital of the

Company, as on March 31, 2023 is ₹ 6,995.57 lakhs divided into 6,99,55,701 Equity shares of ₹ 10 each.

Other Equity

The total retained earnings as on March 31, 2023 was ₹ 74,820.74 lakhs. During the year, the Company earned net profit of ₹ 17,626.53 lakhs. Newgen has proposed a dividend of ₹ 5 per share.

Securities Premium account stood at ₹ 10,397.49 lakhs.

Others (Reserves) comprised 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 aggregated ₹ 5,492.34 lakhs.

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

As at March 31, 2023, property, plant and equipment stood at ₹ 16,476.35 lakhs against ₹ 16,272.39 lakhs as on March 31, 2022 largely on account of purchase of additional computers for normal business activities and setting up office premises. The Right-of-use assets stood at ₹ 6,376.74 lakhs as against ₹ 4,824.97 lakhs as on March 31, 2022 on account of addition of new leases.

The intangible assets of the Company are at ₹ 1,314.96 lakhs and goodwill is ₹ 283.31 lakhs on account of acquisition of Number Theory.

Investments

Investments comprise investments in unquoted bonds and liquid funds. The aggregate fair value of these investments is ₹ 13,138.80 lakhs.

Trade Receivables

The trade receivables (net of allowances) as on March 31, 2023 are ₹ 38,816.58 lakhs (allowances at ₹ 4,324.95 lakhs), against ₹ 27,887.83 lakhs (allowances at ₹ 3,559.82 lakhs) on March 31, 2022.

During the year, Debtor Days (net) stood at 145 days as compared to 131 days in FY'22.

Other Financial Assets (Current)

Other Financial Assets (₹ 8,431.73 lakhs) largely comprise contract assets (net) pertaining to amounts recognized based on services performed in advance of billing in accordance with contract terms to the extent of ₹ 7,724.17 lakhs.

Cash and Cash Equivalents and Other Bank Balances

Cash and Cash Equivalents stood at ₹ 10,802.06 lakhs and Other bank balances stood at ₹ 10,032.82 lakhs as of March 31, 2023.

Current Liabilities

Current liabilities represent borrowings, trade payables, other financial liabilities, deferred income, short-term provisions and other current liabilities. As on March 31, 2023, the Current liabilities are ₹ 29,642.45 lakhs (₹ 23,880.01 lakhs as on March 31, 2022). Out of these, the deferred income comprises ₹ 16,803.94 lakhs.

Cash Flow

The net cash generated from operating activities were at ₹ 13,635.43 lakhs during the year ended March 31, 2023 compared to ₹ 14,277.28 lakhs during the year ended March 31, 2022 on account of increase in debtors and operating expenses.

Key Ratios

During the financial year, the Return on Average Net Worth was at 19.71% compared to 22.73% in the previous financial year. The Return on Average Capital Employed (adjusted) was at 20.42% compared to 23.59% in the previous year.

Opportunities and Threats

Given the rapid adoption of digital transformation journeys by the Company's current and prospective customer set, Newgen is likely to benefit from the business opportunities arising due to the emerging trend. Content management is at the core of digital transformation. With our strong product portfolio and investments in content management, process automation, customer communication with artificial intelligence cloud capabilities, the Company is well positioned to take advantage of the market opportunity. Relevance of Digital transformation initiatives have increased further in these uncertain times and the Company has strategized new offerings in this area of opportunities.

The various threats that the Company addresses include uncertain global economic conditions; changes in fiscal, economic or political conditions in India and the currency risks; increasing competition; changing technologies and regulatory changes in the industry the company operates in.

Risk Review

Uncertain environment and business continuity risk: Natural calamities, man-made disasters, wars etc. may lead to disruption to the business, demand environment, and customer service. The Company faces business continuity risk if the organization is unable to ensure continuity of its operations across clients, delivery locations, and enabling functions. As an organization, it is Newgen's endeavor to continuously monitor, promptly and effectively respond to disruptive events in a complex and fast-changing global landscape.

Pandemic-related Risk: The Company's business could be impacted due to the ongoing but now waning Covid-19 pandemic, outbreak of new variants and other infectious diseases and the restrictions imposed globally from time to time. 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 and business execution. 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. The pandemic may produce long-term consequences on mental and physical health leading to loss in productivity and emotional availability among employees. 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 been operating on a hybrid work model. The Company has changed its practices and systems while ensuring data security and has also reinvented new ways of working across the organization. The Company has been successfully managing remote and cloud deployments. The Company is constantly evolving its systems and processes in order to respond quickly to manage the dynamic environment/circumstances.

Talent Management/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 or supply chain disruptions can affect the business. As a Company, there is strong focus on nurturing the existing workforce and attracting new talent through Newgen's various HR policies and initiatives. The Company also has a defined Employee Stock Options and Restricted Stock Units scheme.

Technology/Obsolescence, Cyber Security and Data Privacy 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 characterize the industry in which Newgen competes. Disruptive technologies such as Cloud, Big data, social and smart devices are changing the way business is done. With the ever-evolving technology landscape, there is continuous risk to the confidentiality, integrity and availability of data. The Company's success depends upon its ability to anticipate, design, develop, test, market, license and support new software products, services, and enhancements of current products and services on a

timely basis in response to both competitive threats and evolving industry requirements and ensuring cyber security. However, its continuous investments in R&D and intellectual properties help the Company mitigate this risk. The Company maintained focus on cyber security to guard against the risk of cyberattacks, data privacy breach and digital risks.

Market-specific and Economic 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, uncertain environment and 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 endeavors to de-risk the geographical dependence and expand its clientele across geographies continuously both in traditional and mature markets. From about 48 countries in FY'13, the Company increased its presence across 74 countries in FY'23 with 520+ active clients. 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.

Credit Risk: Customer credit risk is the risk of default by the customers. The Company's credit risk is managed according to the Company's established policy, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date.

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 impact the revenues and profits of the Company. To tackle this potential risk, the Company follows a well-defined hedging policy.

Acquisition-related Risks: As part of the inorganic growth strategy, the Company may acquire other Companies, businesses or products from time to time and the success of these acquisitions depends upon several factors. These include the effective integration of acquired employees with the rest of the Company and the optimum realization of synergies between acquired business and the Company. The Company will make all efforts to make all aspects of the integration smooth as and when acquisitions are made.

Our Strategies

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

Focus on increasing the Annuity/Subscription Revenue Streams

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 61% of revenues. The subscription revenues were ₹ 32,273.50 lakhs and witnessed a growth of 31% during the year. These revenue streams ensure higher predictability of business. The Company is witnessing increasing acceptance for cloud deployments and subscription license across geographies – US, APAC, India, as well as EMEA region.

Expansion of business in traditional markets

The Company has a strong foothold in traditional markets of India, Middle East and Africa. The Company plans to get into deeper and long-term relationships with its customers in these markets through 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 solutions. It also aims to begin developing new verticals.

Focus on attractive verticals in select mature markets

The Company plans to expand its market share across key geographies and solutions. Its platform is designed to be natively multi-lingual to address challenges in multi-national organizations. Newgen has been operating in 74 countries and believes that it has a significant opportunity to grow its international footprint. It is investing in direct and indirect sales channels, professional services, customer support and channel partners to expand the geographical footprint. The Company has a regional go-to-market strategy with specific strategies for mature markets such as USA, Europe, Canada and Australia, as well as developing markets. Through its direct and indirect sales channels, it plans to further grow the brand presence and partner networks in these new markets. Newgen has a strong presence across regions in the

banking, financial services and insurance verticals and intends to continue to expand the customer base in these verticals in select mature markets. The Company is specifically targeting larger sized banking customers in the mature markets. Newgen is reorganizing its sales and marketing efforts and delivery operations to operate remotely and increase localization especially in mature markets. The Company is also developing the global system integrator (GSI) ecosystem for long-term engagements and relationship building with leading GSIs.

Continuous Innovation

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 artificial intelligence/machine learning, business intelligence and analytics, RPA, 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.

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 organizations 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.

Expansion through inorganic route

The Company may also explore, with extreme care, the inorganic route for expansion of product capabilities or market presence from time to time.

Internal Control Systems & 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 includes 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 unauthorized use, executing transactions with proper authorization and ensuring compliance of corporate policies. In view of the above, and for safeguarding the assets of the Company, preventing and detecting fraud or other irregularities and maintaining proper books of account and to ensure adequate internal financial control, the Company is already pursuing various Standard Operating Procedures (SOPs), Vigil Mechanism and Audit Mechanism (through Internal Audit for Financial year 2022-23, Secretarial Audit and Statutory Audit). Newgen also undergoes periodic audit by specialized third party consultants and professionals for business specific compliances such as Quality Management, Information Security Management, among others. It has continued its efforts to align all its processes and controls with global best practices. Our management assessed the effectiveness of the Company's internal control over financial reporting as of March 31, 2023. Walker Chandiook & Co LLP, Chartered Accountants, the statutory auditors of Newgen have audited the financial statements included in this annual report and also reported on our internal control over financial reporting (as defined in section 143 of Companies Act 2013).

The Audit Committee review reports submitted by the management and audit reports submitted by PricewaterhouseCoopers Services LLP, internal auditors, and Walker Chandiook & Co LLP, statutory auditors. The audit committee also meets Newgen's Statutory Auditors as well as Internal Auditors to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the Board of Directors informed of its major observations periodically. Based on its

evaluation (as defined in section 177 of Companies Act 2013), the audit committee has concluded that, as of March 31, 2023, 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 work-life balance. The Company's policies are employee-centric and aim at keeping its personnel motivated and satisfied. 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 organization were strengthened to build a strong team aligned to the Company's fundamentals and culture. Particular emphasis was given 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, 2023, on a consolidated basis, the Company had 3,867 personnel, including that of its subsidiaries. As a result of its visionary human resource policies, the Company has managed to attract and retain talent.

Outlook

Building sustainable organizations would require enterprises to undertake digital transformation journeys to address the evolving needs of their customers, employees, and partners while ensuring revenue growth, enabling new digital businesses, and reducing overall risk. Organizations have thus increased their focus on investments across front-end transformations and personalization of the customer experience, as well as at the back end, to operate seamlessly, simplify and digitize processes, reduce turnaround time for

customer service requests and enhance the end-to-end customer journey. Newgen's endeavor is to provide transformative experience to its customers through the Company's cutting-edge enterprise solutions in order to change the way organizations work.

Newgen has been constantly investing in and evolving its product portfolio and is currently working on several new areas including Artificial Intelligence, machine learning, low-code, Robotic Process Automation. 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 organizations 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 and global system integrator relationships to expand its geographical footprint. To address the market opportunities arising from digitization, it also constantly invests in hiring, training and upskilling of its employees on a regular basis. It continues to work on strengthening its management team to meet the growing business needs.

Newgen remains vigilant and agile to evolve its approach in changing dynamics while continuing to work towards creating significant value for all its stakeholders moving forward.

Cautionary Statement

Management's discussion and analysis of the financial condition and results of operations include forward-looking statements based on certain assumptions and expectations of future events. The Company cannot assure that these assumptions and expectations are accurate. Although the Management has considered future risks as part of the discussions, future uncertainties are not limited to Management perceptions.

Please note that all figures used are Consolidated Figures in ₹ lakhs

- Content Services Platform – Gartner Forecast Analysis: Enterprise Application Software, Worldwide | Published: Aug 2022 | Authors: Amarendra, Yanna Dharmasthira, Jim Hare, Balaji Abbabatulla, Eric Hunter, Kevin Quinn, Julian Poulter, Roland Johnson, Alexandre Oddos, Chris Pang, Alys Woodward, Radu Miclaus, Craig Roth, Neha Gupta
- Business Process Automation - Gartner Forecast Analysis: Low-Code Development Technologies, Worldwide | Published: Oct 2022 | Authors: Varsha Mehta, Fabrizio Biscotti, Paul Vincent, Jason Wong, Keith Guttridge, Oleksandr Matvitsky
- Process-Agnostic Software That Enables Hyperautomation – Gartner Forecast Analysis: Hyperautomation Enablement Software, Worldwide | Published: Oct 2022 | Authors: Cathy Tornbohm, Varsha Mehta, Tarun Rohilla, Anna Griffen

Independent Auditor's Report

To the Members of Newgen Software Technologies Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Newgen Software Technologies Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit (including other
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>A. Revenue recognition for software implementation services</p> <p>Refer Note 3(ii)(ii) for accounting policy and 27 of notes forming part of the Standalone Financial Statements.</p> <p>The Company earns revenue from software implementation services wherein it has entered into various fixed-price contracts, for which revenue is recognised by the Company using the percentage of completion computed as per the Input method prescribed under Ind AS 115, Revenue from Contracts with Customers. The said revenue recognition accounting policy involves exercise of significant judgement by the management and the following factors requiring significant auditor attention:</p> <ul style="list-style-type: none"> · High estimation uncertainty relating to determination of the progress of each contract, 	<p>Our audit work included but was not restricted to the following procedures:</p> <ol style="list-style-type: none"> a) Obtained an understanding of the systems, processes and controls implemented by management for recording and calculating revenue, and the associated contract assets, unearned revenue and deferred revenue balances. b) Tested the design and operating effectiveness of related manual controls and involved auditor's experts to assess key information technology (IT) controls over the IT environment in which the business systems operate, including access controls, segregation of duties, program change controls, program development controls and IT operation controls; c) Selected a sample of contracts and performed a performed the following procedures: <ul style="list-style-type: none"> - Inspected key terms, including price, deliverables, timetable and milestones set out in the contract for

Key audit matter	How our audit addressed the key audit matter
<p>efforts incurred till date and additional efforts required to complete satisfaction of the performance obligation</p> <ul style="list-style-type: none"> Determination of contract assets receivables and unearned revenue related to these contracts as at the end of reporting period <p>Considering the materiality of the amounts involved and significant degree of judgement and subjectivity involved in the estimates as mentioned above, we have identified revenue recognition from fixed price contracts as a key audit matter for the current year audit.</p>	<p>selected sample of contracts and identified the distinct performance obligations.</p> <ul style="list-style-type: none"> 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. <p>d) Evaluated the appropriateness of disclosures made in the financial statements with respect to revenue recognised during the year as required by applicable Indian Accounting Standards.</p>
<p>B. Trade receivables and provision for expected credit losses</p> <p>Refer note 3(e) and note 3(i) for significant accounting policy and note 43(C)(ii) for credit risk disclosures.</p> <p>Trade receivables and contract assets comprise a significant portion of the current financial assets of the Company. As at 31 March 2023, the Company has reported trade receivable of ₹ 31,211.40 lacs (net of provision for expected credit loss of ₹ 3,909.77 lacs).</p> <p>The Company applies simplified approach permitted by Ind AS 109 - Financial Instruments, which requires lifetime expected credit losses to be recognised from the date of initial recognition of receivables. The Company analyses the trend of trade receivables under different ageing bracket for previous years and calculate weighted average loss rate basis such movement in ageing brackets.</p> <p>The estimate of expected credit loss involves judgement as the management factors the past history as above, market conditions and forward looking estimates as at each reporting date.</p> <p>Considering this area inherently involves significant area of judgement and subjectivity followed with discussions with those charged with governance at regular intervals, we have identified this as a key audit matter.</p>	<p>Our audit work included but was not restricted to the following procedures:</p> <ol style="list-style-type: none"> Obtained an understanding of the process adopted and controls implemented by the Company for calculation, recording and monitoring of the impairment loss recognised for expected credit loss; Assessed and tested the design and operating effectiveness of key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognised. Also, evaluated the controls over the modelling process, validation of data and related approvals; Considered the Company's accounting policies for estimation of expected credit loss on trade receivables and contract assets and assessing compliance with the policies in terms of Ind AS 109; Inquired with management about the conditions leading to, and their assessment of recoverability of dues from the customers and also referred to the available communication, if any, between them. 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; Analysed the methodology used by the management and considered the credit and payment history of specific parties to determine the trend used for arriving at the expected credit loss provision and co-related to our understanding of the debtor's financial condition, the industry in which debtor operates. Since the assumptions and inputs used for calculating ECL is based on historical data, we assessed whether such historical experience was representative of current circumstances. Tested the accuracy and completeness of underlying data for "expected credit loss model". Evaluated responses to direct confirmation request circulated to customers and ensured the reconciling items have been adequately recorded in the books of account; Obtained written representations from management and those charged with governance on whether they believe significant assumptions used in calculation of expected credit losses are reasonable. Assessed the adequacy of disclosures made by the management in the financial statements to reflect the expected credit loss provision, trade and other receivables.

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation

and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, the Board of Directors 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 intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the

Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter

should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and

- g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigation(s) which would impact its financial position as at 31 March 2023;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023;
 - iv. a. The management has represented that, to the best of its knowledge and belief as disclosed in note 48(v) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 48 (vi) to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
 - v. The final dividend paid by the Company during the year ended 31 March 2023 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend and as stated in note 38 to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2023 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Neeraj Goel

Partner

Place: Noida

Membership No.: 099514

Date: 2 May 2023

UDIN: 23099514BGSCMW8602

Annexure I

referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of Newgen Software Technologies Limited on the standalone financial statements for the year ended 31 March 2023

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment and right of use assets under which the assets are physically verified in a phased manner over a period of two years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment and right of use assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 48(ix) to the standalone financial statements are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment including Right of Use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The Company does not hold any tangible inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) As disclosed in note 48(viii) to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of ₹ 500 lakhs by banks on the security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and such returns/statements are in agreement with the books of account of the Company for the respective periods, which were not subject to audit/review.
- (iii) (a) The Company has made investments in and provided loans or advances in the nature of loans to Subsidiary during the year as per details given below:

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount provided/granted during the year:			9,585,000*	
- Subsidiary				
Balance outstanding as at balance sheet date in respect of above cases:			43,535,000	
- Subsidiary				

* Includes interest ₹ 23.55 lakhs.

- (b) In our opinion, and according to the information and explanations given to us, the investments made and terms and conditions of the grant of all loans provided are, prima facie, not prejudicial to the interest of the Company.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and the payment of the interest has not been stipulated and accordingly, we are unable to comment as to whether the repayments/receipts of principal interest are regular.

- (d) There is no overdue amount in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs or other parties.
- (e) The Company has not granted any loan or advance in the nature of loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan that existed as at the beginning of the year.
- (f) The Company has granted loan which are repayable on demand or without specifying any terms or period of repayment, as per details below:

Particulars	All Parties	Promoters	Related Parties
Aggregate of loans/advances innature of loan			
- Repayable on demand (A)	43,535,000	-	43,535,000
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total (A+B)	43,535,000	-	43,535,000
Percentage of loans/advances in nature of loan to the total loans	100%		100%

- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of loans and investments made and guarantees and security provided by it, as applicable. Further, the Company has not entered into any transaction covered under section 185 of the Act.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/ services / business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii) (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix) According to the information and explanations given to us, the Company does not have any loans or other borrowings from any lender. Accordingly, reporting under clause 3(ix) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made

to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

- (c) A whistle blower Complaint received by the Company during the year, as shared with us by the management have been considered by us while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as per the provisions of section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b) and (c) of the Order are not applicable to the Company.
- (b) Based on the information and explanations given to us and as represented by the management of the Company, the Group

(as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC (other than the Company).

- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Neeraj Goel

Partner

Place: Noida

Membership No.: 099514

Date: 2 May 2023

UDIN: 23099514BGSCMW8602

Annexure II

to the Independent Auditor's Report of even date to the members of Newgen Software Technologies Limited on the standalone financial statements for the year ended 31 March 2023.

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

1. In conjunction with our audit of the standalone financial statements of Newgen Software Technologies Limited ('the Company') as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply

with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company;

and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Neeraj Goel

Partner

Place: Noida

Membership No.: 099514

Date: 2 May 2023

UDIN: 23099514BGSCMW8602

Standalone Balance Sheet

as at 31 March 2023

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

Particulars	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4	16,370.74	16,171.37
Right-of-use assets	19	5,798.64	4,412.87
Intangible assets	5	47.69	13.09
Financial assets			
Investment in subsidiaries	6	3,697.94	2,786.27
Other Financial assets	7	19,095.36	10,087.33
Deferred tax assets (net)	33	1,760.79	1,488.54
Income tax assets (net)	8	1,606.54	1,289.90
Other non-current assets	9	14.12	18.15
Total non-current assets		48,391.82	36,267.52
Current assets			
Financial assets			
Investments	10	13,138.80	9,237.76
Trade receivables	11	31,211.40	18,864.30
Cash and cash equivalents	12	4,626.36	5,379.36
Bank balances other than cash and cash equivalents	13	9,729.32	17,236.15
Loans	14	442.35	365.75
Other financial assets	15	12,813.27	12,537.67
Other current assets	16	1,254.51	861.66
Total current assets		73,216.01	64,482.65
TOTAL ASSETS		121,607.83	100,750.17
EQUITY AND LIABILITIES			
Equity			
Share capital	17	6,965.57	6,954.02
Other equity	18	85,082.28	69,940.50
Total equity attributable to the owners of the Company		92,047.85	76,894.52
Non-current liabilities			
Financial liabilities			
- Borrowings	20	220.05	430.18
- Lease liabilities	19	2,467.07	1,231.03
Provisions	21	3,427.93	3,330.84
Total non-current liabilities		6,115.05	4,992.05
Current liabilities			
Financial liabilities			
Borrowings	20	203.50	188.55
Lease liabilities	19	767.78	494.45
Trade payables			
- Total outstanding dues to micro enterprises and small enterprises	22	58.38	75.27
- Total outstanding dues to creditors other than micro and small enterprises	22	5,517.55	4,024.63
Other financial liabilities	23	3,582.69	3,767.43
Deferred income	24	9,695.94	7,862.92
Other current liabilities	25	1,260.08	1,139.12
Provisions	26	936.25	627.02
Income tax liabilities (net)	8A	1,422.76	684.21
Total current liabilities		23,444.93	18,863.60
Total liabilities		29,559.98	23,855.65
TOTAL EQUITY AND LIABILITIES		121,607.83	100,750.17
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

For **Walker Chandiok & Co LLP** Chartered Accountants
Firm Registration No.: 001076N/N500013

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

Neeraj Goel
Partner
Membership No.: 099514

Diwakar Nigam
Chairman & Managing Director
DIN: 00263222

T. S. Varadarajan
Whole Time Director
DIN: 00263115

Arun Kumar Gupta
Chief Financial Officer
Membership No.: 056859

Aman Mourya
Company Secretary
Membership No.: F9975

Place: Gurugram
Date: 2 May 2023

Place: Noida
Date: 2 May 2023

Place: Noida
Date: 2 May 2023

Place: Noida
Date: 2 May 2023

Place: Noida
Date: 2 May 2023

Standalone Statement of Profit and Loss

for the year ended 31 March 2023

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

Particulars	Note	As at 31 March 2023	As at 31 March 2022
Income			
Revenue from operations	27	88,780.06	71,078.57
Other income	28	3,314.48	2,993.38
Total income		92,094.54	74,071.95
Expenses			
Employee benefits expense	29	42,719.43	34,890.01
Finance costs	30	387.31	317.79
Depreciation and amortisation expenses	31	1,916.84	1,532.43
Other expenses	32	26,353.79	18,076.59
Total expenses		71,377.37	54,816.82
Profit before tax		20,717.17	19,255.13
Tax expense	33		
Current tax		3,929.82	3,090.56
Deferred tax (credit)/charge		(202.01)	565.32
Income tax expense		3,727.81	3,655.88
Profit for the year		16,989.36	15,599.25
Other comprehensive loss			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability (asset)		(13.20)	(316.59)
Income tax relating to items that will not be reclassified to profit or loss		4.61	110.63
Net other comprehensive loss not to be reclassified subsequently to profit or loss		(8.59)	(205.96)
Items that will be reclassified subsequently to profit or loss			
Financial assets or investments carried at fair value through other comprehensive income		(281.70)	(95.89)
Income tax relating to items that will be reclassified to profit or loss		65.63	33.51
Net other comprehensive loss to be reclassified subsequently to profit or loss		(216.07)	(62.38)
Other comprehensive loss for the year, net of income tax		(224.66)	(268.34)
Total comprehensive income for the year		16,764.70	15,330.91
Profit attributable to:			
Owners of the Company		16,989.36	15,599.25
Profit for the year		16,989.36	15,599.25
Other comprehensive loss attributable to:			
Owners of the Company		(224.66)	(268.34)
Other comprehensive loss for the year		(224.66)	(268.34)
Total comprehensive income attributable to:			
Owners of the Company		16,764.70	15,330.91
Total comprehensive income for the year		16,764.70	15,330.91
Earnings per equity share	34		
Nominal value of share ₹ 10 (31 March 2022: ₹ 10)			
Basic earning per share (INR)		24.41	22.47
Diluted earning per share (INR)		24.10	22.32
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

For **Walker Chandiook & Co LLP** Chartered Accountants
Firm Registration No.: 001076N/N500013

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

Neeraj Goel
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Place: Noida
Date: 2 May 2023

Standalone Statement of Changes in Equity

for the year ended 31 March 2023

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

a. Share capital

Particulars	Equity share capital		Total share capital	
	Number	Amount	Number	Amount
Balance as at 1 April 2021	69,955,701	6,995.57	69,955,701	6,995.57
Less: Shares held by Newgen ESOP Trust	415,510	41.55		41.55
Total Share capital as at 31 March 2022	69,540,191	6,954.02	69,540,191	6,954.02
Balance as at 1 April 2022	69,955,701	6,995.57	69,955,701	6,995.57
Less: Shares held by Newgen ESOP Trust	300,025	30.00		30.00
Balance as at 31 March 2023	69,655,676	6,965.57	69,655,676	6,965.57

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			Remeasurement of defined benefit liability
Balance as at 1 April 2021	10,418.50	43,647.14	87.95	1,731.39	404.32	(29.46)	58.84	56,663.40
Total comprehensive income for the year ended 31 March 2022								
Profit for the year	-	15,599.25	-	-	-	-	-	15,599.25
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	(205.96)	(62.38)	(268.34)
Transactions with owners, recorded directly in equity								
Addition to Newgen ESOP Trust reserve	-	-	-	-	107.39	-	-	107.39
Contributions by and distributions to owners								
Dividend on equity shares	-	(2,448.45)	-	-	-	-	-	(2,448.45)
Employee stock compensation expense	-	-	-	-	548.26	-	-	548.26
Loss of debt instrument transferred to Statement of Profit and Loss	-	-	-	-	-	-	7.35	7.35
Transferred to securities premium account on exercise of stock options	106.76	-	-	-	(130.21)	-	-	(23.45)
Balance as at 31 March 2022	10,525.26	56,797.94	87.95	1,731.39	511.71	(235.42)	3.81	70,185.41
Less: Securities premium on shares held by Newgen ESOP Trust		244.91						244.91
Balance as at 31 March 2023	10,280.35	56,797.94	87.95	1,731.39	511.71	(235.42)	3.81	69,940.50

Standalone Statement of Changes in Equity

for the year ended 31 March 2023

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

Particulars	Securities premium	Retained earnings	Others			Items of Other comprehensive income			Total attributable to owners of the Company
			Capital redemption reserve	General reserve	Newgen ESOP Trust reserve	Share options outstanding reserve	Remeasurement of defined benefit liability	Debt instruments through OCI	
Balance as at 1 April 2022	10,525.26	56,797.94	87.95	1,731.39	511.71	762.77	(235.42)	3.81	70,185.41
Total comprehensive income for the year ended 31 March 2023									
Profit for the year	-	16,989.36	-	-	-	-	-	-	16,989.36
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	-	(8.59)	(216.07)	(224.66)
Transactions with owners, recorded directly in equity									
Addition to Newgen ESOP Trust reserve	-	-	-	-	28.64	-	-	-	28.64
Contributions by and distributions to owners									
Dividend on equity shares	-	(3,148.01)	-	-	-	-	-	-	(3,148.01)
Employee stock compensation expense	-	-	-	-	-	1,463.91	-	-	1,463.91
Transferred to securities premium account on exercise of stock options	80.05	-	-	-	-	(84.60)	-	-	(4.55)
Balance as at 31 March 2023	10,605.31	70,639.29	87.95	1,731.39	540.35	2,142.08	(244.01)	(212.26)	85,290.10
Less: Securities premium on shares held by Newgen ESOP Trust	207.82	-	-	-	-	-	-	-	207.82
Balance as at 31 March 2023	10,397.49	70,639.29	87.95	1,731.39	540.35	2,142.08	(244.01)	(212.26)	85,082.28

* 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

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

Neeraj Goel

Partner

Membership No.: 099514

Place: Gurugram

Date: 2 May 2023

For and on behalf of the Board of Directors of

Newgen Software Technologies Limited

Diwakar Nigam

Chairman & Managing Director

DIN: 00263222

Place: Noida

Date: 2 May 2023

T. S. Varadarajan

Whole Time Director

DIN: 00263115

Place: Noida

Date: 2 May 2023

Arun Kumar Gupta

Chief Financial Officer

Membership No.: 056859

Place: Noida

Date: 2 May 2023

Aman Mourya

Company Secretary

Membership No: F9975

Place: Noida

Date: 2 May 2023

Standalone Statement of Cash Flows

for the year ended 31 March 2023

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

Particulars	As at 31 March 2023	As at 31 March 2022
A. Cash flows from operating activities		
Net profit before tax	20,717.17	19,255.13
Adjustments for:		
Depreciation and amortisation expense	1,916.84	1,532.43
Loss/ (gain) on sale of property, plant and equipment	0.58	(8.05)
Loss allowance on trade receivables & contract assets	1,825.63	1,804.50
Liabilities/ provision no longer required written back	(1,020.65)	(64.71)
Unrealised foreign exchange loss/ (gain)	211.86	(297.92)
Share based payment - equity settled	1,227.53	488.74
Finance costs	326.78	195.39
Fair value changes of financial assets at FVTPL	(87.29)	(75.39)
Profit on sale of mutual funds (net) at FVTPL	(151.30)	(146.79)
Loss on redemption of bonds at FVTOCI	-	24.80
Interest income	(2,053.17)	(1,511.60)
Gain on lease termination	-	(0.43)
Operating cash flow before working capital changes	22,913.98	21,196.10
Increase in trade receivables	(14,032.98)	(2,768.12)
Decrease/(increase) in loans	14.25	(12.21)
Increase in other financial assets	(447.53)	(2,759.72)
Increase in other assets	(402.55)	(267.62)
Increase in provisions	393.12	350.50
Decrease in other financial liabilities	(87.38)	(731.06)
Increase in other liabilities	1,953.98	1,241.98
Increase in trade payables	2,496.68	1,777.31
Cash generated from operations	12,801.57	18,027.16
Income taxes paid (net)	(3,507.92)	(4,333.60)
Net cash generated from operating activities (A)	9,293.65	13,693.57
B. Cash flows from investing activities		
Acquisition or construction of property plant and equipment including intangible assets, capital work-in-progress, capital advances and payable for capital assets	(1,641.94)	(1,251.06)
Proceeds from sale of property plant and equipment	7.96	9.64
Purchase of mutual funds and bonds	(13,198.40)	(16,374.16)
Proceeds from redemption of mutual funds and bonds	9,251.49	15,408.22
Loan to body corporate (net of repayment)	(67.30)	(341.00)
Interest received from bonds	428.49	259.74
Interest received from bank deposits	1,065.16	1,156.96
Investment in subsidiary company	(675.30)	(702.73)
Investment in bank deposits (net of maturities)	(1,002.31)	(6,322.49)
Net cash used in investing activities (B)	(5,832.15)	(8,156.88)

Standalone Statement of Cash Flows

for the year ended 31 March 2023

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

Particulars	As at 31 March 2023	As at 31 March 2022
C. Cash flows from financing activities		
Repayment of short-term borrowings (net)	(234.23)	-
Repayment of lease liabilities	(904.99)	(689.01)
Proceeds from issue of equity shares under ESOP scheme	72.73	107.39
Dividend paid	(3,148.01)	(2,445.31)
Net cash used in financing activities (C)	(4,214.50)	(3,026.93)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(753.00)	2,509.75
Cash and cash equivalents at the beginning of the year	5,379.36	2,869.61
Cash and cash equivalents at the end of the year	4,626.36	5,379.36
Components of cash and cash equivalents: (refer note 12)		
Cash in hand	4.16	3.51
Balances with banks:		
- in current accounts	4,007.13	4,309.46
- balances with scheduled banks in deposit accounts with original maturity of less than 3 months	615.07	1,066.39
	4,626.36	5,379.36

Notes:

- The cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows"

The accompanying notes are an integral part of the Standalone Financial Statements
As per our report of even date

For **Walker Chandiok & Co LLP** Chartered Accountants
Firm Registration No.:
001076N/N500013

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

Neeraj Goel
Partner
Membership No.: 099514

Diwakar Nigam
Chairman & Managing Director
DIN: 00263222

T. S. Varadarajan
Whole Time Director
DIN: 00263115

Arun Kumar Gupta
Chief Financial Officer
Membership No.: 056859

Aman Mourya
Company Secretary
Membership No: F9975

Place: Gurugram
Date: 2 May 2023

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Date: 2 May 2023

Notes

to the Standalone Financial Statements for the year ended 31 March 2023

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

1. Background

Newgen Software Technologies Limited ('Newgen' or 'the Company') is a public company domiciled and incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is situated at E-44/13, Okhla Phase II, New Delhi - 110020. The Company raised money by way of initial public offer during the year ended 31 March 2018 and its shares were listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) of India.

The Company is a global software Company and is engaged in the business of software product development including designing and delivering end-to-end software solutions covering the entire spectrum of software services from workflow automation to Document management to imaging. Newgen provides a complete range of software that helps automate business processes. Newgen's solutions enable document intensive organizations/ industries such as Finance and Banking, Insurance and government departments to improve productivity through better document management and workflow implementation.

2. Basis of Preparation

A. Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 amended, and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI). The financial statements for the year ended 31 March 2018 were the first financial statements that the Company had prepared in accordance with Ind AS.

The financial statements were authorised for issue by the Company's Board of Directors on 02 May 2023.

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

Notes

to the Standalone Financial Statements for the year ended 31 March 2023

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

in a material adjustment in the year ending 31 March 2023 is included in the following notes:

- Note 3(c)(iii) – Estimation of Useful lives of intangible assets and Property, plant and equipment
- Note 29 – Measurement of defined benefit obligations: key actuarial assumptions;
- Note 33 – Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 35 – Fair value of share based payments
- Note 43 – Impairment of trade receivables and financial assets.
- Note 19 – Recognition of right of use asset and lease liability

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).

Notes

to the Standalone Financial Statements for the year ended 31 March 2023

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

- Level 3: inputs for the asset or liability that are not based on observable market data (Unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 35 – Share-based payment arrangements; and

Note 43 – Financial instruments.

G. Recent accounting pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements-

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors -

This amendment has introduced a definition of ‘accounting estimates’ and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or

after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

H. Amended Accounting Standards (Ind AS) and interpretations effective during the year

a. Ind AS 103 - Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The amendment did not have any material impact on financial statements of the Company.

b. Ind AS 16 - Proceeds before intended use

The amendment specifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use. The amendment did not have any material impact on financial statements of the company.

c. Ind AS 37 Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly

Notes

to the Standalone Financial Statements for the year ended 31 March 2023

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

to fulfilling contracts. The amendment is essentially a clarification and the amendment did not have any material impact on financial statements of the Company.

d. Ind AS 109 - Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The amendment did not have any material impact on financial statements of the Company.

3. 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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

ii. Classification and subsequent measurement

Financial assets:

On initial recognition, a financial asset is classified as measured at

- Amortised cost;
- Fair value through Other Comprehensive Income (FVOCI) – debt investment;
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial

Notes

to the Standalone Financial Statements for the year ended 31 March 2023

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

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

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such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. Derivatives and Embedded derivatives

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

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.

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ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Category of property, plant and equipment	Estimated useful life (Years)
Building	60
Plant and equipment	15
Leasehold Improvements*	3
Office equipment**	10
Furniture and Fixtures	10
Vehicles	8
Computer hardware	
- servers and networks	6
- 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

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are debt instruments and are measured as at FVTOCI
- Lease receivables under Ind AS 116
- Trade receivables or any contractual right to receive cash or another financial asset that

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result from transactions that are within the scope of Ind AS 115

- e. Loan commitments which are not measured as at FVTPL
- f. Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and

loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability. Debt instruments measured at FVTOCI: For debt instruments measured at FVOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the "accumulated impairment amount".

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Impairment of Non-financial assets

The carrying amounts of assets are reviewed at each reporting date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount. The recoverable amount is the greater of the asset's (or cash generating unit's) net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset (or cash generating unit).

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying

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amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognized.

f. Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Share-based payment transactions

The grant date fair value of equity settled share-based payment awards granted to employees of the Company and subsidiaries of the Company is recognised as an employee expense and deemed investment, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense/deemed investment is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense/deemed investment is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

iii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iv. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's gratuity scheme is a defined benefit plan. The present value of obligations under such defined benefit plans are determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, are based on the market yields on government securities as at the balance sheet date, having maturity period approximating to the terms of related obligations

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income and are never reclassified to profit or loss. Changes in the present value of the defined benefit 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

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obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Re measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the profit or loss

g. Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for. Provisions are reviewed by the management at each reporting date and adjusted to reflect the current best estimates.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

h. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation, or a present obligation whose amount cannot be estimated reliably. The Company does

not recognize a contingent liability but discloses its existence in the financial statements.

i. Revenue

Effective 1 April 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The adoption of the standard did not have any material impact to the Standalone financial statements of the Company.

Revenues from customer's contracts are considered for recognition and measurement when the contract has been approved by the parties, in writing, to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

i. Sale of License

Revenue from sale of licenses for software products is recognised when the significant risks and rewards of ownership have been transferred to the buyer which generally coincides with 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.

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Software Implementation Services

The revenue from fixed price contracts for software implementation is recognized based on proportionate completion method based on hours expended, and foreseeable losses on the completion of contract, if any are recognized immediately. Efforts or costs expended have been used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts. Estimates of transaction price and total costs or efforts are continuously monitored over the lives of the contracts and are recognized in profit or loss in the period when these estimates change or when the estimates are revised. Revenues and the estimated total costs or efforts are subject to revision as the contract progresses. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

The Company is also involved in time and material contracts and recognizes revenue as the services are performed.

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.

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Deferred contract costs are incremental costs of obtaining a contract which are recognized as assets and amortized over the term of the contract.

Revenue from subsidiaries is recognised based on transaction price which is at arm's length.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

Trade Receivables

Trade receivables are amounts due from customers for sale of license or rendering of services in the ordinary course of business. They are generally due for settlement within one year and therefore are all classified as current. Where the settlement is due after one year, they are classified as non-current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Trade receivables are disclosed in Note 11.

Impairment

An impairment is recognised to the extent that the carrying amount of receivable or asset relating to contracts with customers (a) the remaining amount of consideration that the Company expects to receive in exchange for sale of license or rendering of services to which such asset relates; less (b) the costs that relate directly to providing those sale of license or rendering of services and that have not been recognised as expenses.

j. Recognition of dividend income, interest income or expense

Dividend income is recognised in Statement of profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

k. Sale of investments

Profit on sale of investments is recorded on transfer of title from the Company and is determined as the difference between the sales price and the carrying value of the investment

l. Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

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

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short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of

use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

m. Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be

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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 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 4.5 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.

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4 Property, plant and equipment

Cost	Freehold land	Buildings	Plant and equipment	Leasehold improvements	Vehicles	Office equipment	Furniture and fixtures	Computer and servers	Total	Capital work-in-progress
Balance as at 1 April 2021	4.28	12,895.15	742.07	5.99	228.65	1,315.30	614.89	1,947.94	17,754.27	-
Additions during the year	-	-	2.07	-	275.83	40.11	1.12	1,088.89	1,408.02	-
Less: Disposals during the year	-	-	22.03	-	27.39	3.71	0.16	37.01	90.30	-
Balance as at 31 March 2022	4.28	12,895.15	722.11	5.99	477.09	1,351.70	615.85	2,999.82	19,071.99	-
Additions during the year	-	-	13.81	-	99.43	26.32	2.45	529.51	671.52	643.11
Capitalised during the year	-	-	-	643.11	-	-	-	-	643.11	643.11
Less: Disposals during the year	-	-	42.60	-	41.63	16.53	2.37	619.82	722.95	-
Balance as at 31 March 2023	4.28	12,895.15	693.32	649.10	534.89	1,361.49	615.93	2,909.51	19,663.67	-
Accumulated Depreciation										
Balance as at 1 April 2021	-	219.09	173.97	5.99	129.30	321.61	151.22	1,070.98	2,072.16	-
Depreciation during the year	-	217.02	70.49	-	36.37	136.51	62.39	394.39	917.17	-
Less: Disposals during the year	-	-	21.75	-	27.39	3.00	0.16	36.41	88.71	-
Balance as at 31 March 2022	-	436.11	222.71	5.99	138.28	455.12	213.45	1,428.96	2,900.62	-
Depreciation during the year	-	217.02	66.48	52.82	63.55	132.69	61.85	512.31	1,106.72	-
Less: Disposals during the year	-	-	37.79	-	41.63	16.23	2.20	616.56	714.41	-
Balance as at 31 March 2023	-	653.13	251.40	58.81	160.20	571.58	273.10	1,324.71	3,292.93	-
Carrying amount (net)										
Balance as at 31 March 2022	4.28	12,459.04	499.40	-	338.81	896.58	402.40	1,570.86	16,171.37	-
Balance as at 31 March 2023	4.28	12,242.02	441.92	590.29	374.69	789.91	342.83	1,584.80	16,370.74	-

As at 31 March 2023 properties with a carrying amount of ₹ 358.38 lakhs (31 March 2022: ₹ 366.49 lakhs) are subject to first charge to working capital limits from banks.

Capital commitment as on 31 March 2023 is NIL (31 March 2022: NIL)

Notes

to the Standalone Financial Statements for the year ended 31 March 2023

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

5 Intangible assets

	Computer software
Cost	
Balance as at 1 April 2021	410.51
Additions during the year	2.10
Balance as at 31 March 2022	412.61
Additions during the year	56.18
Balance as at 31 March 2023	468.79
Accumulated Amortisation	
Balance as at 1 April 2021	346.39
Amortisation during the year	53.13
Balance as at 31 March 2022	399.52
Amortisation during the year	21.58
Balance as at 31 March 2023	421.10
Carrying amount (net)	
Balance as at 31 March 2022	13.09
Balance as at 31 March 2023	47.69

6 Investment in subsidiaries

	As at 31 March 2023	As at 31 March 2022
Investments in equity instruments - at cost (unquoted)		
6,000 (31 March 2022: 6,000) common shares of USD 200 each, fully paid up of Newgen Software Inc.	701.61	567.79
1,000,000 (31 March 2022: 1,000,000) common shares of CAD 0.10 each, fully paid up of Newgen Software Technologies Canada, Limited.	67.74	58.86
250,000 (31 March 2022: 250,000) ordinary shares of SGD 1 each, fully paid up of Newgen Software Technologies Pte. Limited.	124.30	119.18
210,000 (31 March 2022: 210,000) equity shares of ₹ 10 each, fully paid up of Newgen Computers Technologies Limited.	46.50	46.50
20,000,000 (31 March 2022: 20,000,000) common stock of GBP 0.01 each, fully paid up of Newgen Software Technologies (UK) Ltd.	197.51	182.86
1,000,000 (31 March 2022: 1,000,000) common shares of AUD 1 each, fully paid up of Newgen Software Technologies Pty Ltd.	522.34	497.92
50,000 (31 March 2022: 50,000) equity shares of ₹ 10 each, fully paid up of Number Theory Software Private Limited	1,362.64	1,313.16
3,000 (31 March 2022: Nil) equity shares of ₹ 22,510 each, fully paid up of Newgen Software Technologies LLC	675.30	-
	3,697.94	2,786.27
Aggregate book value of unquoted investments	3,697.94	2,786.27

Increase in investment represents investment in Newgen Software Technologies UAE Limited and deemed investment on account of share based payment awards granted to the employees of subsidiaries of the Company.

A Scheme of Amalgamation u/s 230-232 of the Companies Act, 2013 which provides for the merger of Number Theory Software Private Limited (NTSPL), a wholly owned subsidiary with the Company, has been approved by the Shareholders and unsecured creditors of the Company in their respective meetings convened by NCLT on 24 September 2022, subject to requisite approval(s). The second motion application has been filed and is pending with NCLT.

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

7 Other financial assets (non-current)

	As at 31 March 2023	As at 31 March 2022
Bank deposits		
- Deposits with maturity of more than 12 months	14,019.87	6,000.00
- pledged with tax authorities	4.42	4.42
- held as margin money*	3,870.19	3,375.26
Interest accrued on deposits	769.32	262.69
Security deposits	406.03	408.43
Earnest money deposits		
- Unsecured, considered good	25.53	36.53
- Unsecured, considered doubtful	164.75	164.75
- Less: Loss allowance for doubtful deposits	(164.75)	(164.75)
	19,095.36	10,087.33

*Bank deposits held as margin money represents deposits made on account of guarantees issued to government customers amounting to ₹ 687.73 lakhs (31 March 2022: ₹ 296.62 lakhs) and deposits made to avail overdraft facilities amounting to ₹ 3,182.46 lakhs (31 March 2022: ₹ 3,078.64 Lakhs)

Information about Company's exposure to credit and market risks and fair value measurement is included in Note 43.

8 Income tax assets (net)

	As at 31 March 2023	As at 31 March 2022
Advance income tax (net of provision of ₹ 17,288.61 lakhs (31 March 2022: ₹ 13,990.61 lakhs))	1,606.54	1,289.90
	1,606.54	1,289.90

8A Income tax liabilities (net)

	As at 31 March 2023	As at 31 March 2022
Provision for tax (net of advance tax of ₹ 2,363.08 lakhs (31 March 2022 ₹ 2,657.57 lakhs))	1,422.76	684.21
	1,422.76	684.21

9 Other non-current assets

	As at 31 March 2023	As at 31 March 2022
Prepaid expenses	14.12	4.43
Capital advances	-	13.72
	14.12	18.15

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to the Standalone Financial Statements for the year ended 31 March 2023

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

10 Investments (refer note 41)

	As at 31 March 2023	As at 31 March 2022
Investments in bonds (unquoted)		
Bonds at FVOCI		
- Investment in government bonds	6,186.35	6,468.06
	6,186.35	6,468.06
Investments in mutual funds (unquoted)		
Mutual funds at FVTPL	6,952.45	2,769.70
	6,952.45	2,769.70
	13,138.80	9,237.76
Aggregate book value of unquoted investments	13,138.80	9,237.76

Investments in bonds measured at FVOCI have stated interest rates of 7.04% to 8.63%. Information about Company's exposure to credit and market risks and fair value measurement is included in Note 43(c).

11 Trade receivables

	As at 31 March 2023	As at 31 March 2022
- Trade receivables - Unsecured, considered good	34,318.10	20,967.48
- Trade receivables - Credit impaired	803.07	1,030.93
	35,121.17	21,998.41
Allowance for bad and doubtful debts		
- Trade receivable -Unsecured, considered good	(3,106.70)	(2,103.18)
- Trade receivable - Credit impaired	(803.07)	(1,030.93)
	31,211.40	18,864.30

Trade Receivable Ageing Schedule

	Outstanding for following periods from due date of payment						Total
	Current but not due	Less than 6 months	6 months to 1 years	1-2 Years	2-3 Years	More Than 3 years	
As at 31 March 2023							
Undisputed Trade Receivables- Considered good	21531.39	8,662.80	1,914.83	1,768.59	440.49	-	34,318.10
Undisputed Trade Receivables- Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables- credit impaired	-	-	-	744.28	58.79	-	803.07
Disputed Trade Receivables- Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables- Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables- credit impaired	-	-	-	-	-	-	-
	21,531.38	8,662.80	1,914.83	2,512.87	499.28	-	35,121.17

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to the Standalone Financial Statements for the year ended 31 March 2023

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

Trade Receivable Ageing Schedule

	Outstanding for following periods from due date of payment						Total
	Current but not due	Less than 6 months	6 months to 1 years	1-2 Years	2-3 Years	More Than 3 years	
As at 31 March 2022							
Undisputed Trade Receivables- Considered good	13,754.50	5,357.93	1,222.10	632.95	-	-	20,967.48
Undisputed Trade Receivables- Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables- credit impaired	-	-	-	494.07	536.86	-	1,030.93
Disputed Trade Receivables- Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables- Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables- credit impaired	-	-	-	-	-	-	-
	13,754.50	5,357.93	1,222.10	1,127.02	536.86	-	21,998.41

*Includes balance receivables from related parties. For details refer note 42

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, director or a member.

Trade receivables are non-interest bearing and are generally on terms of 15-90 days.

The Company's exposure to credit and currency risks and loss allowances related to trade receivables are discussed in note 43C (ii) & 43C (v).

12 Cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Cash on hand	4.16	3.51
Balances with banks		
- in current accounts*	4,007.13	4,309.46
- Balances with scheduled banks in deposit accounts with original maturity of less than three months	615.07	1,066.39
	4,626.36	5,379.36

*Current account balances with banks include ₹ 66.58 lakhs (31 March 2022: ₹ 48.10 lakhs) held at a foreign branch.

Short term deposits are from varying periods of between one day to three months, depending upon the immediate cash requirements of the group, and earn interest at the respective short term deposit rates.

Notes

to the Standalone Financial Statements for the year ended 31 March 2023

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

13 Bank balances other cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Balances with scheduled banks in deposit accounts		
- Original maturity of less than 12 months	9,722.75	17,229.24
- Unclaimed dividend account*	6.57	6.91
	9,729.32	17,236.15

*These balances are not available for use by the Company as they represent corresponding unclaimed liabilities.

14 Current financial assets - Loans

	As at 31 March 2023	As at 31 March 2022
Loans to employees*	7.00	21.25
Loan to a related party	435.35	344.50
	442.35	365.75

*These are interest bearing loans - repayable within one year given to employees, chargeable at the rate of 12% p.a.

Disclosure for loan given on demand

Type of borrower	As at 31 March 2023		As at 31 March 2022	
	Amount outstanding*	% of total advance	Amount outstanding	% of total advance
Promoters	-	-	-	-
Directors	-	-	-	-
KMP	-	-	-	-
Other related party	435.35	98.42%	344.5	94.19%

The Company has provided following loans in Pursuant to section 186 (4) of Companies Act, 2013.

Name of the entity	Balance as at 31 March 2022	Loan given*	Loan repaid	Loan provided for	Balance as at 31 March 2023
Number Theory Software Private Limited (subsidiary company)	344.50	95.85	5.00	-	435.35
	344.50	95.85	5.00	-	435.35

Disclosure pursuant to schedule V of Securities and Exchange Board of India (Listing Obligation and Disclosure requirements) regulations, 2015

Name of Enterprise	Rate of Interest	Secured/ Unsecured	Balance as at 31 March 2023*	Maximum O/S during the year 22-23	Balance as at 31 March 2022*	Maximum O/S during the year 21-22
Loans and Advances in the nature of loan given to subsidiary						
Number Theory Software Private Limited	6%	Unsecured	435.35	440.21	344.50	344.50
			435.35	440.21	344.50	344.50

* Includes interest ₹ 23.55 lakhs (31 March 2022: ₹ 3.50 lakhs).

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to the Standalone Financial Statements for the year ended 31 March 2023

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

15 Current financial assets - Others

	As at 31 March 2023	As at 31 March 2022
(unsecured considered good, unless otherwise stated)		
Interest accrued on deposits	383.93	378.27
Interest accrued but not due on government bonds	308.18	307.04
Derivatives assets	-	211.73
Security deposits	15.45	75.38
Other receivable from related party	-	3.14
Contract assets*		
- other than related parties	7,949.95	8,064.49
Less: Provision for loss allowance	(225.78)	(273.39)
- related parties (refer note 42)	4,381.54	3,771.01
	12,813.27	12,537.67

*Contract assets (unbilled revenue) represents amounts recognised based on services performed in advance of billing in accordance with contract terms.

*Changes in contract assets (unbilled revenue) is as follows:

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	11,835.50	9,139.18
Less: Amount of revenue billed during the year	(8,712.45)	(5,470.19)
Add: Addition during the year	9,208.44	8,166.51
Balance at the end of the year	12,331.49	11,835.50

16 Other current assets

	As at 31 March 2023	As at 31 March 2022
Advances to vendors	88.83	54.11
Deferred contract cost	180.94	109.68
Advance to employees	238.39	52.44
Prepaid expenses	746.35	645.43
	1,254.51	861.66

17 Share capital

	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital				
Equity shares of ₹ 10 each	98,000,200	9,800.02	98,000,200	9,800.02
0.01% Compulsory convertible preference shares of ₹ 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

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

Issued, subscribed and paid up	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Equity share capital of ₹ 10 each, fully paid up	69,955,701	6,995.57	69,955,701	6,995.57
Less: Shares held by Newgen ESOP Trust	300,025	30.00	415,510	41.55
Total Share capital	69,655,676	6,965.57	69,540,191	6,954.02

Reconciliation of shares outstanding at the beginning and at the end at the reporting year.

Equity share capital of ₹ 10 each, fully paid up	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	69,955,701	6,995.57	69,955,701	6,995.57
Add: Issued during the year to Newgen ESOP Trust	-	-	-	-
At the end of the year	69,955,701	6,995.57	69,955,701	6,995.57
Less: Shares held by Newgen ESOP Trust	300,025	30.00	415,510	41.55
Total equity share capital	69,655,676	6,965.57	69,540,191	6,954.02

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 Details of shareholders holding more than 5% shares in the Company

Equity shares of ₹ 10 each, fully paid up held by:

	As at 31 March 2023		As at 31 March 2022	
	Number of shares	% Holding	Number of shares	% Holding
- Mr. Diwakar Nigam	15,674,732	22.41%	15,674,732	22.41%
- Mr. T.S. Varadarajan	15,009,306	21.46%	15,009,306	21.46%
- Mrs. Priyadarshini Nigam	6,569,792	9.39%	6,569,792	9.39%
- Marathon Edge India Fund I	3,852,639	5.51%	1,482,639	2.12%

17 B Details of shares held by promoters

Equity shares of ₹ 10 each, fully paid up held by:

	As at 31 March 2023			As at 31 March 2022	
	Number of shares	% of total shares	% change during the year	Number of shares	% of total shares
- Mr. Diwakar Nigam	1,56,74,732	22.41%	0%	1,56,74,732	22.41%
- Mr. T.S. Varadarajan	1,50,09,306	21.46%	0%	1,50,09,306	21.46%
- Mrs. Priyadarshini Nigam	65,69,792	9.39%	0%	65,69,792	9.39%
- Mrs. Usha Varadarajan	13,32,320	1.90%	0%	13,32,320	1.90%

Notes

to the Standalone Financial Statements for the year ended 31 March 2023

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

17 C Shares reserved for issue under Employee stock option plan and RSU Scheme

Terms attached to stock options granted to employees are described in note 35 regarding share based payments.

17 D Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.

- (i) Equity shares have been issued under Employee stock options plans to trust for which only exercise price has been received in cash.

	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Equity shares of ₹ 10 each	-	-	-	370,000	350,000

- (ii) Other than aforementioned, no shares has been allotted by way of bonus issues and no shares has been bought back in the current year and preceding 5 years.

18 Other equity

	As at 31 March 2023	As at 31 March 2022
Securities premium	10,397.49	10,280.35
Retained earnings	70,639.29	56,797.94
Capital redemption reserve	87.95	87.95
General reserve	1,731.39	1,731.39
Newgen ESOP Trust reserve	540.35	511.71
Share options outstanding reserve	2,142.08	762.77
Other comprehensive loss	(456.27)	(231.61)
	85,082.27	69,940.50

Securities premium (refer note (i) below)	As at 31 March 2023	As at 31 March 2022
Balance as at beginning of the year	10,525.26	10,418.50
Transferred from share options outstanding reserve on exercise of stock options	80.05	106.76
Balance as at end of the year	10,605.31	10,525.26
Less: Securities premium on shares held by Newgen ESOP Trust	207.82	244.91
Balance as at end of the year	10,397.49	10,280.35

Retained earnings (refer note (ii) below)	As at 31 March 2023	As at 31 March 2022
Balance as at beginning of the year	56,797.94	43,647.14
Profit for the year	16,989.36	15,599.25
Dividend on equity shares	(3,148.01)	(2,448.45)
Balance as at end of the year	70,639.29	56,797.94

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

Capital redemption reserve	As at 31 March 2023	As at 31 March 2022
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 2023	As at 31 March 2022
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 2023	As at 31 March 2022
Balance as at beginning of the year	511.71	404.32
Addition to Newgen ESOP Trust reserve	28.64	107.39
Balance as at end of the year	540.35	511.71

Share options outstanding reserve (refer note (iv) below)	As at 31 March 2023	As at 31 March 2022
Balance as at beginning of the year	762.77	344.72
Employee stock compensation expense	1,463.91	548.26
Transferred to securities premium account on exercise of stock options	(84.60)	(130.21)
Balance as at end of the year	2,142.08	762.77

Other comprehensive loss (refer note (v) below)

Remeasurement of defined benefit liability	As at 31 March 2023	As at 31 March 2022
Balance as at beginning of the year	(235.42)	(29.46)
Other comprehensive loss (net of tax)	(8.59)	(205.96)
Balance as at end of the year	(244.01)	(235.42)

Financial assets or investments carried at fair value through other comprehensive income	As at 31 March 2023	As at 31 March 2022
Balance as at beginning of the year	3.81	58.84
Other comprehensive loss (net of tax)	(216.07)	(62.38)
Loss on sale of debt instrument transferred to profit and loss	-	7.35
Balance as at end of the year	(212.26)	3.81

- (i) Securities premium is used to record the premium received on issue of shares. It will be utilised in accordance with the provisions of the Companies Act, 2013.
- (ii) Retained earnings represents accumulated balances of profits over the years after appropriations for general reserves and adjustments of dividend.
- (iii) Newgen ESOP Trust has been treated as an extension of the Company and accordingly shares held by Newgen ESOP Trust are netted off from the total share capital. Consequently, all the assets, liabilities, income and expenses of the trust are accounted for as assets and liabilities of the Company, except for profit / loss on issue of shares to the employees and dividend received by trust which are directly adjusted in the Newgen ESOP Trust reserve.

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

(iv) The Company has established various equity-settled share-based payment plans for certain employees of the Company. Refer to note 35 for further details on these plans.

(v) Refer Statement of Changes in Equity for analysis of other comprehensive income, net of tax.

19 Right-of-use assets

Changes in the carrying value of right of use assets for the year ended 31 March 2023

Particulars	Category of ROU asset		Total
	Leasehold land	Buildings	
Balance as at 1 April 2022	3,287.18	1,125.69	4,412.87
Addition	-	2,174.31	2,174.31
Termination of leases	-	-	-
Depreciation	(39.30)	(749.24)	(788.54)
Balance as at 31 March 2023	3,247.88	2,550.76	5,798.64

Changes in the carrying value of right of use assets for the year ended 31 March 2022

Particulars	Category of ROU asset		Total
	Leasehold land	Buildings	
Balance as at 1 April 2021	3,326.48	913.18	4,239.66
Addition	-	739.97	739.97
Termination of leases	-	(4.63)	(4.63)
Depreciation	(39.30)	(522.83)	(562.13)
Balance as at 31 March 2022	3,287.18	1,125.69	4,412.87

*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 amortisation expense in the Statement of Profit and Loss.(refer note 31)

Lease liabilities

Break up of current and non-current lease liabilities:

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current lease liabilities	2,467.07	1,231.03
Current lease liabilities	767.78	494.45
Total	3,234.85	1,725.48

Movement in lease liabilities during the year ended 31 March 2023

Particulars	As at 31 March 2023
Balance as at 1 April 2022	1,725.48
Addition	2,126.66
Finance cost	287.70
Termination of leases	-
Payment of lease liabilities	(904.99)
Balance as at 31 March 2023	3,234.85

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

Movement in lease liabilities during the year ended 31 March 2022

Particulars	As at 31 March 2023
Balance as at 1 April 2021	1,567.06
Addition	672.16
Finance cost	180.33
Termination of leases	(5.06)
Payment of lease liabilities	(689.01)
Balance as at 31 March 2022	1,725.48

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was ₹ 90.20 lakhs for the year ended 31 March 2022 (31 March 2022: ₹ 448.81 lakhs)

For detail regarding the undiscounted contractual maturities of lease liabilities. (refer note 43(iii))

20 Borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Non Current Borrowings		
-Deferred payment liabilities *	220.05	430.18
	220.05	430.18
Current Borrowings		
Current maturities of deferred payment liabilities	203.50	188.55
	203.50	188.55

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities

Name of the entity	Balance as at 31 March 2022	Interest Accrued	Loan repayments	Other non cash changes	Balance as at 31 March 2023
Erstwhile shareholders of Number Theory Software Private Limited (subsidiary company)	618.73	39.08	(234.23)	(0.03)	423.55
	618.73	39.08	(234.23)	(0.03)	423.55

*(a) Includes balance payable to erstwhile shareholders of subsidiary company.

(b) Deferred payment liability is discounted at the rate of 8%. Per annum.

(c) The liability is payable in three equal annual instalment of ₹ 234.24 lakhs. The repayment of installment has commenced from January, 2023.

21 Non-current provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits (refer note 29)		
- provision for gratuity	2,663.74	2,633.00
- provision for compensated absences	764.19	697.84
	3,427.93	3,330.84

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to the Standalone Financial Statements for the year ended 31 March 2023

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

22 Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
- Total outstanding dues to micro enterprises and small enterprises	58.38	75.27
- Total outstanding dues to creditors other than micro and small enterprises	5,517.55	4,024.63
	5,575.93	4,099.90

Trade payables Ageing Schedule

	Outstanding for following periods from due date of payment					Total
	Less than 1 year	1-2 Years	2-3 Years	More Than 3 years	Unbilled payable	
As at 31 March 2023						
Total outstanding dues of Micro enterprises and small enterprises	58.38	-	-	-	-	58.38
Total outstanding dues of creditors other than Micro enterprises and small enterprises	1,540.55	-	-	-	3,977.00	5,517.55
Disputed Dues of Micro enterprises and small enterprises	-	-	-	-	-	-
Disputed Dues of creditors other than Micro enterprises and small enterprises	-	-	-	-	-	-
	1,598.93	-	-	-	3,977.00	5,575.93

	Outstanding for following periods from due date of payment					Total
	Less than 1 year	1-2 Years	2-3 Years	More Than 3 years	Unbilled payable	
As at 31 March 2022						
Total outstanding dues of Micro enterprises and small enterprises	75.27	-	-	-	-	75.27
Total outstanding dues of creditors other than Micro enterprises and small enterprises	253.68	-	-	-	3,414.67	3,668.35
Disputed Dues of Micro enterprises and small enterprises	-	-	-	-	-	-
Disputed Dues of creditors other than Micro enterprises and small enterprises	-	-	-	-	356.28	356.28
	328.95	-	-	-	3,770.95	4,099.90

Trade payables are non-interest bearing and are generally on terms of 30-45 days.

- Refer note 37 for disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED).
- Refer note 42 for dues to related parties.
- The Company's exposure to liquidity risk and currency risks related to trade payables is disclosed in note 43C(iii) & 43C(v).

Notes

to the Standalone Financial Statements for the year ended 31 March 2023

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

23 Current financial liabilities - Others

	As at 31 March 2023	As at 31 March 2022
Employee related payables	3,354.91	3,441.95
Derivatives liabilities	187.49	-
Earnest money deposits	1.00	1.00
Payable for capital assets#	32.72	317.57
Unpaid dividends*	6.57	6.91
	3,582.69	3,767.43

Refer note 37 for amount payable to Micro, Small and Medium Enterprises. It includes payable in respect of retention money amounting to ₹ 31.50 lakhs (31 March 2022 : ₹ 307.35 lakhs).

*Unpaid dividends amount is not due for deposit to the Investor Education & Protection fund.

24 Deferred income

	As at 31 March 2023	As at 31 March 2022
Unearned revenue*	9,695.94	7,862.92
	9,695.94	7,862.92

*Changes in deferred income is as follows:

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	7,862.92	6,542.05
Revenue recognised that was included in deferred income at the beginning of the year	(7,827.54)	(6,388.62)
Increase due to invoicing during the year, excluding amount recognised as revenue during the year	9,660.56	7,709.49
Balance at the end of the year	9,695.94	7,862.92

25 Other current liabilities

	As at 31 March 2023	As at 31 March 2022
Statutory dues payable	1,259.14	1,114.79
Advance from employees for share options	0.19	1.65
Other current liabilities	0.75	1.00
Revenue received in advance	-	21.68
	1,260.08	1,139.12

26 Current provisions

	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits (refer note 29)		
- provision for gratuity	693.89	460.68
- provision for compensated absences	242.36	166.34
	936.25	627.02

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to the Standalone Financial Statements for the year ended 31 March 2023

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

27 Revenue from operations

	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of products - softwares	16,665.89	14,977.63
Sale of services		
- Implementation	17,681.84	13,908.52
- Scanning	685.44	746.03
- AMC/ATS	21,061.97	17,532.14
- Support	24,614.14	19,055.47
- SaaS revenue	8,070.78	4,858.78
	88,780.06	71,078.57

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where:

- The performance obligation is part of a contract that has an original expected duration of one year or less.
- The revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis.

Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialised and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at 31 March 2023, other than those meeting the exclusion criteria mentioned above is ₹ Nil (31 March 2022 ₹ Nil).

28 Other income

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income under the effective interest rate method:		
- on security deposits at amortised cost	25.30	26.90
- government and other bonds at FVOCI	426.87	249.49
Interest income on deposit with banks	1,577.45	1,231.71
Gain on lease termination	-	0.43
Gain on sale of property, plant and equipment	-	8.05
Profit on sale of mutual funds (net) at FVTPL	151.30	146.79
Fair value changes of financial assets at FVTPL	87.29	75.39
Liabilities / provision no longer required written back	1,020.65	64.71
Net foreign exchange fluctuation gain	-	1,164.53
Bad debts recovered	-	5.00
Miscellaneous income	25.62	20.38
	3,314.48	2,993.38

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to the Standalone Financial Statements for the year ended 31 March 2023

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

29 Employee benefits expense

	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus	38,523.90	32,063.29
Contribution to provident funds (refer note i below)	1,327.25	1,104.02
Expenses related to compensated absences (refer note ii below)	497.77	535.95
Share based payment - equity settled (refer note 35)	1,216.44	488.74
Expense related to defined benefit plan (refer note iii below)	618.02	526.54
Staff welfare expenses	536.05	171.47
	42,719.43	34,890.01

(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 ₹ 1,327.25 lakhs (31 March 2022: ₹ 1,104.02 lakhs). The amount recognised as an expense towards employee state insurance aggregated to ₹ 0.09 lakhs (31 March 2022: ₹ 0.29 lakhs).

(ii) Compensated absences:

The Principal assumptions used in determining the compensated absences benefit obligation are as given below:

	31 March 2023	31 March 2022
Discounting rate (p.a.)	4.85% - 7.36%	3.55% - 7.18%
Future salary increase (p.a.)	5.00% - 7.00%	5.00% - 7.00%

(iii) Defined Benefit Plan:

Gratuity scheme - This is an unfunded defined benefit plan and it entitles an employee, who has rendered at least 5 years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit.

- On normal retirement / early retirement / withdrawal / resignation: As per the provisions of the Payment of Gratuity Act, 1972 with vesting period of 5 years of service.
- On death in service: As per the provisions of the Payment of Gratuity Act, 1972 without any vesting period.

Gratuity payable to employee in case (i) and (ii), as mentioned above, is computed as per the Payment of Gratuity Act, 1972 except the Company does not have any limit on gratuity amount."

Notes

to the Standalone Financial Statements for the year ended 31 March 2023

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

(iv) Defined Benefit Plan-Dubai office:

The gratuity benefit payable in the case of termination, retirement, or death is 21 days' Scheme Salary for each of the first five years of service and 30 days' Scheme Salary for each year thereafter. Partial years count towards a period of service. This benefit is payable only after completing one year of service. In the case of the resignation of an employee, he/she is entitled to the following benefit:

Number of Year's Service	Fraction of Full Benefits
Less than 1 year	Nil
Between 1 year and 3 years	One third
Between 3 years and 5 years	Two thirds
Above 5 years	Full

No gratuity benefits are payable to any employee who is dismissed/terminated from service for misconduct, disobedience or violation of any existing rules and regulations of Newgen. The Scheme is unfunded.

A. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	3,093.68	2,510.58
Benefits paid	(367.27)	(260.03)
Current service cost	407.27	361.46
Interest cost	210.75	165.08
Actuarial (gains) / losses recognised in OCI		
change in demographic assumptions	(7.46)	1.84
change in financial assumptions	(109.02)	116.71
experience adjustments	129.68	198.04
Balance at the end of the year	3,357.63	3,093.68

B. i) Expense recognised in profit and loss

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current service cost	407.27	361.46
Interest cost	210.75	165.08
Total expense recognised in Statement of profit and loss	618.02	526.54

ii) Remeasurements recognised in other comprehensive income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Actuarial loss on defined benefit obligation	13.20	316.59
Total remeasurements recognised in other comprehensive income	13.20	316.59

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to the Standalone Financial Statements for the year ended 31 March 2023

(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 2023	For the year ended 31 March 2022
Discount rate	4.85% - 7.36%	3.55% - 7.18%
Salary escalation rate	5.00% - 7.00%	5.00% - 7.00%
Mortality rate	100% of IALM (2012- 14)	100% of IALM (2012- 14)

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 2023		31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(78.12)	84.89	(105.20)	114.82
Future salary growth (0.50% movement)	84.17	(78.49)	113.90	(105.64)

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:

iii. Maturity profile of defined benefit obligation:

	As at 31 March 2023	As at 31 March 2022
Within the next 12 months (next annual reporting period)	693.89	460.68
Between 2 and 5 years	1,522.86	1,049.38
Beyond 5 years	1,278.20	1,622.50

Net defined benefit liability	31 March 2023	31 March 2022
Liability for gratuity	3,357.63	3,093.68
Liability for compensated absences	1,006.55	864.18
Total employee benefit liabilities	4,364.18	3,957.86
Non-current:		
Gratuity	2,663.74	2,633.00
Compensated absences	764.19	697.84
Current:		
Gratuity	693.89	460.68
Compensated absences	242.36	166.34

Notes

to the Standalone Financial Statements for the year ended 31 March 2023

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

30 Finance costs

	For the year ended 31 March 2023	For the year ended 31 March 2022
Finance cost on lease liabilities	287.70	180.33
Interest expense on borrowings	39.08	15.05
Other finance costs	60.53	122.41
	387.31	317.79

31 Depreciation and amortisation

	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation of property, plant and equipment (refer note 4)	1,106.72	917.17
Depreciation of right-of use assets (refer note 19)	788.54	562.13
Amortisation of intangible assets (refer note 5)	21.58	53.13
	1,916.84	1,532.43

32 Other expenses

	For the year ended 31 March 2023	For the year ended 31 March 2022
Rent	90.20	448.81
Repairs and maintenance	461.03	319.38
Rates and taxes	643.22	324.65
Travelling and conveyance	3,726.66	974.82
Legal and professional fees	3,615.47	2,327.33
Outsourced technical services expense (refer note 42)	7,002.85	4,100.05
Cloud hosting services	1,931.44	1,402.26
Payment to auditors*	69.35	66.95
Electricity and water	404.64	310.75
Advertising and sales promotion	731.89	843.23
Membership and subscription fee	304.94	275.82
Brokerage and commission	1,022.44	1,466.61
Communication costs	268.90	229.00
Software and license maintenance	1,351.60	1,085.03
Expenditure on corporate social responsibility (refer note 39)	293.45	248.85
Donation	34.88	30.82
Recruitment charges	438.17	398.49
Insurance	762.72	494.09
Operation and maintenance	397.37	249.13
Printing, stationery and scanning charges	480.18	400.48
Loss on sale of property, plant and equipment	0.58	-
Loss allowance on trade receivables (Loss allowance on trade receivables includes loss allowance created on contract assets amounting to ₹ 47.86 lakhs (31 March 2022: ₹ 273.39 lakhs))	1,825.63	1,804.50
Security charges	230.64	201.62
Net foreign exchange fluctuation loss	193.93	-
Loss on redemption of bonds (net) at FVOCI	-	24.80
Miscellaneous expenses	71.61	49.12
	26,353.79	18,076.59

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to the Standalone Financial Statements for the year ended 31 March 2023

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

*Payment to auditors

	For the year ended 31 March 2023	For the year ended 31 March 2022
As auditor:		
- Statutory audit fee	37.00	37.00
- Limited review fee	21.00	21.50
- Certification fee	8.66	5.25
- Reimbursement of expenses	2.69	3.20
	69.35	66.95

33 Income Tax

A. The major components of income tax income recognised in Statement of Profit or Loss

	For the year ended 31 March 2023	For the year ended 31 March 2022
Tax expense	3,929.82	3,090.56
Deferred tax (credit)/charge	(202.01)	565.32
Total	3,727.81	3,655.88
Recognised in Other comprehensive income		
Tax impact on		
- Re-measurement on defined benefit plan	4.61	110.63
- Financial assets or investments carried at fair value through other comprehensive income	65.63	33.51
Total	70.24	144.13

B. Reconciliation of effective tax rate

	31 March 2023		31 March 2022	
Profit before tax		20,717.17		19,255.13
Tax using the Company's tax rate	34.94%	7,239.41	34.94%	6,728.51
Effect of deduction under section 10AA of the Income tax Act, 1961	-18.61%	(3,855.27)	-15.69%	(3,020.28)
Effect of expenses permanently disallowed under the Income Tax Act, 1961	0.66%	137.33	0.70%	135.56
Effect of income exempt/ non taxable/ taxed on lower rate	-0.88%	(181.87)	-0.60%	(116.38)
Effect of profit on redemption of mutual funds	0.00%	-	-0.16%	(30.67)
Tax expense for earlier years	0.99%	205.05	-1.30%	(251.22)
Others	0.89%	183.16	1.09%	210.36
Income tax recognised in statement of profit and loss for the current year	17.99%	3,727.81	18.99%	3,655.88

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

C. Deferred tax asset /(liabilities) and movement in temporary differences

31 March 2023

Particulars	Balance as at 1 April 2022	Recognised in Statement of Profit or Loss during the year	Recognised in OCI during the year	Balance as at 31 March 2023
Investments at fair value through OCI	(0.19)	-	65.63	65.44
Remeasurement of defined benefit liability (asset)	126.10	-	4.61	130.71
Property, plant and equipment	(996.76)	(348.54)	-	(1,345.30)
Loss allowance on other financial assets	57.57	-	-	57.57
Loss allowance on trade receivables	1,086.61	76.29	-	1,162.90
Provision for employee benefits	1,265.89	(131.77)	-	1,397.66
Lease liabilities	7.87	20.44	-	28.31
MAT credit entitlement	139.18	351.56	-	490.74
Others	(197.73)	(29.51)	-	(227.24)
Total	1,488.54	202.01	70.24	1,760.79

31 March 2022

Particulars	Balance as at 1 April 2021	Recognised in Statement of Profit or Loss during the year	Recognised in OCI during the year	Balance as at 31 March 2022
Investments at fair value through OCI	(29.73)	-	29.54	(0.19)
Remeasurement of defined benefit liability (asset)	15.47	-	110.63	126.10
Property, plant and equipment	(606.72)	(390.04)	-	(996.77)
Loss allowance on other financial assets	57.57	-	-	57.57
Loss allowance on trade receivables	1,394.05	(307.44)	-	1,086.61
Provision for employee benefits	1,214.87	51.02	-	1,265.89
Lease liabilities	39.00	(31.13)	-	7.87
MAT credit entitlement	-	139.18	-	139.18
Others	(170.82)	(26.91)	-	(197.73)
Total	1,913.69	(565.32)	140.17	1,488.54

34 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

i. Profit attributable to Equity holders of the Company

	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit attributable to equity holders of the Company	16,989.36	15,599.25
Profit attributable to equity holders of the Company for basic and diluted earnings	16,989.36	15,599.25

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to the Standalone Financial Statements for the year ended 31 March 2023

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

ii. Weighted average number of ordinary shares

	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance of equity's shares	69,540,191	69,306,005
Effect of share options exercised	72,128	115,752
Weighted average number of shares for basic EPS	69,612,319	69,421,757
Effect of dilution:		
Add: Weighted average number of potential equity shares on account of employees stock options	887,921	467,801
Weighted average number of shares for diluted EPS	70,500,240	69,889,558

Basic and diluted earnings per share

	For the year ended 31 March 2023 ₹	For the year ended 31 March 2022 ₹
Basic earnings per share	24.41	22.47
Diluted earnings per share	24.10	22.32

35 Share-based payment arrangements:

A. Description of share-based payment arrangements

i. Share option programmes (equity-settled)

The Company established Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014) in the year 2014-15, administered through a new Trust 'Newgen ESOP Trust'. The maximum numbers of shares to be issued under this Scheme shall be limited to 3,783,800 equity shares of the Company. Pursuant to the scheme, during the year 2014-15, the Company has granted 3,653,525 options at an exercise price of ₹ 63 per option, to the employees of the Company. Further, during the year 2017-18 grant of options 353,000, 130,000, and 79,250 through grant II, III and IV on 1 Jul 2017, 1 Sep 2017 and 1 Oct 2017 respectively under the same scheme and with same vesting conditions was made. During the year 2020-21, the Company has granted 2,33,000 options through grant V under Newgen ESOP 2014 on 25 March 2021. During the year 2022-23, the Company has granted 20,000 options through grant VI under Newgen ESOP 2014 on 17 January 2023. Under the terms of the plans, these options are vested on a graded vesting basis over a maximum period of four years from the date of grant and are to be exercised either in part(s) or full, within a maximum period of five years from the date of last vesting.

During the year 2020-21, the Company has established Newgen Software Technologies Restricted Stock Units Scheme – 2021 (Newgen RSU – 2021), administered through a new trust "Newgen RSU Trust". The maximum numbers of shares to be issued under this Scheme shall be limited to 14,00,000 equity shares of the Company. During the year 2021-22, the Company has granted 12,11,500 and 1,73,500 options through grant I and II respectively under this scheme at an exercise price of ₹ 10 per option, to the employees of the Company. During the year 2022-23, the Company has granted 35,000 options through grant III under this scheme at an exercise price of ₹ 10 per option, to the employees of the Company. Under the terms of the scheme, these options are vested on a graded vesting basis over a maximum period of five years from the date of grant and are to be exercised either in part(s) or full, within a maximum period of five years from the date of last vesting.

During the year 2022-23, the Company has established Newgen Employee Stock Option Scheme – 2022 (Newgen ESOP – 2022), administered through a new trust "Newgen ESOP Trust". The maximum numbers of shares to be issued under this Scheme shall be limited to 14,00,000 equity shares of the Company. During the year 2022-23, the Company has granted 9,41,800 options through grant I under this scheme at an

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exercise price of ₹ 364.20 per option, to the employees of the Company. Under the terms of the scheme, these options are vested on a graded vesting basis over a maximum period of four years from the date of grant and are to be exercised either in part(s) or full, within a maximum period of five years from the date of vesting.

Particulars	Newgen ESOP 2014	Newgen RSU – 2021	Newgen ESOP 2022
Maximum number of shares under the plan	3,783,800	1,400,000	1,400,000
Method of settlement (cash/equity)	Equity	Cash/ Equity	Equity
Vesting period (maximum)	4 years 1 year - 10% 2 year - 20% 3 year- 30% 4 year-40%	5 years at the end of 3 rd year - 50% at the end of 5 th year - 50%	4 years 1 year - 10% 2 year - 20% 3 year- 30% 4 year-40%
Exercise period from the date of vesting (maximum)	5 year from last vesting	5 year from last vesting	5 year from vesting date
Vesting conditions	Service period	Service period & Performance based	Service period

Newgen ESOP trust has been treated as an extension of the Company and accordingly shares held by Newgen ESOP Trust are netted off from the total share capital. Consequently, all the assets, liabilities, income and expenses of the trust are accounted for as assets and liabilities of the Company, except for profit / loss on issue of shares to the employees and dividend received by trust which are directly adjusted in the Newgen ESOP Trust reserve.

Following table represents general terms of the grants for the ESOP outstanding as on 31 March 2023.

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	187,852	₹ 63.00	0.75	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Jul-2017	51,950	₹ 63.00	3.25	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Sep-2017	42,800	₹ 63.00	3.42	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Oct-2017	11,000	₹ 63.00	3.50	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	25-Mar-2021	135,500	₹ 63.00	6.99	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	17-Jan-2023	20,000	₹ 63.00	7.80	4 years
Newgen Employees Stock Option Scheme 2022 (Newgen ESOP 2022)	17-Jan-2023	917,650	₹ 364.20	7.80	4 years

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Following table represents general terms of the grants for the RSU outstanding as on 31 March 2023.

ESOP schemes	Grant Date	No. of Options Outstanding	Exercise Price	Weighted average remaining life	Vesting Period
Newgen Software Technologies Restricted Stock Units Scheme – 2021 (Newgen RSU – 2021)	23-Dec-2021	1,153,000	₹ 10.00	8.73	5 years
Newgen Software Technologies Restricted Stock Units Scheme – 2021 (Newgen RSU – 2021)	2-Mar-2022	117,000	₹ 10.00	8.93	5 years
Newgen Software Technologies Restricted Stock Units Scheme – 2021 (Newgen RSU – 2021)	18-Oct-2022	35,000	₹ 10.00	9.56	5 years

B. Measurement of fair values

i. Equity-settled share-based payment arrangements

The fair value of the employee share options has been measured using the Black-Scholes formula. The fair value of options and the inputs used in the measurement of the grant date fair values of the equity-settled share based payment plans are as follows:

Particulars	Newgen ESOP 2014 Grant - V	Newgen ESOP 2014 Grant - VI	Newgen ESOP 2022 Grant - I	Newgen RSU – 2021 Grant - I	Newgen RSU – 2021 Grant - II	Newgen RSU – 2021 Grant - III
Date of grant	25-Mar-2021	17-Jan-2023	17-Jan-2023	23-Dec-2021	2-Mar-2022	18-Oct-2022
Fair value of options at grant date	230.95	341.99	200.65	554.29	470.62	334.03
Share price at grant date	280.50	404.60	404.60	583.30	499.40	362.05
Exercise price	63.00	63.00	364.20	10.00	10.00	10.00
Expected volatility (weighted-average)	46.49%	43.14%	43.14%	44.91%	44.89%	38.60%
Expected life (weighted-average)	6 years	6 years	5 years	6.5 years	6.5 years	6.5 years
Expected dividends	0.50%	0.95%	0.95%	0.60%	0.70%	0.95%
Risk-free interest rate (based on government bonds)	5.80% - 6.19%	7.20% - 7.26%	7.07% - 7.26%	5.29% - 6.39%	5.60% - 6.69%	7.28% - 7.34%

C. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option programmes were as follows.

Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	31 March 2023	31 March 2023	31 March 2022	31 March 2022
Options outstanding as at the beginning of the year	603,212	₹ 63.00	901,406	₹ 63.00
Add: Options granted during the year	20,000	₹ 63.00	-	-
Less: Options lapsed during the year	58,625	₹ 63.00	64,008	₹ 63.00
Less: Options exercised during the year	115,485	₹ 63.00	234,186	₹ 63.00
Options outstanding as at the year end	449,102	₹ 63.00	603,212	₹ 63.00
Exercisable as at year end	328,102		420,012	
Weighted - average contractual life	3.56 years		4.51 years	

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Newgen Software Technologies Restricted Stock Units Scheme – 2021 (Newgen RSU – 2021)	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	31 March 2023	31 March 2023	31 March 2022	31 March 2022
Options outstanding as at the beginning of the year	1,360,000	₹ 10.00	-	₹ 10.00
Add: Options granted during the year	35,000	₹ 10.00	1,385,000	₹ 10.00
Less: Options lapsed during the year	90,000	₹ 10.00	25,000	₹ 10.00
Less: Options exercised during the year	-	₹ 10.00	-	₹ 10.00
Options outstanding as at the year end	1,305,000	₹ 10.00	1,360,000	₹ 10.00
Exercisable as at year end	-			
Weighted - average contractual life	8.77 years		9.76 years	

Newgen Employees Stock Option Scheme 2022 (Newgen ESOP 2022)	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	31 March 2023	31 March 2023	31 March 2022	31 March 2022
Options outstanding as at the beginning of the year	-	-	-	-
Add: Options granted during the year	941,800	₹ 364.20	-	-
Less: Options lapsed during the year	24,150	₹ 364.20	-	-
Less: Options exercised during the year	-	-	-	-
Options outstanding as at the year end	917,650	₹ 364.20	-	-
Exercisable as at year end	-			
Weighted - average contractual life	7.80 years			

D. Expense recognised in Statement of Profit and Loss

For details on the employee benefits expense, refer note 29

36 Contingent liabilities and commitments (to the extent not provided for)

The Company is committed to operationally, technically and financially support the operations of its certain subsidiary companies.

37 Details of dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum.

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Disclosure in respect of the amounts payable to such enterprises as on 31 March 2023 and 31 March 2022 based on information received and available with the Company.

Particulars	As at 31 March 2023	As at 31 March 2022
Principal Amount*	89.88	382.62
Interest due thereon at the end of the accounting year.	-	-
the amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
the amount of interest due and payable for the year for delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006).	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
the amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006.	-	-

* Includes ₹ 31.50 lakhs (31 March 2022: ₹ 307.35 lakhs) on account of capital creditor

38 After the reporting date the following dividend were proposed by the Board of Directors, subject to the approval of shareholders at Annual General Meeting; Accordingly, the dividends have not been recognised as liabilities.

	For the year ended 31 March 2023	For the year ended 31 March 2022
Final dividend of ₹ 5.00 per share (31 March 2022: ₹ 4.50/- per share)	3,497.79	3,148.01

39 Utilisation of Corporate Social Responsibility expenses

As per Section 135 of the Companies Act 2013, read with guidelines issued by DPE, the company is required to spend in every financial year atleast two percent of the average net profits of the company made during the three immediately preceding financial years in accordance with its CSR policy. The details of CSR expenses for the year are as under:

Particulars	31 March 2023	31 March 2022
Amount required to be spend during the year	290.16	245.65
Amount of expenditure incurred	293.45	248.85
Amount of shortfall for the year	-	-
Amount of cumulative shortfall at the end of the year	-	-

The areas for CSR activities are promoting education, health care, sanitation, digital literacy and livelihood enhancement. The funds were primarily utilized through the year on the activities which are specified in Schedule VII of the Companies Act, 2013.

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40 The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company has got the updated documentation for the international transactions entered into with the associated enterprises during the financial year. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

41 Details of current Investments (refer note 10)

Particulars	Number of units as at		Amount in lakhs as at	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Investment in mutual funds -FVTPL				
Aditya Birla Sun Life Liquid Fund -Growth-Regular Plan	-	404,905.14	-	661.29
Bharat bonds ETF	20,000.00	20,000.00	250.00	240.62
Aditya Birla Liquid Fund Direct plan Growth option	170,596.77	170,596.77	619.41	585.36
HDFC Liquid Fund -Direct Growth	7,622.95	7,622.95	337.18	319.00
Axis Money Market Fund	-	83,644.96	-	963.43
Aditya Birla Sun Life Money Manager Fund - Growth-Direct Plan	131,034.62	-	414.33	-
Tata Money Market Fund Direct Plan - Growth	2,935.38	-	118.84	-
ABSL Crisil IBX Gilt Apr 2029 Index Fund Dir Growth	5,775,217.32	-	603.58	-
HDFC Nifty G-Sec Dec 2026 Index Fund-Direct-G	6,818,815.04	-	702.21	-
Bandhan CRISIL IBX Gilt June 2027 Index Fund Direct Plan-Growth	9,185,820.08	-	1,003.14	-
HDFC Nifty G-Sec Jul 2031 Index Fund-Direct-G	6,836,931.06	-	705.48	-
Bandhan CRISIL IBX Gilt June 2027 Index Fund Direct-G	7,326,982.98	-	800.14	-
HDFC Nifty G-Sec Jul 2031 Index Fund	6,781,620.91	-	699.78	-
ABSL Government Securities Fund Growth-Regular	1,022,684.60	-	698.36	-
Investment in government bonds-FVTOCI				
8.40% IRFC 15YRS SR2A 18022029 (18-Feb-2029)	40,000.00	40,000.00	461.32	484.14
7.35% NHAI LTD Tax free Bond 15YRS SR2A Annual (11-Jan-2031)	215,000.00	215,000.00	2,425.03	2,543.76
8.54% PFC Tax free Bonds (Series 2A) 16/11/2028	16,500.00	16,500.00	190.32	199.74
7.04% IRFC Bond 03/03/2026	15.00	15.00	157.68	162.00
8.3% NHAI Tax free Bonds 25/01/2027	30,000.00	30,000.00	330.30	344.85
8.63% IRFC Bonds 26/03/2029	22,000.00	22,000.00	256.68	269.72
8.30% IRFC Bonds 23/02/2027	87,000.00	87,000.00	953.53	994.49
8.20% NHAI Bonds 25/01/2022	-	-	-	-
7.34% IRFC Bonds 19/02/2028	130,000.00	130,000.00	1,411.49	1,469.36
			13,138.80	9,237.76

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

42 Related party transactions

A. List of subsidiaries

Set out below is the list of subsidiaries:

Name of the company	Country of incorporation	Ownership interest	
		31 March 2023	31 March 2022
Newgen Software Inc.	United States of America	100%	100%
Newgen Software Technologies Pte Ltd.	Singapore	100%	100%
Newgen Software Technologies Canada Limited	Canada	100%	100%
Newgen Software Technologies (UK) Ltd.	United Kingdom	100%	100%
Newgen Software Technologies Pty Ltd.	Australia	100%	100%
Newgen Computers Technologies Limited	India	100%	100%
Number Theory Software Private Limited	India	100%	100%
Newgen Software Technologies LLC*	UAE	100%	-

The principal place of business of all the entities listed above is the same as the respective country of incorporation.

*The company incorporated a new subsidiary Newgen Software Technologies LLC during the year on 15th June 2022.

B. Transactions with Key Management Personnel

A number of key management personnel, or their related parties hold positions in other entities that result in them having control or significant influence over those entities.

Compensation of the Company's key managerial personnel includes salaries, non-cash benefits and contributions to post - employment defined benefit plan(see note 29)

Executive officers also participate in the Company's share option plan as per the conditions laid down in that scheme (see note 29 and note 35).

List of key management personnel and their relatives

Diwakar Nigam - Managing Director

T.S. Varadarajan - Whole Time Director

Priyadarshini Nigam - Whole Time Director

Arun Kumar Gupta - Chief Financial Officer

Virender Jeet - Chief Executive Officer

Surender Jeet Raj - Senior Vice President (HR/Operations)

Tarun Nandwani - Chief Operating Officer

Usha Varadarajan - Relative of Whole Time Director - T.S. Varadarajan

Aman Mourya- Company Secretary

List of non-executive and independent directors

Kaushik Dutta - Independent Director

Saurabh Srivastava - Independent Director

Subramaniam R Iyer - Independent Director

Padmaja Krishnan - Independent Director

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

Key management personnel compensation

	Transaction value		Balance receivable	
	For the year ended 31 March 2023	For the year ended 31 March 2022	As at 31 March 2023	As at 31 March 2022
Salaries, wages and bonus*	1,783.78	1,737.36	843.19	786.29
Diwakar Nigam	399.39	370.71	172.18	160.92
T.S. Varadarajan	210.93	195.95	103.31	96.55
Priyadarshini Nigam	121.84	113.29	68.87	64.37
Arun Kumar Gupta	137.81	184.53	54.75	48.16
Virender Jeet	321.38	291.06	169.35	160.53
Surender Jeet Raj	284.40	304.98	141.15	129.15
Tarun Nandwani	274.26	249.09	133.58	126.61
Aman Mourya	33.77	27.74	-	-
Dividend paid (excluding dividend distribution tax)	1,774.69	1,379.87	-	-
Diwakar Nigam	705.34	548.60	-	-
T.S. Varadarajan	675.42	525.33	-	-
Priyadarshini Nigam	295.64	229.94	-	-
Arun Kumar Gupta	1.84	1.02	-	-
Virender Jeet	13.33	10.37	-	-
Surender Jeet Raj	10.98	8.73	-	-
Tarun Nandwani	12.08	9.24	-	-
Usha Varadarajan	59.95	46.63	-	-
Aman Mourya	0.11	0.01	-	-
Share-based payments	53.17	161.34	-	-
Arun Kumar Gupta	-	59.60	-	-
Virender Jeet	-	-	-	-
Surender Jeet Raj	33.67	76.60	-	-
Tarun Nandwani	18.73	15.24	-	-
Aman Mourya	0.77	9.89	-	-

*It includes share-based payments and commission but excludes provision for gratuity and compensated absences, as these are determined on the basis of actuarial valuation for the Company as a whole.

Sitting fees to independent director	59.00	56.00	6.30	-
Kaushik Dutta	17.00	17.00	1.80	-
Saurabh Srivastava	15.00	14.00	1.80	-
Subramaniam R Iyer	18.00	17.00	1.80	-
Padmaja Krishnan	9.00	8.00	0.90	-
Commission to independent director	206.00	107.28	185.40	96.55
Kaushik Dutta	51.50	26.82	46.35	24.14
Saurabh Srivastava	51.50	26.82	46.35	24.14
Subramaniam R Iyer	51.50	26.82	46.35	24.14
Padmaja Krishnan	51.50	26.82	46.35	24.14

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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 2023 and 31 March 2022, 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/ (Payable)	
	For the year ended 31 March 2023	For the year ended 31 March 2022	As at 31 March 2023	As at 31 March 2022
Sale of products and services*				
Subsidiaries				
Newgen Software Inc., USA	17,178.64	14,538.16	2,493.05	-
Newgen Software Technologies Pte Ltd.	6,461.67	4,639.68	926.57	-
Newgen Software Technologies Canada Limited	81.27	425.19	-	-
Newgen Software Technologies (UK) Ltd.	2,106.83	1,206.23	-	-
Newgen Software Technologies Pty Ltd.	-	-	-	-
Newgen Software Technologies LLC	823.78	-	-	-
* It includes contract assets as follows:				
Contract assets				
Newgen Software Inc., USA	2,582.14	2,266.46	-	-
Newgen Software Technologies Pte Ltd.	880.66	1,211.13	-	-
Newgen Software Technologies Canada Limited	19.87	11.32	-	-
Newgen Software Technologies (UK) Ltd.	608.17	268.64	-	-
Newgen Software Technologies LLC	162.90	-	-	-
Sale of services-back office support cost #				
Subsidiaries				
Newgen Software Inc., USA	203.42	168.81	-	-
Newgen Software Technologies Pte Ltd.	43.18	36.79	-	-
Newgen Software Technologies Canada Limited	35.12	19.17	-	-
Newgen Software Technologies (UK) Ltd.	10.50	11.07	-	-
Newgen Software Technologies Pty Ltd.	18.91	8.95	12.38	-
Newgen Software Technologies LLC	3.64	-	-	-
# It includes contract assets as follows:				
Contract assets				
Newgen Software Inc., USA	79.78	10.54	-	-
Newgen Software Technologies Pte Ltd.	15.31	1.41	-	-
Newgen Software Technologies Canada Limited	16.94	0.98	-	-
Newgen Software Technologies (UK) Ltd.	1.95	0.18	-	-
Newgen Software Technologies Pty Ltd.	10.18	0.35	-	-
Newgen Software Technologies LLC	3.64	-	-	-
Compensation for transfer of employees				
Subsidiaries				
Newgen Software Inc., USA	37.75	-	-	-
Newgen Software Technologies Pte Ltd.	42.31	-	-	-

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

	Transaction value		Balance receivable/ (Payable)	
	For the year ended 31 March 2023	For the year ended 31 March 2022	As at 31 March 2023	As at 31 March 2022
Newgen Software Technologies Canada Limited	18.03	-	-	-
Newgen Software Technologies Pty Ltd.	38.12	-	-	-
Expense-Outsourced technical services @				
Subsidiaries				
Newgen Software Inc., USA	4953.11	2,874.09	(574.70)	-
Newgen Software Technologies Pte Ltd.	404.53	357.63	(185.28)	-
Number Theory Software Private Limited	694.35	-	-	-
Expense-Marketing support services @				
Subsidiary				
Newgen Software Technologies Pty Ltd.	670.26	634.53	(165.12)	-
@ It includes unbilled payable as follows:				
Unbilled payable				
Newgen Software Inc., USA	1,273.86	520.84	-	-
Newgen Software Technologies Pte Ltd.	68.46	57.41	-	-
Number Theory Software Private Limited	62.16	-	-	-
Newgen Software Technologies Pty Ltd.	220.84	181.75	-	-
Rent expense				
Subsidiary				
Newgen Computers Technologies Limited	7.92	7.92	-	-
Rent Income				
Subsidiary				
Newgen Computers Technologies Limited	1.00	-	1.00	-
Inter-Company Deposit Given and Interest thereon (net of repayment)				
Subsidiary				
Number Theory Software Private Limited*	93.56	344.50	435.35	344.50
* Includes interest ₹ 23.55 lakhs (31 March 2022: ₹ 3.50 lakhs).				
Paid on behalf of				
Subsidiary				
Newgen Computers Technologies Limited	0.61	2.56	-	2.56
Newgen Software Technologies Pte Ltd.	15.39	-	-	-
Number Theory Software Private Limited	4.64	3.14	-	3.14
Bank Guarantee issued on behalf of				
Subsidiary				
Newgen Software Technologies Pte Ltd.	-	-	-	-
Investment in subsidiaries - share based payment				
Newgen Software Inc., USA	133.82	37.70	-	-
Newgen Software Technologies Pte Ltd.	5.12	1.74	-	-
Newgen Software Technologies Canada Limited	8.88	2.34	-	-
Newgen Software Technologies (UK) Ltd.	14.65	4.12	-	-
Newgen Software Technologies Pty Ltd.	24.42	6.87	-	-
Number Theory Software Private Limited	49.49	6.75	-	-

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D. Investment in subsidiaries

Subsidiary Company	As at 31 March 2023	As at 31 March 2022
Newgen Software Inc. USA	701.61	567.79
Newgen Software Technologies Canada Limited	67.74	58.86
Newgen Software Technologies Pte. Ltd.	124.30	119.18
Newgen Computers Technologies Limited	46.50	46.50
Newgen Software Technologies Pty Ltd.	522.34	497.92
Newgen Software Technologies (UK) Ltd.	197.51	182.86
Number Theory Software Private Limited	1,362.64	1,313.16
Newgen Software Technologies LLC	675.30	-
	3,697.95	2,786.27

43 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

31 March 2023	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	6,952.45	-	-	6,952.45	6,952.45	-	-	6,952.45
Investments in bonds	10	-	6,186.35	-	6,186.35	6,186.35	-	-	6,186.35
Financial assets not measured at fair value									
Other non-current financial asset	7	-	-	19,095.36	19,095.36	-	-	-	-
Trade receivables	11	-	-	31,211.40	31,211.40	-	-	-	-
Cash and cash equivalents	12	-	-	4,626.36	4,626.36	-	-	-	-
Bank balances other than cash and cash equivalents	13	-	-	9,729.32	9,729.32	-	-	-	-
Loans	14	-	-	442.35	442.35	-	-	-	-
Other financial assets	15	-	-	12,813.27	12,813.27	-	-	-	-
		6,952.45	6,186.35	77,918.06	91,056.86	13,138.80	-	-	13,138.80
Financial liabilities									
Financial liabilities not measured at fair value									
Lease liabilities	19	-	-	3,234.85	3,234.85	-	-	-	-
Borrowings	20	-	-	423.55	423.55	-	-	-	-
Trade payables	22	-	-	5,575.93	5,575.93	-	-	-	-
Other financial liabilities	23	-	-	3,582.69	3,582.69	-	-	-	-
		-	-	12,817.02	12,817.02	-	-	-	-

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

31 March 2022	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	2,769.70	-	-	2,769.70	2,769.70	-	-	2,769.70
Investments in bonds	10	-	6,468.06	-	6,468.06	6,468.06	-	-	6,468.06
Financial assets not measured at fair value									
Other non-current financial asset	7	-	-	10,087.33	10,087.33	-	-	-	-
Trade receivables	11	-	-	18,864.30	18,864.30	-	-	-	-
Cash and cash equivalents	12	-	-	5,379.36	5,379.36	-	-	-	-
Bank balances other than cash and cash equivalents	13	-	-	17,236.15	17,236.15	-	-	-	-
Loans	14	-	-	365.75	365.75	-	-	-	-
Other financial assets	15	-	-	12,537.67	12,537.67	-	-	-	-
		2,769.70	6,468.06	64,470.56	73,708.32	9,237.76	-	-	9,237.76
Financial liabilities									
Financial liabilities not measured at fair value									
Lease liabilities	19	-	-	1,725.48	1,725.48	-	-	-	-
Borrowings	20	-	-	618.73	618.73	-	-	-	-
Trade payables	22	-	-	4,099.90	4,099.90	-	-	-	-
Other financial liabilities	23	-	-	3,767.43	3,767.43	-	-	-	-
		-	-	10,211.53	10,211.53	-	-	-	-

The fair value of trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents loans, other current financial assets, current borrowings, trade payables and other current financial liabilities approximate their carrying amounts, due to their short-term nature. Fair value of bank deposits included in non-current other financial assets are equivalent to their carrying amount, as the interest rate on them is equivalent to market rate.

B. Measurement of fair values

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable inputs

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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Particulars	Fair value hierarchy	Valuation technique	Significant unobservable inputs	Inter-relationship between unobservable inputs and fair value 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 2023 and 31 March 2022.

C. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

i. Risk management framework

The Company's board of directors has framed a Risk Management Policy and plan for enabling the Company to identify elements of risk as contemplated by the provisions of the Section 134 of the Companies Act 2013. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises partially from the Company's receivables from customers, loans and investment in debt securities. The carrying amount of financial assets represent the maximum credit risk exposure. The Company has credit policies in place and the exposures to these credit risks are monitored on an ongoing basis.

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

The carrying amount of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting was:

Particulars	As at 31 March 2023	As at 31 March 2022
Other financials assets-non current	19,095.36	10,087.33
Investments	13,138.80	9,237.76
Trade receivables	31,211.40	18,864.30
Loans	442.35	365.75
Cash and cash equivalents	4,626.36	5,379.36
Bank balances other than cash and cash equivalents	9,729.32	17,236.15
Other financials assets-current	12,813.27	12,537.67
	91,056.86	73,708.32

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 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.

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to the Standalone Financial Statements for the year ended 31 March 2023

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

The Company's exposure to credit risk for trade receivables by geographic region is as follows

	Carrying amount	
	As at 31 March 2023	As at 31 March 2022
India	9,865.73	6,739.96
USA	2,514.08	68.15
EMEA	15,261.56	10,061.11
APAC	3,570.03	1,995.08
	31,211.40	18,864.30

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 2023	Gross carrying amount	Weighted-average loss rate	Loss allowance
0-3 months past due	25,210.17	1.86%	469.92
3-6 months past due	2,454.42	9.09%	223.23
6-9 months past due	2,882.08	17.82%	513.45
9-12 months past due	646.93	32.63%	211.08
12-15 months past due	1,032.70	39.47%	407.59
15-18 months past due	767.49	44.37%	340.56
18-21 months past due	292.83	53.14%	155.62
21-24 months past due	325.41	83.53%	271.83
above 24 months past due	1,509.14	87.23%	1,316.49
	35,121.17		3,909.77

As at 31 March 2022	Gross carrying amount	Weighted-average loss rate	Loss allowance
0-3 months past due	16,634.55	3.28%	545.22
3-6 months past due	1,582.58	11.62%	183.89
6-9 months past due	1,038.84	25.99%	269.98
9-12 months past due	496.85	45.89%	227.99
12-15 months past due	586.03	63.85%	374.16
15-18 months past due	208.22	78.94%	164.36
18-21 months past due	257.41	89.38%	230.07
21-24 months past due	174.07	87.94%	153.08
above 24 months past due	1,019.86	96.62%	985.36
	21,998.41		3,134.11

Ageing for expected credit loss has been considered from invoice date

Balance as at 1 April 2021	3,989.38
Impairment loss recognised	1,531.11
Amounts written off	2,386.38
Balance as at 31 March 2022	3,134.11
Impairment loss recognised	1,873.24
Amounts written off	1,097.58
Balance as at 31 March 2023	3,909.77

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to the Standalone Financial Statements for the year ended 31 March 2023

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

Debt securities

The Company limits its exposure to credit risk by investing only in liquid debt securities and only with counterparties that have a credit rating AA to AAA from renowned rating agencies.

The Company monitors changes in credit risk by tracking published external credit ratings. For its investment in bonds, Company also reviews changes in government bond yields together with available press and regulatory information about issuers

The exposure to credit risk for debt securities at FVTOCI and at FVTPL is as follows:-

	Net carrying amount	
	As at 31 March 2023	As at 31 March 2022
India	13,138.80	9,237.76
	13,138.80	9,237.76

Basis experienced credit judgement, no risk of loss is indicative on Company's investment in mutual funds and government bonds.

Cash and cash equivalents and bank balances other than cash and cash equivalents

The Company held cash and cash equivalents of ₹ 4,626.36 lakhs at 31 March 2023 (31 March 2022: ₹ 5,379.36 lakhs) and bank balances other than cash and cash equivalents of ₹ 9,729.32 lakhs as at 31 March 2023 (31 March 2022: ₹ 17,236.15 lakhs). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AA- to AAA, based on renowned rating agencies.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The Company's primary sources of liquidity include cash and bank balances, deposits, undrawn borrowings and cash flow from operating activities. As at 31 March 2023, the Company had a working capital of ₹ 49,771.09 lakhs (31 March 2022: ₹ 45,619.05 lakhs) including cash and cash equivalent of ₹ 4,626.36 lakhs (31 March 2022: ₹ 5,379.36 lakhs), bank balances other than cash and cash equivalents of ₹ 9,729.32 lakhs (31 March 2022: 17,236.15 lakhs) and current investments of ₹ 13,138.80 lakhs (31 March 2022: ₹ 9,237.76 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 2023	8,144.24	-	8,144.24			
As at 31 March 2022	10,206.00	-	10,206.00	-	-	-

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

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 2023	Carrying amount	Contractual cash flows					
		Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Finance lease obligations (including current maturities)	3,234.85	8,497.05	149.30	813.23	948.68	1,515.74	5,070.10
Borrowings	423.55	468.48	-	234.24	234.24	-	-
Unpaid dividends	6.57	6.57	6.57	-	-	-	-
Employee related payables	3,354.91	3,354.91	143.42	3,111.52	99.97	-	-
Trade and other payables	5,575.93	5,575.93	4,226.23	1,349.70	-	-	-
Earnest money deposits	1.00	1.00	-	1.00	-	-	-
Payable for capital assets	32.72	32.72	-	32.72	-	-	-
Total	12,629.53	17,936.67	4,525.52	5,542.42	1,282.89	1,515.74	5,070.10

31 March 2022	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)	1,725.48	6,812.40	64.47	397.38	475.46	739.14	5,135.94
Borrowings	618.73	702.73	-	234.24	234.24	234.25	-
Unpaid dividends	6.91	6.91	6.91	-	-	-	-
Employee related payables	3,441.95	3,441.95	280.16	3,061.83	99.96	-	-
Trade and other payables	4,099.90	4,099.90	2,513.13	1,586.77	-	-	-
Earnest money deposits	1.00	1.00	-	1.00	-	-	-
Payable for capital assets	317.57	317.57	-	317.57	-	-	-
Total	10,211.54	15,382.46	2,864.67	5,598.79	809.66	973.39	5,135.94

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.

Financial instruments – Fair values and risk management

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.

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to the Standalone Financial Statements for the year ended 31 March 2023

(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 Management endeavours to minimize economic and transactional exposures arising from currency movements against the US Dollar, Euro, Great Britain Pound, Canadian dolar, United Arab Emirates Dhiram, Saudi Riyal, Singapore dollar, Australian dollar and Malaysian Ringgit making all the US dollar payments through EEFC account for avoiding exchange risk. The Company manages the risk by netting off naturally-occurring opposite exposures wherever possible, and then dealing with any material residual foreign currency exchange risks if any.

The Company has entered into foreign exchange forward contracts to mitigate the risks involved in foreign exchange transactions and has booked 12 forward contracts for USD 2.5 million per month during the period from April 2022 to March 2023. The hedging loss of ₹ 1,089.05 lakhs is on account of mark to market loss (realised loss is 689.83 lakhs, unrealised loss is 187.49 lakhs and loss of 211.73 lakhs on account of reversal of last year mark to market gain) on foreign exchange forward contracts which do not qualify for hedge accounting as per Ind As-109, have been recognized in the profit and loss account in the financial statement for the year ended 31 March 2023.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March 2023 and 31 March 2022 are as below:

Particulars	Currency	31 March 2023		31 March 2022	
		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	279.56	22,954.78	188.12	14,278.16
	AED	0.26	5.80	5.61	115.94
	EUR	0.64	56.92	-	-
	GBP	0.42	42.94	0.64	63.58
	SAR	-	-	2.08	42.00
	SGD	15.00	926.40	-	-
	MYR	0.04	0.77	2.02	36.39
	AUD	0.23	12.38	-	-
Bank balance-Dubai	AED	2.98	66.58	2.33	48.10
Bank balance-EEFC	USD	22.15	1,818.84	46.03	3,493.93
Financial liabilities					
Trade and other payables	USD	(46.16)	(3,627.50)	(35.01)	(2,606.45)
	SGD	(4.36)	(269.09)	(1.35)	(75.82)
	SAR	(1.96)	(42.53)	(1.24)	(24.88)
	EURO	-	-	(0.04)	(3.02)
	AUD	(7.01)	(385.96)	(3.19)	(181.75)
	AED	(0.74)	(15.13)	(1.29)	(26.33)

* 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 dollar, United Arab Emirates Dhiram, Saudi Riyal, Singapore Dollar, Australian Dollar and Malaysian Ringgit at reporting date would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in Lakhs of ₹	For the year ended 31 March 2023		For the year ended 31 March 2022	
	Strengthening	Weakening 5 % movement	Strengthening	Weakening 1% movement
USD	1,049.16	(1,049.16)	151.15	(151.15)
EUR1	2.85	(2.85)	(0.03)	0.03
GBP1	2.15	(2.15)	0.64	(0.64)
SGD1	32.86	(32.86)	(0.76)	0.76
AED1	2.79	(2.79)	1.37	(1.37)
SAR1	(2.15)	2.15	0.17	(0.17)
MYR1	0.04	(0.04)	0.36	(0.36)
AUD1	(18.68)	18.68	(1.82)	1.82
	1,069.02	(1,069.02)	151.10	(151.10)

II. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

a) Exposure to interest rate risk

The Company is exposed to both fair value interest rate risk as well as cash flow interest rate risk arising both on short-term and long-term floating rate instruments.

The interest rate profile of the Company's interest-bearing financial instruments is as follows:

	Nominal amount in ₹	
	31 March 2023	31 March 2022
Fixed-rate instruments		
Financial assets	34,861.00	34,509.13
Financial liabilities	3,658.40	2,344.20
Total	38,519.40	36,853.33

There is no balance in variable rate instruments

b) Sensitivity analysis

Fair value sensitivity analysis for fixed-rate instruments

The Company accounts for investments in government and other bonds as fair value through other comprehensive income. Therefore, a change in interest rate at the reporting date would have impact on equity.

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity by ₹ 40.25 lakhs after tax (31 March 2022: ₹ 42.04 lakhs).

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

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.

There is no variable rate linked instrument and therefore, there is no cash flow sensitivity.

Market price risk

a) Exposure

The Company's exposure to mutual funds and bonds price risk arises from investments held by the Company and classified in the balance sheet as fair value through profit and loss and at fair value through other comprehensive income respectively.

To manage its price risk arising from investments, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

b) Sensitivity analysis

Company is having investment in mutual funds, government bonds, other bonds and investment in subsidiaries.

For such investments classified at Fair value through other comprehensive income, a 2% increase in their fair value at the reporting date would have increased equity by ₹ 80.50 lakhs after tax (31 March, 2022 ₹ 84.08 lakhs). An equal change in the opposite direction would have decreased equity by ₹ 80.50 lakhs after tax (31 March, 2022: ₹ 84.08 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 ₹ 90.47 lakhs after tax (31 March, 2022: ₹ 36.01 lakhs). An equal change in the opposite direction would have decreased profit or loss by ₹ 90.47 lakhs after tax (31 March, 2022: ₹ 36.01 lakhs)

44 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to equity shareholders.

The Company manages its capital structure and makes adjustments to it as and when required. To maintain or adjust the capital structure, the company may pay dividend or repay debts, raise new debt or issue new shares. No major changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2023 and 31 March 2022.

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

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to the Standalone Financial Statements for the year ended 31 March 2023

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

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 2023	As at 31 March 2022
Total liabilities	3,658.40	2,344.20
Less: Cash & Cash equivalent	4,626.36	5,379.36
Adjusted net debt (a)	(967.96)	(3,035.16)
Total equity (b)	92,047.85	76,894.52
Total equity and net debt (a+b) = c	91,079.89	73,859.36
Capital gearing ratio (a/c)	-1.06%	-4.11%

As a part of its capital management policy the Company ensures compliance with all covenants and other capital requirements related to its contractual obligations.

45 Segment reporting

A. Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available.

The Company's board of directors have been identified as the Chief Operating Decision Makers (CODM) since they are responsible for all major decisions in respect of allocation of resources and assessment of the performance on the basis of the internal reports/ information provided by functional heads. The board examines the performance of the Company based on such internal reports which are based on operations in various geographies and accordingly, have identified the following reportable segments:

- India
- Europe, Middle East and Africa (EMEA)
- Asia Pacific and Australia (APAC)
- United States of America (USA)

B. Information about reportable segments

Year ended 31 March 2023

Particulars	Reportable segments					
	India	EMEA	APAC	USA	Australia	Total Segment
Revenue						
External revenue	30,220.47	30,520.68	11,252.28	16,786.63	-	88,780.06
Inter-segment revenue	-	-	-	-	-	-
Total Segment Revenue	30,220.47	30,520.67	11,252.28	16,786.63	-	88,780.06
Segment profit/(loss) before income tax	6,397.14	9,312.86	2,332.92	1,992.80	-	20,035.72
Segment assets	15,409.86	20,251.94	5,930.41	7,145.49	-	48,737.70
Segment liabilities	7,366.24	9,013.70	3,992.98	2,805.57	-	23,178.49
Capital expenditure during the year	1,370.81	-	-	-	-	1,370.81

Notes

to the Standalone Financial Statements for the year ended 31 March 2023

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

Year ended 31 March 2022

Particulars	Reportable segments					Total Segment
	India	EMEA	APAC	USA	Australia	
External revenue	21,446.17	23,886.09	9,878.34	15,867.97	-	71,078.57
Inter-segment revenue	-	-	-	-	-	-
Total Segment Revenue	21,446.17	23,886.09	9,878.34	15,867.97	-	71,078.57
Segment profit before income tax	4,203.26	8,116.39	3,157.92	2,914.09	-	18,391.66
Segment assets	11,189.09	13,633.07	5,082.23	4,927.68	-	34,832.07
Segment liabilities	5,890.47	9,047.26	2,070.61	2,375.89	-	19,384.23
Capital expenditure during the year	1,410.12	-	-	-	-	1,410.12

C. Reconciliations of information on reportable segments to Ind AS

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Revenue		
Total revenue for reportable segments	88,780.06	71,078.57
Elimination of inter-segment revenue	-	-
Total revenue	88,780.06	71,078.57
(b) Profit / (loss) before tax		
Total profit before tax for reportable segments	20,035.72	18,391.66
Unallocated amounts:		
- Unallocated income	3,314.48	2,993.38
- Other corporate expenses	2,633.03	2,129.91
Total profit before tax from operations	20,717.17	19,255.13
(c) Assets		
Total assets for reportable segments	48,737.70	34,832.07
Other unallocated amounts	72,870.13	65,918.10
Total assets	121,607.83	100,750.17
(d) Liabilities		
Total liabilities for reportable segments	23,178.49	19,384.23
Other unallocated amounts	6,381.49	4,471.42
Total liabilities	29,559.98	23,855.65

D. Information about major customers

No customer individually accounted for more than 10% of the revenues in the year ended 31 March 2023 and 31 March 2022.

E. Unallocated assets, liabilities, revenue and expenses

Certain assets, liabilities, revenue and expenses are not specifically allocable to individual segments as the underlying services are used interchangeably. The Company believes that it is not practicable to provide segment disclosures relating to such assets, liabilities, revenue and expenses and accordingly such assets, liabilities, revenue and expenses are separately disclosed as 'unallocated'.

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

F. The Company, during the year ended 31 March 2022, changed the segment classification for one geography which was earlier reported as part of Australia segment, has been reclassified in APAC segment. Impact of this change is immaterial for operating results of both the segments.

46. Ratios as per Schedule III requirements

Ratio	Numerator	Denominator	Unit	31 March 2023	31 March 2022	% variance	Reason for variance
Current ratio	Current assets	Current liabilities	Times	3.12	3.42	-8.64%	-
Debt- Equity Ratio	Total Debt (refer note 1 below)	Shareholder's Equity	Times	0.04	0.03	30.37%	New lease started during the year as company has taken additional premises on lease which resulted into increased debts.
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses (refer note 2 below)	Debt service (refer note 3 below)	Times	18.97	28.04	-32.37%	Repayment of deferred liability and repayment of additional lease rent on account of new premises.
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	%	20.11%	22.25%	-9.59%	-
Inventory Turnover ratio	Cost of goods sold	Average Inventory	Times	NA	NA	NA	Not applicable for the business of the company
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return (refer note 4 below)	Average Trade Receivable	Times	3.60	3.84	-6.42%	-
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	Times	NA	NA	NA	Not applicable for the business of the company
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	Times	1.78	1.56	14.48%	-
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	%	19.14%	21.95%	-12.80%	-
Return on Capital Employed	Earnings before interest and taxes (refer note 5 below)	Capital Employed (refer note 6 below)	%	20.60%	23.36%	-11.82%	-
Return on Investment	Interest (Finance Income)	Average Investment	%	3.43%	4.00%	-14.22%	-

Notes:

- Total debts consists of borrowings and lease liabilities.
- Earning available for debt services=profit for the year + depreciation, amortization and impairment + finance cost + provision for doubtful debts + share based payment to employees + non cash charges.
- Debt service = Interest + payment for lease liabilities + principal repayments.
- Credit sales = Total Revenue + opening contract assets - closing contract assets - opening deferred revenue + closing deferred revenue.

Notes

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

5. Earnings before interest and taxes = profit before tax + finance cost - other income
6. Capital Employed = Average tangible net worth + Total debt + Deferred tax.
7. Average is calculated on the basis of opening and closing balances.

Schedule III require explanation where the change in the ratio is more than 25% as compared to the preceding year. Since there are only two instances where the change is more than 25% i.e. Debt Equity ratio and Debt Service Coverage ratio, hence explanation is given only for the said ratios.

47 As at 31 March 2023, the Company has gross foreign currency receivables amounting to ₹ 23,999.99 lakhs (previous year ₹ 14,532.92 lakhs). Out of these receivables, ₹ 3,363.91 lakhs (previous year ₹ 2,036.07 lakhs) is outstanding for more than 9 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 9 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 has applied for an extension of all the foreign currency receivables outstanding for more than 9 months. The management is of the view that the Company will be able to obtain approvals from the authorities for realizing such funds beyond the stipulated timeline without levy of any penalties as it had Bonafide reasons that caused the delays in realization.

48 Other statutory informations

- i. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- ii. The Company do not have any transactions with companies struck off.
- iii. The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv. The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v. The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vi. The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vii. The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

Notes

to the Standalone Financial Statements for the year ended 31 March 2023

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

viii The company has sanctioned working capital amounts from banks on the basis of security of Trade Receivables and Fixed Deposits. The quarterly returns being filed by company with banks are in line with the books of accounts

ix All title deeds of Immovable Property are held in the name of the Company.

x The Company has not defaulted on any of the loan taken from banks, financial institutions or other lender.

49 Previous period's figures have been regrouped/reclassified wherever necessary to correspond with the current period's classification/disclosure.

The accompanying notes are an integral part of the Standalone Financial Statements
As per our report of even date

For **Walker Chandiok & Co LLP** Chartered Accountants
Firm Registration No.:
001076N/N500013

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

Neeraj Goel

Partner
Membership No.: 099514

Place: Gurugram
Date: 2 May 2023

Diwakar Nigam

Chairman & Managing Director
DIN: 00263222

Place: Noida
Date: 2 May 2023

T. S. Varadarajan

Whole Time Director
DIN: 00263115

Place: Noida
Date: 2 May 2023

Arun Kumar Gupta

Chief Financial Officer
Membership No.: 056859

Place: Noida
Date: 2 May 2023

Aman Mourya

Company Secretary
Membership No: F9975

Place: Noida
Date: 2 May 2023

Independent Auditor's Report

To the Members of Newgen Software Technologies Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Newgen Software Technologies Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2023, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>A. Revenue recognition for software implementation services</p> <p>Refer Note 3(i)(ii) for accounting policy and 26 of notes forming part of the Standalone Financial Statements.</p> <p>The Group earns revenue from software implementation services wherein it has entered into various fixed-price contracts, for which revenue is recognised by the Group using the percentage of completion computed as per the Input method prescribed under Ind AS 115, Revenue from Contracts with Customers. The said revenue recognition accounting policy involves exercise of significant judgement by the</p>	<p>Our audit work included but was not restricted to the following procedures:</p> <ol style="list-style-type: none"> a) Obtained an understanding of the systems, processes and controls implemented by management for recording and calculating revenue, and the associated contract assets, unearned revenue and deferred revenue balances. b) Tested the design and operating effectiveness of related manual controls and involved auditor's experts to assess key information technology (IT) controls over the IT environment in which the business systems operate, including access controls, segregation of duties, program change controls, program development controls and IT operation controls;

Key audit matter	How our audit addressed the key audit matter
<p>management and the following factors requiring significant auditor attention:</p> <ul style="list-style-type: none"> · High estimation uncertainty relating to determination of the progress of each contract, efforts incurred till date and additional efforts required to complete satisfaction of the performance obligation · Determination of contract assets receivables and unearned revenue related to these contracts as at the end of reporting period · Considering the materiality of the amounts involved and significant degree of judgement and subjectivity involved in the estimates as mentioned above, we have identified revenue recognition from fixed price contracts as a key audit matter for the current year audit. 	<ul style="list-style-type: none"> c) Selected a sample of contracts and performed a performed the following procedures: <ul style="list-style-type: none"> - 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. d) Evaluated the appropriateness of disclosures made in the financial statements with respect to revenue recognised during the year as required by applicable Indian Accounting Standards.
<p>B. Trade receivables and provision for expected credit losses</p> <p>Refer note 3(e) and note 3(i) for significant accounting policy and note 40(C)(ii) for credit risk disclosures.</p> <p>Trade receivables and contract assets comprise a significant portion of the current financial assets of the Group. As at 31 March 2023, the Group has reported trade receivable of ₹ 38,816.58 lacs (net of provision for expected credit loss of ₹ 4,324.95 lacs.)</p> <p>The Group applies simplified approach permitted by Ind AS 109 - Financial Instruments, which requires lifetime expected credit losses to be recognised from the date of initial recognition of receivables. The Group analyses the trend of trade receivables under different ageing bracket for previous years and calculate weighted average loss rate basis such movement in ageing brackets.</p> <p>The estimate of expected credit loss involves judgement as the management factors the past history as above, market conditions and forward looking estimates as at each reporting date.</p> <p>Considering this area inherently involves significant area of judgement and subjectivity followed with discussions with those charged with governance at regular intervals, we have identified this as a key audit matter.</p>	<p>Our audit work included but was not restricted to the following procedures:</p> <ul style="list-style-type: none"> a) Obtained an understanding of the process adopted and controls implemented by the Group for calculation, recording and monitoring of the impairment loss recognised for expected credit loss; b) Assessed and tested the design and operating effectiveness of key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognised. Also, evaluated the controls over the modelling process, validation of data and related approvals; c) Considered the Group's accounting policies for estimation of expected credit loss on trade receivables and contract assets and assessing compliance with the policies in terms of Ind AS 109; d) Inquired with management about the conditions leading to, and their assessment of recoverability of dues from the customers and also referred to the available communication, if any, between them. e) Assessed, on a sample basis that items in the receivables ageing report were classified within the correct ageing bracket by comparing individual items in the report with underlying documentation, which included sales invoices, proof of delivery and customers sign offs; f) Analysed the methodology used by the management and considered the credit and payment history of specific parties to determine the trend used for arriving at the expected credit loss provision and co-related to our understanding of the debtor's financial condition, the industry in which debtor operates. g) Since the assumptions and inputs used for calculating ECL is based on historical data, we assessed whether such historical experience was representative of current circumstances. h) Tested the accuracy and completeness of underlying data for "expected credit loss model". i) Evaluated responses to direct confirmation request circulated to customers and ensured the reconciling items have been adequately recorded in the books of account; j) Obtained written representations from management and those charged with governance on whether they believe significant assumptions used in calculation of expected credit losses are reasonable. k) Assessed the adequacy of disclosures made by the management in the financial statements to reflect the expected credit loss provision, trade and other receivables.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the

Group covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors,

such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements of 8 subsidiaries, whose financial statements reflects total assets of ₹ 25,513.63 lakhs and net assets of ₹ 8093.57 lakhs as at 31 March 2023, total revenues of ₹ 42,315.15 lakhs and net cash inflows amounting to ₹ 885.62 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, are based solely on the reports of the other auditors.

Further, of these subsidiaries, 6 subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted

the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiaries located outside India, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 15, on separate financial statements of the subsidiaries, we report that the Holding Company covered under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that 2 subsidiary companies incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary companies.

17. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and by the respective other auditors as mentioned in paragraph 15 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.

18. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to

the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary companies and taken on record by the Board of Directors of the Holding Company, its subsidiary companies, and the reports of the statutory auditors of its subsidiary companies, covered under the Act, none of the directors of the Group companies, are disqualified as on 31 March 2023 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 companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II' wherein we have expressed an unmodified opinion; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries:

i. There were no pending litigations as at 31 March 2023 which would impact the consolidated financial position of the Group,

ii. The Holding Company and its subsidiary companies did not have any long-term contracts including derivative contracts

- for which there were any material foreseeable losses as at 31 March 2023;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, covered under the Act, during the year ended 31 March 2023;
 - iv.
 - a. The respective managements of the Holding Company and its subsidiary companies, incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in note 45(v) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies, to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary companies, ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The respective managements of the Holding Company and its subsidiary companies, incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the note 45(vi) to the accompanying consolidated financial statements no funds have been received by the Holding Company or its subsidiary companies from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries , as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
 - v. The final dividend paid by the Holding Company during the year ended 31 March 2023 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend and as stated in note 36 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2023 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Neeraj Goel

Partner

Place: Gurugram

Membership No.: 099514

Date: 2 May 2023

UDIN: 23099514BGSCMU3916

Annexure I

List of subsidiary companies:

1. Newgen Software, Inc.
2. Newgen Computers Technologies Limited
3. Newgen Software Technologies PTE. Ltd.
4. Newgen Software Technologies (UK) Limited
5. Newgen Software Technologies Canada, Ltd.
6. Newgen Software Technologies Pty Ltd
7. Number Theory Software Private Limited
8. Newgen Software Technologies L.L.C.

Annexure II

Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Newgen Software Technologies Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting

records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement

of the financial statements, whether due to fraud or error.

- We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

- A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

- Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in

conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

- In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

- We did not audit the internal financial controls with reference to financial statements in so far as it relates to 2 subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 578.15 lakhs and net assets of ₹ (190.10) lakhs as at 31 March 2023, total revenues of ₹ 694.35 lakhs and net cash inflows amounting to ₹ 77.66 lakhs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Neeraj Goel

Partner

Place: Gurugram

Membership No.: 099514

Date: 2 May 2023

UDIN: 23099514BGSCMU3916

Consolidated Balance Sheet

as at 31 March 2023

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

Particulars	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4	16,476.35	16,272.39
Right-of-use assets	18	6,376.74	4,824.97
Goodwill	4A	283.31	283.31
Intangible assets	5	1,314.96	1,611.22
Financial assets			
Other Financial assets	6	23,338.45	10,111.30
Deferred tax assets (net)	32	1,837.58	1,587.83
Income tax assets (net)	7	1,820.12	1,362.87
Other non-current assets	8	21.02	18.15
Total non-current assets		51,468.53	36,072.04
Current assets			
Financial assets			
Investments	9	13,138.80	9,237.76
Trade receivables	10	38,816.58	27,887.83
Cash and cash equivalents	11	10,802.06	10,357.07
Bank balances other than cash and cash equivalents	12	10,032.82	17,236.16
Loans	13	7.00	20.92
Other financial assets	14	8,431.73	8,804.50
Other current assets	15	1,519.05	1,087.31
Total current assets		82,748.04	74,631.55
TOTAL ASSETS		1,34,216.57	1,10,703.59
EQUITY AND LIABILITIES			
Equity			
Share capital	16	6,965.57	6,954.02
Other equity	17	90,710.56	74,186.09
Total equity attributable to the owners of the Holding Company		97,676.13	81,140.11
Non-current liabilities			
Financial liabilities			
- Borrowings	19	220.05	430.18
- Lease liabilities	18	2,841.82	1,493.52
Deferred tax liabilities	32	330.73	414.66
Provisions	20	3,505.39	3,345.11
Total non-current liabilities		6,897.99	5,683.47
Current liabilities			
Financial liabilities			
Borrowings	19	203.50	188.55
Lease liabilities	18	1,005.93	670.09
Trade payables			
- Total outstanding dues to micro enterprises and small enterprises	21	58.38	75.27
- Total outstanding dues to creditors other than micro and small enterprises	21	3,430.30	3,570.00
Other financial liabilities	22	3,995.13	4,110.61
Deferred income	23	16,803.94	12,597.37
Other current liabilities	24	1,637.59	1,271.53
Provisions	25	946.89	648.51
Income tax liabilities (net)	7A	1,560.79	748.08
Total current liabilities		29,642.45	23,880.01
Total liabilities		36,540.44	29,563.48
TOTAL EQUITY AND LIABILITIES		1,34,216.57	1,10,703.59
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

For **Walker Chandiok & Co LLP** For and on behalf of the Board of Directors of
Chartered Accountants **Newgen Software Technologies Limited**
Firm Registration No.:
001076N/N500013

Neeraj Goel
Partner
Membership No.: 099514

Diwakar Nigam
Chairman & Managing Director
DIN: 00263222

T. S. Varadarajan
Whole Time Director
DIN: 00263115

Arun Kumar Gupta
Chief Financial Officer
Membership No.: 056859

Aman Mourya
Company Secretary
Membership No.: F9975

Place: Gurugram
Date: 2 May 2023

Place: Noida
Date: 2 May 2023

Place: Noida
Date: 2 May 2023

Place: Noida
Date: 2 May 2023

Place: Noida
Date: 2 May 2023

Consolidated Statement of Profit and Loss

for the year ended 31 March 2023

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

Particulars	Note	As at 31 March 2023	As at 31 March 2022
Income			
Revenue from operations	26	97,397.88	77,896.15
Other income	27	3,398.57	2,991.20
Total income		1,00,796.45	80,887.35
Expenses			
Employee benefits expense	28	51,589.93	40,901.36
Finance costs	29	425.10	349.16
Depreciation and amortisation expenses	30	2,466.91	1,763.03
Other expenses	31	24,586.46	17,528.44
Total expenses		79,068.40	60,541.99
Profit before tax		21,728.05	20,345.36
Tax expense	32		
Current tax		4,359.92	3,369.64
Deferred tax (credit)/charge		(258.40)	554.25
Income tax expense		4,101.52	3,923.89
Profit for the year		17,626.53	16,421.47
Other comprehensive income / (loss)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability / (asset)		(13.20)	(316.59)
Income tax relating to items that will not be reclassified to profit or loss		4.61	110.63
Net other comprehensive loss not to be reclassified subsequently to profit or loss		(8.59)	(205.96)
Items that will be reclassified subsequently to profit or loss			
Financial assets or investments carried at fair value through other comprehensive income		(281.70)	(95.89)
Income tax relating to items that will be reclassified to profit or loss		65.63	33.51
Exchange differences on translation of foreign operations		745.53	196.21
Net other comprehensive income to be reclassified subsequently to profit or loss		529.46	133.83
Other comprehensive income / (loss) for the year, net of income tax		520.87	(72.13)
Total comprehensive income for the year		18,147.40	16,349.34
Profit attributable to:			
Owners of the Holding Company		17,626.53	16,421.47
Profit for the year		17,626.53	16,421.47
Other comprehensive income / (loss) attributable to:			
Owners of the Holding Company		520.87	(72.13)
Other comprehensive (loss)/ income for the year		520.87	(72.13)
Total comprehensive income attributable to:			
Owners of the Holding Company		18,147.40	16,349.34
Total comprehensive income for the year		18,147.40	16,349.34
Earnings per equity share	33		
Nominal value of share ₹ 10 (31 March 2022: ₹ 10)			
Basic earning per share (INR)		25.32	23.65
Diluted earning per share (INR)		25.00	23.50
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

For **Walker Chandio & Co LLP** Chartered Accountants
Firm Registration No.: 001076N/N500013

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

Neeraj Goel
Partner
Membership No.: 099514

Diwakar Nigam
Chairman & Managing Director
DIN: 00263222

T. S. Varadarajan
Whole Time Director
DIN: 00263115

Arun Kumar Gupta
Chief Financial Officer
Membership No.: 056859

Aman Mourya
Company Secretary
Membership No: F9975

Place: Gurugram
Date: 2 May 2023

Place: Noida
Date: 2 May 2023

Place: Noida
Date: 2 May 2023

Place: Noida
Date: 2 May 2023

Place: Noida
Date: 2 May 2023

Consolidated Statement of Changes in Equity

for the year ended 31 March 2023

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

a. Share capital

Particulars	Equity share capital		Total share capital Amount
	Number	Amount	
Balance as at 1 April 2021	6,99,55,701	6,995.57	6,995.57
Less: Shares held by Newgen ESOP Trust	4,15,510	41.55	41.55
Total Share capital as at 31 March 2022	6,95,40,191	6,954.02	6,954.02
Balance as at 1 April 2022	6,99,55,701	6,995.57	6,995.57
Less: Shares held by Newgen ESOP Trust	3,00,025	30.00	30.00
Total Share capital as at 31 March 2023	6,96,55,676	6,965.57	6,965.57

b. Other equity*

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 through OCI
Balance as at 1 April 2021	10,418.52	46,362.60	87.95	1,731.39	0.21	404.32	344.72	504.89	58.84	59,883.98
Total comprehensive income for the year ended 31st March 2022	-	16,421.47	-	-	-	-	-	-	-	16,421.47
Profit for the year	-	16,421.47	-	-	-	-	-	-	-	16,421.47
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	-	-	196.21	(205.96)	(72.13)
Transactions with owners, recorded directly in equity										
Addition to Newgen ESOP Trust reserve	-	-	-	-	-	107.39	-	-	-	107.39
Opening adjustment of deferred tax	-	6.60	-	-	-	-	-	-	-	6.60
Contributions by and distributions to owners										
Dividend on equity shares	-	(2,448.45)	-	-	-	-	-	-	-	(2,448.45)
Employee stock compensation expense	-	-	-	-	-	-	548.26	-	-	548.26
Loss of debt instrument transferred to Statement of Profit and Loss	-	-	-	-	-	-	-	-	7.35	7.35
Transferred to securities premium account on exercise of stock options	106.74	-	-	-	-	-	(130.21)	-	-	(23.47)
Balance as at 31 March 2022	10,525.26	60,342.22	87.95	1,731.39	0.21	511.71	762.77	701.10	(235.42)	74,431.00
Less: Securities premium on shares held by Newgen ESOP Trust	244.91	-	-	-	-	-	-	-	-	244.91

Consolidated Statement of Changes in Equity

for the year ended 31 March 2023

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

Particulars	Securities premium	Retained earnings	Others			Items of Other comprehensive income			Total attributable to owners of the Group		
			Capital redemption reserve	General reserve	Capital reserve	Newgen ESOP Trust reserve	Share options outstanding reserve	Foreign currency translation reserve		Remeasurement of defined benefit liability through OCI	Debt instruments
Balance as at 31 March 2022	10,280.35	60,342.22	87.95	1,731.39	0.21	511.71	762.77	701.10	(235.42)	3.81	74,186.09
Balance as at 1 April 2022	10,525.26	60,342.22	87.95	1,731.39	0.21	511.71	762.77	701.10	(235.42)	3.81	74,431.00
Total comprehensive income for the year ended 31st March 2023											
Profit for the year	-	17,626.53	-	-	-	-	-	-	-	-	17,626.53
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	-	-	745.53	(8.59)	(216.07)	520.87
Transactions with owners, recorded directly in equity											
Addition to Newgen ESOP Trust reserve	-	-	-	-	-	28.64	-	-	-	-	28.64
Transactions with owners, recorded directly in equity											
Dividend on equity shares	-	(3,148.01)	-	-	-	-	-	-	-	-	(3,148.01)
Employee stock compensation expense	-	-	-	-	-	-	1,463.91	-	-	-	1,463.91
Transferred to securities premium account on exercise of stock options	80.05	-	-	-	-	-	(84.61)	-	-	-	(4.56)
Balance as at 31 March 2023	10,605.31	74,820.74	87.95	1,731.39	0.21	540.35	2,142.07	1,446.63	(244.01)	(212.26)	90,918.38
Less: Securities premium on shares held by Newgen ESOP Trust	207.82	-	-	-	-	-	-	-	-	-	207.82
Balance as at 31 March 2023	10,397.49	74,820.74	87.95	1,731.39	0.21	540.35	2,142.07	1,446.63	(244.01)	(212.26)	90,710.56

* 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

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N1500013

Neeraj Goel

Partner

Membership No.: 099514

Place: Gurugram

Date: 2 May 2023

For and on behalf of the Board of Directors of

Newgen Software Technologies Limited

Diwakar Nigam

Chairman & Managing Director

DIN: 00263222

Place: Noida

Date: 2 May 2023

T. S. Varadarajan

Whole Time Director

DIN: 00263115

Place: Noida

Date: 2 May 2023

Arun Kumar Gupta

Chief Financial Officer

Membership No.: 056859

Place: Noida

Date: 2 May 2023

Aman Mourya

Company Secretary

Membership No.: F9975

Place: Noida

Date: 2 May 2023

Consolidated Statement of Cash Flows

for the year ended 31 March 2023

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

Particulars	As at 31 March 2023	As at 31 March 2022
A. Cash flows from operating activities		
Net profit before tax	21,728.05	20,345.36
Adjustments for:		
Depreciation and amortisation expenses	2,466.91	1,763.03
Loss /(gain) on sale of property, plant and equipment	0.58	(8.05)
Loss allowance on trade receivables and contract assets	2,000.40	1,896.93
Liabilities/ provision no longer required written back	(1,068.74)	(56.96)
Unrealised foreign exchange loss/ (gain)	237.84	(279.92)
Share based payment - equity settled	1,463.91	548.26
Finance costs	340.25	207.04
Fair value changes of financial assets at FVTPL	(87.29)	(75.39)
Profit on sale of mutual funds (net) at FVTPL	(151.30)	(146.79)
Loss on redemption of bonds at FVTOCI	-	24.80
Interest income	(2,078.20)	(1,508.53)
Gain on lease termination	-	(0.43)
Operating cash flow before working capital changes	24,852.41	22,709.35
Increase in trade receivables	(11,967.49)	(5,312.11)
Decrease/(increase) in loans	14.25	(12.21)
Decrease/(increase) in other financial assets	216.84	(1,199.13)
Increase in other assets	(497.93)	(290.94)
Increase in provisions	433.42	355.68
Decrease in other financial liabilities	(98.91)	(635.16)
Increase in other liabilities	4,158.80	1,965.88
Increase in trade payables	474.09	1,486.23
Cash generated from operations	17,585.48	19,067.59
Income taxes paid (net)	(3,950.05)	(4,790.31)
Net cash generated from operating activities (A)	13,635.43	14,277.28
B. Cash flows from investing activities		
Acquisition or construction of property plant and equipment including intangible assets, capital work-in-progress, capital advances and payable for capital assets	(1,677.15)	(1,269.09)
Proceeds from sale of property plant and equipment	7.91	10.74
Purchase of mutual funds and bonds	(13,198.40)	(16,374.16)
Proceeds from redemption of mutual funds and bonds	9,251.49	15,408.22
Loan to body corporate	-	(241.00)
Interest received from bonds	428.49	259.74
Interest received from bank deposits	1,065.16	1,157.39
Investment in subsidiary company, net of cash acquired	-	(688.58)
Investment in bank deposits (net of maturities)	(5,307.34)	(6,322.48)
Net cash used in investing activities (B)	(9,429.84)	(8,059.22)

Consolidated Statement of Cash Flows

for the year ended 31 March 2023

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

Particulars	As at 31 March 2023	As at 31 March 2022
C. Cash flows from financing activities		
Repayment of short-term borrowings (net)	(234.28)	-
Repayment of lease liabilities	(1,095.26)	(859.46)
Proceeds from issue of equity shares under ESOP scheme	72.73	107.39
Dividend paid	(3,148.01)	(2,445.31)
Net cash used in financing activities (C)	(4,404.82)	(3,197.38)
Net (Decrease)/increase in cash and cash equivalents (A + B + C)	(199.23)	3,020.68
Cash and cash equivalents at the beginning of the year	10,357.07	7,171.17
Effect of exchange differences on translation of foreign currency cash and cash equivalents	644.22	165.22
Cash and cash equivalents at the end of the year	10,802.06	10,357.07
Components of cash and cash equivalents: (refer note 11)		
Cash in hand	4.16	3.58
Balances with banks:		
- in current accounts	10,182.83	9,287.10
- balances with scheduled banks in deposit accounts with original maturity of less than 3 months	615.07	1,066.39
	10,802.06	10,357.07

Notes:

- The cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows"

The accompanying notes are an integral part of the Consolidated Financial Statements
As per our report of even date

For **Walker Chandiok & Co LLP** Chartered Accountants
Firm Registration No.: 001076N/N500013
For and on behalf of the Board of Directors of
Newgen Software Technologies Limited

Neeraj Goel
Partner
Membership No.: 099514

Diwakar Nigam
Chairman & Managing Director
DIN: 00263222

T. S. Varadarajan
Whole Time Director
DIN: 00263115

Arun Kumar Gupta
Chief Financial Officer
Membership No.: 056859

Aman Mourya
Company Secretary
Membership No: F9975

Place: Gurugram
Date: 2 May 2023

Place: Noida
Date: 2 May 2023

Place: Noida
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Place: Noida
Date: 2 May 2023

Place: Noida
Date: 2 May 2023

Notes

to the Consolidated Financial Statements for the year ended 31 March 2023

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

1. Background

Newgen Software Technologies Limited ('Newgen' or 'the Company' or "the holding company") and its subsidiaries (the Holding company and its subsidiaries together referred to as "the group") is a public company domiciled and incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is situated at E-44/13, Okhla Phase II, New Delhi 110020. The Company raised money by way of initial public offer during the year ended 31 March 2018 and its shares were listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) of India.

The Company is a global software Company and is engaged in the business of software product development including designing and delivering end-to-end software solutions covering the entire spectrum of software services from workflow automation to Document management to imaging. Newgen provides a complete range of software that helps automate business processes. Newgen's solutions enable document intensive organizations/ industries such as Finance and Banking, Insurance and government departments to improve productivity through better document management and workflow implementation.

2. Basis of Preparation

A. Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, amended, and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI). The consolidated financial statements for the year ended 31 March 2018 were the first financial statements that the Group had prepared in accordance with Ind AS.

The consolidated financial statements were authorised for issue by the Company's Board of Directors on 02 May 2023.

Details of the Group's accounting policies are included in Note 3.

B. Basis of Consolidation

The Consolidated financial statements have been prepared in accordance with Ind AS notified under

the Companies (Indian Accounting standards) Rules, 2015, amended, and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI).

Name of Subsidiaries	Country of Incorporation	Effective Shareholding (%)
Newgen Software Inc.	U.S.A	100
Newgen Software Technologies Canada, Limited	Canada	100
Newgen Software Technologies PTY Limited.	Australia	100
Newgen Software Technologies PTE, Limited	Singapore	100
Newgen Software Technologies (UK) Limited	United Kingdom	100
Number Theory Software Private Limited	India	100
Newgen Computers Technologies Limited	India	100
Newgen Software Technologies L.L.C.	UAE	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

Notes

to the Consolidated Financial Statements for the year ended 31 March 2023

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

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.
- ii. All assets and liabilities, both monetary and non-monetary, (excluding share capital, opening reserves and surplus) are translated using the year-end rates.
- iii. Profit and loss items are translated at the respective weighted average rates or the exchange rate that approximates the actual exchange rate on date of specific transactions.
- iv. The resulting net exchange difference is credited or debited to the foreign currency translation reserve.

C. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

However, deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 'Income Taxes' and Ind AS 19 'Employee Benefits' respectively. When a

liability assumed is recognised at the acquisition date, but the related costs are not deducted in determining taxable profits until a later period, a deductible temporary difference arises which results in a deferred tax asset. A deferred tax asset also arises when the fair value of an identifiable asset acquired is less than its tax base.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind-AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind-AS 109, it is measured in accordance with the appropriate Ind-AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve.

Notes

to the Consolidated Financial Statements for the year ended 31 March 2023

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

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised in consolidated statement of profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed off, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

D. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

E. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

F. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures. Uncertainty about the assumptions and estimates could result in outcomes that may require material adjustment to the carrying value of assets or liabilities affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 3(i) and Note 26 – revenue recognition from fixed price contracts of software implementation services: percentage of completion method to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended.
- Note 3(l) and Note 18 – determination of lease term;

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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 2023 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 40(C)(iii) – Impairment of trade receivables and financial assets.
- Note 18 – Recognition of right of use asset and lease liability

G. Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or

- the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/liabilities include current portion of non-current financial assets/liabilities respectively. All other assets/ liabilities are classified as non-current. Deferred tax assets and liabilities (if any) are classified as non-current assets and liabilities.

Operating cycle

Based on the nature of the operations and the time between the acquisition of assets for processing and their realization in cash or cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

H. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer. The Group regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Group assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's audit committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the

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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 40 – Financial instruments.

I. Recent accounting pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements

- This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the consolidated financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

- This amendment has introduced a definition of ‘accounting estimates’ and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting

estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statement.

J. Amended Accounting Standards (Ind AS) and interpretations effective during the year

a. Ind AS 103 - Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The amendment did not have any material impact on financial statements of the Group.

b. Ind AS 16 - Proceeds before intended use

The amendment specifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use. The amendment did not have any material impact on financial statements of the Group.

c. Ind AS 37 Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or

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an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the amendment did not have any material impact on financial statements of the Group.

d. Ind AS 109 - Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The amendment did not have any material impact on financial statements of the Group.

3. 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.

b. Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction

costs that are directly attributable to its acquisition or issue. However, trade receivables that do not contain a significant financing component are measured at transaction price.

ii. Classification and subsequent measurement

Financial assets:

On initial recognition, a financial asset is classified as measured at

- Amortised cost;
- Fair value through Other Comprehensive Income (FVOCI) – debt investment;
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- 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

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be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management, for instance the stated policies and objectives for the portfolio, frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and

Basis the above classification criteria, Group's investments are classified as below:-

- Investments in government and other bonds have been classified as FVOCI.
- Investments in Mutual funds have been classified as FVTPL.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to Statement of profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial

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liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on de-recognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The Group de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not de-recognised.

Financial liabilities

The Group de-recognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also de-recognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. Derivatives and Embedded derivatives

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are

measured at fair value, and changes therein are generally recognised in profit or loss.

Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

c. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working 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.

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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 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.

d. Intangible assets

Recognition and measurement

Intangible assets are initially recognised at:

- (a) In case the assets are acquired separately then at cost,

- (b) In case the assets are acquired in a business combination or under any asset purchase agreement at fair value.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment loss.

Intangible assets with finite useful life are assessed for impairment whenever there is an indication that the intangible assets may be impaired.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

Amortization

Amortisation of intangible assets are amortised on a straight-line basis using the estimated useful life as follows:

Intangible assets	Useful lives (years)
Computer Software	3-4 Years
AI Platform	5 Years

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement profit or loss when the asset is derecognized.

e. Impairment

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are debt instruments and are measured as at FVTOCI
- Lease receivables under Ind AS 116

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- d. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
- e. Loan commitments which are not measured as at FVTPL
- f. Financial guarantee contracts which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and

loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability. Debt instruments measured at FVTOCI: For debt instruments measured at FVOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the "accumulated impairment amount".

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

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

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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/deemed investment is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

iii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iv. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group's gratuity scheme is a defined benefit plan. The present value of obligations under such defined benefit plans are determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, are based on the market yields on government securities as at the balance sheet date, having maturity period approximating to the terms of related obligations

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income and are never reclassified to profit or loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the profit or loss as past service cost.

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

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adjustments and changes in actuarial assumptions are recognized in the profit or loss.

g. Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for. Provisions are reviewed by the management at each reporting date and adjusted to reflect the current best estimates.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

h. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation, or a present obligation whose amount cannot be estimated reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements

i. Revenue

Effective 1 April 2018, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS

115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Group has adopted Ind AS 115 using the cumulative effect method. The adoption of the standard did not have any material impact to the consolidated financial statements of the Group.

Revenues from customer's contracts are considered for recognition and measurement when the contract has been approved by the parties, in writing, to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Group has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

i. Sale of License

Revenue from sale of licenses for software products is recognised when the significant risks and rewards of ownership have been transferred to the buyer which generally coincides with delivery of licenses to the customers, recovery of the consideration is probable, the associated costs and possible return of software sold can be estimated reliably, there is no continuing 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

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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.

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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.

iv. Trade Receivables

Trade receivables are amounts due from customers for sale of license or rendering of services in the ordinary course of business. They are generally due for settlement within one year and therefore are all classified as current. Where the settlement is due after one year, they are classified as non-current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Trade receivables are disclosed in Note 11.

v. Impairment

An impairment is recognised to the extent that the carrying amount of receivable or asset relating to contracts with customers (a) the remaining amount of consideration that the Group expects to receive in exchange for sale of license or rendering of services to which such asset relates; less (b) the costs that relate directly to providing those sale of license or rendering of services and that have not been recognised as expenses.

j. Recognition of dividend income, interest income or expense

Dividend income is recognised in statement profit or loss on the date on which the Group's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or

receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

k. Sale of investments

Profit on sale of investments is recorded on transfer of title from the Group and is determined as the difference between the sales price and the carrying value of the investment.

l. Leases

The Group as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether: (1) the contract involves the use of an identified asset (2) the group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end

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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.

m. Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for

the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same

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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 Group by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the net profit or loss for the year attributable to equity shareholders and the weighted average number of common and dilutive common equivalent shares outstanding during the year but including share options, compulsory convertible preference shares except where the result would be anti-dilutive.

p. Share Capital

Equity Shares

Equity shares are classified as equity. Incremental costs directly attributable to the issuance of new equity shares are recognized as a deduction from equity.

Dividends

The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividend are recorded as a liability on the date of declaration by the Company's Board of Directors.

q. Basis of segmentation

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

Identification of segments:

All operating segments' results are reviewed regularly by the Board of Directors, who have been identified as the CODM, to allocate resources to the segments and assess their performance. Refer note 42 for segment information.

r. ESOP Trust

The ESOP Trust has been treated as an extension of the Company and accordingly shares held by ESOP Trust are netted off from the total share capital. Consequently, all the assets, liabilities, income and expenses of the trust are accounted for as assets and liabilities of the Company, except for profit / loss on issue of shares to the employees and dividend received by trust which are directly adjusted in the Newgen ESOP Trust reserve.

s. Statement of cash flows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash from operating, investing and financing activities of the Group are segregated.

t. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

Notes

to the Consolidated Financial Statements for the year ended 31 March 2023

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

4 Property, plant and equipment

Cost	Freehold land	Buildings	Plant and equipment	Leasehold improvements	Vehicles	Office equipment	Furniture and fixtures	Computer and servers	Total	Capital work-in-progress
Balance as at 1 April 2021	4.28	12,917.13	755.18	5.99	228.65	1,316.19	708.44	2,004.34	17,940.20	-
Additions during the year	-	-	2.07	-	275.83	40.44	1.12	1,106.90	1,426.36	-
Acquisition of subsidiary (refer note 46)	-	-	-	-	-	5.87	0.88	9.20	15.95	-
Translation exchange difference during the year	-	-	-	-	-	(0.06)	1.92	0.68	2.54	-
Less: Disposals during the year	-	-	22.03	-	27.39	3.71	0.16	38.15	91.44	-
Balance as at 31 March 2022	4.28	12,917.13	735.22	5.99	477.09	1,358.73	712.20	3,082.97	19,293.61	-
Additions during the year	-	-	13.81	-	99.43	35.25	2.45	556.26	707.20	643.11
Capitalised during the year	-	-	-	643.11	-	-	-	-	643.11	643.11
Translation exchange difference during the year	-	-	-	-	-	0.04	3.35	1.73	5.12	-
Less: Disposals during the year	-	-	42.60	-	41.63	16.53	2.37	619.76	722.89	-
Balance as at 31 March 2023	4.28	12,917.13	706.43	649.10	534.89	1,377.49	715.63	3,021.20	19,926.15	-
Accumulated Depreciation										
Balance as at 1 April 2021	-	222.79	174.52	5.99	129.30	322.13	191.44	1,110.64	2,156.81	-
Depreciation during the year	-	217.76	70.49	-	36.37	136.97	74.55	405.98	942.12	-
Acquisition of subsidiary (refer note 46)	-	-	-	-	-	2.83	0.52	7.18	10.53	-
Translation exchange difference during the year	-	-	-	-	-	0.01	0.25	0.21	0.47	-
Less: Disposals during the year	-	-	21.75	-	27.39	3.00	0.16	36.41	88.71	-
Balance as at 31 March 2022	-	440.55	223.26	5.99	138.28	458.94	266.60	1,487.60	3,021.22	-
Depreciation during the year	-	217.00	66.46	52.82	63.55	134.46	74.91	533.42	1,142.62	-
Translation exchange difference during the year	-	-	-	-	-	0.03	0.31	0.02	0.36	-
Less: Disposals during the year	-	-	37.79	-	41.63	16.23	2.20	61.65	714.40	-
Balance as at 31 March 2023	-	657.55	251.93	58.81	160.20	577.20	339.62	1,404.49	3,449.80	-
Carrying amount (net)										
Balance as at 31 March 2022	4.28	12,476.58	511.96	-	338.81	899.79	445.60	1,595.37	16,272.39	-
Balance as at 31 March 2023	4.28	12,259.58	454.50	590.29	374.69	800.29	376.01	1,616.71	16,476.35	-

As at 31 March 2023 properties with a carrying amount of ₹ 358.38 lakhs (31 March 2022 : ₹ 366.49 lakhs) are subject to first charge to working capital limits from banks.

Capital commitment as on 31 March 2023 is NIL (31 March 2022: NIL)

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

4A Goodwill

	As at 31 March 2023	As at 31 March 2022
Opening Balance	283.31	-
Acquisition of subsidiary (refer note 46)	-	283.31
Impairment of goodwill	-	-
Closing Balance	283.31	283.31

5 Intangible assets

	Computer software	AI Platform	Total
Cost			
Balance as at 1 April 2021	410.51	-	410.51
Additions during the year	2.10	-	2.10
Acquisition of subsidiary (refer note 46)	-	1,654.33	1,654.33
Balance as at 31 March 2022	412.61	1,654.33	2,066.94
Additions during the year	56.18	-	56.18
Balance as at 31 March 2023	468.79	1,654.33	2,123.12
Accumulated Amortisation			
Balance as at 1 April 2021	346.39	-	346.39
Amortisation during the year	53.13	56.20	109.33
Balance as at 31 March 2022	399.52	56.20	455.72
Amortisation during the year	21.58	330.86	352.44
Balance as at 31 March 2023	421.10	387.06	808.16
Carrying amount (net)			
Balance as at 31 March 2022	13.09	1,598.13	1,611.22
Balance as at 31 March 2023	47.69	1,267.27	1,314.96

6 Other financial assets (non-current)

	As at 31 March 2023	As at 31 March 2022
Bank deposits		
- Deposits with maturity of more than 12 months	18,130.51	6,000.00
- pledged with tax authorities	4.42	4.42
- held as margin money*	3,876.98	3,382.94
Interest accrued on deposits	818.93	263.08
Security deposits	482.08	424.33
Earnest money deposits		
- Unsecured, considered good	25.53	36.53
- Unsecured, considered doubtful	164.75	164.75
- Less: Loss allowance for doubtful deposits	(164.75)	(164.75)
	23,338.45	10,111.30

**Bank deposits held as margin money represents deposits made on account of guarantees issued to government customers amounting to ₹ 687.73 lakhs (31 March 2022: ₹ 304.3 lakhs) and deposits made to avail overdraft facilities amounting to ₹ 3,189.35 lakhs (31 March 2022: ₹ 3,078.64 Lakhs)

Information about Group's exposure to credit and market risks and fair value measurement is included in Note 40.

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7 Income tax assets (net)

	As at 31 March 2023	As at 31 March 2022
Advance income tax (net of provision of ₹ 17,288.61 lakhs (31 March 2022: ₹ 13,990.61 lakhs))	1,820.12	1,362.87
	1,820.12	1,362.87

7A Income tax liabilities (net)

	As at 31 March 2023	As at 31 March 2022
Provision for tax (net of advance tax of ₹ 2,363.08 lakhs (31 March 2022 ₹ 2,657.57 lakhs))	1,560.79	748.08
	1,560.79	748.08

8 Other non-current assets

	As at 31 March 2023	As at 31 March 2022
Prepaid expenses	21.02	4.43
Capital advances	-	13.72
	21.02	18.15

9 Investments (refer note 38)

	As at 31 March 2023	As at 31 March 2022
Investments in bonds (unquoted)		
Bonds at FVOCI		
- Investment in government bonds	6,186.35	6,468.06
	6,186.35	6,468.06
Investments in mutual funds (unquoted)		
Mutual funds at FVTPL	6,952.45	2,769.70
	6,952.45	2,769.70
	13,138.80	9,237.76
Aggregate book value of unquoted investments	13,138.80	9,237.76

Investments in bonds measured at FVOCI have stated interest rates of 7.04% to 8.63%. Information about Group's exposure to credit and market risks and fair value measurement is included in Note 40(c).

10 Trade receivables

	As at 31 March 2023	As at 31 March 2022
- Trade receivables - Unsecured, considered good	42,338.46	30,416.72
- Trade receivables - Credit impaired	803.07	1,030.93
	43,141.53	31,447.65
Allowance for bad and doubtful debts		
- Trade receivables - Unsecured, considered good	(3,521.88)	(2,528.89)
- Trade receivables - Credit impaired	(803.07)	(1,030.93)
	38,816.58	27,887.83

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Trade Receivable Ageing Schedule

	Outstanding for following periods from due date of payment						Total
	Current but not due	Less than 6 months	6 months to 1 years	1-2 Years	2-3 Years	More Than 3 years	
As at 31 March 2023							
Undisputed Trade Receivables- Considered good	26,267.43	10,673.07	2,836.61	2,079.14	482.21	-	42,338.46
"Undisputed Trade Receivables- Which have significant increase in credit risk"	-	-	-	-	-	-	-
Undisputed Trade Receivables- credit impaired	-	-	-	744.29	58.78	-	803.07
Disputed Trade Receivables- Considered good	-	-	-	-	-	-	-
"Disputed Trade Receivables- Which have significant increase in credit risk"	-	-	-	-	-	-	-
"Disputed Trade Receivables- credit impaired"	-	-	-	-	-	-	-
	26,267.43	10,673.07	2,836.61	2,823.43	540.99	-	43,141.53

Trade Receivable Ageing Schedule

	Outstanding for following periods from due date of payment						Total
	Current but not due	Less than 6 months	6 months to 1 years	1-2 Years	2-3 Years	More Than 3 years	
As at 31 March 2022							
Undisputed Trade Receivables- Considered good	20,019.19	8,003.49	1,511.29	671.51	211.24	-	30,416.72
"Undisputed Trade Receivables- Which have significant increase in credit risk"	-	-	-	-	-	-	-
Undisputed Trade Receivables- credit impaired	-	-	-	494.07	536.86	-	1,030.93
Disputed Trade Receivables- Considered good	-	-	-	-	-	-	-
"Disputed Trade Receivables- Which have significant increase in credit risk"	-	-	-	-	-	-	-
"Disputed Trade Receivables- credit impaired"	-	-	-	-	-	-	-
	20,019.19	8,003.49	1,511.29	1,165.58	748.10	-	31,447.65

No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, director or a member.

Trade receivables are non-interest bearing and are generally on terms of 15-90 days.

The Group's exposure to credit and currency risks and loss allowances related to trade receivables are discussed in note 40(c).

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

11 Cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Cash on hand	4.16	3.58
Balances with banks		
- in current accounts*	10,182.83	9,287.10
- Balances with scheduled banks in deposit accounts with original maturity of less than three months	615.07	1,066.39
	10,802.06	10,357.07

*Current account balances with banks include ₹ 66.58 lakhs (31 March 2022: ₹ 48.10 lakhs) held at a foreign branch.

Short term deposits are from varying periods of between one day to three months, depending upon the immediate cash requirements of the group, and earn interest at the respective short term deposit rates.

12 Bank balances other than cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Balances with scheduled banks in deposit accounts		
- Original maturity of less than 12 months	10,026.25	17,229.25
- Unclaimed dividend account*	6.57	6.91
	10,032.82	17,236.16

*These balances are not available for use by the Group as they represent corresponding unclaimed liabilities.

13 Current financial assets - Loans

	As at 31 March 2023	As at 31 March 2022
Loans to employees*	7.00	20.92
	7.00	20.92

*These are interest bearing loans - repayable within one year chargeable at the rate of 12% p.a.

14 Current financial assets - Others

	As at 31 March 2023	As at 31 March 2022
(unsecured considered good, unless otherwise stated)		
Interest accrued on deposits	383.93	378.27
Interest accrued but not due on government bonds	308.18	307.04
Derivatives assets	-	211.73
Security deposits	15.45	114.30
Contract assets*		
- other than related parties	7,949.95	8,066.55
Less: Provision for loss allowance	(225.78)	(273.39)
	8,431.73	8,804.50

*Contract assets (unbilled revenue) represents amounts recognised based on services performed in advance of billing in accordance with contract terms.

*Changes in contract assets (unbilled revenue) is as follows:

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	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	8,066.55	6,926.04
Less: Amount of revenue billed during the year	(4,943.50)	(3,254.99)
Add: Addition during the year	4,826.90	4,395.50
Balance at the end of the year	7,949.95	8,066.55

15 Other current assets

	As at 31 March 2023	As at 31 March 2022
Advances to vendors	88.83	54.11
Balances with government authorities	-	21.12
Deferred contract cost	221.56	109.68
Advance to employees	261.22	74.16
Prepaid expenses	942.85	785.95
Other current assets	4.59	42.29
	1,519.05	1,087.31

16 Share capital

	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital				
Equity shares of ₹ 10 each	9,80,00,200	9,800.02	9,80,00,200	9,800.02
0.01% Compulsory convertible preference shares of ₹ 10 each	1,19,99,800	1,199.98	1,19,99,800	1,199.98
	11,00,00,000	11,000.00	11,00,00,000	11,000.00

	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Issued, subscribed and paid up				
Equity share capital of INR 10 each, fully paid up	6,99,55,701	6,995.57	6,99,55,701	6,995.57
Add: Issued during the year to Newgen ESOP Trust	-	-	-	-
Balance	6,99,55,701	6,995.57	6,99,55,701	6,995.57
Less: Shares held by Newgen ESOP Trust	3,00,025	30.00	4,15,510	41.55
Total Share capital	6,96,55,676	6,965.57	6,95,40,191	6,954.02

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Reconciliation of shares outstanding at the beginning and at the end at the reporting year.

Equity share capital of ₹ 10 each, fully paid up	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	6,99,55,701	6,995.57	6,99,55,701	6,995.57
Add: Issued during the year to Newgen ESOP Trust	-	-	-	-
At the end of the year	6,99,55,701	6,995.57	6,99,55,701	6,995.57
Less: Shares held by Newgen ESOP Trust	3,00,025	30.00	4,15,510	41.55
Total equity share capital	6,96,55,676	6,965.57	6,95,40,191	6,954.02

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 Group after distribution of all preferential amounts, in proportion to their respective shareholding.

16 A Details of shareholders holding more than 5% shares in the Group

Equity shares of ₹ 10 each, fully paid up held by:

	As at 31 March 2023		As at 31 March 2022	
	Number of shares	% Holding	Number of shares	% Holding
- Mr. Diwakar Nigam	1,56,74,732	22.41%	1,56,74,732	22.41%
- Mr. T.S. Varadarajan	1,50,09,306	21.46%	1,50,09,306	21.46%
- Mrs. Priyadarshini Nigam	65,69,792	9.39%	65,69,792	9.39%
- Marathon Edge India Fund I	38,52,639	5.51%	14,82,639	2.12%

16 B Details of shares held by promoters

Equity shares of ₹ 10 each, fully paid up held by:

	As at 31 March 2023			As at 31 March 2022	
	Number of shares	% of total shares	% change during the year	Number of shares	% of total shares
- Mr. Diwakar Nigam	1,56,74,732	22.41%	0.0%	1,56,74,732	22.41%
- Mr. T.S. Varadarajan	1,50,09,306	21.46%	0.0%	1,50,09,306	21.46%
- Mrs. Priyadarshini Nigam	65,69,792	9.39%	0.0%	65,69,792	9.39%
- Mrs. Usha Varadarajan	13,32,320	1.90%	0.0%	13,32,320	1.90%

16 C Shares reserved for issue under Employee stock option plan and RSU Scheme

Terms attached to stock options granted to employees are described in note 34 regarding share based payments.

16 D Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.

(i) Equity shares have been issued under Employee stock options plans to trust for which only exercise price has been received in cash.

	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Equity shares of ₹ 10 each	-	-	-	3,70,000	3,50,000

(ii) Other than aforementioned, no shares has been allotted by way of bonus issues and no shares has been bought back in the current year and preceding 5 years.

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

17 Other equity

	As at 31 March 2023	As at 31 March 2022
Securities premium	10,397.49	10,280.35
Retained earnings	74,820.74	60,342.22
Capital redemption reserve	87.95	87.95
Capital reserve	0.21	0.21
General reserve	1,731.39	1,731.39
Newgen ESOP Trust reserve	540.35	511.71
Share options outstanding reserve	2,142.07	762.77
Foreign currency translation reserve	1,446.63	701.10
Other comprehensive loss	(456.27)	(231.61)
	90,710.56	74,186.09

Securities premium (refer note (i) below)	As at 31 March 2023	As at 31 March 2022
Balance as at beginning of the year	10,525.26	10,418.50
Transferred from share options outstanding reserve on exercise of stock options	80.05	106.76
Balance as at end of the year	10,605.31	10,525.26
Less: Securities premium on shares held by Newgen ESOP Trust	207.82	244.91
Balance as at end of the year	10,397.49	10,280.35

Retained earnings (refer note (ii) below)	As at 31 March 2023	As at 31 March 2022
Balance as at beginning of the year	60,342.22	46,362.60
Opening adjustment of deferred tax	-	6.60
Profit for the year	17,626.53	16,421.47
Dividend on equity shares	-	-
Balance as at end of the year	74,820.74	60,342.22

Capital redemption reserve	As at 31 March 2023	As at 31 March 2022
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 2023	As at 31 March 2022
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 2023	As at 31 March 2022
Balance as at beginning of the year	0.21	0.21
Balance as at end of the year	0.21	0.21

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

Newgen ESOP Trust reserve (refer note (iii) below)	As at 31 March 2023	As at 31 March 2022
Balance as at beginning of the year	511.71	404.32
Addition to Newgen ESOP Trust reserve	28.64	107.39
Balance as at end of the year	540.35	511.71

Share options outstanding reserve (refer note (iv) below)	As at 31 March 2023	As at 31 March 2022
Balance as at beginning of the year	762.77	344.72
Employee stock compensation expense	1,463.91	548.26
Transferred to securities premium account on exercise of stock options	(84.61)	(130.21)
Balance as at end of the year	2,142.07	762.77

Other comprehensive income/(loss) (refer note (v) below)

Remeasurement of defined benefit liability	As at 31 March 2023	As at 31 March 2022
Balance as at beginning of the year	(235.42)	(29.46)
Other comprehensive loss (net of tax)	(8.59)	(205.96)
Balance as at end of the year	(244.01)	(235.42)

Financial assets or investments carried at fair value through other comprehensive income	As at 31 March 2023	As at 31 March 2022
Balance as at beginning of the year	3.81	58.84
Other comprehensive loss (net of tax)	(216.07)	(62.38)
(Profit)/loss on sale of debt instrument transferred to profit and loss	-	7.35
Balance as at end of the year	(212.26)	3.81

Foreign currency translation reserve (refer note (vi) below)	As at 31 March 2023	As at 31 March 2022
Balance as at beginning of the year	701.10	504.89
Other comprehensive income (net of tax)	745.53	196.21
Balance as at end of the year	1,446.63	701.10

- (i) Securities premium is used to record the premium received on issue of shares. It will be utilised in accordance with the provisions of the Companies Act, 2013.
- (ii) Retained earnings represents accumulated balances of profits over the years after appropriations for general reserves and adjustments of dividend.
- (iii) Newgen ESOP Trust has been treated as an extension of the Group and accordingly shares held by Newgen ESOP Trust are netted off from the total share capital. Consequently, all the assets, liabilities, income and expenses of the trust are accounted for as assets and liabilities of the Company, except for profit / loss on issue of shares to the employees and dividend received by trust which are directly adjusted in the Newgen ESOP Trust reserve.
- (iv) The Group has established various equity-settled share-based payment plans for certain employees of the Company. Refer to note 35 for further details on these plans.
- (v) Refer Statement of Changes in Equity for analysis of other comprehensive income, net of tax.
- (vi) Foreign currency translation reserve comprises of all exchange differences arising from translation of financial statements of foreign subsidiaries into functional and presentational currency.

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

18. Right-of-use assets

Changes in the carrying value of right of use assets for the year ended 31 March 2023

Particulars	Category of ROU asset		Total
	Leasehold land	Buildings	
Balance as at 1 April 2022	3,287.18	1,537.79	4,824.97
Addition	-	2,494.02	2,494.02
Translation exchange difference	-	29.60	29.60
Depreciation	(39.30)	(932.55)	(971.85)
Balance as at 31 March 2023	3,247.88	3,128.86	6,376.74

Changes in the carrying value of right of use assets for the year ended 31 March 2022

Particulars	Category of ROU asset		Total
	Leasehold land	Buildings	
Balance as at 1 April 2021	3,326.48	1,320.94	4,647.42
Addition	-	885.06	885.06
Termination of leases	-	(4.63)	(4.63)
Reduction due to rent concession	-	(3.44)	(3.44)
Translation exchange difference	-	12.14	12.14
Depreciation	(39.30)	(672.28)	(711.58)
Balance as at 31 March 2022	3,287.18	1,537.79	4,824.97

The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the Statement of Profit and Loss.(refer note 30)

Lease liabilities

Break up of current and non-current lease liabilities:

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current lease liabilities	2,841.82	1,493.52
Current lease liabilities	1,005.93	670.09
Total	3,847.75	2,163.61

Movement in lease liabilities during the year ended 31 March 2023

Particulars	As at 31 March 2023
Balance as at 1 April 2022	2,163.61
Addition	2,466.11
Finance cost	301.17
Translation exchange difference	12.12
Payment of lease liabilities	(1,095.26)
Balance as at 31 March 2023	3,847.75

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

Movement in lease liabilities during the year ended 31 March 2022

Particulars	As at 31 March 2023
Balance as at 1 April 2021	2,009.12
Addition	817.25
Finance cost	192.02
Termination of leases	(5.06)
Translation exchange difference	16.70
Reduction due to rent concession	(3.45)
Payment of lease liabilities	(862.97)
Balance as at 31 March 2022	2,163.61

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was INR 292.18 lakhs for the year ended 31 March 2023 (31 March 2022: INR 616.35 lakhs)

For detail regarding the undiscounted contractual maturities of lease liabilities. (refer note 40(C)(iii))

19 Borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Non Current Borrowings		
-Deferred payment liabilities *	220.05	430.18
	220.05	430.18
Current Borrowings		
Current maturities of deferred payment liabilities	203.50	188.55
	203.50	188.55

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities

Name of the entity	Balance as at 31 March 2022	Interest Accrued	Loan repayments	Other non cash changes	Balance as at 31 March 2023
Erstwhile shareholders of Number Theory Software Private Limited	618.73	39.08	(234.23)	(0.03)	423.55
	618.73	39.08	(234.23)	(0.03)	423.55

(a) Deferred payment liability is discounted at the rate of 8%. Per annum.

(b) The liability is payable in three equal annual instalment of ₹ 234.24 lakhs. The repayment of instalment has commenced from January, 2023.

20. Non-current provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits (refer note 28)		
- provision for gratuity	2,681.26	2,633.00
- provision for compensated absences	824.13	712.11
	3,505.39	3,345.11

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to the Consolidated Financial Statements for the year ended 31 March 2023

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

21 Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
- Total outstanding dues to micro enterprises and small enterprises	58.38	75.27
- Total outstanding dues to creditors other than micro and small enterprises	3,430.30	3,570.00
	3,488.68	3,645.27

Trade payables Ageing Schedule

	Outstanding for following periods from due date of payment					Total
	Less than 1 year	1-2 Years	2-3 Years	More Than 3 years	Unbilled payable	
As at 31 March 2023						
Total outstanding dues of Micro enterprises and small enterprises	58.38	-	-	-	-	58.38
Total outstanding dues of creditors other than Micro enterprises and small enterprises	1,544.19	-	-	-	1,886.11	3,430.30
Disputed Dues of Micro enterprises and small enterprises	-	-	-	-	-	-
Disputed Dues of creditors other than Micro enterprises and small enterprises	-	-	-	-	-	-
	1,602.57	-	-	-	1,886.11	3,488.68

	Outstanding for following periods from due date of payment					Total
	Less than 1 year	1-2 Years	2-3 Years	More Than 3 years	Unbilled payable	
As at 31 March 2022						
Total outstanding dues of Micro enterprises and small enterprises	75.27	-	-	-	-	75.27
Total outstanding dues of creditors other than Micro enterprises and small enterprises	253.68	-	-	-	2,960.04	3,213.72
Disputed Dues of Micro enterprises and small enterprises	-	-	-	-	-	-
Disputed Dues of creditors other than Micro enterprises and small enterprises	-	-	-	-	356.28	356.28
	328.95	-	-	-	3,316.32	3,645.27

Trade payables are non-interest bearing and are generally on terms of 30-45 days.

- Refer note 35 for disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED).
- The Group's exposure to liquidity risk and currency risks related to trade payables is disclosed in note 40(C)(iii) & 40(C)(v).

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to the Consolidated Financial Statements for the year ended 31 March 2023

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

22 Current financial liabilities - Others

	As at 31 March 2023	As at 31 March 2022
Employee related payables	3,767.35	3,785.13
Derivatives liabilities	187.49	-
Earnest money deposits	1.00	1.00
Payable for capital assets#	32.72	317.57
Unpaid dividends*	6.57	6.91
	3,995.13	4,110.61

Refer note 35 for amount payable to Micro, Small and Medium Enterprises. It includes payable in respect of retention money amounting to ₹ 31.50 lakhs (31 March 2022 ₹ 307.35 lakhs).

*Unpaid dividends amount is not due for deposit to the Investor Education & Protection fund.

23 Deferred income

	As at 31 March 2023	As at 31 March 2022
Unearned revenue*	16,803.94	12,597.37
	16,803.94	12,597.37

*Changes in deferred income is as follows:

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	12,597.37	10,358.98
Revenue recognised that was included in deferred income at the beginning of the year	(12,766.57)	(10,265.11)
Increase due to invoicing during the year, excluding amount recognised as revenue during the year	16,768.55	12,442.68
Foreign Currency Translation Reserve	204.59	60.82
Balance at the end of the year	16,803.94	12,597.37

24 Other current liabilities

	As at 31 March 2023	As at 31 March 2022
Statutory dues payable	1,636.65	1,247.20
Advance from employees for share options	0.19	1.65
Other current liabilities	0.75	1.00
Revenue received in advance	-	21.68
	1,637.59	1,271.53

25 Current provisions

	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits (refer note 28)		
- provision for gratuity	697.84	460.68
- provision for compensated absences	249.05	187.83
	946.89	648.51

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to the Consolidated Financial Statements for the year ended 31 March 2023

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

26 Revenue from operations

	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of products - softwares	17,872.10	16,095.45
Sale of services		
- Implementation	19,390.31	15,408.52
- Scanning	685.44	746.03
- AMC/ATS	22,296.72	18,433.75
- Support	27,176.53	21,032.79
- SaaS revenue	9,976.78	6,179.61
	97,397.88	77,896.15

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Group expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts where :

- The performance obligation is part of a contract that has an original expected duration of one year or less.
- The revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis.

Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialised and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at 31 March 2023, other than those meeting the exclusion criteria mentioned above is ₹ Nil (31 March 2022 ₹ Nil).

27 Other income

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income under the effective interest rate method:		
- on security deposits at amortised cost	25.30	26.90
- government and other bonds at FVOCI	426.87	249.49
Interest income on deposit with banks	1,626.03	1,232.14
Gain on lease termination	-	0.43
Gain on sale of property, plant and equipment	-	8.05
Profit on sale of mutual funds (net) at FVTPL	151.30	146.79
Fair value changes of financial assets at FVTPL	87.29	75.39
Liabilities / provision no longer required written back	1,068.74	56.96
Net foreign exchange fluctuation gain	-	1,120.66
Bad debts recovered	-	9.48
Miscellaneous income	13.04	64.91
	3,398.57	2,991.20

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

28 Employee benefits expense

	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus	47,098.79	37,993.01
Contribution to provident funds (refer note i below)	1,327.25	1,104.02
Expenses related to compensated absences (refer note ii below)	553.34	558.18
Share based payment - equity settled	1,452.83	548.26
Expense related to defined benefit plan (refer note iii below)	618.02	526.54
Staff welfare expenses	539.70	171.35
	51,589.93	40,901.36

(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 ₹ 1,327.25 lakhs (31 March 2022: ₹ 1,104.02 lakhs). The amount recognised as an expense towards employee state insurance aggregated to ₹ 0.09 lakhs (31 March 2022: ₹ 0.29 lakhs).

(ii) Compensated absences:

The Principal assumptions used in determining the compensated absences benefit obligation are as given below:

	31 March 2023	31 March 2022
Discounting rate (p.a.)	4.85% - 7.36%	3.55% - 7.18%
Future salary increase (p.a.)	5.00% - 7.00%	5.00% - 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.

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to the Consolidated Financial Statements for the year ended 31 March 2023

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

(iv) Defined Benefit Plan-Dubai office:

The gratuity benefit payable in the case of termination, retirement, or death is 21 days' Scheme Salary for each of the first five years of service and 30 days' Scheme Salary for each year thereafter. Partial years count towards a period of service. This benefit is payable only after completing one year of service. In the case of the resignation of an employee, he/she is entitled to the following benefit:

Number of Year's Service	Fraction of Full Benefits
Less than 1 year	Nil
Between 1 year and 3 years	One third
Between 3 years and 5 years	Two thirds
Above 5 years	Full

No gratuity benefits are payable to any employee who is dismissed/terminated from service for misconduct, disobedience or violation of any existing rules and regulations of Newgen. The Scheme is unfunded.

A. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	3,093.68	2,510.58
Benefits paid	(367.27)	(260.03)
Current service cost	407.27	361.46
Interest cost	210.75	165.08
Actuarial (gains) / losses recognised in OCI		
change in demographic assumptions	(7.46)	1.84
change in financial assumptions	(109.02)	116.71
experience adjustments	129.68	198.04
Balance at the end of the year	3,357.63	3,093.68

B. i) Expense recognised in profit and loss

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current service cost	407.27	361.46
Interest cost	210.75	165.08
Total expense recognised in Statement of profit and loss	618.02	526.54

ii) Remeasurements recognised in other comprehensive income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Actuarial loss on defined benefit obligation	13.20	316.59
Total remeasurements recognised in other comprehensive income	13.20	316.59

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(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 2023	For the year ended 31 March 2022
Discount rate	4.85% - 7.36%	3.55% - 7.18%
Salary escalation rate	5.00% -7.00%	5.00% -7.00%
Mortality rate	100% of IALM (2012- 14)	100% of IALM (2012- 14)

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 2023		31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(78.12)	84.89	(105.20)	114.82
Future salary growth (0.50% movement)	84.17	(78.49)	113.90	(105.64)

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:

iii. Maturity profile of defined benefit obligation:

	As at 31 March 2023	As at 31 March 2022
Within the next 12 months (next annual reporting period)	693.89	460.68
Between 2 and 5 years	1,522.86	1,049.38
Beyond 5 years	1,278.20	1,622.50

Net defined benefit liability	31 March 2023	31 March 2022
Liability for gratuity	3,379.10	3,093.68
Liability for compensated absences	1,073.18	899.94
Total employee benefit liabilities	4,452.28	3,993.62
Non-current:		
Gratuity	2,681.26	2,633.00
Compensated absences	824.13	712.11
Current:		
Gratuity	697.84	460.68
Compensated absences	249.05	187.83

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

29 Finance costs

	For the year ended 31 March 2023	For the year ended 31 March 2022
Finance cost on lease liabilities	301.17	192.02
Interest expense on borrowings	39.08	15.05
Other finance costs	84.85	142.09
	425.10	349.16

30 Depreciation and amortisation

	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation of property, plant and equipment (refer note 4)	1,142.61	942.11
Depreciation of right-of use assets (refer note 18)	971.85	711.58
Amortisation of intangible assets (refer note 5)	352.45	109.34
	2,466.91	1,763.03

31 Other expenses

	For the year ended 31 March 2023	For the year ended 31 March 2022
Rent	292.18	616.35
Repairs and maintenance	461.03	319.38
Rates and taxes	722.49	444.99
Travelling and conveyance	4,264.87	1,139.24
Legal and professional fees	4,635.34	3,159.63
Outsourced technical services expense	280.59	229.79
Cloud hosting services	1,932.97	1,402.84
Payment to auditors*	69.35	66.95
Electricity and water	405.45	310.75
Advertising and sales promotion	1,380.17	1,349.47
Membership and subscription fee	513.91	442.22
Brokerage and commission	1,204.04	1,535.67
Communication costs	390.14	343.88
Software and license maintenance	1,438.08	1,110.13
Expenditure on corporate social responsibility (refer note 37)	293.45	248.85
Donation	34.88	30.82
Recruitment charges	551.32	480.71
Insurance	1,975.14	1,312.74
Operation and maintenance	467.90	307.98
Printing, stationery and scanning charges	480.18	400.48
Loss on sale of property, plant and equipment	0.58	-
Loss allowance on trade receivables	2,000.40	1,896.93
Loss allowance on trade receivables includes loss allowance created on contract assets amounting to (₹ 47.86 lakhs) (31 March 2022 ₹ 273.39 lakhs)).		
Loss allowance on other financial assets	-	-
Security charges	230.64	201.62
Net foreign exchange fluctuation loss	265.73	-
Loss on redemption of bonds (net) at FVOCI	-	24.80
Miscellaneous expenses	295.63	152.22
	24,586.46	17,528.44

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

*Payment to auditors

	For the year ended 31 March 2023	For the year ended 31 March 2022
As auditor:		
- Statutory audit fee	37.00	37.00
- Limited review fee	21.00	21.50
- Certification fee	8.66	5.25
- Reimbursement of expenses	2.69	3.20
	69.35	66.95

32 Income Tax

A. The major components of income tax income recognised in Statement of Profit or Loss

	For the year ended 31 March 2023	For the year ended 31 March 2022
Tax expense	4,359.92	3,369.64
Deferred tax (credit)/charge	(258.40)	554.25
Total	4,101.52	3,923.89
Recognised in Other comprehensive income		
Tax impact on		
- Re-measurement on defined benefit plan	4.61	110.63
- Financial assets or investments carried at fair value through other comprehensive income	65.63	33.51
Total	70.24	144.14

B. Reconciliation of effective tax rate

	31 March 2023		31 March 2022	
Profit before tax		21,728.05		20,345.36
Tax using the Company's tax rate	34.94%	7,592.65	34.94%	7,109.48
Impact of different rate in each jurisdiction	0.09%	20.53	-0.55%	(112.89)
Effect of deduction under section 10AA of the Income tax Act, 1961	-17.73%	(3,855.33)	-14.85%	(3,020.28)
Effect of expenses permanently disallowed under the Income Tax Act, 1961	0.63%	137.33	0.67%	135.56
Effect of income exempt/ non taxable/ taxed on lower rate	-0.84%	(181.87)	-0.57%	(116.38)
Effect of profit on redemption of mutual funds	0.00%	-	-0.15%	(30.67)
Tax expense for earlier years	0.94%	205.05	-1.23%	(251.22)
Others	0.84%	183.16	1.03%	210.29
Income tax recognised in statement of profit and loss for the current year	18.87%	4,101.52	19.29%	3,923.89

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

C. Deferred tax asset /(liabilities) and movement in temporary differences

31 March 2023

Particulars	Balance as at 1 April 2022	Translation exchange difference	Recognised in Statement of Profit or Loss during the year	Recognised in OCI during the year	Balance as at 31 March 2023
Deferred tax liabilities (net)					
Property, plant and equipment	12.41	0.55	(1.20)	-	11.76
Intangible assets on AI Platform (acquisition of subsidiary-refer note 46)	402.25	-	(83.28)	-	318.97
Total	414.66	0.55	(84.48)	-	330.73
Deferred tax assets (net)					
Investments at fair value through OCI	(0.17)	-	-	65.63	65.46
Remeasurement of defined benefit liability (asset)	126.10	-	-	4.61	130.71
Property, plant and equipment	(996.30)	(0.44)	(348.53)	-	(1,345.27)
Loss allowance on other financial assets	57.57	-	-	-	57.57
Loss allowance on trade receivables	1,175.23	6.33	39.92	-	1,221.48
Provision for employee benefits	1,276.09	(0.31)	139.83	-	1,415.61
Lease liabilities	7.87	-	20.64	-	28.51
MAT credit entitlement	139.19	-	351.56	-	490.75
Others	(197.74)	-	(29.50)	-	(227.24)
Total	1,587.84	5.58	173.92	70.24	1,837.58

31 March 2022

Particulars	Balance as at 1 April 2022	Translation exchange difference	Recognised in Statement of Profit or Loss during the year	Recognised in OCI during the year	Balance as at 31 March 2023
Deferred tax liabilities (net)					
Property, plant and equipment	13.93	0.48	(2.00)	-	12.41
Intangible assets on AI Platform (acquisition of subsidiary-refer note 46)	-	-	-	-	402.25
Total	13.93	0.48	(2.00)	-	414.66
Deferred tax assets (net)					
Investments at fair value through OCI	(29.73)	-	-	29.55	(0.17)
Remeasurement of defined benefit liability (asset)	15.47	-	-	110.63	126.10
Property, plant and equipment	(606.72)	0.36	(389.94)	-	(996.30)
Loss allowance on other financial assets	57.57	-	-	-	57.57
Loss allowance on trade receivables	1,466.39	9.63	(300.79)	-	1,175.23
Provision for employee benefits	1,222.51	0.24	53.34	-	1,276.09
Lease liabilities	39.00	-	(31.13)	-	7.87
MAT credit entitlement	-	-	139.19	-	139.19
Others	(170.82)	-	(26.92)	-	(197.74)
Total	1,993.67	10.23	(556.25)	140.18	1,587.83

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

33 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

i. Profit attributable to Equity holders of the Company

	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit attributable to equity holders of the Company	17,626.53	16,421.47
Profit attributable to equity holders of the Company for basic and diluted earnings	17,626.53	16,421.47

ii. Weighted average number of ordinary shares

	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance of equity's shares	6,95,40,191	6,93,06,005
Effect of share options exercised	72,128	1,15,752
Weighted average number of shares for basic EPS	6,96,12,319	6,94,21,757
Effect of dilution:		
Add: Weighted average number of potential equity shares on account of employees stock options	8,87,921	4,67,801
Weighted average number of shares for diluted EPS	7,05,00,240	6,98,89,558

Basic and diluted earnings per share

	For the year ended 31 March 2023 ₹	For the year ended 31 March 2022 ₹
Basic earnings per share	25.32	23.65
Diluted earnings per share	25.00	23.50

34 Share-based payment arrangements:

A. Description of share-based payment arrangements

i. Share option programmes (equity-settled)

The Group established Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014) in the year 2014-15, administered through a new Trust 'Newgen ESOP Trust'. The maximum numbers of shares to be issued under this Scheme shall be limited to 3,783,800 equity shares of the Group. Pursuant to the scheme, during the year 2014-15, the Group has granted 3,653,525 options at an exercise price of ₹ 63 per option, to the employees of the Group. Further, during the year 2017-18 grant of options 353,000, 130,000, and 79,250 through grant II, III and IV on 1 Jul 2017, 1 Sep 2017 and 1 Oct 2017 respectively under the same scheme and with same vesting conditions was made. During the year 2020-21, the Group has granted 2,33,000 options through grant V under Newgen ESOP 2014 on 25 March 2021. During the year 2022-23, the Group has granted 20,000 options through grant VI under Newgen ESOP 2014 on 17 January 2023. Under the terms of the plans, these options are vested on a graded vesting basis over a maximum period of four years from the date of grant and are to be exercised either in part(s) or full, within a maximum period of five years from the date of last vesting.

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to the Consolidated Financial Statements for the year ended 31 March 2023

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During the year 2020-21, the Group has established Newgen Software Technologies Restricted Stock Units Scheme – 2021 (Newgen RSU – 2021), administered through a new trust “Newgen RSU Trust” The maximum numbers of shares to be issued under this Scheme shall be limited to 14,00,000 equity shares of the Group. During the year 2021-22, the Group has granted 12,11,500 and 1,73,500 options through grant I and II respectively under this scheme at an exercise price of ₹ 10 per option, to the employees of the Group. During the year 2022-23, the Group has granted 35,000 options through grant III under this scheme at an exercise price of INR 10 per option, to the employees of the Group. Under the terms of the scheme, these options are vested on a graded vesting basis over a maximum period of five years from the date of grant and are to be exercised either in part(s) or full, within a maximum period of five years from the date of last vesting.

During the year 2022-23, the Group has established Newgen Employee Stock Option Scheme – 2022 (Newgen ESOP – 2022), administered through a trust “Newgen ESOP Trust” The maximum numbers of shares to be issued under this Scheme shall be limited to 14,00,000 equity shares of the Group. During the year 2022-23, the Group has granted 9,41,800 options through grant I under this scheme at an exercise price of ₹ 364.20 per option, to the employees of the Group. Under the terms of the scheme, these options are vested on a graded vesting basis over a maximum period of four years from the date of grant and are to be exercised either in part(s) or full, within a maximum period of five years from the date of vesting.

Particulars	Newgen ESOP 2014	Newgen RSU – 2021	Newgen ESOP 2022
Maximum number of shares under the plan	37,83,800	14,00,000	14,00,000
Method of settlement (cash/equity)	Equity	Cash/ Equity	Equity
Vesting period (maximum)	4 years 1 year - 10% 2 year - 20% 3 year- 30% 4 year-40%	5 years at the end of 3 rd year - 50% at the end of 5 th year - 50%	4 years 1 year - 10% 2 year - 20% 3 year- 30% 4 year-40%
Exercise period from the date of vesting (maximum)	5 year from last vesting	5 year from last vesting	5 year from vesting date
Vesting conditions	Service period	Service period & Performance based	Service period

Newgen ESOP trust has been treated as an extension of the Group and accordingly shares held by Newgen ESOP Trust are netted off from the total share capital. Consequently, all the assets, liabilities, income and expenses of the trust are accounted for as assets and liabilities of the Group, except for profit / loss on issue of shares to the employees and dividend received by trust which are directly adjusted in the Newgen ESOP Trust reserve.

Following table represents general terms of the grants for the ESOP outstanding as on 31 March 2023.

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	1,87,852	₹ 63.00	0.75	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Jul-2017	51,950	₹ 63.00	3.25	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Sep-2017	42,800	₹ 63.00	3.42	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Oct-2017	11,000	₹ 63.00	3.50	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	25-Mar-2021	1,35,500	₹ 63.00	6.99	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	17-Jan-2023	20,000	₹ 63.00	7.80	4 years
Newgen Employees Stock Option Scheme 2022 (Newgen ESOP 2022)	17-Jan-2023	9,17,650	₹ 364.20	7.80	4 years

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Following table represents general terms of the grants for the RSU outstanding as on 31 March 2023.

ESOP schemes	Grant Date	No. of Options Outstanding	Exercise Price	Weighted average remaining life	Vesting Period
Newgen Software Technologies Restricted Stock Units Scheme – 2021 (Newgen RSU – 2021)	23-Dec-2021	11,53,000	₹ 10.00	8.73	5 years
Newgen Software Technologies Restricted Stock Units Scheme – 2021 (Newgen RSU – 2021)	2-Mar-2022	1,17,000	₹ 10.00	8.93	5 years
Newgen Software Technologies Restricted Stock Units Scheme – 2021 (Newgen RSU – 2021)	18-Oct-2022	35,000	₹ 10.00	9.56	5 years

B. Measurement of fair values

i. Equity-settled share-based payment arrangements

The fair value of the employee share options has been measured using the Black-Scholes formula. The fair value of options and the inputs used in the measurement of the grant date fair values of the equity-settled share based payment plans are as follows:

Particulars	Newgen ESOP 2014 Grant - V	Newgen ESOP 2014 Grant - VI	Newgen ESOP 2022 Grant - I	Newgen RSU – 2021 Grant - I	Newgen RSU – 2021 Grant - II	Newgen RSU – 2021 Grant - III
Date of grant	25-Mar-2021	17-Jan-2023	17-Jan-2023	23-Dec-2021	2-Mar-2022	18-Oct-2022
Fair value of options at grant date	230.95	341.99	200.65	554.29	470.62	334.03
Share price at grant date	280.50	404.60	404.60	583.30	499.40	362.05
Exercise price	63.00	63.00	364.20	10.00	10.00	10.00
Expected volatility (weighted-average)	46.49%	43.14%	43.14%	44.91%	44.89%	38.60%
Expected life (weighted-average)	6 years	6 years	5 years	6.5 years	6.5 years	6.5 years
Expected dividends	0.50%	0.95%	0.95%	0.60%	0.70%	0.95%
Risk-free interest rate (based on government bonds)	5.80% - 6.19%	7.20% - 7.26%	7.07% - 7.26%	5.29% - 6.39%	5.60% - 6.69%	7.28% - 7.34%

C. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option programmes were as follows.

Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	31 March 2023	31 March 2023	31 March 2022	31 March 2022
Options outstanding as at the beginning of the year	6,03,212	₹ 63.00	9,01,406	₹ 63.00
Add: Options granted during the year	20,000	₹ 63.00	-	-
Less: Options lapsed during the year	58,625	₹ 63.00	64,008	₹ 63.00
Less: Options exercised during the year	1,15,485	₹ 63.00	2,34,186	₹ 63.00
Options outstanding as at the year end	4,49,102	₹ 63.00	6,03,212	₹ 63.00
Exercisable as at year end	3,28,102		4,20,012	
Weighted - average contractual life	3.56 years		4.51 years	

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Newgen Software Technologies Restricted Stock Units Scheme – 2021 (Newgen RSU – 2021)	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	31 March 2023	31 March 2023	31 March 2022	31 March 2022
Options outstanding as at the beginning of the year	13,60,000	₹ 10.00	-	₹ 10.00
Add: Options granted during the year	35,000	₹ 10.00	13,85,000	₹ 10.00
Less: Options lapsed during the year	90,000	₹ 10.00	25,000	₹ 10.00
Less: Options exercised during the year	-	₹ 10.00	-	₹ 10.00
Options outstanding as at the year end	13,05,000	₹ 10.00	13,60,000	₹ 10.00
Exercisable as at year end	-			
Weighted - average contractual life	8.77 years		9.76 years	

Newgen Employees Stock Option Scheme 2022 (Newgen ESOP 2022)	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	31 March 2023	31 March 2023	31 March 2022	31 March 2022
Options outstanding as at the beginning of the year	-	-	-	-
Add: Options granted during the year	941,800	₹ 364.20	-	-
Less: Options lapsed during the year	24,150	₹ 364.20	-	-
Less: Options exercised during the year	-	-	-	-
Options outstanding as at the year end	917,650	₹ 364.20	-	-
Exercisable as at year end	-			
Weighted - average contractual life	7.80 years			

D. Expense recognised in Statement of Profit and Loss

For details on the employee benefits expense, refer note 28

35 Details of dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum.

Disclosure in respect of the amounts payable to such enterprises as on 31 March 2023 and 31 March 2022 based on information received and available with the Group.

Particulars	As at 31 March 2023	As at 31 March 2022
Principal Amount*	89.88	382.62
Interest due thereon at the end of the accounting year.	-	-
the amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year .	-	-
the amount of interest due and payable for the year for delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006).	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year .	-	-
the amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act , 2006.	-	-

* Includes ₹ 31.50 lakhs (31 March 2022: ₹ 307.35 lakhs) on account of capital creditors.

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- 36** 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.

	For the year ended 31 March 2023	For the year ended 31 March 2022
Final dividend of ₹ 5.00 per share (31 March 2022: ₹ 4.50/- per share)	3,497.79	3,148.01

37 Utilisation of Corporate Social Responsibility expenses

As per Section 135 of the Companies Act 2013, read with guidelines issued by DPE, the company is required to spend in every financial year atleast two percent of the average net profits of the company made during the three immediately preceding financial years in accordance with its CSR policy. The details of CSR expenses for the year are as under:

Particulars	31 March 2023	31 March 2022
Amount required to be spend during the year	290.16	245.65
Amount of expenditure incurred	293.45	248.85
Amount of shortfall for the year	-	-
Amount of cumulative shortfall at the end of the year	-	-

The areas for CSR activities are promoting education, health care, sanitation, digital literacy and livelihood enhancement . The funds were primarily utilized through the year on the activities which are specified in Schedule VII of the Companies Act, 2013.

38 Details of current Investments (refer note 9)

Particulars	Number of units as at		Amount in lakhs as at	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Investment in mutual funds -FVTPL				
Aditya Birla Sun Life Liquid Fund -Growth-Regular Plan	-	4,04,905.14	-	661.29
Bharat bonds ETF	20,000.00	20,000.00	250.00	240.62
Aditya Birla Liquid Fund Direct plan Growth option	1,70,596.77	1,70,596.77	619.41	585.36
HDFC Liquid Fund -Direct Growth	7,622.95	7,622.95	337.18	319.00
Axis Money Market Fund	-	83,644.96	-	963.43
Aditya Birla Sun Life Money Manager Fund - Growth-Direct Plan	1,31,034.62	-	414.33	-
Tata Money Market Fund Direct Plan - Growth	2,935.38	-	118.84	-
ABSL Crisil IBX Gilt Apr 2029 Index Fund Dir Growth	57,75,217.32	-	603.58	-
HDFC Nifty G-Sec Dec 2026 Index Fund-Direct-G	68,18,815.04	-	702.21	-
Bandhan CRISIL IBX Gilt June 2027 Index Fund Direct Plan-Growth	91,85,820.08	-	1,003.14	-
HDFC Nifty G-Sec Jul 2031 Index Fund-Direct-G	68,36,931.06	-	705.48	-
Bandhan CRISIL IBX Gilt June 2027 Index Fund Direct-G	73,26,982.98	-	800.14	-
HDFC Nifty G-Sec Jul 2031 Index Fund	67,81,620.91	-	699.78	-
ABSL Government Securities Fund Growth-Regular	10,22,684.60	-	698.36	-

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Particulars	Number of units as at		Amount in lakhs as at	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Investment in government bonds-FVTOCI				
8.40% IRFC 15YRS SR2A 18022029 (18-Feb-2029)	40,000.00	40,000.00	461.32	484.14
7.35% NHAI LTD Tax free Bond 15YRS SR2A Annual (11-Jan-2031)	2,15,000.00	2,15,000.00	2,425.03	2,543.76
8.54% PFC Tax free Bonds (Series 2A) 16/11/2028	16,500.00	16,500.00	190.32	199.74
7.04% IRFC Bond 03/03/2026	15.00	15.00	157.68	162.00
8.3% NHAI Tax free Bonds 25/01/2027	30,000.00	30,000.00	330.30	344.85
8.63% IRFC Bonds 26/03/2029	22,000.00	22,000.00	256.68	269.72
8.30% IRFC Bonds 23/02/2027	87,000.00	87,000.00	953.53	994.49
7.34% IRFC Bonds 19/02/2028	1,30,000.00	1,30,000.00	1,411.49	1,469.36
			13,138.80	9,237.76

39 Related party transactions

Transactions with Key Management Personnel

A number of key management personnel, or their related parties hold positions in other entities that result in them having control or significant influence over those entities.

Compensation of the Group's key managerial personnel includes salaries, non-cash benefits and contributions to post - employment defined benefit plan (see note 28)

Executive officers also participate in the Group's share option plan as per the conditions laid down in that scheme (see note 28 and note 34).

List of key management personnel and their relatives

Diwakar Nigam - Managing Director

T.S. Varadarajan - Whole Time Director

Priyadarshini Nigam - Whole Time Director

Arun Kumar Gupta - Chief Financial Officer

Virender Jeet - Chief Executive Officer

Surender Jeet Raj - Senior Vice President (HR/Operations)

Tarun Nandwani - Chief Operating Officer

Usha Varadarajan - Relative of Whole Time Director - T.S. Varadarajan

Aman Mourya - Company Secretary

List of non-executive and independent directors

Kaushik Dutta - Independent Director

Saurabh Srivastava - Independent Director

Subramaniam R Iyer - Independent Director

Padmaja Krishnan - Independent Director

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

Key management personnel compensation

	Transaction value		Balance payable	
	For the year ended 31 March 2023	For the year ended 31 March 2022	As at 31 March 2023	As at 31 March 2022
Salaries, wages and bonus*	1,783.78	1,806.89	843.19	786.29
Diwakar Nigam	399.39	370.71	172.18	160.92
T.S. Varadarajan	210.93	195.95	103.31	96.55
Priyadarshini Nigam	121.84	113.29	68.87	64.37
Arun Kumar Gupta	137.81	184.53	54.75	48.16
Virender Jeet	321.38	291.06	169.35	160.53
Surender Jeet Raj	284.40	304.98	141.15	129.15
Tarun Nandwani	274.26	249.09	133.58	126.61
Shubhi Nigam	-	69.54	-	-
Aman Mourya	33.77	27.74	-	-
Dividend paid (excluding dividend distribution tax)	1,774.69	1,379.87	-	-
Diwakar Nigam	705.34	548.60	-	-
T.S. Varadarajan	675.42	525.33	-	-
Priyadarshini Nigam	295.64	229.94	-	-
Arun Kumar Gupta	1.84	1.02	-	-
Virender Jeet	13.33	10.37	-	-
Surender Jeet Raj	10.98	8.73	-	-
Tarun Nandwani	12.08	9.24	-	-
Usha Varadarajan	59.95	46.63	-	-
Aman Mourya	0.11	0.01	-	-
Share-based payments	53.17	161.33	-	-
Arun Kumar Gupta	-	59.60	-	-
Virender Jeet	-	-	-	-
Surender Jeet Raj	33.67	76.60	-	-
Tarun Nandwani	18.73	15.24	-	-
Aman Mourya	0.77	9.89	-	-
Sitting fees to independent director	61.41	56.00	6.30	-
Kaushik Dutta**	19.41	17.00	1.80	-
Saurabh Srivastava	15.00	14.00	1.80	-
Subramaniam R Iyer	18.00	17.00	1.80	-
Padmaja Krishnan	9.00	8.00	0.90	-
Commission to independent director	206.00	107.28	185.40	96.56
Kaushik Dutta	51.50	26.82	46.35	24.14
Saurabh Srivastava	51.50	26.82	46.35	24.14
Subramaniam R Iyer	51.50	26.82	46.35	24.14
Padmaja Krishnan	51.50	26.82	46.35	24.14

*It includes share-based payments and commission but excludes provision for gratuity and compensated absences, as these are determined on the basis of actuarial valuation for the Group as a whole.

**Includes sitting fees of ₹ 2.41 lakhs paid in Newgen Software Inc, USA

Notes

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40 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

31 March 2023	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	9	6,952.45	-	-	6,952.45	6,952.45	-	-	6,952.45
Investments in bonds	9	-	6,186.35	-	6,186.35	6,186.35	-	-	6,186.35
Financial assets not measured at fair value									
Other non-current financial asset	6	-	-	23,338.45	23,338.45	-	-	-	-
Trade receivables	10	-	-	38,816.58	38,816.58	-	-	-	-
Cash and cash equivalents	11	-	-	10,802.06	10,802.06	-	-	-	-
Bank balances other than cash and cash equivalents	12	-	-	10,032.82	10,032.82	-	-	-	-
Loans	13	-	-	7.00	7.00	-	-	-	-
Other financial assets	14	-	-	8,431.73	8,431.73	-	-	-	-
		6,952.45	6,186.35	91,428.64	1,04,567.44	13,138.80	-	-	13,138.80
Financial liabilities									
Financial liabilities not measured at fair value									
Lease liabilities	18	-	-	3,847.75	3,847.75	-	-	-	-
Borrowings	19	-	-	423.55	423.55	-	-	-	-
Trade payables	21	-	-	3,488.68	3,488.68	-	-	-	-
Other financial liabilities	22	-	-	3,995.13	3,995.13	-	-	-	-
		-	-	11,755.11	11,755.11	-	-	-	-

31 March 2022	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	9	2,769.70	-	-	2,769.70	2,769.70	-	-	2,769.70
Investments in bonds	9	-	6,468.06	-	6,468.06	6,468.06	-	-	6,468.06
Financial assets not measured at fair value									
Other non-current financial asset	6	-	-	10,111.30	10,111.30	-	-	-	-
Trade receivables	10	-	-	27,887.83	27,887.83	-	-	-	-
Cash and cash equivalents	11	-	-	10,357.07	10,357.07	-	-	-	-
Bank balances other than cash and cash equivalents	12	-	-	17,236.16	17,236.16	-	-	-	-
Loans	13	-	-	20.92	20.92	-	-	-	-
Other financial assets	14	-	-	8,804.50	8,804.50	-	-	-	-
		2,769.70	6,468.06	74,417.78	83,655.54	9,237.76	-	-	9,237.76
Financial liabilities									
Financial liabilities not measured at fair value									
Long-term maturities of finance lease obligations (secured)	18	-	-	2,163.61	2,163.61	-	-	-	-
Short term borrowings	19	-	-	618.73	618.73	-	-	-	-
Trade payables	21	-	-	3,645.27	3,645.27	-	-	-	-
Other financial liabilities	22	-	-	4,110.61	4,110.61	-	-	-	-
		-	-	10,538.22	10,538.22	-	-	-	-

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The fair value of trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents 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 value 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 2023 and 31 March 2022.

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

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policies and systems are reviewed regularly to reflect changes in market conditions and the group activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit.

ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises partially from the Group's receivables from customers, loans and investment in debt securities. The carrying amount of financial assets represent the maximum credit risk exposure. The Group has credit policies in place and the exposures to these credit risks are monitored on an ongoing basis.

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 2023	As at 31 March 2022
Other financials assets-non current	23,338.45	10,111.30
Investments	13,138.80	9,237.76
Trade receivables	38,816.58	27,887.83
Loans	7.00	20.92
Cash and cash equivalents	10,802.06	10,357.07
Bank balances other than cash and cash equivalents	10,032.82	17,236.16
Other financials assets-current	8,431.73	8,804.50
	1,04,567.44	83,655.54

To cater to the credit risk for investments in mutual funds and bonds, only high rated mutual funds/bonds are accepted.

The Group has given security deposits to vendors for rental deposits for office properties, securing services from them, government departments. The Group does not expect any default from these parties and accordingly the risk of default is negligible or nil.

Trade receivables and contract assets are typically unsecured and derived from revenue earned from customers primarily located in India, USA, EMEA and APAC.

Credit risk has always been managed by the Group through credit approval, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit term in normal course of business. Credit limits are established for each customers and received quarterly. Any sales/services exceeding these limits require approval from the risk management committee.

The Group establishes an allowance for impairment that represents its expected credit losses in respect of trade receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, industry and existence of previous financial difficulties, if any.

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Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Group establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. An impairment analysis is performed at each reporting date.

The Group's exposure to credit risk for trade receivables by geographic region is as follows

	Carrying amount	
	As at 31 March 2023	As at 31 March 2022
India	9,864.73	6,737.40
USA	7,121.93	6,299.50
EMEA	16,285.61	10,410.74
APAC	5,544.31	4,440.19
	38,816.58	27,887.83

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 2023	Gross carrying amount	Weighted-average loss rate	Loss allowance
0-3 months past due	31,503.79	1.59%	502.34
3-6 months past due	2,907.11	8.14%	236.51
6-9 months past due	3,717.78	18.10%	672.79
9-12 months past due	733.01	31.52%	231.05
12-15 months past due	1,113.30	39.91%	444.31
15-18 months past due	906.14	45.23%	409.89
18-21 months past due	384.12	54.12%	207.91
21-24 months past due	325.41	83.53%	271.82
above 24 months past due	1,550.87	86.94%	1,348.33
	43,141.53		4,324.95

As at 31 March 2022	Gross carrying amount	Weighted-average loss rate	Loss allowance
0-3 months past due	25,014.00	2.51%	628.17
3-6 months past due	2,150.80	10.51%	226.08
6-9 months past due	1,290.61	26.47%	341.61
9-12 months past due	496.85	45.89%	227.99
12-15 months past due	624.58	64.55%	403.19
15-18 months past due	208.22	78.94%	164.36
18-21 months past due	257.41	89.38%	230.07
21-24 months past due	174.07	87.94%	153.08
above 24 months past due	1,231.11	96.28%	1,185.27
	31,447.65		3,559.82

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Ageing for expected credit loss has been considered from invoice date

Balance as at 1 April 2021	4,366.11
Impairment loss recognised	1,637.34
Amounts written off	2,443.63
Balance as at 31 March 2022	3,559.82
Impairment loss recognised	2,048.01
Amounts written off	1,282.88
Balance as at 31 March 2023	4,324.95

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Debt securities

The Group limits its exposure to credit risk by investing only in liquid debt securities and only with counterparties that have a credit rating AA to AAA from renowned rating agencies.

The Group monitors changes in credit risk by tracking published external credit ratings. For its investment in bonds, Group also reviews changes in government bond yields together with available press and regulatory information about issuers

The exposure to credit risk for debt securities at FVTOCI and at FVTPL is as follows:

	Net carrying amount	
	As at 31 March 2023	As at 31 March 2022
India	13,138.80	9,237.76
	13,138.80	9,237.76

Basis experienced credit judgement, no risk of loss is indicative on Group's investment in mutual funds and government bonds.

Cash and cash equivalents and bank balances other than cash and cash equivalents

The Group held cash and cash equivalents of ₹ 10,802.06 lakhs at 31 March 2023 (31 March 2022: ₹ 10,357.07 lakhs) and bank balances other than cash and cash equivalents of ₹ 10,032.82 lakhs as at 31 March 2023 (31 March 2022: ₹ 17,236.15 lakhs). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AA- to AAA, based on renowned rating agencies.

iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's primary sources of liquidity include cash and bank balances, deposits, undrawn borrowings and cash flow from operating activities. As at 31 March 2023, the Group had a working capital of ₹ 53,105.59 lakhs (31 March 2022: ₹ 50,751.54 lakhs) including cash and cash equivalents of ₹ 10,802.06 lakhs (31 March 2022: ₹ 10,357.07 lakhs), bank balances other than cash & cash equivalents of ₹ 10,032.82 lakhs (31 March 2022: ₹ 17,236.16 lakhs) and current investments of ₹ 13,138.80 lakhs (31 March 2022: ₹ 9,237.76 lakhs).

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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 2023	8,144.24	-	8,144.24			
As at 31 March 2022	10,206.00	-	10,206.00	-	-	-

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 2023	Carrying amount	Contractual cash flows					
		Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Finance lease obligations (including current maturities)	3,847.75	9,171.62	192.55	1,032.54	1,115.97	1,760.46	5,070.10
Borrowings	423.55	468.48	-	234.24	234.24	-	-
Unpaid dividends	6.57	6.57	6.57	-	-	-	-
Employee related payables	3,767.35	3,767.35	182.52	3,484.86	99.97	-	-
Trade and other payables	3,488.68	3,488.68	2,019.31	1,469.37	-	-	-
Earnest money deposits	1.00	1.00	-	1.00	-	-	-
Payable for capital assets	32.72	32.72	-	32.72	-	-	-
Total	11,567.62	16,936.42	2,400.95	6,254.73	1,450.18	1,760.46	5,070.10

31 March 2022	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)	2,163.61	7,290.50	116.63	575.38	569.74	892.81	5,135.95
Borrowings	618.73	702.73	-	234.24	234.24	234.25	-
Unpaid dividends	6.91	6.91	6.91	-	-	-	-
Employee related payables	3,785.13	3,785.13	419.79	3,265.37	99.97	-	-
Trade and other payables	3,645.27	3,645.27	2,058.50	1,586.76	-	-	-
Earnest money deposits	1.00	1.00	-	1.00	-	-	-
Payable for capital assets	317.57	317.57	-	317.57	-	-	-
Total	10,538.22	15,749.11	2,601.83	5,980.32	903.95	1,127.06	5,135.95

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.

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iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

v. Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group is exposed to currency risk on account of its borrowings, receivables and other payables in foreign currency. The functional currency of the Group is Indian Rupee. The Management endeavours to minimize economic and transactional exposures arising from currency movements against the US Dollar, Euro, Great Britain Pound, Canadian dollar, United Arab Emirates Dirham, Saudi Riyal, Singapore dollar, Australian dollar and Malaysian Ringgit making all the US dollar payments through EEFC account for avoiding exchange risk. The Group manages the risk by netting off naturally-occurring opposite exposures wherever possible, and then dealing with any material residual foreign currency exchange risks if any.

The Group has entered into foreign exchange forward contracts to mitigate the risks involved in foreign exchange transactions and has booked 12 forward contracts for USD 2.5 million per month during the period from April 2022 to March 2023. The hedging loss of ₹ 1,089.05 lakhs is on account of mark to market loss (realised loss is 689.83 lakhs, unrealised loss is 187.49 lakhs and loss of 211.73 lakhs on account of reversal of last year mark to market gain) on foreign exchange forward contracts which do not qualify for hedge accounting as per Ind As-109, have been recognized in the profit and loss account in the financial statement for the year ended 31 March 2023.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March 2023 and 31 March 2022 are as below:

Particulars	Currency	31 March 2023		31 March 2022	
		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	279.56	22,954.78	188.12	14,278.16
	AED	0.26	5.80	5.61	115.94
	EUR	0.64	56.92	-	-
	GBP	0.42	42.94	0.64	63.58
	SAR	-	-	2.08	42.00
	SGD	15.00	926.40	-	-
	MYR	0.04	0.77	2.02	36.39
	AUD	0.23	12.38	-	-
Bank balance-Dubai	AED	2.98	66.58	2.33	48.10
Bank balance-EEFC	USD	22.15	1,818.84	46.03	3,493.93
Financial liabilities					
Trade and other payables	USD	(46.16)	(3,627.50)	(28.14)	(2,085.61)
	SGD	(4.36)	(269.09)	(0.33)	(18.41)
	SAR	(1.96)	(42.53)	(1.24)	(24.88)
	EURO	-	-	(0.04)	(3.02)
	AUD	(7.01)	(385.96)	-	-
	AED	(0.74)	(15.13)	(1.29)	(26.33)

* gross of loss allowance

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Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US Dollar, Euro, Great Britain Pound, Canadian dollar, United Arab Emirates Dirham, Saudi Riyal, Singapore Dollar, Australian Dollar and Malaysian Ringgit at reporting date would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in Lakhs of ₹	For the year ended 31 March 2023		For the year ended 31 March 2022	
	Strengthening	Weakening	Strengthening	Weakening
	5 % movement		1% movement	
USD	1,049.16	(1,049.16)	151.15	(151.15)
EUR1	2.85	(2.85)	(0.03)	0.03
GBP1	2.15	(2.15)	0.64	(0.64)
SGD1	32.86	(32.86)	(0.76)	0.76
AED1	2.79	(2.79)	1.37	(1.37)
SAR1	(2.15)	2.15	0.17	(0.17)
MYR1	0.04	(0.04)	0.36	(0.36)
AUD1	(18.68)	18.68	(1.82)	1.82
	1,069.02	(1,069.02)	151.10	(151.10)

II. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

a) Exposure to interest rate risk

The Group is exposed to both fair value interest rate risk as well as cash flow interest rate risk arising both on short-term and long-term floating rate instruments.

The interest rate profile of the Group's interest-bearing financial instruments is as follows:

	Nominal amount in ₹	
	31 March 2023	31 March 2022
Fixed-rate instruments		
Financial assets	38,846.58	34,171.98
Financial liabilities	4,271.30	2,782.34
Total	43,117.88	36,954.32

There is no balance in variable rate instruments.

b) Sensitivity analysis

Fair value sensitivity analysis for fixed-rate instruments

The Group accounts for investments in government and other bonds as fair value through other comprehensive income. Therefore, a change in interest rate at the reporting date would have impact on equity.

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity by ₹ 40.25 lakhs after tax (31 March 2022: INR 42.04 lakhs).

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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.

There is no variable rate linked instrument and therefore, there is no cash flow sensitivity.

Market price risk

a) Exposure

The Group's exposure to mutual funds and bonds price risk arises from investments held by the Group and classified in the balance sheet as fair value through profit and loss and at fair value through other comprehensive income respectively.

To manage its price risk arising from investments, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

b) Sensitivity analysis

Company is having investment in mutual funds, government bonds, other bonds and investment in subsidiaries.

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 ₹ 80.50 lakhs after tax (31 March, 2022 ₹ 84.08 lakhs). An equal change in the opposite direction would have decreased equity by ₹ 80.50 lakhs after tax (31 March, 2022: ₹ 84.08 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 ₹ 90.47 lakhs after tax (31 March, 2022: ₹ 36.01 lakhs). An equal change in the opposite direction would have decreased profit or loss by ₹ 90.47 lakhs after tax (31 March, 2022: ₹ 36.01 lakhs)

4.1 Capital Management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to equity shareholders.

The Group manages its capital structure and makes adjustments to it as and when required. To maintain or adjust the capital structure, the Group may pay dividend or repay debts, raise new debt or issue new shares. No major changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2023 and 31 March 2022.

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 2023	As at 31 March 2022
Total liabilities	4,271.30	2,782.33
Less: Cash & Cash equivalent	10,802.06	10,357.07
Adjusted net debt (a)	(6,530.76)	(7,574.74)
Total equity (b)	97,676.13	81,140.11
Total equity and net debt (a+b) = c	91,145.37	73,565.37
Capital gearing ratio (a/c)	-7.17%	-10.30%

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

42 Segment reporting

A. Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available.

The Group's board of directors have been identified as the Chief Operating Decision Makers (CODM) since they are responsible for all major decisions in respect of allocation of resources and assessment of the performance on the basis of the internal reports/ information provided by functional heads. The board examines the performance of the Group based on such internal reports which are based on operations in various geographies and accordingly, have identified the following reportable segments:

- India
- Europe, Middle East and Africa (EMEA)
- Asia Pacific and Australia (APAC)
- United States of America (USA)

B. Information about reportable segments

Year ended 31 March 2023

Particulars	Reportable segments				
	India	EMEA	APAC	USA	Total Segment
Revenue					
External revenue	30,220.47	31,096.77	12,614.15	23,466.49	97,397.88
Inter-segment revenue	-	-	-	-	-
Total Segment Revenue	30,220.47	31,096.77	12,614.15	23,466.49	97,397.88
Segment profit/(loss) before income tax	6,099.35	9,286.49	2,537.76	3,038.89	20,962.49
Segment assets	15,630.93	21,257.46	9,042.72	15,415.33	61,346.44
Segment liabilities	7,955.12	9,878.89	5,517.73	6,807.17	30,158.91
Capital expenditure during the year	1,385.21	-	2.14	19.14	1,406.49

Year ended 31 March 2022

Particulars	Reportable segments				
	India	EMEA	APAC	USA	Total Segment
Revenue					
External revenue	21,446.15	24,368.99	10,755.83	21,325.18	77,896.15
Inter-segment revenue	-	-	-	-	-
Total Segment Revenue	21,446.15	24,368.99	10,755.83	21,325.18	77,896.15
Segment profit before income tax	4,073.79	8,109.57	3,471.05	3,829.64	19,484.05
Segment assets	11,507.93	14,068.00	7,266.85	11,942.72	44,785.50
Segment liabilities	6,311.42	9,361.85	3,099.21	6,319.65	25,092.13
Capital expenditure during the year	1,417.31	1.36	5.37	9.83	1,433.87

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C. Reconciliations of information on reportable segments to Ind AS

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Revenue		
Total revenue for reportable segments	97,397.88	77,896.15
Elimination of inter-segment revenue	-	-
Total revenue	97,397.88	77,896.15
(b) Profit / (loss) before tax		
Total profit before tax for reportable segments	20,962.49	19,484.05
Unallocated amounts:		
- Unallocated income	3,398.57	2,991.20
- Other corporate expenses	2,633.01	2,129.89
Total profit before tax from operations	21,728.05	20,345.36
(c) Assets		
Total assets for reportable segments	61,346.44	44,785.50
Other unallocated amounts	72,870.13	65,918.09
Total assets	1,34,216.57	1,10,703.59
(d) Liabilities		
Total liabilities for reportable segments	30,158.91	25,092.13
Other unallocated amounts	6,381.53	4,471.35
Total liabilities	36,540.44	29,563.48

D. Information about major customers

No customer individually accounted for more than 10% of the revenues in the year ended 31 March 2023 and 31 March 2022.

E. Unallocated assets, liabilities, revenue and expenses

Certain assets, liabilities, revenue and expenses are not specifically allocable to individual segments as the underlying services are used interchangeably. The Group believes that it is not practicable to provide segment disclosures relating to such assets, liabilities, revenue and expenses and accordingly such assets, liabilities, revenue and expenses are separately disclosed as 'unallocated'.

F. The Group, during the year ended 31 March 2022, changed the segment classification for one geography which was earlier reported as part of Australia segment, has been reclassified in APAC segment. Impact of this change is immaterial for operating results of both the segments.

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

43. Ratios as per Schedule III requirements

Ratio	Numerator	Denominator	Unit	31 March 2023	31 March 2022	% variance	Reason for variance
Current ratio	Current assets	Current liabilities	Times	2.79	3.13	-10.68%	-
Debt- Equity Ratio	Total Debt (refer note 1 below)	Shareholder's Equity	Times	0.04	0.03	27.53%	New lease started during the year as Group has taken additional premises on lease which resulted into increased debts.
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses (refer note 2 below)	"Debt service (refer note 3 below)"	Times	17.52	23.99	-26.95%	Repayment of deferred liability and repayment of additional lease rent on account of new premises.
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	%	19.71%	22.23%	-11.32%	-
Inventory Turnover ratio	Cost of goods sold	Average Inventory	Times	NA	NA	NA	Not applicable for the business of the Group
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return (refer note 4 below)	Average Trade Receivable	Times	3.05	3.06	-0.50%	-
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	Times	NA	NA	NA	Not applicable for the business of the Group
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	Times	1.83	1.53	19.49%	-
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	%	18.10%	21.08%	-14.15%	-
Return on Capital Employed	Earnings before interest and taxes (refer note 5 below)	Capital Employed (refer note 6 below)	%	20.42%	23.59%	-13.43%	-
Return on Investment	Interest (Finance Income)	Average Investment	%	3.43%	4.00%	-14.22%	-

Notes:

- Total debts consists of borrowings and lease liabilities.
- Earning available for debt services=profit for the year + depreciation, amortization and impairment + finance cost + provision for doubtful debts + share based payment to employees + non cash charges.
- Debt service = Interest + payment for lease liabilities + principal repayments.
- Credit sales = Total Revenue + opening contract assets - closing contract assets - opening deferred revenue + closing deferred revenue.
- Earnings before interest and taxes = profit before tax + finance cost - other income
- Capital Employed = Average tangible net worth + Total debt + Deferred tax.
- Average is calculated on the basis of opening and closing balances.

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

Schedule III require explanation where the change in the ratio is more than 25% as compared to the preceding year. Since there are only two instances where the change is more than 25% i.e. Debt- equity ratio and Debt Service Coverage ratio hence explanation is given only for the said ratios.

44 As at 31 March 2023, the Group has gross foreign currency receivables amounting to ₹ 23,999.99 lakhs (previous year ₹ 14,532.92 lakhs). Out of these receivables, ₹ 3,363.91 lakhs (previous year ₹ 2036.07 lakhs) is outstanding for more than 9 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 9 months from the date of export. The Group 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 Group 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 Group has applied for an extension of all the foreign currency receivables outstanding for more than 9 months. The management is of the view that the Group will be able to obtain approvals from the authorities for realizing such funds beyond the stipulated timeline without levy of any penalties as it had bonafide reasons that caused the delays in realization.

45 Other statutory informations

- i. The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- ii. The Group do not have any transactions with companies struck off.
- iii. The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv. The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v. The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vi. The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vii. The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- viii. The Group has sanctioned working capital amounts from banks on the basis of security of Trade Receivables and Fixed Deposits. The quarterly returns being filed by Group with banks are in line with the books of accounts
- ix. All title deeds of Immovable Property are held in the name of the Group
- x. The Group has not defaulted on any of the loan taken from banks, financial institutions or other lender.

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

46 Business Combination

Acquisition of Number Theory Software Private Limited

On 18 January 2022, Newgen Software Technologies Limited (NSTL or “the Holding Company”) entered into Share Purchase Agreement (SPA) with existing shareholders of Number Theory Software Private Limited (“Number Theory”) to acquire 100% stake. Pursuant to SPA, the Holding Company has made investment of INR 1405.47 Lakhs in Number Theory (which has become wholly owned subsidiary of the Holding Company effective from 28 January 2022).

Consequent to the acquisition, A Scheme of Amalgamation u/s 230-232 of the Companies Act, 2013 which provides for merger of Number Theory with NSTL (“Scheme”), has been approved by the respective Board of Directors of companies at their meeting held on 3 May 2022, subject to requisite approval(s). The application will be filed under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with NCLT for their approval.

Number Theory Software Private Limited (“Number Theory”) is engaged in providing Artificial Intelligence (‘AI’) platforms to various enterprises through its enterprise AI platform and data science capabilities.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

Particulars	Amount
Cash paid	702.73
Deferred payment liabilities	603.68
Total purchase consideration	1,306.41

The assets and liabilities recognised as a result of the acquisition are as follows:

Particulars	Amount
Assets	
Property, plant and equipment	5.42
Intangible assets	1,654.33
Cash and cash equivalents	14.15
Other current assets	42.82
Total Assets (a)	1,716.72
Liabilities	
Trade payables	5.64
Short term provisions	10.09
Other current liabilities	20.78
Deferred tax liability	416.11
Long term borrowings	241.00
Total Liabilities (b)	693.62
Net identifiable net assets at fair value (a-b)	1,023.10

Calculation of goodwill:

Particulars	Amount
Purchase consideration	1,306.41
Less: Net identifiable net assets acquired	(1,023.10)
Goodwill	283.31

The goodwill comprises the value of expected synergies arising from the acquisition, customer contracts / relationships, non-compete agreement and Number Theory’s Artificial Intelligence that do not qualify for separate recognition. None of the goodwill recognised is expected to be deductible for income tax purposes.

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to the Consolidated Financial Statements for the year ended 31 March 2023

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

Transaction costs were expensed and are included in other expenses.

From the date of acquisition, Number Theory has contributed Nil of revenue and INR 79.21 lakhs of loss before tax to the Group for year ended 31 March 2022.

Purchase consideration - cash outflow

Particulars	Amount
Outflow of cash to acquire subsidiary, net of cash acquired:	
Net cash and cash equivalent acquired with the subsidiary	14.15
Cash paid	(702.73)
Net outflow of cash - investing activities	(688.58)

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

47 Additional information pursuant to Para 2 of general instruction for the preparation of consolidated financial statement

Particulars	Net assets i.e. total assets minus total liabilities		Share in Profit or (Loss)		Share in other Comprehensive income		Share in total Comprehensive income/ (loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
As on 31 March, 2023								
Parent	94.24%	92,047.85	96.39%	16,989.36	(43.13%)	-224.67	92.38%	16,764.70
Newgen Software Technologies Limited								
Indian Subsidiary								
Newgen Computers Technologies Limited	0.08%	76.75	0.03%	4.58	0.00%	-	0.03%	4.58
Number Theory Software Private Limited	(0.27%)	(266.85)	0.15%	27.20	0.00%	-	0.15%	27.20
Foreign Subsidiaries								
Newgen Software Inc. USA.	4.76%	4,653.72	5.45%	960.49	80.89%	421.33	7.61%	1,381.82
Newgen Software Technologies UK Ltd.	0.35%	339.11	0.16%	29.17	7.10%	36.96	0.36%	66.14
Newgen Software Technologies Canada Ltd.	0.39%	382.62	0.45%	79.27	0.22%	1.14	0.44%	80.41
Newgen Software technologies PTE Ltd.	1.59%	1,560.37	1.64%	289.44	57.20%	297.96	3.24%	587.40
Newgen Software technologies PTY Ltd.	0.69%	673.83	0.34%	59.72	(6.02%)	-31.34	0.16%	28.39
Newgen Software Technologies LLC	0.69%	674.03	0.02%	3.15	3.74%	19.48	0.12%	22.63
Adjustment arising out of consolidation	(2.52%)	(2,465.30)	(4.63%)	(815.85)	0.00%	-	(4.49%)	(815.85)
Total	100.00%	97,676.13	100.00%	17,626.53	100.00%	520.87	100.00%	18,147.40
As on 31 March, 2022								
Parent	94.77%	76,894.52	94.99%	15,599.25	372.01%	-268.34	93.77%	15,330.91
Newgen Software Technologies Limited								
Indian Subsidiary								
Newgen Computers Technologies Limited	0.09%	72.17	(0.02%)	-2.47	0.00%	-	(0.02%)	-2.47
Number Theory Software Private Limited	(0.36%)	-294.06	(0.48%)	-79.21	0.00%	-	(0.48%)	-79.21
Foreign Subsidiaries								
Newgen Software Inc. USA.	4.18%	3,393.04	4.15%	681.16	(190.36%)	137.32	5.01%	818.47
Newgen Software Technologies UK Ltd.	0.37%	303.20	0.15%	24.89	21.77%	-15.70	0.06%	9.19
Newgen Software Technologies Canada Ltd.	0.37%	303.77	0.24%	39.60	(15.41%)	11.11	0.31%	50.72
Newgen Software technologies PTE Ltd	1.40%	1,138.56	1.59%	260.38	(69.80%)	50.35	1.90%	310.72
Newgen Software technologies PTY Ltd	0.78%	634.80	0.20%	32.21	(18.20%)	13.13	0.28%	45.34
Adjustment arising out of consolidation	(1.61%)	(1,305.89)	(0.82%)	(134.34)	0.00%	-	(0.82%)	(134.34)
Total	100.00%	81,140.13	100.00%	16,421.47	100.00%	-72.13	100.00%	16,349.34

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

48 Previous period's figures have been regrouped/reclassified wherever necessary to correspond with the current period's classification/disclosure.

The accompanying notes are an integral part of the Consolidated Financial Statements
As per our report of even date

For **Walker Chandiok & Co LLP** For and on behalf of the Board of Directors of
Chartered Accountants **Newgen Software Technologies Limited**
Firm Registration No.:
001076N/N500013

Neeraj Goel

Partner
Membership No.: 099514

Place: Gurugram
Date: 2 May 2023

Diwakar Nigam

Chairman & Managing Director
DIN: 00263222

Place: Noida
Date: 2 May 2023

T. S. Varadarajan

Whole Time Director
DIN: 00263115

Place: Noida
Date: 2 May 2023

Arun Kumar Gupta

Chief Financial Officer
Membership No.: 056859

Place: Noida
Date: 2 May 2023

Aman Mourya

Company Secretary
Membership No: F9975

Place: Noida
Date: 2 May 2023



Newgen Software Technologies Limited
<https://www.newgensoft.com>