



POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION

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Newgen Software Technologies Ltd.

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1. PREFACE:

Newgen Software Technologies Limited (“the Company”) is committed to being open and transparent with all stakeholders and in dissemination of material event/ information in a fair and timely manner. Pursuant to the requirement of the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) the Board of Directors of the Company has framed a “Policy for Determination of Materiality of Events or Information” (“the Policy”).

The Policy shall be applicable to all events/ information in the Company, as and when they fall under the criteria enumerated in the policy.

All the words and expressions used but not defined in the Policy shall have the same meaning as assigned to them in the SEBI Listing Regulations, and if not defined therein, then as per the Companies Act 2013, and/ or the rules and regulations made thereunder or any statutory modification or re-enactment thereto, as the case may be.

2. OBJECTIVE:

The Policy aims to provide a framework for determining the materiality of events and information for the purpose of making timely and adequate disclosure to Stock Exchanges on an ongoing basis in terms of Regulation 30 of SEBI Listing Regulations. Further, the Policy is designed for systematic identification, categorization, review, timely disclosure to the stock exchanges and hosting on the Company’s website and regular updation of the events/ information which may have material bearing on the performance /operation of the Company and as a result, may affect the market prices of the shares of the Company.

3. CATEGORIES OF EVENTS/INFORMATION:

The event/ information related to the Company’s business, operation, performance which may have the possibility of having significant effect on security investment decision are divided into following categories: -

Category-I: Event/ information as detailed in the Annexure 1 in terms of Regulation 30(2) (Para A of Part A of Schedule-III) of SEBI Listing Regulations, are deemed to be material and shall be disclosed to the stock exchanges as per the requirement prescribed in the SEBI Listing Regulations.

Category-II: Event/ information as detailed in Annexure 2 in terms of Regulation 30(3) (Para B of Part A of Schedule-III) of SEBI Listing Regulations, shall be disclosed subject to the Materiality of Event/ information to be determined by the Company based on the application of the criteria for Materiality as specified in clause 4 of the Policy in accordance with the regulation 30(4)(i) of the SEBI Listing Regulations.



Category-III: Any other event/information which would have a material bearing on the operational/financial performance of the Company, goodwill, or otherwise significantly impact the share price of the Company, as decided by the Board of Directors from time to time.

Category-IV: Any other even/ information viz. major development that is likely to affect business, e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc., and any other information which is exclusively known to the Company which may be necessary to enable the holders of securities to appraise its position and to avoid the establishment of a false market in such securities.

Category-V: The Company shall disclose all events or information with respect to subsidiaries that are material for the Company.

Category-VI: Without prejudice to the generality of the above categories, the Company shall make disclosures of events/ information as specified by the SEBI from time to time.

4. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION:

All the Senior Management Personnel of the Company are obligatory to identify any potential material event or information as per the criteria mentioned in 4(A) and 4(B) and report it to the designated authority as prescribed in 7(a) & 7(b) immediately in order to assess the materiality of the event or information and to make the required disclosures to the stock exchange(s).

The following criteria shall be followed for the determination of the Materiality of events/ information listed under Category II to VI above:

A. Quantitative Criteria: The omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:

- a) two percent of turnover, as per the last audited consolidated financial statements of the Company.
- b) two percent of net worth, as per the last audited consolidated financial statements of the Company, except in case the arithmetic value of the net worth is negative.
- c) five percent of the average absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company.

B. Qualitative Criteria: Based on the below consideration:

- a) The omission of an event or information which is likely to result in discontinuity or alteration of event or information already available publicly; or
- b) The omission of an event or information is likely to result in a significant market reaction if the said omission came to light at a later date; or
- c) In case where criteria specified in the aforementioned categories (including quantitative criteria) are not applicable, an event or information may be treated as being material if, in the opinion of the Board of Directors, the event/ information is considered material.

5. TIMING OF OCCURRENCE OF MATERIAL EVENT/ INFORMATION:

Below are the guidelines on the timelines to be considered as to when an event/ information can be said to have occurred:

- a. Execution of terms, final discussion or approval of the Board of Directors and in other instances where there is no such execution, discussion or approval required, viz. in case of natural calamities, disruptions, etc., it will depend upon the timing when the Company became aware of such event/information.
- b. However, considering the price sensitivity involved, for certain events, e.g., financial results, the decision on declaration of dividends, bonus issue, the appointment of Directors/ KMPs/ Auditors, etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, irrespective of the requirement of Shareholders' approval.

In case in-principle approval or approval to explore (which is not final approval) is given by the Board of Directors, the same shall not require disclosure under regulation 30 of the SEBI Listing Regulations.

- c. The events/ information can be said to have occurred when the Company becomes aware of the events/information, or as soon as, a Senior Managerial Personnel of the Company has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

Further, notwithstanding the above, the Company shall confirm, deny or clarify any reported event or information in the mainstream media in terms of regulation 30(11) of the SEBI Listing Regulations. If the Company confirms the reported event or information, it shall also provide the current stage of such event or information.

6. DISCLOSURES OF THE MATERIAL EVENT/ INFORMATION TO THE STOCK EXCHANGES:

- a) All disclosures of any event or information shall be required to be made as soon as reasonably possible and, in any case, not later than the following.
 - thirty minutes from the closure of the meeting of the board of directors in which the decision pertaining to the event or information has been taken.
 - twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the Company.
 - Twenty-four hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company.
- b) Outcome of Meetings of the Board of Directors, as stated under Para A (4) of Part A of Schedule III, shall be disclosed to the Exchange(s), within 30 minutes of the closure of the meeting.

- c) The disclosures with respect to events for which timelines have been specified in Part A of Schedule III shall be made within such timelines as may be prescribed from time to time by SEBI.
- d) Disclosure requirements for certain types of agreements binding listed entities: All the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, and employees of a listed entity or of its holding, subsidiary, and associate company, who are parties to the agreements specified in clause 5A of para A of part A of Schedule III (Annexure-I Point No. 13) to these regulations, shall inform the Company about the agreement to which the Company is not a party, within two working days of entering into such agreements or signing an agreement to enter into such agreements.
- e) In case the disclosure is made delay i. e. after the prescribed timeline, the Company shall, along with such disclosures provide an explanation for the delay as may be necessary.
- f) Event/information which has been disclosed to the Stock Exchange(s) in accordance with this Policy shall be updated regularly based on any material development/ modification till the event is resolved/closed with relevant explanations if required.
- g) The Company shall provide a specific and adequate reply to all queries raised by any Stock Exchange(s) with respect to any events or information.
- h) The Company shall update all disclosures of events/ information made under the Policy to the Stock Exchange(s) on its website and such disclosures shall be continued to be hosted on the website of the Company for a minimum period of five years and thereafter as per the Archival Policy of the Company.

7. AUTHORISATION FOR THE PURPOSE OF DETERMINING THE MATERIALITY OF AN EVENT/ INFORMATION:

All the Senior Management Personnel of the Company are required to identify any potential material event or information as per the criteria mentioned in 4(A) and 4(B) and report it to the designated authority as prescribed in 7(a) & 7(b) immediately in order to assess the materiality of the event or information and to make the required disclosures to the stock exchange(s).

- a) Events/ information which requires testing of materiality, Mr. Virender Jeet, Chief Executive Officer, Mr. Arun Kumar Gupta, Chief Financial Officer, and Aman Mourya, Company Secretary of the Company are severally or jointly (as the case may be) authorized to determine the materiality of the same for the purpose of the disclosure.
- b) Authority for determination: The following Key Managerial Personnel (KMPs) of the Company for the purpose of determining the materiality of an event or information:

S. No.	Name & Designation	Contact Details & Email Address
1.	Mr. Virender Jeet	Phone: (+91)-11-46533200



	Chief Executive Officer	Email: jeet@newgensoft.com
2.	Mr. Arun Kumar Gupta Chief Financial Officer	Phone: (+91)-11-46533200 Email: arun.gupta@newgensoft.com .
3.	Mr. Aman Mourya Company Secretary	Phone: (+91)-11-46533200 Email: aman@newgensoft.com

- c) In case where an event occurs or an information is available with the Company, which has not been indicated in the given annexures or Para A or B of Part A of Schedule III of SEBI Listing Regulations, but which may have material effect on it, the aforesaid KMPs are severally authorized to make adequate disclosures in regard thereof.
- d) Above-mentioned KMPs are further authorized:
- jointly / severally, to suo-moto accept/deny any report event or information, which has been made public by media or by any other unauthorized means including but not limited to electronic means.
 - jointly / severally, to respond to the rumors amongst the general public, which have no basis or documentation, in a way that best protects the interests of the Company.
- e) Based on the decision of the above-mentioned KMPs, the Company Secretary shall ensure submission of necessary disclosure to the Stock Exchanges, immediately, as specified in the SEBI Listing Regulations. Further, the Company Secretary will act as the custodian of the disclosure process.

8. CLARIFICATION AND ENQUIRIES:

- a) All the disclosures made to the stock exchanges under this Policy shall also be placed on the Company's website and the same shall be available for a minimum period of five years and thereafter archived in accordance with the Company's Archival Policy.
- b) All the Senior Managerial Personnel (including Designated Employees, if deemed necessary), shall be communicated regarding the requirements under this Policy.
- c) The Company Secretary may be contacted for any assistance as to the interpretation and application of this Policy.

9. AMENDMENT:

- a) Any or all provisions of the Policy, would be subject to revision/amendment in accordance with the guidelines/regulations on the subject as may be issued by the SEBI and other Government



Regulatory Authorities, from time to time.

- b) In the event of any conflict between the provisions of this Policy and of the Act or SEBI Listing Regulations or any other statutory enactments, rules, amendments, the provisions of such Act or SEBI Listing Regulations or statutory enactments, rules, amendments shall prevail over this Policy.

For Newgen Software Technologies Limited

Sd/-

Diwakar Nigam

Chairman & Managing Director

Event/ information are deemed to be material and shall be disclosed to the stock exchanges:

1)	Results, dividend or issue of new shares
2)	Acquisition(s) (including agreement to acquire),
3)	Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring),
4)	Sale or disposal of any unit(s), division(s) or subsidiary of the Company, sale of stake in associate company of the Company or any other restructuring
5)	Issuance or forfeiture of securities, split or consolidation of shares,
6)	Buyback of securities
7)	Any restriction on the transferability of securities.
8)	Alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, the redemption of securities etc.
9)	New Rating or Revision in new Rating(s) and in case of a downward revision in ratings, the Company shall also intimate the reasons provided by the rating agency for such downward revision.
10)	Outcomes of the meeting of the Board of Directors - related with UPSI decision.
11)	Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the Company).
12)	Agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.
13)	<p>Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Company is a party to such agreements:</p> <p>Provided that such agreements entered into by the Company in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or they are required to be disclosed in terms of any other provisions of these regulations.</p>
14)	Fraud/ Defaults by the Company its promoter, director key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the Company, whether occurred within India or abroad.
15)	Change in directors, KMPs, Senior Management, Auditor and Compliance Officer of the Company.
16)	In case of the resignation of the auditor of the Company, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the Company to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.
17)	In case of resignation of an independent director of the Company, within seven days from the date

	<p>of resignation, the following disclosures shall be made to the stock exchanges:</p> <ol style="list-style-type: none"> The letter of resignation along with detailed reasons for the resignation Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any. The confirmation as provided by the independent director alongwith the detailed reason that there is no other material reasons other than those provided.
18)	In case of resignation of KMP, senior management, Compliance Officer or director other than an independent director; the letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director shall be disclosed to the stock exchanges within seven days from the date that such resignation comes into effect.
19)	In case the Managing Director or Chief Executive Officer of the listed entity was indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than forty-five days in any rolling period of ninety days, the same along with the reasons for such indisposition or unavailability, shall be disclosed to the stock exchange(s).
20)	Appointment or discontinuation of share transfer agent
21)	Corporate debt restructuring & One-time settlement (OTS) with a Bank
22)	winding-up petition filed by any party / creditors
23)	Issuance of notices, resolutions and circulars sent to shareholders, or creditors or advertised in the media
24)	Proceedings of annual and extraordinary general meetings
25)	Amendments to memorandum and articles of association of listed entity, in brief.
26)	Schedule of analysts or institutional investors meet at least two working days in advance (excluding the date of the intimation and the date of the meet) and presentations made by the listed entity to analysts or institutional investors.
27)	Initiation of Forensic audit
28)	Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a Company, in relation to any event or information which is material and is not already made available in the public domain by the Company.
29)	Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, senior management, promoter or subsidiary.
30)	Voluntary revision of financial statements or the report of the board of directors of the Company under section 131 of the Companies Act, 2013.
31)	Any other Event/ information in terms of Regulation 30(2) (Para A of Part A of Schedule-III) of SEBI Listing Regulations including any amendment, or modification thereto as may be introduced time to time.

Event/ information shall be disclosed subject to the Materiality of Event/ information to be determined by the Company based on the application of the criteria for Materiality as specified in clause 4 of the Policy.

1)	Commencement or any postponement of commercial production/ operations of any unit/division:
2)	arrangements for strategic, technical, manufacturing, or marketing tie-up; or adoption of new line(s) of business; or closure of operation of any unit, division or subsidiary (in entirety or in piecemeal).
3)	Adoption of new line(s) of business
4)	Closure of operations of any unit/division - (entirety or piecemeal)
5)	Capacity addition or product launch
6)	Material awarding, bagging/ receiving, amendment or termination of awarded/ bagged orders/ contracts,
7)	Agreements (viz. loan agreement(s) or any other agreement(s) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof:
8)	Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
9)	Effect(s) arising out of change in the regulatory framework applicable to the listed entity.
10)	Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the Company.
11)	Frauds or defaults by employees of the listed entity which has or may have an impact on the Company.
12)	Options to purchase securities (including any Share Based Employee Benefit (SBEB) Scheme) at the time of instituting the scheme and vesting or exercise of options
13)	Giving of guarantees or indemnity or becoming a surety (by whatever name called) for any third party
14)	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals
15)	Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority
16)	Any other information/event viz. major development that is likely to affect business, e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc.
17)	Any receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the company shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.
18)	Any other Event/ information in terms of Regulation 30(2) (Para B of Part A of Schedule-III) of SEBI Listing Regulations.