

<p><b>NOTICE OF NATIONAL COMPANY LAW TRIBUNAL CONVENED MEETING OF UNSECURED CREDITORS OF NEWGEN SOFTWARE TECHNOLOGIES LIMITED</b></p>
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Day	Saturday
Date	24.09.2022
Time	3:00 P.M. (IST)
Venue	Video-conferencing (“VC”)/ Other Audio Visual Means (“OAVM”)

Sr. No.	Contents	Page no.
1	Notice of National Company Law Tribunal Convened Meeting of the Unsecured Creditors of Newgen Software Technologies Limited under the provisions of Sections 230-232 read with Section 234 and other relevant provisions of the Companies Act, 2013, read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and any amendments thereto or re-enactments thereof.	1-6
2	Explanatory Statement under Sections 230(3) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.	7-18
3	<b>Annexure 1</b> Scheme of Amalgamation of Number Theory Software Private Limited with Newgen Software Technologies Limited, and their respective members and creditors	19-67
4	<b>Annexure 2</b> Report adopted by the Board of Directors of Transferee Company pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013.	68-69
5	<b>Annexure 3</b> Report adopted by the Board of Directors of Transferor Company pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013.	70-71
6	<b>Annexure 4</b> Copy of the Intimations submitted to National Stock Exchange of India Limited and BSE Limited	72
5	<b>Annexure 5</b> Audited Financial Statement of Number Theory Software Private Limited (Transferor Company/ Applicant Company 1) for the year ended 31 <sup>st</sup> March 2022	73-92
7	<b>Annexure 6</b> Audited Financial Statement of Newgen Software Technologies Limited (Transferee Company/ Applicant Company 2) for the year ended 31 <sup>st</sup> March 2022	93-162

**BEFORE THE HON'BLE NATIONAL COMPANY  
LAW TRIBUNAL  
NEW DELHI BENCH, NEW DELHI  
C.A.(CAA) 72/ND/2022  
IN THE MATTER OF SEC 230 TO 232 OF THE COMPANIES ACT, 2013  
AND  
IN THE MATTER OF SCHEME OF AMALGAMATION  
OF  
NUMBER THEORY SOFTWARE PRIVATE LIMITED  
(The Transferor Company / Applicant No. 1)  
WITH  
NEWGEN SOFTWARE TECHNOLOGIES LIMITED  
(The Transferee Company/ Applicant No.2)  
AND  
THEIR RESPECTIVE CREDITORS AND SHAREHOLDERS  
UNDER  
SECTION 230 & 232 OF COMPANIES ACT, 2013**

**NOTICE CONVENING THE MEETING OF THE UNSECURED CREDITORS OF  
NEWGEN SOFTWARE TECHNOLOGIES LIMITED PURSUANT TO THE ORDER  
DATED 14<sup>TH</sup> JULY 2022, (FURTHER MODIFIED BY THE TRIBUNAL ON 4<sup>TH</sup> AUGUST  
2022) OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, NEW DELHI  
BENCH**

**To,  
The Unsecured Creditors  
Newgen Software Technologies Limited**

Notice is hereby given that by the order dated 14<sup>th</sup> July 2022, and modified order dated 4<sup>th</sup> August 2022, the New Delhi Bench of the Hon'ble National Company Law Tribunal ("Hon'ble NCLT" or "Tribunal") has directed to convene a meeting of the Unsecured Creditors of **Newgen Software Technologies Limited** for the purpose of considering, and if

thought fit, approving with or without modification the Scheme of Amalgamation of **Number Theory Software Private Limited ("the Transferor Company")** with **Newgen Software Technologies Limited ("the Transferee Company")** and their respective Shareholders and Creditors on 24<sup>th</sup> September 2022 at 3:00 P.M. (IST).

Pursuant to the said Tribunal order and as directed herein, the meeting of the unsecured creditors of the Applicant Company ("**Meeting**") will be held through video conferencing ("**VC**")/other audio visual means ("**OAVM**") in compliance with the applicable provisions of the Companies Act ("**Act**") to consider, and if thought fit, pass or without modification(s), the following resolution for approval of the scheme by requisite majority as prescribed under section 230(1) and (6) read with section 232(1) of the Act:

**"RESOLVED THAT**, pursuant to Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Compromise, Arrangement and Amalgamations) Rules 2016 and the National Company Law Tribunal Rules 2016 and other applicable Rules, circulars and notifications framed thereunder including amendment thereof, and such other applicable Regulations, Section 2(1B) and other applicable provisions, if any, of the Income-tax Act, 1961 and pursuant to the Memorandum of Association of the Company and subject to the sanction/confirmation by the Honorable National Company Law Tribunal ("**NCLT**"), New Delhi Bench and such other Statutory/ Government authority(ies) as may be necessary or as directed by the Hon'ble NCLT being obtained and subject to such terms and conditions and modification(s) as may be imposed, prescribed or suggested by the Hon'ble NCLT or other appropriate authorities, the Amalgamation of **Number Theory Software Private Limited ("the Transferor Company")** with **Newgen Software Technologies Limited ("the Transferee Company")** and their shareholders and creditors, as a going concern with effect from the close of business on 01<sup>st</sup> April 2022 or such other date as the Hon'ble NCLT may direct or approve under the relevant provisions of the Companies Act, 2013 ("**the Appointed Date**"), as per the terms and conditions mentioned in the draft Scheme of Amalgamation as circulated, and laid before the meeting, be and is hereby approved.

**RESOLVED FURTHER THAT**, the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this Resolution and to effectively implement the Scheme and to make any modifications or amendments to the Scheme at any time and for any reason whatsoever, and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble NCLT while sanctioning the amalgamation embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper.

**RESOLVED FURTHER THAT**, the Board of Directors be and is hereby authorized to sign, seal and deliver all documents, agreements and deeds and perform all acts, matters and

things and to take all such steps as may be necessary or desirable to give effect to this resolution.”

**TAKE FURTHER NOTICE** that the unsecured creditors of the Company shall have the facility of voting on the resolution for approval of the scheme by casting their votes through e-voting system available at the meeting to be held virtually (“**e-voting at the meeting**”).

The Hon’ble NCLT has appointed Sh. Gurmeet Pal Singh, as Chairperson, Sh. Gajendra Singh as Alternate Chairperson and Sh. Hunnu Goyal, as Scrutinizer for the meeting of the Unsecured Creditors of the Transferee Company. The above-mentioned Scheme of Amalgamation if approved by the meeting will be subject to the subsequent approval of the Hon’ble NCLT.

The above-mentioned scheme, if approved at the aforesaid meeting will be subject to the subsequent sanction of the Tribunal and such other approvals, permissions and sanctions of regulatory or other authorities, as may be necessary.

Explanatory Statement under Section 230(3) read with Section 102 of the Companies Act, 2013 along with a copy of the Scheme of Amalgamation and other enclosures as indicated in the Index are enclosed herewith.

<b>Date: 19<sup>th</sup> August 2022</b>	
<b>Registered Office:</b> A-6, Satsang Vihar Marg, Qutab Institutional Area, New Delhi – 1100067	<b>Sd/-</b> <b>Gurmeet Pal Singh</b> <b>Chairperson appointed by Tribunal for the meeting</b>



## NOTES:

1. Pursuant to the directions of the Hon'ble National Company Law Tribunal, New Delhi Bench vide its order dated 14<sup>th</sup> July 2022, and modified order dated 4<sup>th</sup> August 2022, the Meeting of the unsecured creditors of the Company is being conducted through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") facility to transact the business set out in the Notice convening this Meeting. The deemed venue for the Meeting shall be the Registered Office of the Company.
2. The Statement pursuant to Sections 230 and 232 read with Section 102 and other applicable provisions of the Companies Act, 2013 ("Act") and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in respect of the business set out in the Notice of the Meeting is annexed hereto.
3. A person, whose name is recorded as unsecured creditors as on the cut-off date (specified in the Notice) only shall be entitled to exercise his/ her/ its voting rights on the resolution proposed in the Notice and attend the Meeting. The remote e-voting shall commence on Wednesday 21<sup>st</sup> September 2022 at 09:00 A.M.(IST) and ends on Friday, 23<sup>rd</sup> September 2022 at 05:00 P.M. (IST)
4. Since this Meeting is being held through VC / OAVM, physical attendance of unsecured creditors has been dispensed with. Accordingly, the facility for appointment of proxies by the unsecured creditors will not be available for the Meeting and hence the Proxy Form and Attendance Slip are not annexed hereto.
5. No route map of the venue of the Meeting is annexed hereto, since this Meeting is being held through VC / OAVM.
6. Unsecured creditors attending the Meeting through VC / OAVM shall be reckoned for the purpose of quorum. Quorum for the Meeting shall be in terms of the Tribunal Order and Section 103 of the Act.
7. As per directions of the Tribunal Order, the Notice of the Meeting and the accompanying documents mentioned in the Index are being sent through electronic mail to those unsecured Creditors whose email addresses are registered with the Company and through Post/courier whose email id is not registered with the Company.
8. Unsecured Creditors may note that the aforesaid documents are also available on the website of the Company at: [www.newgensoft.com](http://www.newgensoft.com) and on the website of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively, the website of KFin Technologies Limited (formerly known as KFin Technologies Private Limited), Registrar and Share Transfer Agent ("Registrar" or "KFintech") at <https://evoting.kfintech.com>, being the agency appointed by the Company to provide e-voting and VC/OAVM facility for the meeting.

9. If so desired, unsecured Creditors may obtain a physical copy of the Notice and the accompanying documents, i.e., Scheme and the Statement under Sections 230 and 232 read with Section 102 and other applicable provisions of the Act and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 etc., free of charge. A written request in this regard may be addressed to the Company Secretary at [investors@newgensoft.com](mailto:investors@newgensoft.com)

**Instructions for Attending the Meeting and Voting through electronic means.**

The Transferee Company is providing the facility to its unsecured creditors, to cast their vote electronically for the resolution proposed at the Meeting of the Transferee Company and to attend the meeting through VC/OAVM facility as provided by KFinTech.

**A. Instructions for Attending the meeting through VC/OAVM are as under:**

- i) Participants may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/KFinTech. After logging in, click on the Video Conference tab and select the EVENT of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting.
- ii) Facility for joining the meeting through VC/ OAVM shall open 15 minutes before the time scheduled and will be available after 15 minutes of start of meeting on first come first served basis. Creditors are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

**B. Instructions for unsecured creditors for e-voting are as under:**

Unsecured creditors will receive an email from KFin which will include details of E-voting Event Number (EVEN) (i.e.XXXX), USER ID and password. They will have to follow the following process:

- i) Launch internet browser by typing the URL: <https://evoting.kfintech.com/>
- ii) Enter the login credentials (i.e. User ID and password).
- iii) After entering these details appropriately, click on "LOGIN".
- iv) On successful login, the system will prompt the unsecured creditor to select the "EVEN" i.e., 'NEWGEN SOFTWARE TECHNOLOGIES LIMITED' and click on "Submit"

- v) On the voting page, enter total outstanding dues (which represents the number of votes) as on the cut-off date (i.e. 1<sup>st</sup> April 2022) under "FOR/AGAINST" or alternatively, a unsecured creditor may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed the total outstanding dues as mentioned herein above. An unsecured creditor may also choose the option ABSTAIN. If an unsecured creditor does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
  - vi) Voting has to be done for each item of the Notice separately. In case an unsecured creditor does not desire to cast their vote on any specific item, it will be treated as abstained.
  - vii) An unsecured creditor may then cast their vote by selecting an appropriate option and click on "Submit".
  - viii) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once an unsecured creditor has voted on the resolution (s), they will not be allowed to modify their vote. During the voting period, unsecured creditors can login any number of times till they have voted on the Resolution(s).
10. The Scrutinizer will, after the conclusion of e-voting, scrutinize the votes and make a consolidated Scrutinizer's Report and submit the same to the Chairperson of the Meeting. The results declared along with the report of the Scrutinizer, as per the NCLT order, shall be placed on the Company's website <https://newgensoft.com> and on the website of KFintech <https://evoting.karvy.com> immediately after the declaration of results by the Chairperson or a person authorized by him in writing. The result will simultaneously be communicated to the stock exchanges. The result will also be displayed at the registered office of the Company.
11. Subject to receipt of requisite majority of votes in favour of the Scheme i.e., majority in number representing three-fourth in value (as per Sections 230 to 232 of the Act), the Resolution proposed in the Notice shall be deemed to have been passed on the date of the Meeting (specified in the Notice).
12. Unsecured Creditors are requested to carefully read all the Notes set out herein and in particular, instructions for joining the Meeting, manner of casting vote through e-voting.

**BEFORE THE HON'BLE NATIONAL COMPANY  
LAW TRIBUNAL  
NEW DELHI BENCH, NEW DELHI  
C.A.(CAA) 72/ND/2022  
IN THE MATTER OF SEC 230 TO 232 OF THE COMPANIES ACT, 2013  
AND  
IN THE MATTER OF SCHEME OF AMALGAMATION  
OF  
NUMBER THEORY SOFTWARE PRIVATE LIMITED  
(The Transferor Company / Applicant No. 1)  
WITH  
NEWGEN SOFTWARE TECHNOLOGIES LIMITED  
(The Transferee Company/ Applicant No.2)  
AND  
THEIR RESPECTIVE CREDITORS AND SHAREHOLDERS  
UNDER  
SECTION 230 & 232 OF COMPANIES ACT, 2013**

**EXPLANATORY STATEMENT UNDER SECTION 230(3) AND SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 TO THE NOTICE OF THE NATIONAL COMPANY LAW TRIBUNAL CONVENED MEETING OF THE UNSECURED CREDITORS OF NEWGEN SOFTWARES TECHNOLOGIES LIMITED, TRANSFEREE COMPANY.**

Pursuant to the NCLT Order dated 14<sup>th</sup> July 2022 and modified order dated 4<sup>th</sup> August 2022 in Company Scheme Application No. C.A. (CAA)-72/ND/2022 passed by the Hon'ble National Company Law Tribunal, New Delhi Bench ("NCLT"), a meeting of the unsecured creditors of Newgen Software Technologies Limited is being convened by way of VC/ OAVM on Saturday, 24<sup>th</sup> September 2022 at 3:00 P.M. ("Meeting"), for the purpose of considering and if thought fit, approving with

or without modification, the arrangement embodied in the Scheme of Amalgamation of **Number Theory Software Private Limited (“the Transferor Company”)** with **Newgen Software Technologies Limited (“the Transferee Company”)** and their shareholders and creditors. The aforesaid Scheme of Amalgamation is enclosed as **Annexure 1**.

The meeting of unsecured creditors of the Applicant Company is being held by VC/OAVM on Saturday, 24<sup>th</sup> September 2022 at 3:00 P.M. for approval of Scheme of Amalgamation as per NCLT order dated 14<sup>th</sup> July 2022, and modified order dated 4<sup>th</sup> August 2022.

This statement explaining the terms of the Scheme of Amalgamation is being furnished, inter-alia, as required under section 230(3) of the Companies Act, 2013 along with the Notice dated 19<sup>th</sup> August 2022 of the Meeting.

1. The draft Scheme of Amalgamation was placed before the Audit Committee and Board of Directors of the Transferee Company at their respective meetings held on 02<sup>nd</sup> May 2022 and 03<sup>rd</sup> May 2022. In accordance with the provisions of Securities and Exchange Board of India (“SEBI”) Circular bearing no. CFD/DIL3/CIR/2017/21 dated March 10, 2017, the Audit Committee of the Applicant Company vide a resolution passed on 02<sup>nd</sup> May 2022 recommended the Scheme of Amalgamation to the Board of Directors of the Transferee Company, The Board of Directors of the Transferee Company at its meeting held on 03<sup>rd</sup> May 2022, approved the Scheme of Amalgamation, inter-alia, based on such recommendation of the Audit Committee.
2. **List of the companies/parties involved in the Scheme of Amalgamation:**
  - A. Number Theory Software Private Limited
  - B. Newgen Software Technologies Limited
3. **Details of the companies/parties to the Scheme of Amalgamation:**
  - A. **Number Theory Software Private Limited**
    - a) Number Theory Software Private Limited (hereinafter referred to as “Transferor Company/ Applicant No. 1”) is a Company incorporated under the provisions of the Companies Act, 2013 on 08.01.2016 vide CIN U72300DL2016PTC289417 under the name and style of “Number Theory Software Private Limited”. Transferor Company is presently having its registered office at BLK-D-10, PKT-8, G/F. SEC-23B, Dwarka New Delhi South West Delhi DL 110077 IN.
    - b) The main objects of the Transferor Company are set out in the Memorandum of Association which is as under:

To carry on the business as manufacturers, trading and dealing in the field of computers, hardware, software and information technologies, establish and run data processing/ computers centres, and to offer consultancy software development and data processing, data entry services, relating to computer and act as adviser and consultants relating to computer hardware software, their production, storage, processing web designing, web hosting and internet based solutions.

- (c) The authorised, issued, subscribed and paid-up share capital of the Transferor Company as on March 31, 2022 was as set out below:

Share Capital	Amount (in Rs.)
<b>Authorized capital</b> 1,00,000 equity shares of Rs. 10/- each	10,00,000.00
<b>Total</b>	10,00,000.00
<b>Issued, Subscribed &amp; Paid up capital</b> 50,000 equity shares of Rs. 10/- each	5,00,000.00
<b>Total</b>	5,00,000.00

There is no change in the authorised, issued, subscribed and paid-up share capital of the Transferee Company subsequent to 31<sup>st</sup> March 2022.

- (d) The details of the present promoter(s) and directors of the Transferor Company along with their addresses are as follows:

#### I Promoter(s) and Promoter Group

Sr. No	Name	Address
1	Newgen Software Technologies Limited	A-6, Satsang Vihar Marg, Outab Institutional Area, New Delhi 110067.

#### II Directors

Sr. No	Name	Address
1	Mr. T.S. Varadarajan	D-162, Saket, Delhi - 110017
2	Mr. Diwakar Nigam	J-3, Saket, Delhi - 110017
3	Mrs. Priyadarshini Nigam	J-3, Saket, Delhi - 110017

#### B. Newgen Software Technologies Limited

- a) Newgen Software Technologies Limited (hereinafter referred to as "Transferee Company / Applicant Company No.2") is a Company incorporated under the provisions of the erstwhile

Companies Act, 1956 on 05.06.1992. It was initially incorporated as a Private Limited Company under name and style of Newgen Software Technologies Private Limited. Thereafter the Company was converted to Public Limited Company on June 13, 2000. The Company is having CIN L72200DL1992PLC049074 and is presently having its registered office at A-6 Satsang Vihar Marg, Qutab Institutional Area New Delhi DI 110067. The Transferee Company's equity shares are listed on BSE Limited and National Stock Exchange of India Limited.

- b) The main objects of the Transferee Company are set out in the Memorandum of Association which are as under:  
To carry on the business to develop, implement, export, import, purchase, sell or otherwise deal in software and otherwise as dealers and representatives for all types of software and firmware, to do research and development in image processing, artificial intelligence, communications, networking, process control software.
- c) The authorised, issued, subscribed and paid-up share capital of the Transferee Company as on March 31, 2022 was as set out below:

Share Capital	Amount (in Rs.)
<b>Authorized capital</b>	
9,80,00,200 equity shares of Rs. 10/- each	98,00,02,000
1,19,99,800 Compulsory convertible preference shares of INR 10 each	11,99,98,000
<b>Total</b>	<b>110,00,00,000</b>
<b>Issued, Subscribed &amp; Paid up capital</b>	
6,99,55,701 Equity Shares of Rs. 10/- each fully paid up	69,95,57,010
<b>Total</b>	<b>69,95,57,010</b>

There is no change in the authorised, issued, subscribed and paid-up share capital of the Transferee Company subsequent to 31<sup>st</sup> March 2022.

- c) The details of the present promoter(s) and directors of the Transferee Company along with their addresses are as follows:

**I Promoter(s) and Promoter Group**

Sr. No.	Name	Address
<b>Promoter :</b>		
1	Diwakar Nigam	J-3, Saket, New Delhi, 110017.
2	T S Varadarajan	D-162, Saket, New Delhi, 110017
<b>Promoter Group:</b>		
3	Usha Varadarajan	D-162, Saket, New Delhi, 110017
4	Priyadarshini Nigam	J-3, Saket, New Delhi, 110017.
5	Ragini Goorha	A-26, Block A, Press Enclave, Saket, Delhi - 110017
6	Meenakshi Nigam Issar	J-3, Saket, New Delhi, 110017.
7	Shubhi Nigam	J-3, Saket, New Delhi, 110017.
8	Sonali Nigam	J-3, Saket, New Delhi, 110017.
9	T.S. Devanathan	D-162, Saket, New Delhi, 110017
10	TSS. Deshikan	D-162, Saket, New Delhi, 110017
11	TS. Amruthavalli	D-162, Saket, New Delhi, 110017
12	Ujjwal Varadarajan	D-162, Saket, New Delhi, 110017
13	V. Divya	D-162, Saket, New Delhi, 110017
14	V. Vidula	D-162, Saket, New Delhi, 110017
15	Nadadur Srinivasa Varadan Saroja	D-162, Saket, New Delhi, 110017
16	N.S. Krishnamachary	D-162, Saket, New Delhi, 110017
17	S. Srikanth	D-162, Saket, New Delhi, 110017
18	Sudha Sairaj	No 005 R M Sneha Residency Basapura, Off Hosur Main Road, Near Adithya Vintage, Bangalore - 560100
19	Krios Technologies Private Limited	40, 4th Street, Murugappa Nagar Puzhuthivakkam,



		Madipakkam P.O Chennai-600091
20	Jnanaadri Technovations Private Limited	New No. 141, C-2/2, First Floor, Gandhi Salai Velacherry Chennai -600042
21	Sosaley Technologies Private Limited	New No. 141, C-3, Second Floor, Gandhi Salai, Velachery Chennai- 600042
22	Jnanaadri Innovations LLP	No.191, Gandhi Road, Velachery, Chennai - 600042

## II Directors

Sr. No	Name	Address
1	Mr. Diwakar Nigam	J-3, Saket, New Delhi, 110017.
2	Mr. Varadarajan Tirumalai Sundaraja Iyengar	D-162, Saket, New Delhi, 110017.
3	Mrs. Priyadarshini Nigam	J-3, Saket, New Delhi, 110017
4	Mr. Kaushik Dutta	843, Block Lavy Pinto, Asiad Village, Delhi, 110049
5	Mr. Saurabh Srivastava	C-482, Defence Colony, New Delhi 110024
6	Mr. Subramaniam Ramnath Iyer	B/2/131 Safdarjung Enclave New Delhi 110029
7	Mrs. Padmaja Krishnan	A-23, Ashok Vihar Phase-3, Delhi - 110052

The amount due to Unsecured Creditors of the Transferee Company as on 31<sup>st</sup> March 2022 as per the books of the Transferee Company is Rs. 5,79,69,805/-

#### 4. Relationship subsisting between the companies who are parties to the Scheme of Amalgamation

The Transferee Company holds 100% of the issued, subscribed and paid-up capital of the Transferor Company, hence the Transferor Company, is an wholly owned subsidiary of the Transferee Company. Mr. Diwakar Nigam, Mr. T.S. Varadarajan & Mrs. Priyadarshini Nigam are the common Directors in the Transferor Company and the Transferee Company.

**5. Details of the Board meeting at which the Scheme of Amalgamation was approved by the Board of Directors of the Transferor Company, and Transferee Company respectively, including the names of the Directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution.**

a) All Directors of the Transferee Company, namely, Mr. Diwakar Nigam, Mr. T.S. Varadarajan, Mrs. Priyadarshini Nigam, Mr. Kaushik Dutta, Mr. Saurabh Srivastava, Mr. Subramaniam Ramnath Iyer and Mrs. Padmaja Krishnan had attended the Board meeting held on 03<sup>rd</sup> May 2022 and had unanimously approved the Scheme of Amalgamation. All the Directors of the Company were present at the aforesaid Board meeting.

b) All Directors of the Transferor Company, namely, Mr. Diwakar Nigam, Mr. T.S. Varadarajan & Mrs. Priyadarshini Nigam, had attended the Board meeting held on 25<sup>th</sup> April 2022 and had unanimously approved the Scheme of Amalgamation.

**6. Salient features / details / extract of the Scheme of Amalgamation**

The salient features / details / extract of the Scheme of Amalgamation are, inter-alia, as under:

- (i) The proposed Scheme of Amalgamation and Merger is among Number Theory Software Private Limited ("the Transferor Company") with Newgen Software Technologies Limited ("the Transferee Company") and their respective members and pursuant to the provisions of Section 234 read with Sections 230 to 232 of Companies Act, 2013 and other relevant provisions of the Companies Act, 2013.
- (ii) The Appointed Date for the proposed Scheme of Amalgamation shall be April 01, 2022 or such subsequent date (if any) as may be decided by the Board of Directors as applicable, of the Transferor Company and the Board of Directors of the Transferee Company or such date as may be approved by the National Company Law Tribunal at New Delhi or such other appropriate date as the Appropriate Authority may decide, and is the date with effect from which this Scheme of Amalgamation shall upon receipt of requisite approvals, be deemed to be operative.

- (iii) With effect from the Appointed Date, whole of the undertaking of the Transferor Company, as a going concern, including all its assets, all liabilities, employees, all statutory licences, permissions, approvals or consents to carry on the operations of the Transferor Company shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company upon the vesting and transfer of whole of the undertaking of the Transferor Company pursuant to this Scheme. The benefit of all statutory and regulatory permissions, licenses, environmental approvals and consents or other licenses and consents shall vest in and become available to the Transferee Company pursuant to this Scheme.
- (iv) All the investments of the Transferor Company shall stand transferred or deemed to have been transferred without any further act, instrument or deed, pursuant to the provisions of the Act and Applicable Laws so as to become as and from the Appointed Date, the assets of the Transferee Company.
- (v) Upon the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up and without any further act or deed on the part of the Transferor Company.
- (vi) The Transferor Company is an wholly owned subsidiary of the Transferee Company. The entire share capital of the Transferor Company is held by the Transferee Company. Hence, upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of the shares of the Transferor Company. Upon the Scheme becoming effective, the entire share capital of the Transferor Company shall be cancelled and extinguished. The Transferee Company will carry on the Transferor Businesses along with Transferee business with reasonable diligence and business prudence to ensure that the interests of the stakeholders of Transferor Businesses are protected and enhanced

The aforesaid are only some of the salient extracts thereof. You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof.

## **7. Effect of the Scheme on various parties**

**The effect of the Scheme on the stakeholders of the Transferor Company would be as follows:**

**a. Shareholders**

Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, upon amalgamation of the Transferor Company with the Transferee Company, no shares of the Transferee Company will be issued and allotted by the Transferee Company.

**b. Creditors**

No rights of the creditors are being effected pursuant to the Scheme. The liability of the Transferee Company towards the creditors of the Transferor Company is neither being reduced nor being extinguished. The creditors of the Transferor Company would in no way be affected by the Scheme. Further, upon the Scheme becoming effective, the Compulsorily Convertible Debentures issued by the Transferor Company shall stand extinguished and cancelled in entirety without any consideration and without any further act or deed.

**c. Employees, Directors and Key Managerial Personnel**

Upon the Scheme becoming effective and with effect from the Appointed Date, all employees, who are on the payrolls of the Transferor Company shall become, without any interruption of service as a result of this amalgamation and transfer, employees of the Transferee Company.

Upon the Scheme becoming effective and with effect from the Appointed Date, since the Transferor Companies shall stand dissolved, the directors and/or Key Managerial shall cease to be directors and/or Key Managerial of the Transferor Company

**8. The effect of the proposed Scheme on the stakeholders of the Transferee Company would be as follows :-**

**a. Shareholders**

Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, upon amalgamation of the Transferor Company with the Transferee Company, no shares of the Transferee Company will be issued and allotted by the Transferee Company. Accordingly, there will be no variation in the rights of the shareholders of the Transferee Company upon the Scheme being made effective.

**b. Creditors**

Upon amalgamation of the Transferor Company with the Transferee Company, no rights of the existing creditors of the Transferee Company are being affected pursuant to the Scheme. The liability towards the existing creditors of the Transferee Company is neither being reduced nor being extinguished. The creditors of the Transferee Company would in no way be affected by the amalgamation of the Transferor Company with the Transferee Company.

**c. Employees, Directors and Key Managerial Personnel**

The Scheme will not have any adverse effect on the rights and interests of the employees, key managerial personnel and directors of the Transferee Company.

**9. Approvals and intimations in relation to the Scheme**

- i. The Equity Shares of the Transferee Company are listed on BSE and NSE. The Transferee Company on 06<sup>th</sup> May 2022 and 10<sup>th</sup> May 2022, submitted a copy of the Scheme to the BSE and the NSE, respectively. It is submitted that in terms of Regulation 37(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, provisions of Regulation 37 of the said regulations in relation to obtaining no-objection letter from the Stock Exchanges do not apply to the Scheme as the Scheme solely provides for merger of a wholly owned subsidiary with its holding company.
- ii. In addition to the approval of the Tribunal and the New Delhi Bench of the Hon'ble National Company Law Tribunal, the Company and / or the Transferee Company will obtain such necessary approvals / sanctions / no objection(s) from the regulatory or other governmental authorities in respect of the Scheme in accordance with law, as may be required.
- iii. A copy of the Scheme has been filed by the Company with the Registrar of Companies, New Delhi.
- iv. No investigation proceedings have been instituted and/or are pending against the Company and the Transferee Company under the Act.

**10.** As there will be no issue of shares by the Transferee Company upon the Scheme of Amalgamation being effective, there will be no change in the pre scheme and post scheme capital structure and shareholding pattern of the Transferee Company.

**(i) The pre and post Scheme shareholding pattern of the Transferee Company as on 31<sup>st</sup> March 2022 is as follows:**

Category Code	Category of shareholders	Pre & Post Scheme Shareholding Pattern	
		Total no. of shares	As a percentage of total capital
(A)	Promoter & Promoter Group	38586300	55.16
(B)	Public:		
	Mutual Funds	3234393	4.62
	Alternate Investment Funds	1997963	2.86
	Foreign Portfolio Investors	10991359	15.71
	Overseas Corporate Bodies	60	0.00
	Individuals	12173639	17.40
	NBFC registered with RBI	41400	0.06
	Any Other	2515077	3.60
(C)	Non Promoter- Non Public	415510	0.59
<b>Total Shareholding</b>		<b>69955701</b>	<b>100</b>

The Post-scheme capital structure and shareholding pattern of the Transferee Company is not applicable, as the Transferor Company is a wholly owned subsidiary.

- (ii) **The pre and post Scheme shareholding pattern of the Transferor Company as on 31<sup>st</sup> March 2022 is as follows:**

Sr. No	Name of Shareholder	No. of shares	Percentage of total paid up share capital
1	Newgen Software Technologies Limited	49,999	100%
2	Newgen Computers Technologies Limited	1	NA

The Post-scheme capital structure and shareholding pattern of the Transferor Company is not applicable, as the Transferor Company shall be dissolved upon the Scheme becoming effective.

**11. Non applicability of valuation report and fairness opinion**

No shares are proposed to be issued either by the Company or by the Transferee Company, pursuant to the Scheme. Therefore, there will be no change in the shareholding pattern of the Company and the Transferee Company pursuant to the Scheme. Thus, in view of the above, valuation report and fairness opinion are not applicable.

**12. Inspection of Documents Electronic copy of following documents will be available for inspection in the “Investor Relations” section of the website of the Company: [www.newgensoft.com](http://www.newgensoft.com)**

- a. Memorandum and Articles of Association of the Company and the Transferee Company;
- b. Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2022;
- c. Copy of the Register of Directors’ shareholding of each of the company
- d. Copy of the NCLT order dated 14<sup>th</sup> July 2022, and pursuant to the revised order on the revised date of meeting dated 04<sup>th</sup> August 2022 directing inter alia convening the meeting of unsecured creditors and equity shareholders of the Transferee Company passed in C.A.(CAA)/72(ND)2022.
- e. Copy of the Scheme of amalgamation;
- f. Certificates of the Statutory Auditors of the Company and of the Transferee Company confirming that the accounting treatment prescribed under the Scheme is in compliance with Section 133 of the Act and applicable accounting standards;
- g. Report of the Audit Committee of the Company recommending the Scheme;

Based on the above and considering the rationale and benefits, in the opinion of the Board, the Scheme will be of advantage to, beneficial and in the interest of the Company, its equity shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable. The Board of Directors of the Company recommend the Scheme for approval of the equity shareholders. The Directors and KMPs, as applicable, of the Company and of the Transferee Company, and their relatives do not have any concern or interest, financially or otherwise, in the Scheme except as equity shareholders in general.

<b>Date: 19<sup>th</sup> August 2022</b>	
<b>Registered Office:</b> A-6, Satsang Vihar Marg, Qutab Institutional Area, New Delhi – 1100067	<b>Sd/-</b> <b>Gurmeet Pal Singh</b> <b>Chairperson appointed by Tribunal for the meeting</b>

**SCHEME OF AMALGAMATION**

**OF**

**NUMBER THEORY SOFTWARE PRIVATE LIMITED**  
**(The Transferor Company / Applicant No. 1)**

**WITH**

**NEWGEN SOFTWARE TECHNOLOGIES LIMITED**  
**(The Transferee Company/ Applicant No.2)**

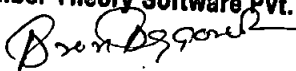
**AND**

**THEIR RESPECTIVE CREDITORS AND SHAREHOLDERS**

**UNDER**

**SECTION 230 & 232 OF COMPANIES ACT, 2013**

For Number Theory Software Pvt. Ltd.



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For Newgen Software Technologies Ltd.



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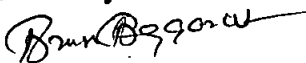
## PREAMBLE AND OBJECTIVES

This scheme of amalgamation envisages the amalgamation of **Number Theory Software Private Limited** (“the Transferor Company”) with **Newgen Software Technologies Limited** (“the Transferee Company”) and other matters consequential, supplemental, incidental and/or otherwise integrally connected therewith pursuant to the provisions of Section 230 to Section 232 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013, as may be applicable. The Transferor Company is a wholly owned subsidiary of the Transferee Company. The Transferee Company's equity shares are listed on BSE Limited and National Stock Exchange of India Limited.

## TABLE OF CONTENTS

PART A	BACKGROUND AND DESCRIPTION OF THE COMPANIES
PART B	OBJECTS AND RATIONALE FOR THE SCHEME
PART C	CONTENT(S) OF THE SCHEME

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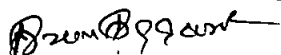
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## PART A

### BACKGROUND AND DESCRIPTION OF THE COMPANIES

1. **NUMBER THEORY SOFTWARE PRIVATE LIMITED**  
(hereinafter referred to as "Transferor Company/ Applicant No. 1") is a Company incorporated under the provisions of the Companies Act, 2013 on 08.01.2016 vide CIN U72300DL2016PTC289417 under the name and style of "Number Theory Software Private Limited". Transferor Company is presently having its registered office at BLK-D-10, PKT-8, G/F. SEC-23B, Dwarka New Delhi South West Delhi DL 110077 IN.
2. That the main objects of the Transferor Company/Applicant Company No. 1 are set out in its Memorandum of Association and one of the main object of the Transferor Company/Applicant Company No. 1 is engaged in the business to manufacturer, trading and dealing in the field of computers, hardware, software and information technologies, establish and run data processing/ computers centres, and to offer consultancy software development and data processing, data entry services, relating to computer and act as adviser and consultants relating to computer hardware software, their production, storage, processing web designing, web hosting and internet based solutions.

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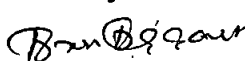
For Newgen Software Technologies Ltd.



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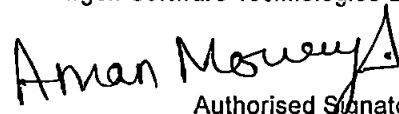
3. **NEWGEN SOFTWARE TECHNOLOGIES LIMITED** (hereinafter referred to as "Transferee Company / Applicant Company No.2") is a Company incorporated under the provisions of the erstwhile Companies Act, 1956 on 05.06.1992. It was initially incorporated as a Private Limited Company under name and style of Newgen Software Technologies Private Limited. Thereafter the Company was converted to Public Limited Company on June 13, 2000. The Company is having CIN L72200DL1992PLC049074 and is presently having its registered office at A-6 Satsang Vihar Marg, Qutab Institutional Area New Delhi DI 110067. The Transferee Company's equity shares are listed on BSE Limited and National Stock Exchange of India Limited.
4. That the main object of the Transferee Company/Applicant Company No. 2 is set out in its Memorandum of Association and the main object of the Transferee Company/Applicant Company No. 2 is engaged in the business to develop, implement, export, import, purchase, sell or otherwise deal in software and otherwise as dealers and representatives for all types of software and firmware, to do research and development in image processing, artificial intelligence, communications, networking, process control software.

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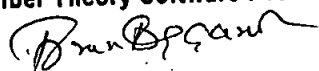
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## PART B

### OBJECTS AND RATIONALE FOR THE SCHEME

5. The Transferee Company is holding stake directly in the Transferor Company and as the Transferor Company and Transferee Company's business activities are similar and complement each other, and to achieve inter-alia economies of scale and efficiency, the merger of the Company is being undertaken. The amalgamation of the Transferor Company with the Transferee Company would inter alia have the following benefits:
- a. Reduce managerial overlap, reduce administrative cost and strengthened leadership in the industry,
  - b. Improve organizational capabilities and leadership, arising from pooling of Assets, human capital, and technical resources to compete successfully in an increasingly competitive industry
  - c. Consolidation and simplification of the group structure, cost savings resulting from rationalization, standardization and simplification of business processes.
  - d. Avoiding un-necessary duplication of costs of administration, distribution, selling and marketing and reduction in legal and regulatory compliances.
  - e. Achieving economies of scale.

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## PART C

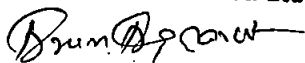
### CONTENT(S) OF THE SCHEME

Part C is divided into following Sections:

<b>Section I</b>	Deals with the Definitions and Share Capital.
<b>Section II</b>	Deals with the amalgamation of the Transferor Company with Transferee Company in accordance with Section 2(1B) of the Income Tax Act, 1961 and Section 230 to Section 232 and other relevant provisions of the Companies Act, 2013, as may be applicable.
<b>Section III</b>	Deals with the consideration for amalgamation of the Transferor Company with Transferee Company.
<b>Section IV</b>	Deals with the accounting treatment in the books of the Transferee Company.
<b>Section V</b>	Deals with general terms and conditions applicable to the Scheme.

The amalgamation of the Transferor Company with Transferee Company, pursuant to and in accordance with the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date and shall be in accordance with Section 2 (1B) of the Income Tax Act, 1961.

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## SECTION I

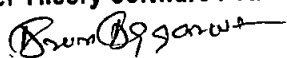
### (DEFINITIONS AND SHARE CAPITAL)

#### **1 DEFINITIONS**

For the purposes of this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as mentioned herein below:-

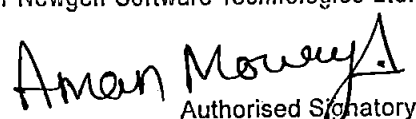
- 1.1. **“2013 Act”** means the Companies Act, 2013 and the Rules, Regulations, Circulars and Notifications issued thereunder, and any other statutory modifications, amendments, restatements or re-enactments thereof, from time to time and to the extent in force.
- 1.2. **“The Act”** means the 2013 Act, as may be applicable.
- 1.3. **“Appointed Date”** means 1<sup>st</sup> April, 2022, the date with effect from which this Scheme shall come into effect, or such other date as may be fixed or approved by the Tribunal or any other competent authority.
- 1.4. **“Board of Directors”** in relation to the the Transferor Company and/or the Transferee Company, as the case may be, shall mean their respective Board of Directors, and unless it is repugnant to the context or otherwise, shall include committee of directors, if any constituted or appointed and authorized to take any decision for the implementation of this Scheme on behalf of such Board of Directors.

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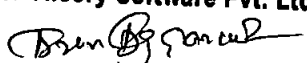
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- 1.5. **“Effective Date”** means the last date of the dates specified in Clause 17 of this Scheme. All references in this Scheme to the date of **“coming into effect of this Scheme”** or **“effectiveness of this Scheme”** or **“Scheme taking effect”** or other similar expressions shall mean the Effective Date.
- 1.6. **“Equity Share(s)”** means the equity shares of the Transferor Company or the Transferee Company, as the case may be.
- 1.7. **“Law”** or **“Applicable Law”** includes all applicable statutes, enactments, Acts of legislature or Parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any government, statutory authority, Tribunal, Board, Court of India or any other country or jurisdiction as applicable.
- 1.8. **“Scheme”** or **“this Scheme”** or **“the Scheme”** means the present Scheme of Amalgamation framed under the provisions of Section 230 to Section 232 and other applicable provisions of the Companies Act, 2013 as approved by the respective Board of Directors of the Transferor Company and the Transferee Company in its present form or with any modification(s) approved or imposed or directed by Shareholders/Creditors of the respective Companies and/or by any competent authority and/or by the Hon’ble Tribunal.

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- 1.9. **"SEBI"** means the Securities and Exchange Board of India;
- 1.10. **"SEBI LODR Regulations"** means SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, and any amendments thereof;
- 1.11. **"SEBI Notification"** means **SEBI notification no. SEBI/LAD/NRO/GN/2016-17/029** dated 15<sup>th</sup> February, 2017
- 1.12. **Stock Exchanges"** means BSE Limited and National Stock Exchange of India Limited where the shares of Transferee Company are listed;
- 1.13. **Transferor Company** means **NUMBER THEORY SOFTWARE PRIVATE LIMITED** (hereinafter referred to as "Transferor Company/ Applicant No. 1") is a Company incorporated under the provisions of the Companies Act, 2013 on 08.01.2016 vide CIN U72300DL2016PTC289417 under the name and style of "Number Theory Software Private Limited". Transferor Company is presently having its registered office at BLK-D-10, PKT-8, G/F. SEC-23B, Dwarka New Delhi South West Delhi DL 110077 IN.
- 1.14. **Transferee Company** means **NEWGEN SOFTWARE TECHNOLOGIES LIMITED** (hereinafter referred to as "Transferee Company / Applicant Company No.2") is a Company incorporated under the provisions of the erstwhile Companies Act, 1956 on 05.06.1992 vide CIN L72200DL1992PLC049074 and is presently having its registered office at A-6 Satsang Vihar Marg Qutab Institutional Area New Delhi DI 110067 IN.

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- 1.15. **“Tribunal”** means the **Hon’ble National Company Law Tribunal, Bench at New Delhi** to which this Scheme of Amalgamation in its present form is submitted for sanctioning of the Scheme under Section Section 230 to Section 232 and other relevant provisions of the Companies Act, 2013 as may be applicable.
- 1.16. **“ROC” or “Registrar of Companies”** means Registrar of Companies, NCT of Delhi and Haryana, having jurisdiction over both the Transferor Company and the Transferee Company.
- 1.17. **“Undertaking”** in relation to the Transferor Company shall mean the entire business and the whole of the undertakings of the Transferor Company on a going concern basis, including all its assets, rights, licenses and powers, leasehold rights and all its debts, outstanding liabilities, duties, obligations and employees as on the Appointed Date.
- 1.18. **“IT Act”** means the Income Tax Act, 1961 and any other statutory modifications, amendments, restatements or re-enactments thereof, from time to time and to the extent in force.

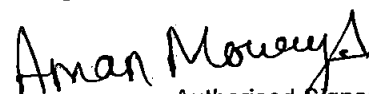
All terms and words which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning prescribed to them under the Act and other Applicable Laws (as defined hereinafter), rules, regulations, bye-laws, as the case may be or

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any statutory modification or re-enactment thereof from time to time.

References to the singular include a reference to plural and vice-versa and reference to any gender include all other genders.

Reference to persons shall include individuals, firm, bodies corporate (whether incorporated or un-incorporated), associations and partnerships.

The headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme.

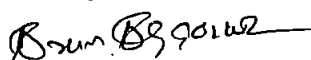
Reference to a clause or paragraph or Schedule, as applicable shall be deemed to be reference to a clause or paragraph or Schedule of this Scheme.

Any phrase introduced by the terms "including" or "include" or any similar expression shall be constructed as illustrative and shall not limit the meaning of the words preceding those terms.

Unless otherwise defined, the reference to the word "days" shall mean calendar days.

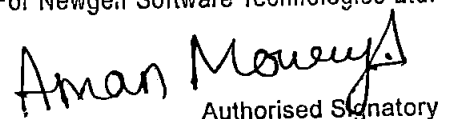
References to dates and times shall be construed to be references to Indian dates and times.

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References to a document include an amendment or supplement to, or replacement or novation of, that document.

Word(s) and expressions(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them.

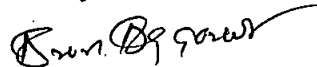
## 2. SHARE CAPITAL

2.1. The share capital of the Transferor Company as on 31<sup>st</sup> March, 2022 was as under:

Share Capital	Amount (in Rs.)
<b>Authorized capital</b> 1,00,000 equity shares of Rs. 10/- each	10,00,000.00
<b>Total</b>	10,00,000.00
<b>Issued, Subscribed &amp; Paid up capital</b> 50,000 equity shares of Rs. 10/- each	5,00,000.00
<b>Total</b>	5,00,000.00

2.2. Subsequent to the above date and until the date of the Scheme being approved by the Board of Directors of the Transferor Company, there has been no change in the authorized, issued, subscribed or paid up capital of the Transferor Company.

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2.3. The share capital of the Transferee Company as on 31<sup>st</sup> March, 2022 was as under:

Share Capital	Amount (in Rs.)
<b>Authorized capital</b>	
9,80,00,200 equity shares of Rs. 10/- each	98,00,02,000
1,19,99,800 Compulsory convertible preference shares of INR 10 each	11,99,98,000
<b>Total</b>	<b>110,00,00,000</b>
<b>Issued, Subscribed &amp; Paid up capital</b>	
6,99,55,701 Equity Shares of Rs. 10/- each fully paid up	69,95,57,010
<b>Total</b>	<b>69,95,57,010</b>

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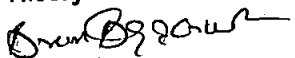
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## SECTION II

### 3. TRANSFER AND VESTING OF UNDERTAKING

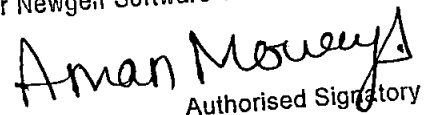
3.1. Subject to the provisions of the Scheme in relation to the modalities of transfer and vesting given below, with effect from the Appointed Date and upon occurrence of the Effective Date, the Undertaking of Transferor Company shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in and managed by the Transferee Company, as a going concern in accordance with the provisions of Section 230 to 232 of the 2013 Act and all other applicable provisions of the 2013, Act and other Applicable Laws and without any further act, deed, instrument, matter or thing, so as to become as and from the Appointed Date, in the manner provided hereunder, the assets, properties, rights, privileges and debts, liabilities, duties and obligations, as the case may be, of the Transferee Company and further that it shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such assets, properties, rights, privileges, debts, liabilities, duties and obligations, as the case may be, have arisen, in order to give effect to the provisions of this Clause.

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Provided always that the Scheme shall not operate to enlarge the scope of security for any loan, deposit or facility(if any) availed of by the Transferor Company and the Transferee Company shall not be obliged to create or provide any further or additional security thereof after the Effective Date or otherwise.

3.2 Upon occurrence of the Effective Date and with effect from the Appointed Date, the Transferor Company's activities and operations shall stand vested in the Transferee Company without any further deed or act, together with all their properties, assets, investments, rights, benefits and interests therein, subject to existing charges thereon in favour of banks and financial institutions, as the case may be on a going concern basis and the Transferee Company shall continue the activities and business operations of the Transferor Company post the amalgamation.

3.3 Upon this Scheme becoming effective, the past track record of the Transferor Company including without limitation, the experience, credentials and market share shall be deemed to be the track record of the Transferee Company for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of the Transferee Company in all existing and future bids, tenders and contracts of all authorities, agencies and clients.

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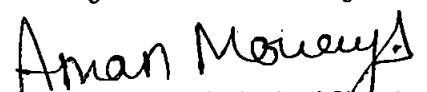
3.4 Upon occurrence of the Effective Date and with effect from the Appointed Date, all the assets, tangible or intangible of the Transferor Company as are movable or incorporeal in nature or are otherwise capable of transfer, by manual or constructive delivery and/or by endorsement and delivery, or by vesting and recordable pursuant to the Scheme, shall stand vested in the Transferee Company and shall become the property and an integral part of the Transferee Company. The vesting pursuant to this clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being vested and the title to such property shall be deemed to have transferred accordingly. All other movable properties of the Transferor Company, including sundry debtors, deferred tax assets, Goods & Services Tax and its related input credits, MAT credits, outstanding loans and advances, if any, recoverable in cash or kind or for value to be received, bank balances and deposits, if any, with the government, quasi-government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, become the property of the Transferee Company, and the same shall also be deemed to have been transferred by way of assignment or delivery of possession of the respective documents, as may be appropriate in this regard. No stamp duty or taxes are payable on the transfer of such movable properties being vested in the Transferee Company.

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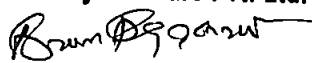


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3.5 Upon occurrence of the Effective Date and with effect from the Appointed Date, all immovable properties, including land together with the buildings and structures standing thereon, if any of the Transferor Company, whether freehold or leasehold and all documents of title, rights and easements in relation thereto, if any shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to the immovable properties & shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title of the immovable properties shall, upon this Scheme becoming effective, be made duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of this Scheme by the Tribunal in accordance with the terms thereof;

3.6 Upon occurrence of the Effective Date and with effect from the Appointed Date, all cheques and other negotiable instruments, payment orders received in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company. Similarly, the bankers of the

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Transferee Company shall honour cheques issued by the Transferor Company for payment after the Effective Date.

3.7 Upon occurrence of the Effective Date and with effect from the Appointed Date, all the taxes/duties, (including the tax under MAT & tax deducted at source ("TDS"), paid by the Transferor Company shall be deemed to be the taxes/ duties paid by the Transferee Company and the Transferee Company shall be entitled to claim credit for such taxes/duties paid against its tax/ duty liabilities, notwithstanding that the certificates/ challans or other documents for payment of such taxes/duties are in the name of the Transferor Company, as the case may be.

3.8 Upon occurrence of the Effective Date and with effect from the Appointed Date, all sundry debts, investments, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons of the Transferor Company shall without any act, instrument or deed become the property of the Transferee Company.

3.9 Upon occurrence of the Effective Date and with effect from the Appointed Date, all debts, liabilities, contingent liabilities (including any guaranties, security, surety given or extended), duties, obligations and guarantees, secured or unsecured,

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whether or not provided for in the books of accounts or disclosed in the balance sheets of the Transferor Company shall become and be deemed to be the debts, liabilities, contingent liabilities (including any guaranties, security, surety given or extended), duties, obligations and guarantees of the Transferee Company and undertakes to meet, discharge and satisfy the same.

3.10 Where any of the liabilities and obligations attributed to the Transferor Company as on the Appointed Date have been discharged by the Transferor Company after the Appointed Date and prior to the effective date, such discharge shall be deemed to have been for and on behalf of the Transferee Company;

3.11 In so far as the assets of the Transferor Company are concerned, the existing securities, mortgages, charges, encumbrances or liens (hereinafter referred to as the "Encumbrances") over the assets or any part thereof, if any, and transferred to the Transferee Company in terms of this Scheme and relating to the Liabilities of the Transferor Company, shall, after the Effective Date, without any further act or deed, continue to relate or attach to such assets or any part thereof, but such encumbrances shall not relate or attach to any of the assets and properties of the Transferee Company or any part thereof or to any of the other assets of the Transferor Company transferred to the Transferee Company pursuant to this

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Scheme, save to the extent warranted by the terms of any existing security arrangements to which the Transferor Company and the Transferee Company are party and consistent with the joint obligations assumed by them under such arrangements.

3.12 Upon occurrence of the Effective Date and with effect from the Appointed Date, all contracts, letter of intent, deeds, bonds, agreements, insurance policies, schemes, arrangements and other instruments of whatsoever nature in relation to the Transferor Company to which the Transferor Company are parties or to the benefit of which the Transferor Company may be eligible, shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

3.13 Upon occurrence of the Effective Date and with effect from the Appointed Date, all permit, grants, allotment recommendations, rights, entitlements, licenses and registrations including relating to trademarks, tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Transferor Company to which the Transferor Company are parties to or to the benefit of which the Transferor Company may be eligible, shall be enforceable as fully and effectually as

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if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

3.14 Upon occurrence of the Effective Date and with effect from the Appointed Date, all statutory licenses, no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, entitlements or rights required to carry on the operations of the Transferor Company or granted to Transferor Company including /custom / Goods and Services Tax exemption/concessional rate benefits including its related inputs credits, if any shall stand vested in the Transferee Company without further act or deed, and shall be appropriately transferred or assigned by the statutory authorities concerned herewith in favour of the Transferee Company upon vesting of the Undertaking of Transferor Company pursuant to this Scheme. The benefit of all statutory and regulatory permissions, environmental approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Transferor Company shall vest in and become available to the Transferee Company pursuant to this Scheme.

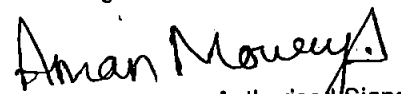
3.15 The Transferee Company shall, at any time after coming into effect of the Scheme in accordance with the provisions thereof, if so required under any Law or otherwise, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Transferor

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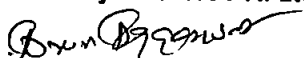
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Company to which the Transferor Company are parties, in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme, be deemed to be authorized to execute any such writing on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on part of the Transferor Company.

3.16 Upon the coming into effect of the Scheme, the resolutions, if any, of the Transferor Company which are valid and subsisting on the Effective Date shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then said limits shall be added and shall constitute the aggregate of the said limits in the Transferee Company.

3.17 The Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the IT Act. If any terms or provisions of the Scheme is/are inconsistent with the provisions of Section 2(1B) of the IT Act, the provisions of Section 2(1B) of the IT Act shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the IT Act; such modification to not affect other terms or provisions of the Scheme.

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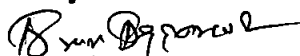
#### 4. EMPLOYEES OF THE TRANSFEROR COMPANY

4.1. Upon the Scheme becoming effective, all employees of the Transferor Company shall be deemed to have become employees of the Transferee Company without any interruption of service and on the basis of continuity of service and on the same terms and conditions on which they are engaged by Transferor Company on the Effective Date. The services of such employees with the Transferor Company up to the Effective Date shall be taken into account for the purposes of all benefits to which the employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits including ESOPs or RSU schemes.

4.2. Upon the Scheme becoming effective, all contributions to funds and schemes in respect of provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, ESOPs or RSU schemes, or any other special schemes or benefits created or existing for the benefit of such employees of the Transferor Company shall be made by the Transferee Company in accordance with the provisions of such schemes or funds and Applicable Laws.

4.3. Subject to Applicable Laws, the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, the staff welfare scheme including ESOPs or RSU schemes, and any other schemes or benefits created

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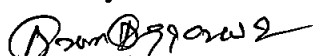
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by the Transferor Company for the employees shall be continued on the same terms and conditions and be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Transferee Company without any separate act or deed/approval, and the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever in relation to the administration or operation of all such funds, schemes and benefits, in accordance with the terms provided in the respective documents pertaining to such funds, schemes and benefits. It is the aim and intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such funds, schemes and benefits shall become those of the Transferee Company. Where applicable, trustees including the Board of Directors of the Transferor Company and the Transferee Company shall be entitled to adopt such course in this regard as may be advised, provided however that there shall be no discontinuation or breakage in the services of the employees of the Transferor Company.

## **5. LEGAL PROCEEDINGS**

- 5.1. Upon occurrence of the Effective Date and with effect from the Appointed Date, the Transferee Company shall bear the burden and the benefits of any legal or other proceedings initiated by or against Transferor Company.

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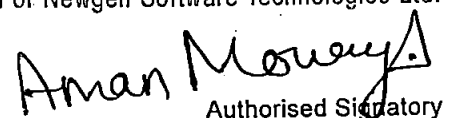
5.2. If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company, be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the transfer of such the undertaking of Transferor Company or of anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against such Transferor Company as if this Scheme had not been made. Upon the Scheme becoming effective, the Transferee Company undertakes to have such legal or other proceedings initiated by or against the Transferor Company transferred in its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company. The Transferee Company also undertakes to handle all legal or other proceedings which may be initiated against the Transferor Company after the Effective Date relating to the Transferor Company in respect of the period up to the Effective Date, in its own name and account and further undertakes to pay all amounts including interest, penalties, damages, etc. which any of the Transferor Company may be called upon to pay or secure in respect of any liability or obligation relating to the Transferor Company for the period up to the Effective Date. In the event that the legal proceedings referred to herein require Transferor Company to be treated as

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party thereto, Transferee Company shall be added as party to such proceedings.

5.3. On and from the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in relation to the business of the Transferor Company.

**6. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE**

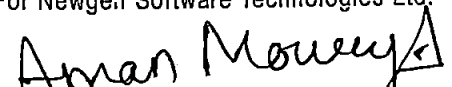
6.1. With effect from the Appointed Date and upto and including the Effective Date:

- (i) The Transferor Company shall carry on and be deemed to have been carrying on all its activities and operations, for and on behalf of and in trust for the Transferee Company.
- (ii) All profits accruing or arising to the Transferor Company and all taxes thereof (including but not limited to advance tax, TDS, MAT credit, securities transaction tax, taxes withheld/paid in a foreign country, Goods & Services Tax, etc.) or losses arising or incurred by it shall, for all purposes, be treated as the profits, taxes or losses, as the case may be, of the Transferee Company. The tax payments (including, without limitation income tax, tax, applicable Goods and Service Tax etc.) whether by way of tax deducted at source, advance tax or otherwise howsoever, by the Transferor Company after the Appointed Date till the Effective Date, shall be deemed to be paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Any tax deducted at source by the

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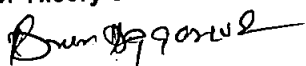
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Transferor Company and Transferee Company on transactions with the Transferor Company and Transferee Company, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company shall be made or deemed to have been made and duly complied with by the Transferee Company.

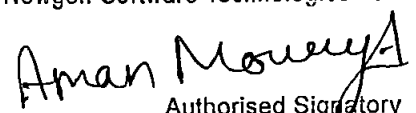
- (iii) The Transferor Company shall carry on its activities and operations with reasonable diligence and business prudence and in the same manner as it had been doing hitherto, and shall not undertake any additional financial commitments, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for themselves or on behalf of any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal in any of its respective assets, issue any new securities including Equity Shares or commence any new line of business except-
- (a) When the same is in the ordinary course of business as carried on by the Transferor Company; or
  - (b) When the same is expressly provided in the Scheme; or
  - (c) When written consent of the Transferee Company has been obtained in this regard.

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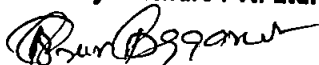
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(iv) The Transferor Company shall not vary the terms and conditions of the employment of its employees except in the ordinary course of business; it being clarified that notwithstanding anything contained in the Scheme, with effect from the date of the respective Board meetings of the Transferor Company and the Transferee Company approving the Scheme and up to and including the Effective Date, the Transferor Company and the Transferee Company may undertake any harmonisation processes (including the continuation of any such existing processes) pertaining to the terms and conditions applicable to the employees of the Transferor Company and Transferee Company, in accordance with Applicable Laws.

6.2. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any Law, contract or are otherwise considered necessary, for such consents, approvals and sanctions which the Transferee Company may require to effectually own and operate the business of the Transferor Company.

6.3. With effect from the Effective Date, the Transferee Company shall commence and operate the undertaking of the Transferor Company. The Transferee Company unconditionally and irrevocably agrees and undertakes to pay, discharge and satisfy all the liabilities and obligations of the undertaking of the

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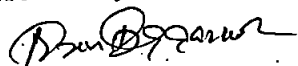
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Transferor Company with effect from the Appointed Date, in order to give effect to the foregoing provisions.

## **7. CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

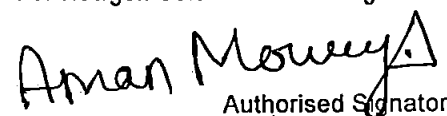
7.1. Subject to the other provisions of the Scheme, and pursuant to the order of the Tribunal sanctioning the Scheme, upon the Scheme coming into effect, all contracts, schemes, assurances, licenses, insurance policies, guarantees, deeds, bonds, agreements, arrangements and other instruments (including all tenancies, leases, and other assurances in favour of the Transferor Company or powers or authorities granted by or to it) of whatsoever nature to which the Transferor Company is a party, or the benefit to which the Transferor Company may be eligible, subsisting or operative immediately on or before the Effective Date, shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectively as if instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, in writings or confirmation or enter into any tripartite agreement, confirmations or novation's to which the Transferor Company will, if necessary, also be parties in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. Further, the Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all

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formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

7.2. It is hereby clarified that by virtue of the provisions of the Scheme and pursuant to the order of the Tribunal sanctioning the Scheme, upon the Scheme coming into effect, all rights, services, obligations, liabilities, responsibilities undertaken by or in favour of the Transferor Company under any contractual arrangements shall automatically stand transferred to and vested in and/ or shall be deemed to have been transferred to and vested in the Transferee Company and all benefits to which the Transferor Company are entitled to shall be available to and vested in and/ or shall be deemed to have been available to and vested in the Transferee Company, as a successor-in-interest and the Transferee Company shall be entitled to deal with the same in place and stead of the Transferor Company, as if the same were originally performed or conferred upon or given or issued to or executed in favour of the Transferee Company, and the rights and benefits under the same will be available to the Transferee Company, without any further act or deed. The Transferee Company shall discharge its obligation in respect of the services to be performed/ provided or in respect of payment of service charges under any contractual arrangements instead of the Transferor Company.

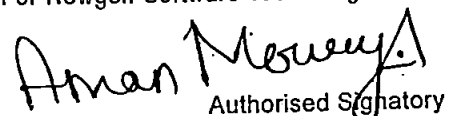
7.3. Without prejudice to the above, the Transferee Company shall, if so desirable or required or become necessary, upon the

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coming into effect of this Scheme and with effect from the Appointed Date, enter into and/or issue and/or execute deeds, writings or confirmations, or enter into any tripartite arrangements, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme and to the extent that the Transferee Company is required prior to the Effective Date to join in such deeds, writings or confirmations, the Transferee Company shall be entitled to act for and on behalf of and in the name of the Transferor Company, as the case may be. Further, the Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

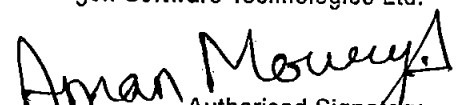
## **8. TAXES, DUTIES, CESS, ETC.**

- 8.1. Upon occurrence of the Effective Date and with effect from the Appointed Date, all taxes and duties payable by the Transferor Company (including under the Income Tax Act, 1961, Customs Act, 1962, , Service tax, Goods & Services Tax including its related inputs and all other Applicable Laws) accruing and relating to the Transferor Company from the Appointed Date onwards, including all advance tax payments, tax deducted at source, minimum alternate tax, any refund and claims shall, for all purposes, be treated as taxes, advance tax payments, tax

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deducted at source or refunds and claims, as the case may be, of the Transferee Company.

8.2. With effect from the Appointed Date, all the deductions otherwise admissible to the Transferor Company including payment admissible on actual payment or on deduction of appropriate taxes or on payment of TDS (like Section 43B, Section 40, Section 40A etc. of the IT Act) will be eligible as deduction to Transferee Company upon fulfilment of required conditions under the IT Act.

8.3. Upon the Scheme becoming effective, all un-availed credits and exemptions, and other statutory benefits, including in respect of income tax (including tax deducted at source, tax collected at source, advance tax, etc.) Goods & Services Tax including its related inputs credit MAT credit etc. as at the Appointed Date to which Transferor Company is entitled to shall be available to and vest in the Transferee Company without any further act or deed.

8.4. Upon the Scheme becoming effective, all tax assessment proceedings/ appeals of whatsoever nature by or against the Transferor Company shall be continued and/ or enforced by the Transferee Company. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the consolidation of the

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Transferor Company with the Transferee Company or anything contained in the Scheme.

8.5. Upon the Scheme becoming effective, the Transferee Company is permitted to revise and file its income tax return, withholding tax return, including tax deducted at source certificates, Goods & Services Tax returns and other tax returns for the period commencing on and from the Appointed Date, and to claim refunds/credits, pursuant to the provisions of this Scheme.

8.6. Upon the Scheme becoming effective, any TDS deposited, TDS certificates issued or TDS returns filed by the Transferor Company pertaining to the period after the Appointed Date shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by the Transferee Company.

8.7. All the expenses incurred by the Transferor Company and the Transferee Company in relation to the amalgamation of the Transferor Company with the Transferee Company, including stamp duty expenses, if any, shall be allowed as deduction to the Transferee Company in accordance with the Section 35DD of the Income Tax Act, 1961 over a period of 5 years beginning with the previous year in which the Scheme becomes effective.

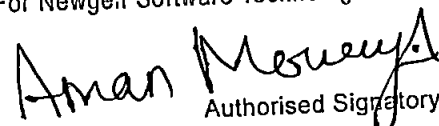
8.8. Any refund under the tax laws due to Transferor Company consequent to the assessments made on the Transferor

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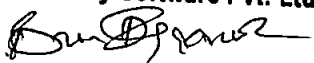
Company shall belong to and be received by the Transferee Company. The relevant authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the effectiveness of the Scheme upon relevant proof and documents being provided to the said authorities.

**9. CONSOLIDATION OF AUTHORISED SHARE CAPITAL**

9.1. The entire authorized share capital of the Transferor Company No.1 amounting to Rs 10,00,000/- (INR Rupees Ten lacs) divided into 1,00,000 (one lac) equity shares of Rs.10 each shall stand transferred to and combined with the authorized share capital of the Transferee Company without any further act or deed. The filing fees and stamp duty already paid by the Transferor Company on its authorized share capital shall be deemed to have been so paid by the Transferee Company on the combined authorized share capital and accordingly, the Transferee Company shall not be required to pay any fees/ stamp duty on the authorized share capital so increased. The consent/ resolution approving the Scheme shall be deemed to be the approval for increase in the authorized share capital of the Transferee Company under Section 61 of the Companies Act, 2013 and other applicable provisions of the Act.

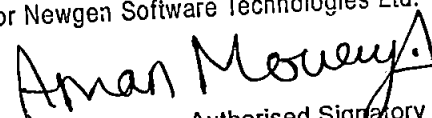
9.2. Consequently, upon the Scheme becoming effective, the authorized share capital of the Transferee Company shall automatically stand increased without any further act, instrument, or deed on the part of the Transferee Company

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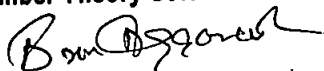
including payment of stamp duty and payment of fees payable to ROC, by the authorized share capital of the Transferor Company.

9.3. Upon the Scheme becoming effective, Clause V of the Memorandum of Association of the Transferee Company relating to the authorized share capital shall, without any further act, instrument or deed, be and stand increased, altered, modified and amended pursuant to Section 13 & Section 61 of the Companies Act, 2013 or any other applicable provisions of the Act, as the case may be and be replaced with the following clause:

*“The Authorized Share Capital of the Company is Rs.110,10,00,000/-(INR Rupees One hundred ten crores and ten lacs only) consisting 9,81,00,200 (Nine crores eighty one lacs and two hundred only) equity shares having nominal value of Rs. 10/- each, having equal voting rights and 119,99,800 convertible preference shares of Rs 10 each .”*

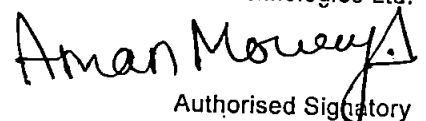
9.4. The Transferee Company shall file with the ROC, NCT of Delhi all requisite forms and complete the compliance and procedural requirements under the Act, if any.

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### SECTION III

#### **10. CONSIDERATION**

10.1. The entire share capital of the Transferor Company is held directly by the transferee company and its one of the wholly owned subsidiary. Upon this scheme becoming effective, as the Transferee Company is the ultimate holding company of the Transferor Company, there shall not be any issue of shares as consideration to the shareholders of the Transferor Company and the Paid up share capital of the Transferor Company shall stand cancelled.

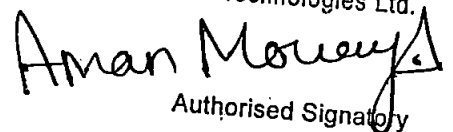
10.2. Further, upon this scheme becoming effective, the investments in the share capital of the Transferor Company, appearing in the books of account of the Transferor Company shall be cancelled without, any further application, act, instrument or deed.

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## SECTION IV

### 11. ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEREE COMPANY

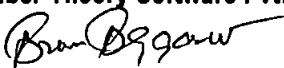
11.1 The amalgamation shall be accounted for in the books of account of the Transferee Company according to the applicable accounting standards i.e. Indian Accounting Standards (Ind AS) notified under Section 133 of the Act read with relevant rules issued thereunder and in accordance with prevailing guidelines.

11.2 On the Scheme for amalgamation of the Transferor Company with the Transferee Company becoming effective, the Transferee Company shall account for the Amalgamation in its books as per Pooling of Interest Method of accounting as laid down in Appendix C, 'Business Combinations of entities under common control' of Ind-AS 103, 'Business Combinations' as prescribed under Section 133 of the Companies Act, 2013, as follows:

(a) All the assets, liabilities and reserves recorded in the books of the Transferor Company, subject to Clause (b) and (f) below, shall be transferred to and vested in the books of Transferee Company at their respective book values thereof and in the same form as appearing in the consolidated financial statements of the Transferee Company, being the holding company.

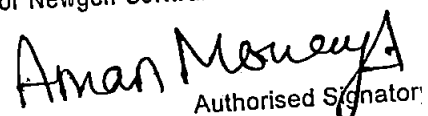
(b) No adjustment is intended to be made to the book values of the assets and liabilities of the Transferor Company

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the Transferee Company except to ensure uniformity of accounting policies.

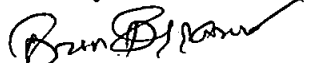
(c) In case of any differences in accounting policies between the Transferee Company and the Transferor Company, the accounting policies followed by the Transferee Company shall prevail and the difference shall be adjusted in Revenue Reserves of Transferee Company, to ensure that the financial statements reflect the financial position on the basis of consistent accounting policies.

(d) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee. Alternatively, it is transferred to General Reserve, if any.

(e) The identity of the reserves of the Transferor Company, shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner, in which they appeared in the aforesaid consolidated financial statements of the Transferee Company, prior to this Scheme becoming effective. As a result of preserving the identity, reserves which are available for distribution as dividend before the business combination would also be available for distribution as dividend after the business combination.

(f) The investment in equity shares of Transferor Companies held by the Transferee Company shall stand

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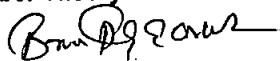
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cancelled and the difference, if any, arising between the (i) carrying value of assets and liabilities and reserves pertaining to the Transferor Company and (ii) carrying value of investment in equity shares of Transferor Company in the books of Transferee Company shall be adjusted to/credited to capital reserve in the books of Transferee Company and should be presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

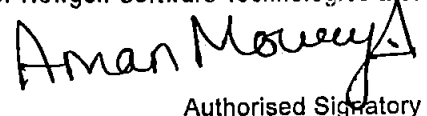
- (g) Inter-company balances, if any, shall stand cancelled and there shall be no further obligation/outstanding in that behalf.
- (h) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

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## SECTION V

### GENERAL TERMS AND CONDITIONS

#### 12. APPLICATION TO THE TRIBUNAL

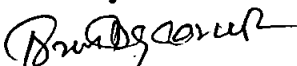
12.1. The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make necessary applications under Section 230 to Section 232 of the 2013 Act to the Hon'ble Tribunal at New Delhi for sanctioning this Scheme and for such other orders as the Tribunal may deem fit for bringing the Scheme into effect and all matters ancillary or incidental thereto and for dissolution of the Transferor Company without winding up and other connected matters.

12.2. Upon the sanction of the Scheme by the Tribunal and after the Scheme has become effective, with effect from the Appointed Date, the amalgamation of the Transferor Company with Transferee Company in accordance with Section 2(1B) of the IT Act, shall be deemed to have occurred.

#### 13. VALIDITY OF EXISTING RESOLUTIONS, ETC

13.1 Upon the coming into effect of the Scheme and with effect from the Appointed Date, the resolutions of the Transferor Company as are considered necessary by the Board of Directors of Transferee Company which are validly subsisting be considered as resolutions of Transferee Company. If any such resolutions have any monetary limits approved subject to the provisions of

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the Act or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Directors of Transferee Company, shall be added to the limit, if any, under the like resolutions passed by Transferee Company.

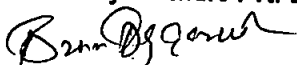
#### **14. DIVIDEND**

14.1. The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date but only consistent with the past practice, or in the ordinary course.

14.2. Upon the Scheme becoming effective, on and from the Appointed Date, the profits of the Transferor Company shall belong to and be the profits of the Transferee Company and will be available to the Transferee Company for being disposed of in any manner as it thinks fit.

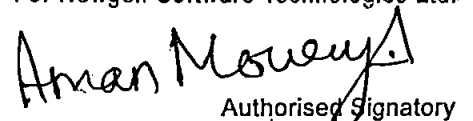
14.3. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/ or the Transferee Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the Board of the Transferor Company and the Transferee Company respectively subject to such approval of the shareholders, as may be required.

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**15. MODIFICATION OR AMENDMENTS TO THE SCHEME**

15.1. Subject to the approval of the Hon'ble Tribunal, the Transferor Company and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, may consent, to any modifications or amendments of the Scheme or to any conditions or limitations that the Hon'ble Tribunal or any other competent authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the Hon'ble Tribunal or any other competent authority for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme, whether in pursuance of a change in Law or otherwise.

15.2. In order to give effect to this Scheme or to any modifications or amendments thereof, the Board of Directors of the Transferee Company or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, shall be authorized to take all such steps as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by

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virtue of the Scheme and/or any matter concerned or connected therewith.


15.3. In the event that any conditions are imposed by any competent authority or the Tribunal which the Transferor Company or the Transferee Company find un-acceptable for any reason whatsoever, then Transferor Company and/or the Transferee Company shall be entitled to withdraw the Scheme.

## **16 LISTING REGULATIONS AND SEBI COMPLIANCES**

16.1 Since the transferee company is a listed Company, this scheme is subject to the compliances of all the requirements under the listing regulations and all the statutory directives of the Securities Exchange Board of India ('SEBI) insofar as they relate to sanction and implementation of the Scheme.

16.2 SEBI vide notification No. SEBI/LAD/NRO/GN/2016-17/029 dated 15<sup>th</sup> February, 2017 has amended the listing regulations and relaxed the requirement of obtaining prior approval or no objection/observation letter of stock exchanges and SEBI in case of merger of wholly owned subsidiary with its holding company. The draft schemes shall be filed with the stock exchange for disclosure purpose in compliance with the above notification.

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## **17 CONDITIONALITY OF THE SCHEME**

17.1 The Scheme shall be conditional upon and subject to:

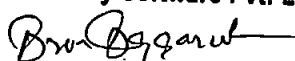
- (a) Scheme being approved by the requisite majority in number and value of the shareholders (either by way of a meeting or by no objection certificate/letter of consent from the shareholders) and/or creditors, if any of the Transferor Company and the Transferee Company, as may be directed by the Tribunal.
- (b) Scheme being sanctioned by the Tribunal under Sections 230 to 232 of the Act and other applicable provisions of the Act.
- (c) The receipt or filing of all relevant regulatory or statutory approvals, sanctions, consents required under Applicable Law for or in pursuance of the Scheme ("**Regulatory Approvals**")

17.2 This Scheme, although to come into operation from the Appointed Date, shall not become effective until the later of the following dates, namely:

- (i) That on which the last of the aforesaid approvals and sanctions as mentioned in Clause 17.1 shall be obtained or passed; or
- (ii) That on which the certified copy of the order of the Tribunal sanctioning this Scheme being filed with the RoC.

The last of such dates shall be the "**Effective Date**" for the purpose of this Scheme.

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17.3 The Transferor Company and the Transferee Company shall file the certified copy of the order of the Tribunal sanctioning this Scheme with the RoC only upon the satisfaction (or waiver in writing) of such conditions as may be mutually agreed between the Transferor Company and the Transferee Company in writing.

**18 EFFECT OF NON-RECEIPT OF APPROVALS AND MATTERS RELATING TO REVOCATION AND WITHDRAWAL OF THE SCHEME**

18.1 In the event of any of the said sanctions and approvals referred to in Clause 16.1 not being obtained and/or the Scheme not being sanctioned by the Tribunal, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in Law.

18.2 The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to withdraw this Scheme prior to the Effective Date.

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18.3 The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect if they are of the view that the coming into effect of the Scheme with effect from the Appointed Date could have adverse implications on the combined entity post-amalgamation.

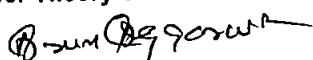
18.4 The Transferee Company shall be entitled to file/revise its income tax returns and other statutory returns of its own or the Transferor Company, if required, and shall have the right to claim refunds, advance tax credits, etc. if any, as may be required consequent to implementation of this Scheme.

18.5 On this Scheme becoming effective, the shareholders of the Transferee Company, the Transferor Company shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in the Scheme.

## **19 COSTS, CHARGES & EXPENSES**

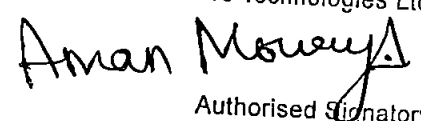
19.1 All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of, or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by the Transferee Company.

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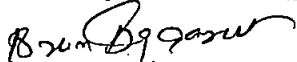
## **20 FILING / AMENDMENT OF RETURNS**

20.1 The Transferee Company is expressly permitted to file/revise its income tax (including TDS), , Goods & Services Tax, , and other statutory returns, consequent to the Scheme becoming effective, notwithstanding that the period for filing/ revising such returns may have lapsed. Transferee Company is expressly permitted to amend TDS/TCS and other statutory certificates and shall have the right to claim refunds, advance tax credits, set offs and adjustments relating to their respective incomes / transactions from the Appointed Date. It is specifically declared that all the taxes(including taxes paid under MAT) /duties paid by the Transferor Company shall after the Appointed Date be deemed to be the taxes(including taxes paid under MAT)/duties paid by the Transferee Company and the Transferee Company shall be entitled to claim credit for such taxes deducted (including taxes paid under MAT) paid against its tax/ duty liabilities notwithstanding that the certificates/ challans or other documents for payment of such taxes (including taxes paid under MAT)/duties are in the name of the Transferor Company.

## **21 DISSOLUTION OF TRANSFEROR COMPANY**

21.1 Upon the Scheme becoming effective, Transferor Company shall without any further act or deed, stand dissolved without being wound up.

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21.2 On and with effect from the Effective Date, the name of the Transferor Company shall be struck off from the records of the RoC. The Transferee Company shall make necessary filings in this regard.

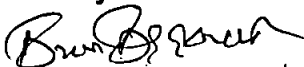
## **22 SAVING OF CONCLUDED TRANSACTIONS**

22.1 The transfer and vesting of the assets, liabilities and obligations of Transferor Company as per this Scheme and the continuance of the legal proceedings by or against the Transferee Company shall not affect any transaction or proceedings already completed by the Transferor Company on or before the Appointed Date, and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts all acts, deeds and things done and executed by and/or on behalf of the Transferor Company as acts deeds and things done and executed by and on behalf of the Transferee Company.

## **23 SEVERABILITY**

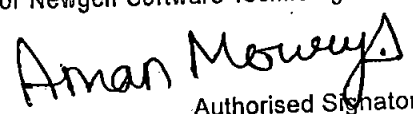
23.1 If any part of this Scheme hereof is invalid, ruled illegal by any court/ tribunal of competent jurisdiction or unenforceable under present or future Laws, then it is the intention of the parties to the Scheme that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which

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case the parties to the Scheme shall attempt to bring about a modification in the Scheme, as will best preserve for such parties the benefits and obligations of the Scheme, including but not limited to such part.

23.2 If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the mutual agreement of the Transferor Company and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

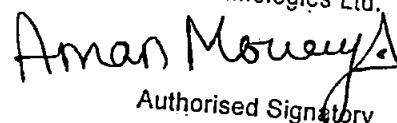
23.3 The non-receipt of any sanctions or approvals for a particular asset or liability forming part of the Undertaking getting transferred pursuant to this Scheme, shall not, subject to the mutual agreement of the Transferor Company and the Transferee Company, affect the effectiveness of the other parts of the Scheme.

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**Newgen Software Technologies Limited**

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**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF NEWGEN SOFTWARE TECHNOLOGIES LIMITED UNDER SECTION 232(2)(c) OF THE COMPANIES ACT, 2013**

The Board of Directors ("Board") of Newgen Software Technologies Limited ("Transferee Company" or "Company") at its Board meeting held on 3 May 2022 has approved the Scheme of Amalgamation pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act 2013, as amended from time to time ("Act") and other applicable laws between the Company and Number Theory Software Private Limited ("Transferor Company") (the "Scheme").

This Report as per the provisions of Section 232 of the Act, sets out the effect of the Scheme on the equity shareholders, creditors, key managerial personnel, promoters and non-promoter shareholders of the Company and laying out in particular if applicable, the share exchange ratio (specifying any special valuation difficulties).

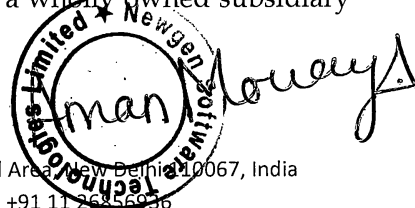
**1. Scheme:**

Upon the same becoming effective and with effect from the appointed date (being 1 April 2022), all the assets and liabilities and entire business of the Transferor Company shall stand transferred to and vested in the Transferee Company. In addition, upon the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up. Further, no shares will be issued to the shareholders of the Transferor Company pursuant to the Scheme, as the said Transferor Company is a wholly-owned subsidiary of the Transferee Company.

**2. Effect of the Scheme:**

**(a) Promoter and non-promoter shareholders**

(i) Upon this Scheme coming into effect, the equity shareholders of the Transferor Company shall not be entitled to receive the equity shares of the Transferee Company as the Transferor Company is a wholly owned subsidiary of the Transferee Company.



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(ii) Upon the Scheme becoming effective and upon amalgamation of the Transferor Company with the Transferee Company, the equity shares of the Transferor Company held by the Transferee Company shall stand cancelled in their entirety.

(iii) Upon amalgamation of the Transferor Company into and with the Transferee Company, the Transferor Company shall stand dissolved without winding up in accordance with the Scheme.

**(b) Creditors**

No rights of the creditors of the Transferor Company are being effected pursuant to the Scheme. The liability of the Transferee Company towards the creditors of the Transferor Company is neither being reduced nor being varied or extinguished. The creditors of the Transferor Company would in no way be affected by the Scheme.

**(c) Employees, Directors and Key Managerial Personnel**


Upon the Scheme becoming effective and with effect from the Appointed Date, all employees, who are on the payrolls of the Transferor Company shall become, without any interruption of service as a result of the amalgamation and transfer, employees of the Transferee Company.

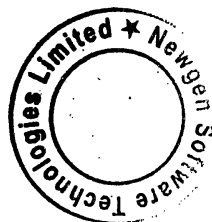
Upon the Scheme becoming effective and with effect from the Appointed Date, since the Transferor Company shall stand dissolved, the directors and/or Key Managerial shall cease to be Directors and/or Key Managerial of the Transferor Company.

**3. Share Exchange Ratio and Valuation difficulties**

Upon the Scheme becoming effective, no shares will be issued to the shareholders of the Transferor Company pursuant to the Scheme, as the said Transferor Company is a wholly-owned subsidiary of the Transferee Company. Since pursuant to the Scheme, there will be no issuance of shares from the Transferee Company to the Transferor Company, there is no valuation exercise required to be undertaken by the Transferor Company or the Transferee Company to determine the share exchange ratio.

For and on behalf of Newgen Software Technologies Limited

  
Aman Mourya  
Company Secretary  
03/05/2022





**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF NUMBER THEORY SOFTWARE PRIVATE LIMITED UNDER SECTION 232(2)(c) OF THE COMPANIES ACT, 2013**

The Board of Directors ("Board") of Number Theory Software Private Limited ("Transferor Company" or "Company") at its Board meeting held on 25<sup>th</sup> April 2022 has approved the Scheme of Amalgamation pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act 2013, as amended from time to time ("Act") and other applicable laws between the Company and Newgen Software Technologies Limited ("Transferee Company") (the "Scheme").

This Report as per the provisions of Section 232 of the Act, sets out the effect of the Scheme on the equity shareholders, creditors, key managerial personnel, promoters and non-promoter shareholders of the Company and laying out in particular if applicable, the share exchange ratio (specifying any special valuation difficulties).

**1. Scheme:**

Upon the same becoming effective and with effect from the appointed date (being 1 April 2022), all the assets and liabilities and entire business of the Transferor Company shall stand transferred to and vested in the Transferee Company. In addition, upon the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up. Further, no shares will be issued to the shareholders of the Transferor Company pursuant to the Scheme, as the said Transferor Company is a wholly-owned subsidiary of the Transferee Company.

**2. Effect of the Scheme:**

**(a) Promoter and non-promoter shareholders**

(i) Upon this Scheme coming into effect, the equity shareholders of the Transferor Company shall not be entitled to receive the equity shares of the Transferee Company as the Transferor Company is a wholly owned subsidiary of the Transferee Company.

(ii) Upon the Scheme becoming effective and upon amalgamation of the Transferor Company with the Transferee Company, the equity shares of the Transferor Company held by the Transferee Company shall stand cancelled in their entirety.

(iii) Upon amalgamation of the Transferor Company into and with the Transferee Company, the Transferor Company shall stand dissolved without winding up in accordance with the Scheme.

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email: [team@numbertheory.ai](mailto:team@numbertheory.ai) Phone: 0124-4929764

CIN: U72300DL2016PTC289417

**(b) Creditors**

No rights of the creditors of the Transferor Company are being effected pursuant to the Scheme. The liability of the Transferee Company towards the creditors of the Transferor Company is neither being reduced nor being varied or extinguished. The creditors of the Transferor Company would in no way be affected by the Scheme.

**(c) Employees, Directors and Key Managerial Personnel**

Upon the Scheme becoming effective and with effect from the Appointed Date, all employees, who are on the payrolls of the Transferor Company shall become, without any interruption of service as a result of the amalgamation and transfer, employees of the Transferee Company.

Upon the Scheme becoming effective and with effect from the Appointed Date, since the Transferor Company shall stand dissolved, the directors and/or Key Managerial shall cease to be Directors and/or Key Managerial of the Transferor Company.

**3. Share Exchange Ratio and Valuation difficulties**

Upon the Scheme becoming effective, no shares will be issued to the shareholders of the Transferor Company pursuant to the Scheme, as the said Transferor Company is a wholly owned subsidiary of the Transferee Company. Since pursuant to the Scheme, there will be no issuance of shares from the Transferee Company to Transferor Company, there is no valuation exercise required to be undertaken by the Transferor Company or the Transferee Company to determine the share exchange ratio.

For and on behalf of  
**Number Theory Software Private Limited**



**T.S. Varadarajan**  
Director

Date: 25/04/2022

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**Newgen Software Technologies Limited**

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**Date:** 06<sup>th</sup> May 2022

<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	<b>National Stock Exchange of India Limited</b> Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex Bandra (E), Mumbai – 400051
Ref.: Newgen Software Technologies Limited (NEWGEN/INE619B01017) Scrip Code – 540900	Ref.: Newgen Software Technologies Limited (NEWGEN/INE619B01017)

**Sub: Intimation of Scheme of Amalgamation under Regulation 37(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/Ma'am

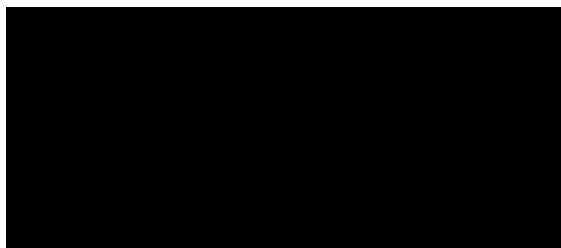
We refer to our letter dated 03<sup>rd</sup> May 2022 submitted under Regulation 30 of the LODR Regulations, intimating that the Board of Directors of Newgen Software Technologies Limited (the "Transferee Company") at its meeting held on 03<sup>rd</sup> May 2022 have considered and approved the scheme of amalgamation under Sections 230 to 232 of the Companies Act, 2013 ("Scheme"), is subject to necessary statutory and regulatory approvals including the approvals of National Company Law Tribunal, the shareholders and creditors of each of the companies.

Number Theory Software Private Limited ("Transferor Company") being wholly owned subsidiary of the Transferee Company, pursuant to Regulation 37(6) of the LODR Regulations, there is no requirement of obtaining any 'No-Objection Letter' or 'Observation Letter' to the Scheme from the Stock Exchanges on which the securities of the Company are listed.

However, in accordance with clause 7 of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, we hereby enclose the below mentioned documents for the purpose of the disclosure.

- a. Certified copy of the Scheme of Amalgamation ("Scheme") for the merger of Number Theory Software Private Limited ("Transferor Company") with Newgen Software Technologies Limited ("the Transferee Company") and their respective shareholders and creditors; and
- b. Certified true copy of the Resolution passed by the Board of Directors of Newgen Software Technologies Limited dated 03<sup>rd</sup> May 2022, approving the scheme.

You are requested to kindly take the same on your records and disseminate the same on your website.


*Enc.: a/a*

**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF NUMBER THEORY SOFTWARE PRIVATE LIMITED**

**Report on the Audit of Financial Statements**

**Opinion**

We have audited the accompanying financial statement of **NUMBER THEORY SOFTWARE PRIVATE LIMITED ("the Company")**, which comprise the Balance sheet as at 31<sup>st</sup> March 2022, the Statement of Profit and Loss Account (including other income), and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information ("**hereinafter referred as Financial Statements**").

**Management's Responsibility for the Financial Statement**

The management of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position & financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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; design, implementation and maintenance of adequate internal financial controls, that are 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.



FF-141, JMD Megapolis, Sohna Road, Sector 48, Gurugram, Haryana - 122018

Phone : 0124-4959218 e-mail : info@cagsarora.com

Website : www.cagsarora.com



### **Auditor's Responsibility**

Our responsibility is to express an opinion on financial statements based on our audit. We conducted our audit in accordance with the standard on Auditing issued by the ICAI. Those Standards on Auditing require complying with ethical requirement and plan and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the balance sheet, the state of affairs of the Company as at March 31, 2022;
- (b) In the case of the profit and loss account, of the profit/ loss for the year ended on that date; and

### **Report on other legal and regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;



- c. the Balance Sheet and Profit and Loss account dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
- e. on the basis of written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of section 164(2) of the Act;
- f. 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, 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 litigations which would impact its financial position;
  - (ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise;
  - (iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For **S G Arora & Co.**  
Chartered Accountants  
Firm Reg. No. 024523N



**CA Saurabh Arora**  
Partner  
M. No. 520925

Gurugram, 25<sup>th</sup> April'2022  
UDIN: 22520925AHTVIX7610

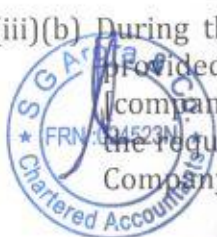


## Annexure A to the Independent Auditor's Report

The "Annexure -A" referred to in paragraph 1 with the heading 'Report on other Legal and Regulatory Requirements' of our report of even date to the members of **NUMBER THEORY SOFTWARE PRIVATE LIMITED** on the Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2022.

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 state that:

- (i)(a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (i)(a)(B) The Company has not intangible assets.
- (i)(b) All Property, Plant and Equipment were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in year which is reasonable having regard to the size of the Company and the nature of its assets.
- (i)(c) Based on our examination of the sale deed/agreement of building provided to us, we report that, the title in respect buildings immovable property (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
- (i)(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.
- (i)(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii)(a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- (ii)(b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii)(a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to [companies, firms, Limited Liability Partnerships or any other parties]. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (iii)(b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to [companies, firms, Limited Liability Partnerships or any other parties]. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.



- (iii)(c) The Company has not granted loans and advances in the nature of loans to [companies, firms, Limited Liability Partnerships or any other parties]. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
- (iii)(d) The Company has not granted loans or advances in the nature of loans to [companies, firms, Limited Liability Partnerships or any other parties]. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- (iii)(e) The Company has not granted loans or advances in the nature of loans to [companies, firms, Limited Liability Partnerships or any other parties]. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- (iii)(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to [companies, firms, Limited Liability Partnerships or any other parties]. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The maintenance of cost records specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- (vii)(a) The Company is regular in depositing with appropriate authorities 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 statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (vii)(b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, goods and service tax and other statutory dues which have not been deposited on account of any dispute.



The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.



- (ix)(a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.
- (ix)(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (ix)(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (ix)(d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.
- (ix)(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (ix)(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x)(a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (x)(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi)(a) No fraud/ material fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.
- (xi)(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by [cost auditor/ secretarial auditor or by us] in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (xi)(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii)(a) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) (a) of the Order are not applicable to the Company and hence not commented upon.
- (xii)(b) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) (b) of the Order are not applicable to the Company and hence not commented upon.
- (xii)(c) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) (c) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv)(a) The Company has an internal audit system commensurate with the size and nature of its business.



- (xiv)(b) No internal audit required by the Company and hence requirement to report on Clause 3(xiv)(b) of the Order is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with its directors or Persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi)(a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on Clause (xvi)(a) of the Order is not applicable to the Company.
- (xvi)(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (xvi)(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvi)(d) There are no other Companies part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current year in the immediately preceding financial year respectively.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans 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 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)(a) According to the information and explanation given to us by the management and the audit procedures performed by us, provisions of section (5) of section 135 of Companies Act, are not applicable to the company and hence not commented upon.



(xx)(b) According to the information and explanation given to us by the management and the audit procedures performed by us, provisions of section (5) of section 135 of Companies Act, are not applicable to the company and hence not commented upon.



- (xxi) There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the company. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable.

For **S G Arora & Co.**  
Chartered Accountants  
Firm Reg. No. 024523N



**CA Saurabh Arora**  
Partner  
M. No. 520925

Gurugram, 25<sup>th</sup> April'2022  
UDIN: 22520925AHTVIX7610

# Number Theory Software Private Limited

CIN: U72300DL2016PTC289417

Balance Sheet as at 31.03.2022

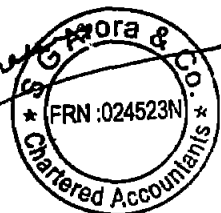
Particulars	Notes	(Amount in Rs.) Amount as on 31st March 2022	(Amount in Rs.) Amount as on 31st March 2021
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. SHAREHOLDER'S FUNDS</b>			
a. Share Capital	2	5,00,000	5,00,000
b. Reserves and Surplus	3	(2,99,05,785)	(44,83,023)
<b>2. NON CURRENT LIABILITIES</b>			
Long Term borrowings	4	3,47,63,413	1,53,35,386
<b>3. CURRENT LIABILITIES</b>			
a. Trade Payable	5	-	-
b. Short Term Borrowings	6	-	18,31,232
c. Other Current Liabilities	7	8,04,818	33,65,031
d. Short Term Provisions		10,37,476	-
<b>Total</b>		<b>71,99,922</b>	<b>1,65,48,626</b>
<b>II. ASSETS</b>			
<b>1. NON CURRENT ASSETS</b>			
<b>a. Fixed Assets</b>			
-Tangible Assets	8	6,51,089	8,28,824
b. Deferred Tax Asset (Net)		37,840	19,275
<b>2. CURRENT ASSETS</b>			
a. Trade Receivables	9	-	75,83,865
b. Cash and Cash Equivalents	10	22,26,984	13,16,226
d. Other Current Assets	11	42,84,009	68,00,436
<b>Total</b>		<b>71,99,922</b>	<b>1,65,48,626</b>

The accompanying notes are an integral part of the Financial Statements

For S G Arora & Co.  
Chartered Accountants  
Firm Registration No.: 024523N

For Number Theory Software Private Limited

Saurabh Arora  
(Partner)  
Membership No. 520925



*Diwakar Nigam*

Diwakar Nigam  
Director  
DIN : -00263222

*T.S. Varadarajan*

T.S. Varadarajan  
Director  
DIN :-00263115

Date: 25-04-2022  
Place: Gurgaon  
UDIN: 22520925AHTEHG1378

# Number Theory Software Private Limited

CIN: U72300DL2016PTC289417

## Statement of Profit & Loss for the period ending 31.03.2022

Particulars	Notes	(Amount in Rs.) Amount as on 31st March 2022	(Amount in Rs.) Amount as on 31st March 2021
<b>1. Revenue</b>			
-Revenue from Operations	12	1,69,41,603	3,31,74,335
-Other Income	13	12,839	1,70,785
<b>Total</b>		<b>1,69,54,442</b>	<b>3,33,45,120</b>
<b>2. EXPENSES</b>			
Employee Benefit Expenses	14	2,66,70,699	1,97,32,903
Finance Cost	15	5,65,371	6,94,247
Other Expenses	16	1,34,22,901	1,32,20,392
<b>Total</b>		<b>4,06,58,971</b>	<b>3,36,47,542</b>
Earnings before Tax and Depreciation.		(2,37,04,529)	(3,02,422)
Depreciation & Amortization Expenses		3,56,734	3,60,148
Profit before Tax		(2,40,61,263)	(6,62,570)
Tax Expense			
- Current Tax		-	-
- Deferred Tax		(11,380)	(15,306)
Total Tax Expense		(11,380)	(15,306)
Profit for the year		(2,40,49,883)	(6,47,264)

Basic EPS

(481)

(13)


The accompanying notes are an integral part of the Financial Statements

For S G Arora & Co.

Chartered Accountants

Firm Registration No.: 024523N

For Number Theory Software Private Limited

*Saurabh Arora*  


Saurabh Arora

(Partner)

Membership No. 520925

*Diwakar Nigam*

Diwakar Nigam

Director

DIN : -00263222

*T.S. Varadarajan*

T.S. Varadarajan

Director

DIN :-00263115

Date: 25-04-2022

Place: Gurgaon

UDIN: 22520925AHTEHG1378

	INR
<b>Cash flow from Operating Activities</b>	
Net profit before tax	(2,40,61,263)
Adjustments for non cash items:- Add:-	
Depreciation	3,56,734
Adjustments for working capital changes:-	
Accounts Receivable	75,83,865
Other Deposits	-
Other Current Assets	-
Other Current Liabilites	10,37,476
HST/CT Tax Payable	-
Expense Payable	-
<b>Cash flow from operating activities</b>	<b>(1,50,83,188)</b>
Taxes Paid	7,185
<b>Net cash generated from operating activities</b>	<b>(1,50,90,373)</b>
<b>Cash flow from Investing Activities</b>	
Purchase of Fixed Assets	(1,78,999)
<b>Net cash used in investing activities</b>	<b>(1,78,999)</b>
<b>Cash flow from Financing Activities</b>	
Loans from Directors & Friends	-
Debentures	-
Loan from NSTL(Holding Co)	-
Repayment of Bank Loan	(18,31,232)
Others	(13,72,879)
<b>Net cash used in financing activities</b>	<b>(32,04,111)</b>
<b>Net increase in cash(A+B+C)</b>	<b>(1,84,73,483)</b>
Cash at beginning of period	13,16,226
Cash at end of period	(1,71,57,257)





# Number Theory Software Private Limited

CIN: U72300DL2016PTC289417

Notes to financial Statements for the period ended 31.03.2022

## 1. SIGNIFICANT ACCOUNTING POLICIES

### a. GENERAL

The company was incorporated on 08.01.2016, having its registered office at Block D10, Pocket 8, Ground Floor, Sector 23B, Dwarka, New Delhi, 110077. The main object of the company is to carry on the business of software development.

### b. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial statements are prepared under the Historical Cost Convention as a going concern and are, in accordance with the generally accepted accounting principles & standards and relevant disclosure requirements of The Companies Act, 2013. The Company follows the mercantile system of accounting.

### c. FIXED ASSETS

All the Fixed Assets are valued at cost less depreciation/amortization. The cost of an asset includes the purchase cost of materials, including import duties and non-refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use.

### d. DEPRECIATION

Depreciation on Fixed Assets is provided on Written Down Value (WDV) at the rates prescribed in Schedule II of the Companies Act, 2013. Depreciation on addition/ deletion made during the year is provided on pro-rata basis from the date of addition/ deletion on which asset is put to use or upto date of deletion.

### e. REVENUE RECOGNITION

Revenue is recognised only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, services, tax, and sales during trial run period, adjusted for discounts (net), and gain/loss on corresponding hedge contracts.

### f. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are recorded at the exchange rate prevailing at the time of transaction and exchange difference arising from settled transactions are adjusted to the Profit & Loss Account. All monetary items denominated in foreign currency at the year end are translated at the year end rate of exchange difference arising therefrom and are adjusted to the Profit & Loss Account.

### g. EMPLOYEE BENEFITS

We have recorded all known liabilities in the financial statements of Leave Encashment. The Company has no policy for leave encashment or accrual thereof; hence there is no accrued liability for leave encashment as at the period-end.

### h. LEASES

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss account on a straight line basis over the lease term.

### i. CONTINGENT LIABILITIES

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of Notes to the Accounts.



#### j) TAXATION

(a) Tax Expense comprises of Current and Deferred Tax. Current Income Tax is measured at the amount expected to be paid to the Tax Authorities in accordance with the Income Tax Act, 1961.

(b) Deferred Tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods in the Statement of Profit and Loss and the cumulative effect thereof is reflected in the Balance Sheet.

#### k) OPERATING CYCLE

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the Schedule III to the Act.

Based on the sale of services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current- non-current classification of assets and liabilities.

#### l) PROVISIONS AND CONTINGENCIES

A provision is recognized when:

- a. the Company has a present obligation as a result of a past events;
- b. it is probable that an outflow of resources will be required to settle the obligation; and
- c. in respect of which a reliable estimate can be made.

Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

Contingent assets are not recognized in the financial statements. However Contingent assets are assessed continuously and if it is virtually certain that an economic benefits will arise, the asset and the related income are recognized in the period in which the change occurs.

#### m) FOREIGN CURRENCY TRANSACTION

Foreign currency transactions are recorded at the exchange rate prevailing at the time of transaction and exchange difference arising from settled transactions are adjusted to the profit & loss account. All monetary items denominated in foreign currency at the year end are translated at the year end rate of exchange difference arising therefrom and are adjusted to the Profit & Loss Account.

#### n) EARNING PER SHARE

The basic earnings per share are computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

#### o) CASH AND CASH EQUIVALENT

Cash and Cash equivalents in the balance sheet comprises cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

For the purpose of statement of cash flows, cash and cash equivalents consists of cash at bank and on hand and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's Cash management.



# Number Theory Software Private Limited

CIN: U72300DL2016PTC289417

Notes to financial Statements for the period ended 31.03.2022

## 2. SHARE CAPITAL

	<u>As at</u> <u>31.03.2022</u> <u>Amount(Rs)</u>	<u>As at</u> <u>31.03.2021</u> <u>Amount(Rs)</u>
<u>Authorised Capital</u>		
1,00,000 Equity shares of Rs. 10 each	10,00,000.00	10,00,000.00
	<u>10,00,000.00</u>	<u>10,00,000.00</u>
<u>Issued, Subscribed and Paid up capital</u>		
50,000 Equity shares @ Rs 10 each	5,00,000.00	5,00,000.00
	<u>5,00,000.00</u>	<u>5,00,000.00</u>

### a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period.

#### EQUITY SHARES (of Rs.10 each)

	31st March 2022		31st March 2021	
	No of Shares	Amount (Rs)	No of Shares	Amount (Rs)
At the beginning of the period	50,000	5,00,000.00	50,000	5,00,000.00
Issued during the period	-	-	-	-
Shares redeemed during the period	-	-	-	-
Outstanding at the end of the period	50,000	5,00,000.00	50,000	5,00,000.00

### c. Details of Shareholders holding more than 5% in the Company

	31st March 2022		31st March 2021	
	No of Shares	% Holding	No of Shares	% Holding
Equity Shares of Rs.10 each, fully paid up				
Newgen Software Technologies Limited (Holding Co.)	50,000	100%	-	-
Tarun Gulyani	-	-	25,000	50%
Rajan Nagina	-	-	25,000	50%

### b) Rights, preference and restrictions attached to shares

The company has one class of equity shares having a par value of Rs. 10 per share. Each 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.

During the Year ended 31st March 2022, no amount of dividend was recognised.

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



# Number Theory Software Private Limited

CIN: U72300DL2016PTC289417

Notes to financial Statements for the period ended 31.03.2022

## 3. Reserves & Surplus

	<u>As at</u> <u>31.03.2022</u> <u>Amount (Rs)</u>	<u>As at</u> <u>31.03.2021</u> <u>Amount (Rs)</u>
Balance as per last financial statements	(44,83,023)	(38,35,759)
Profit/Loss for the period	(2,40,49,883)	(6,47,264)
Others	(13,72,879)	-
Closing Balance	<u>(2,99,05,785)</u>	<u>(44,83,023)</u>
Share Premium	-	-
<b>Total Reserves and Surplus</b>	<b><u>(2,99,05,785)</u></b>	<b><u>(44,83,023)</u></b>

## 4. Long Term Borrowings

	<u>As at</u> <u>31.03.2022</u> <u>Amount (Rs)</u>	<u>As at</u> <u>31.03.2021</u> <u>Amount (Rs)</u>
Unsecured Loans	-	-
Loans from Directors & Friends	-	3,35,386
Debentures	-	1,50,00,000
Loan from NSTL(Holding Co)	3,47,63,413	-
	<u>3,47,63,413</u>	<u>1,53,35,386</u>

## 5. Trade Payable

	<u>As at</u> <u>31.03.2022</u> <u>Amount (Rs)</u>	<u>As at</u> <u>31.03.2021</u> <u>Amount (Rs)</u>
Sundry Creditors	-	-
	<u>-</u>	<u>-</u>

## 6. Short Term Borrowings

	<u>As at</u> <u>31.03.2022</u> <u>Amount (Rs)</u>	<u>As at</u> <u>31.03.2021</u> <u>Amount (Rs)</u>
Unsecured Loans		
-HDFC Bank Limited		18,31,232
	<u>-</u>	<u>18,31,232</u>

## 7. Other Current Liabilities

	<u>As at</u> <u>31.03.2022</u> <u>Amount (Rs)</u>	<u>As at</u> <u>31.03.2021</u> <u>Amount (Rs)</u>
Taxes Payable	5,26,816	16,73,181
Expenses Payable	-	1,73,727
Other Current Liabilities	2,78,002	15,18,123
	<u>8,04,818</u>	<u>33,65,031</u>



Number Theory Software Private Limited

CIN: U72300DL2016PTC289417

8. Fixed Asset

PARTICULAR	Rate of Dep. (%)	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01/04/2021	Addition during the year	Deletion during the year	As at 31/03/2022	Up to 01/04/2021	During the year	Depreciation on assets sold	Up to 31/03/2022	As at 31/03/2021	As at 31/03/2022
Computer & Accessories	63.16%	9,19,983	1,79,000	-	10,98,983	4,94,655	2,80,098	-	7,74,753	4,25,328	3,24,230
Furniture & Fixtures	25.89%	88,350	-	-	88,350	42,077	11,980	-	54,057	46,273	34,293
Office Equipments	18.10%	5,86,536	-	-	5,86,536	2,29,313	64,657	-	2,93,970	3,57,223	2,92,566
<b>TOTAL</b>		<b>15,94,869</b>	<b>1,79,000</b>	<b>-</b>	<b>17,73,869</b>	<b>7,66,045</b>	<b>3,56,735</b>	<b>-</b>	<b>11,22,780</b>	<b>8,28,824</b>	<b>6,51,089</b>



# Number Theory Software Private Limited

CIN: U72300DL2016PTC289417

Notes to financial Statements for the period ended 31.03.2022

## 9. Trade Receivables

	<u>As at</u> <u>31.03.2022</u> <u>Amount (Rs)</u>	<u>As at</u> <u>31.03.2021</u> <u>Amount (Rs)</u>
Sundry Debtors		
-Outstanding for more than 6 months	-	-
-Outstanding for less than 6 months		75,83,865
	-	75,83,865

## 10. Cash and Bank balances

	<u>As at</u> <u>31.03.2022</u> <u>Amount (Rs)</u>	<u>As at</u> <u>31.03.2021</u> <u>Amount (Rs)</u>
Cash Balance	6,371	63,834
Balance with Banks		
-Balance in Current Accounts	22,20,613	12,52,392
	22,26,984	13,16,226

## 11. Other Current Assets

	<u>As at</u> <u>31.03.2022</u> <u>Amount (Rs)</u>	<u>As at</u> <u>31.03.2021</u> <u>Amount (Rs)</u>
Fixed Deposits	-	30,00,000
Office Security	5,44,985	1,74,485
Other Current Assets	37,39,024	36,25,951
	42,84,009	68,00,436

## 12. Revenue from Operations

	<u>As at</u> <u>31.03.2022</u> <u>Amount (Rs)</u>	<u>As at</u> <u>31.03.2021</u> <u>Amount (Rs)</u>
Revenue from Operations		
-Domestic Revenue	1,69,41,603	1,89,63,417
-Export Revenue	-	1,42,10,918
	1,69,41,603	3,31,74,335

## 13. Other Incomes

	<u>As at</u> <u>31.03.2022</u> <u>Amount (Rs)</u>	<u>As at</u> <u>31.03.2021</u> <u>Amount (Rs)</u>
Interest on Fixed Deposits	9,013	1,60,755
Interest on Bank	3,699	10,030
Cash Back	127	
	12,839	1,70,785



# Number Theory Software Private Limited

CIN: U72300DL2016PTC289417

Notes to financial Statements for the period ended 31.03.2022

## 14. Employee benefit expenses

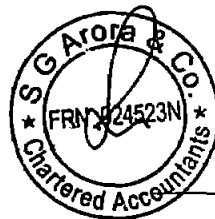
	<u>As at</u> <u>31.03.2022</u> <u>Amount (Rs)</u>	<u>As at</u> <u>18.01.2022</u> <u>Amount (Rs)</u>	<u>As at</u> <u>31.03.2021</u> <u>Amount (Rs)</u>
Salaries, Bonus, PF & ESIC	2,66,54,562	1,54,74,024	1,96,70,747
Staff Welfare Expenses	16,137	47,185	62,156
	<u>2,66,70,699</u>	<u>1,55,21,209</u>	<u>1,97,32,903</u>

## 15. Finance Costs

	<u>As at</u> <u>31.03.2022</u> <u>Amount (Rs)</u>	<u>As at</u> <u>18.01.2022</u> <u>Amount (Rs)</u>	<u>As at</u> <u>31.03.2021</u> <u>Amount (Rs)</u>
Bank Charges	6,570	6,113	19,247
Interest On ICD	3,49,874		
Interest	2,08,927	1,59,656	6,75,000
	<u>5,65,371</u>	<u>1,65,769</u>	<u>6,94,247</u>

## 16. Other Expenses

	<u>As at</u> <u>31.03.2022</u> <u>Amount (Rs)</u>	<u>As at</u> <u>18.01.2022</u> <u>Amount (Rs)</u>	<u>As at</u> <u>31.03.2021</u> <u>Amount (Rs)</u>
Auditors Expenses (As per annexure 17)	20,000	40,000	40,000
Business Promotion Expenses	12,503	12,503	9,589
Communication Charges	75,644	20,897	71,221
Consultancy Expenses	25,30,000	25,30,000	75,47,500
Conveyance Expenses	59,044	-	3,640
Domain Charges	9,81,046	8,08,474	3,07,113
Donation	-	-	39,500
Electricity Expenses	9,394	-	40,638
Employee Reimbursement	1,98,365	1,99,015	-
Employee Inurnace	26,128		
Fees & Subscription	3,717	2,972	2,26,780
Fuel Expenses	25,038	25,038	-
Freelancer Expenses	20,000	20,000	35,100
Gratuity Expenses	10,17,476	10,17,476	-
Internet Expenses	27,939	27,939	30,900
Legal & Professional Charges	33,00,651	12,88,590	1,96,800
Medical Expenses	2,081	2,081	-
Office Expenses	56,499	50,571	6,36,789
Office Maintenance	9,06,991	7,68,236	7,26,440
Preliminary Expenses W/o	-	-	4,000
Amount Written Off	20,08,565		
Printing & Stationery Expenses	650	650	5,610
Registration Fees	2,05,650	8,450	-
ROC Fees	3,850	3,850	-
Recruitment Expenses	1,43,750	1,39,365	3,03,065
Rental Expenses	10,66,585	7,50,969	19,52,079
Server Expenses	4,17,000	4,17,000	-
Forex Fluctuations	40,106		
Misc. Expenses	4,490		
Software Expenses	37,323	18,765	-
Technology Expenses	2,13,525	1,93,577	10,19,628
Travelling Expenses - Domestic	8,891	8,891	-
Web Designing Expenses		31,645	24,000
	<u>1,34,22,901</u>	<u>83,86,954</u>	<u>1,32,20,392</u>



# Number Theory Software Private Limited

CIN: U72300DL2016PTC289417

Notes to financial Statements for the period ended 31.03.2022

## 17. Payment to Auditors

	<u>As at</u> <u>31.03.2022</u> <u>Amount (Rs)</u>	<u>As at</u> <u>31.03.2021</u> <u>Amount (Rs)</u>
As Auditor:		
Tax Audit Fees	-	-
Statutory Audit Fees	20,000	40,000
In other capacity:		
Others	-	-
<b>Total</b>	<b>20,000</b>	<b>40,000</b>

## 18. Earning per share (EPS)

The following reflects the profit and share data in the basic EPS

	<u>As at</u> <u>31.03.2022</u> <u>Amount (Rs)</u>	<u>As at</u> <u>31.03.2021</u> <u>Amount (Rs)</u>
Total operations for the year	1,69,54,442	3,33,45,120
Profit/ (Loss) after tax	(2,40,49,883)	(6,47,264)
Less: Dividends on convertible preference shares & tax thereon	-	-
Net profit/ (Loss) for calculation of basic EPS	<b>(2,40,49,883)</b>	<b>(6,47,264)</b>
	No of Shares	No of Shares
Weighted average number of equity shares in calculating basic EPS	50000	50000
Basic EPS	(481)	(13)

## 19. Related party disclosures

### A. Name of Related parties and related party relationship

Key Management Personnel	Diwakar Nigam
Key Management Personnel	T.S.Varadarajan

### B. Related Party Transactions

	<u>As at</u> <u>31.03.2022</u> <u>Amount (Rs)</u>
Newgen Software Technologies Limited	
Inter-company Deposit given	3,41,00,000
Intt. on Inter-company Deposit	3,49,874
Insurance paid on behalf of NT	3,13,539
	<b>3,47,63,413</b>





# Number Theory Software Private Limited

CIN: U72300DL2016PTC289417

## 20. Activity in Foreign Currency

	<u>As at</u> <u>31.03.2022</u> <u>Amount (Rs)</u>
(a) Earning in Foreign Exchange	-
(b) Expenditure in Foreign Exchange	-
	-
	-

## 21. Impairment of Asset

As per internal assessment of the company there is no asset requiring provision for impairment as on 18.01.2022 as per AS 28 issued by the Institute of Chartered Accountants of India.


## 22. Previous years figures.


Previous years figures have been presented for the purpose of comparison and have been regrouped where necessary.

23. Debit/Credit balances included in Sundry Debtors, Loans and Advances, Current liabilities are pending confirmation and consequential reconciliation. Adjustments in this respect, in the opinion of the management are not likely to be material and would be carried out as and when ascertained.


24. In the opinion of the board, current assets, loans and advances have a value on realisation in the ordinary course of business atleast equal to the amount at which they are stated.

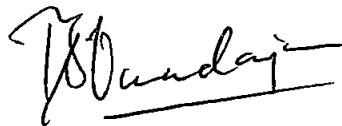
For S G Arora & Co.  
Chartered Accountants  
Firm Registration No.: 024523N

  
Saurabh Arora  
(Partner)  
Membership No. 520925



Date: 25-04-2022  
Place: Gurgaon  
UDIN: 22520925AHTEHG1378

  
Diwakar Nigam  
Director  
DIN : -00263222

  
T.S. Varadarajan  
Director  
DIN :-00263115

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### 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 2022, 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 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 2022, and its profit (including other 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

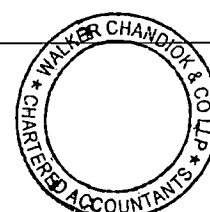
4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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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><b>A. Revenue recognition for software implementation services</b></p> <p>Refer Note 3(i)(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"> <li>• 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</li> <li>• Determination of unbilled revenue receivables and unearned revenue related to these contracts as at the end of reporting period</li> </ul> <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>Our audit work included but was not restricted to the following procedures:</p> <ol style="list-style-type: none"> <li>a) Obtained an understanding of the systems, processes and controls implemented by management for recording and calculating revenue, and the associated unbilled revenue, unearned revenue and deferred revenue balances.</li> <li>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;</li> <li>c) Selected a sample of contracts and performed a performed the following procedures:               <ul style="list-style-type: none"> <li>- 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.</li> <li>- 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.</li> <li>- 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.</li> <li>-</li> </ul> </li> <li>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.</li> </ol>
<p><b>B. Trade receivables and provision for expected credit losses</b></p> <p>Refer note 3(e) for significant accounting policy and note 43(C)(ii) for credit risk disclosures.</p> <p>Trade receivables and unbilled revenue comprise a significant portion of the current financial assets of the Company. As at 31 March 2022, the Company has reported trade receivable of Rs. 18,864.30 lacs (net of provision for expected credit loss of Rs. 3,134.11 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</p>	<p>Our audit work included but was not restricted to the following procedures:</p> <ol style="list-style-type: none"> <li>a) 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;</li> <li>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;</li> <li>c) Considered the Company's accounting policies for estimation of expected credit loss on trade receivables and unbilled revenue and assessing compliance with the policies in terms of Ind AS 109;</li> </ol>



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<p>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 TCWG at regular intervals, we have identified this as a key audit matter.</p>	<p>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.</p> <p>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;</p> <p>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.</p> <p>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.</p> <p>h) Tested the accuracy and completeness of underlying data for "expected credit loss model".</p> <p>i) Evaluated responses to direct confirmation request circulated to customers and ensured the reconciling items have been adequately recorded in the books of account;</p> <p>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.</p> <p>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.</p>
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## Information other than the Financial Statements and Auditor's Report thereon

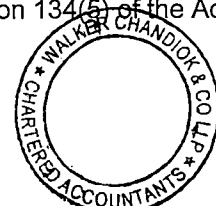
6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## 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



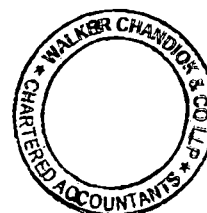
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preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance 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 standalone 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 standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 standalone 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to standalone 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 management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
  - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
  - Obtain sufficient appropriate audit evidence regarding the standalone financial statements of the Company to express an opinion on the financial statements.



# Walker ChandioK & Co LLP

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 standalone 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. The standalone financial statements of the Company for the year ended 31 March 2022 were audited by the predecessor auditor, B S R & Associates LLP (Chartered Accountants), who have expressed an unmodified opinion on those standalone financial statements vide their audit report dated 25 May 2021.

## Report on Other Legal and Regulatory Requirements

16. 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.
17. 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.
18. 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 2022 from being appointed as a director in terms of section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company as on 31 March 2022 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 litigations which would impact its financial position as at 31 March 2022;



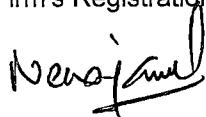
# Walker Chandiook & Co LLP

- 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 2022;
- 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 2022;
- iv.
  - a. The management has represented that, to the best of its knowledge and belief, 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, 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 attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The dividend declared or paid during the year ended 31 March 2022 by the Company is in compliance with section 123 of the Act

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

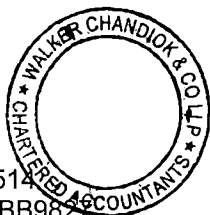


**Neeraj Goel**

Partner

Membership No.: 099514

UDIN: 22099514AIHYBB9827



**Place:** Gurugram

**Date:** 3 May 2022

# Walker Chandiook & Co LLP

**Annexure I referred to in Paragraph 17 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 2022**

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 program 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 program, 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) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment and 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 Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (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) The Company has a working capital limit in excess of Rs 5 crore sanctioned by banks based 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 provided loans or advances in the nature of loans to 1 company. The details of the same are given below:

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount during the year	-	-	34,450,000	-
- Subsidiary				
Balance outstanding as at balance sheet date	-	-	34,450,000	-
- Subsidiary				



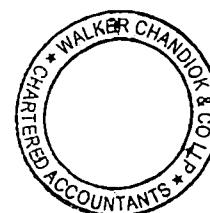


# Walker ChandioK & Co LLP

- (a) The investments made and terms and conditions of the grant of all loans are not, prima facie, prejudicial to the Company's interest.
- (b) 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.
- (c) 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.
- (d) 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.
- (e) 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 in nature of loan			
• Repayable on demand (A)	34,450,000	-	34,450,000
• Agreement does not specify any terms or period of repayment (B)	-	-	-
Total (A+B)	34,450,000	-	34,450,000
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, investments, guarantees and security, as applicable. Further, the Company has not entered into any transaction covered under section 185.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit 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/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.



# Walker Chandiook & Co LLP

## Annexure I referred to in Paragraph 17 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 2022

- (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 recorded in the books of accounts.
- (ix) (a) 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.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and there has been no utilisation during the current year of the term loans obtained by the Company during any previous years. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year or in any previous year. Accordingly, reporting under clause 3(ix) (d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.
- (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, 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.



# Walker Chandok & Co LLP

**Annexure I referred to in Paragraph 17 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 2022**

- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (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) The Company has not entered into any transactions with the related parties covered under Section 177 or Section 188 of the Act. Accordingly, reporting under clause 3(xiii) of the Order is not applicable to the Company.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under 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 them and accordingly, 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 clause 3(xvi) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year without a valid Certificate of Registration (CoR) from the RBI as per the Reserve Bank of India Act, 1934.
- (c) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) 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.
- (xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.

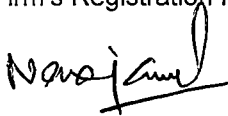


# Walker Chandiook & Co LLP

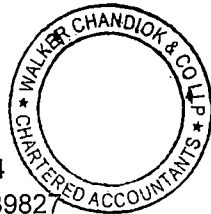
Annexure I referred to in Paragraph 17 of the Independent Auditor's Report of even date to the members of Newgen Software Technologies Limited on the standalone financial statements for the year ended 31 March 2022

- (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, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is 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 amount in respect of any ongoing or other than ongoing project as at the expiry 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) 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  
Membership No.: 099514  
UDIN: 22099514AIHYBB9827



**Place:** Gurugram  
**Date:** 3 May 2022

# Walker Chandniok & Co LLP

**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 2022**

**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 2022, 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**

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 Annexure



# Walker Chandiook & Co LLP

## 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 2022

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

6. 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.

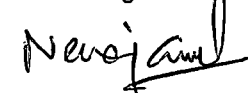
### Opinion

7. 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 2022, 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 Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013



**Neeraj Goel**

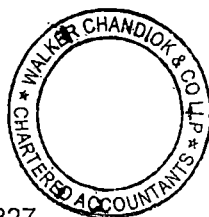
Partner

Membership No.: 099514

UDIN: 22099514AIHYBB9827

**Place:** Gurugram

**Date:** 3 May 2022



**NEWGEN SOFTWARE TECHNOLOGIES LIMITED**

**Standalone Financial Statements for the year ended 31 March 2022**

**Newgen Software Technologies Limited**  
**Standalone Balance Sheet as at 31 March 2022**  
*(All amounts are in lakhs of Indian Rupees, unless otherwise stated)*

	Note	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	16,171.37	15,682.11
Right-of-use assets	19	4,412.87	4,239.66
Intangible assets	5	13.09	64.12
Investment in subsidiaries	6	2,786.27	1,420.34
<b>Financial assets</b>			
Other Financial assets	7	10,087.33	3,684.13
Deferred tax assets (net)	33	1,488.54	1,913.69
Income tax assets (net)	8	1,289.90	985.84
Other non-current assets	9	18.15	6.83
<b>Total non-current assets</b>		<b>36,267.52</b>	<b>27,996.72</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Investments	10	9,237.76	8,317.46
Trade receivables	11	18,864.30	17,541.07
Cash and cash equivalents	12	5,379.36	2,869.61
Other bank balances	13	17,236.15	17,003.77
Loans	14	365.75	9.04
Other financial assets	15	12,537.67	9,967.56
Other current assets	16	861.66	591.65
<b>Total current assets</b>		<b>64,482.65</b>	<b>56,300.16</b>
<b>TOTAL ASSETS</b>		<b>1,00,750.17</b>	<b>84,296.88</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	17	6,954.02	6,930.60
Other equity	18	69,940.50	56,418.49
<b>Total equity attributable to the owners of the Company</b>		<b>76,894.52</b>	<b>63,349.09</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	20	430.18	-
- Lease liabilities	19	1,231.03	1,091.74
Provisions	21	3,330.84	2,844.25
<b>Total non-current liabilities</b>		<b>4,992.05</b>	<b>3,935.99</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	20	188.55	-
Lease liabilities	19	494.45	475.32
Trade payables	22	-	-
- Total outstanding dues to micro enterprises and small enterprises		75.27	-
- Total outstanding dues to creditors other than micro and small enterprises		4,024.63	2,387.20
Other financial liabilities	23	3,767.43	4,319.47
Deferred income	24	7,862.92	6,542.05
Other current liabilities	25	1,139.12	1,218.02
Provisions	26	627.02	446.52
Income tax liabilities (net)	9A	684.21	1,623.22
<b>Total current liabilities</b>		<b>18,863.60</b>	<b>17,011.80</b>
<b>Total liabilities</b>		<b>23,855.65</b>	<b>20,947.79</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,00,750.17</b>	<b>84,296.88</b>

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

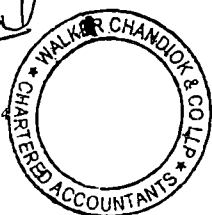
Firm Registration No.: 001076N/N500013

*Neeraj Goel*

Neeraj Goel

Partner

Membership No.: 099514



Place: Gurugram  
Date: 03 May 2022

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

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

*T.S. Varadarajan*  
T.S. Varadarajan  
Whole Time Director  
DIN: 00263115

*Arun Kumar Gupta*  
Arun Kumar Gupta  
Chief Financial Officer  
Membership No: 056859

*Aman Mourya*  
Aman Mourya  
Company Secretary  
Membership No: F9975

Place: New Delhi  
Date: 03 May 2022

Place: Noida  
Date: 03 May 2022

Place: Noida  
Date: 03 May 2022

Place: Noida  
Date: 03 May 2022





Newgen Software Technologies Limited  
 Standalone Statement of Profit and Loss for the year ended 31 March 2022  
 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Income</b>			
Revenue from operations	27	71,078.57	61,039.47
Other income	28	2,993.38	1,430.95
<b>Total income</b>		<b>74,071.95</b>	<b>62,470.42</b>
<b>Expenses</b>			
Employee benefits expense	29	34,890.01	27,926.06
Finance costs	30	317.79	534.84
Depreciation and amortisation expenses	31	1,532.43	1,851.48
Other expenses	32	18,076.59	15,188.91
<b>Total expenses</b>		<b>54,816.82</b>	<b>45,501.29</b>
<b>Profit before tax</b>		<b>19,255.13</b>	<b>16,969.13</b>
<b>Tax expense</b>			
Current tax	33	3,090.56	3,632.26
Tax expense for earlier years		-	1,288.86
Deferred tax expense		565.32	288.58
<b>Income tax expense</b>		<b>3,655.88</b>	<b>5,209.70</b>
<b>Profit for the year</b>		<b>15,599.25</b>	<b>11,759.43</b>
<b>Other comprehensive income / (loss)</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurement of defined benefit liability (asset)		(316.59)	102.73
Income tax relating to items that will not be reclassified to profit or loss		110.63	(35.90)
<b>Net other comprehensive (loss)/ income not to be reclassified subsequently to profit or loss</b>		<b>(205.96)</b>	<b>66.83</b>
<b>Items that will be reclassified subsequently to profit or loss</b>			
Financial assets or investments carried at fair value through other comprehensive income		(95.89)	75.25
Income tax relating to items that will be reclassified to profit or loss		33.51	(26.30)
<b>Net other comprehensive (loss)/ income to be reclassified subsequently to profit or loss</b>		<b>(62.38)</b>	<b>48.95</b>
<b>Other comprehensive (loss)/ income for the year, net of income tax</b>		<b>(268.34)</b>	<b>115.78</b>
<b>Total comprehensive income for the year</b>		<b>15,330.91</b>	<b>11,875.21</b>
<b>Profit attributable to:</b>			
Owners of the Company		15,599.25	11,759.43
<b>Profit for the year</b>		<b>15,599.25</b>	<b>11,759.43</b>
<b>Other comprehensive income / (loss) attributable to:</b>			
Owners of the Company		(268.34)	115.78
<b>Other comprehensive (loss)/ income for the year</b>		<b>(268.34)</b>	<b>115.78</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		15,330.91	11,875.21
<b>Total comprehensive income for the year</b>		<b>15,330.91</b>	<b>11,875.21</b>
<b>Earnings per equity share</b>			
Nominal value of share INR 10 (31 March 2021: INR 10)	34		
Basic earning per share (INR)		22.47	17.00
Diluted earning per share (INR)		22.32	16.82

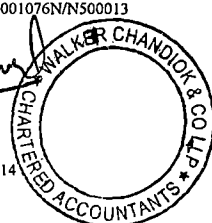
Summary of significant accounting policies 3

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

As per our report of even date attached

For Walker Chandlok & Co LLP  
 Chartered Accountants  
 Firm Registration No.: 001076N/N500013

Neeraj Goel  
 Partner  
 Membership No.: 099514



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

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: New Delhi  
 Date: 03 May 2022

Place: Noida  
 Date: 03 May 2022

Place: Noida  
 Date: 03 May 2022

Place: Noida  
 Date: 03 May 2022



Newgen Software Technologies Limited  
 Standalone Statement of Profit and Loss for the year ended 31 March 2022  
 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

a. Share capital

Particulars	Equity share capital		Total share capital
	Number	Amount	Amount
Balance as at 1 April 2020	6,99,55,701	6,995.57	6,995.57
Less: Shares held by Newgen ESOP Trust	6,49,696	64.97	64.97
<b>Total Share capital as at 31 March 2021</b>	<b>6,93,06,005</b>	<b>6,930.60</b>	<b>6,930.60</b>
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
<b>Balance as at 31 March 2022</b>	<b>6,95,40,191</b>	<b>6,954.02</b>	<b>6,954.02</b>

b. Other equity\*

Particulars	Securities premium	Retained earnings	Others				Items of Other comprehensive income		Total attributable to owners of the Company
			Capital redemption reserve	General reserve	Newgen ESOP Trust reserve	Share options outstanding reserve	Remeasurement of defined benefit liability	Debt instruments through OCI	
Balance as at 1 April 2020	10,314.50	33,286.82	87.95	1,731.39	297.47	405.75	(96.29)	0.89	46,028.48
<b>Total comprehensive income for the year ended 31 March 2021</b>									
Profit for the year	-	11,759.43	-	-	-	-	-	-	11,759.43
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	-	66.83	48.95	115.78
Transactions with owners, recorded directly in equity									
Addition to Newgen ESOP Trust reserve	-	-	-	-	106.85	-	-	-	106.85
Dividend on equity shares	-	(1,399.11)	-	-	-	-	-	-	(1,399.11)
Employee stock compensation expense	-	-	-	-	-	64.59	-	-	64.59
Loss of debt instrument transferred to Statement of Profit and Loss	-	-	-	-	-	-	-	9.00	9.00
Transferred to securities premium account on exercise of stock options	104.00	-	-	-	-	(125.62)	-	-	(21.62)
<b>Balance as at 31 March 2021</b>	<b>10,418.50</b>	<b>43,647.14</b>	<b>87.95</b>	<b>1,731.39</b>	<b>404.32</b>	<b>344.72</b>	<b>(29.46)</b>	<b>58.84</b>	<b>56,663.40</b>
Less: Securities premium on shares held by Newgen ESOP Trust	244.91	-	-	-	-	-	-	-	244.91
<b>Balance as at 31 March 2021</b>	<b>10,173.59</b>	<b>43,647.14</b>	<b>87.95</b>	<b>1,731.39</b>	<b>404.32</b>	<b>344.72</b>	<b>(29.46)</b>	<b>58.84</b>	<b>56,418.49</b>
Balance as at 1 April 2021	10,418.50	43,647.14	87.95	1,731.39	404.32	344.72	(29.46)	58.84	56,663.40
<b>Total comprehensive income for the year ended 31 May 2021</b>									
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)
<b>Balance as at 31 March 2022</b>	<b>10,525.26</b>	<b>56,797.94</b>	<b>87.95</b>	<b>1,731.39</b>	<b>511.71</b>	<b>762.77</b>	<b>(235.42)</b>	<b>3.81</b>	<b>70,185.41</b>
Less: Securities premium on shares held by Newgen ESOP Trust	244.91	-	-	-	-	-	-	-	244.91
<b>Balance as at 31 March 2022</b>	<b>10,280.35</b>	<b>56,797.94</b>	<b>87.95</b>	<b>1,731.39</b>	<b>511.71</b>	<b>762.77</b>	<b>(235.42)</b>	<b>3.81</b>	<b>69,940.50</b>

\* Refer note 18

Summary of significant accounting policies

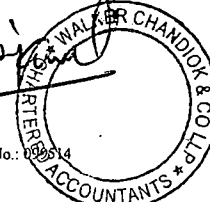
Note 3

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

As per our report of even date attached

For Walker Chandok & Co LLP  
 Chartered Accountants  
 Firm Registration No.: 001076/N/500013


Neeraj Goel  
 Partner  
 Membership No.: 099514



Place: Gurugram  
 Date: 03 May 2022


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

Diwaker Nigam  
 Chairman & Managing Director  
 DIN: 00263222




Place: New Delhi  
 Date: 03 May 2022

T.S.Varadarajan  
 Whole Time Director  
 DIN: 00263115




Place: Noida  
 Date: 03 May 2022

Arun Kumar Gupta  
 Chief Financial Officer  
 Membership No: 056859



Place: Noida  
 Date: 03 May 2022

Aman Mourya  
 Company Secretary  
 Membership No: F9975



Place: Noida  
 Date: 03 May 2022



**Newgen Software Technologies Limited**  
**Standalone Statement of Cash Flows for the year ended 31 March 2022**  
*(All amounts are in lakhs of Indian Rupees, unless otherwise stated)*

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>A. Cash flows from operating activities</b>		
Net profit before tax	19,255.13	16,969.13
Adjustments for:		
Depreciation and amortisation	1,532.43	1,851.48
Gain on sale of property, plant and equipment	(8.05)	(10.16)
Loss allowance on trade receivables & unbilled revenue	1,804.50	2,149.62
Liabilities/ provision no longer required written back	(64.71)	(7.27)
Unrealised foreign exchange gain	(297.92)	(10.61)
Share based payment - equity settled	488.74	61.90
Finance cost	195.39	465.37
Fair value changes of financial assets at FVTPL	(75.39)	(70.60)
Profit on sale of mutual funds (net) at FVTPL	(146.79)	(125.98)
Loss on redemption of bonds at FVTOCI	24.80	27.78
Interest income	(1,511.60)	(1,034.23)
Gain on lease termination	(0.43)	(87.49)
<b>Operating cash flow before working capital changes</b>	<b>21,196.10</b>	<b>20,178.94</b>
(Increase)/decrease in trade receivables	(2,768.12)	4,133.12
(Increase)/decrease in loans	(12.21)	74.50
Increase in other financial assets	(2,759.72)	(1,350.05)
(Increase)/decrease in other assets	(267.62)	84.94
Increase in provisions	350.50	665.30
(Decrease)/increase in other financial liabilities	(731.06)	727.25
Increase in other liabilities	1,241.98	585.63
Increase/(decrease) in trade payables	1,777.31	(754.59)
<b>Cash generated from operations</b>	<b>18,027.16</b>	<b>24,345.03</b>
Income taxes paid (net)	(4,333.60)	(2,855.62)
<b>Net cash generated from operating activities (A)</b>	<b>13,693.56</b>	<b>21,489.41</b>
<b>B. Cash flows from investing activities</b>		
Acquisition or construction of property plant and equipment including intangible assets, capital work-in-progress and capital	(1,251.06)	(1,166.15)
Proceeds from sale of property plant and equipment	9.64	12.33
Purchase of mutual funds and bonds	(16,374.16)	(14,893.36)
Proceeds from redemption of mutual funds and bonds	15,408.22	14,444.43
Loan to body corporate	(341.00)	-
Interest received from bonds	259.74	168.20
Interest received from bank deposits	1,156.96	626.40
Investment in subsidiary company	(702.73)	-
Investment in bank deposits (net of maturities)	(6,322.49)	(13,487.76)
<b>Net cash used in investing activities (B)</b>	<b>(8,156.88)</b>	<b>(14,295.91)</b>
<b>C. Cash flows from financing activities</b>		
(Repayment of) / proceeds from short-term borrowings (net)	-	(7,453.21)
Repayment of lease liabilities	(689.01)	(1,297.51)
Dividend paid	(2,445.31)	(1,399.11)
Interest paid	-	(86.71)
Gain on transfer of equity shares by Newgen ESOP trust	107.39	153.94
<b>Net cash used in financing activities (C)</b>	<b>(3,026.93)</b>	<b>(10,082.60)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>2,509.75</b>	<b>(2,889.10)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>2,869.61</b>	<b>5,758.70</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>5,379.36</b>	<b>2,869.61</b>
<b>Components of cash and cash equivalents: (refer note 12)</b>		
Cash in hand	3.51	3.08
Balances with banks:		
- in current accounts	4,309.46	2,706.53
- balances with scheduled banks in deposit accounts with original maturity of less than 3 months	1,066.39	160.00
	<b>5,379.36</b>	<b>2,869.61</b>

**Notes:**

1. The cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows"

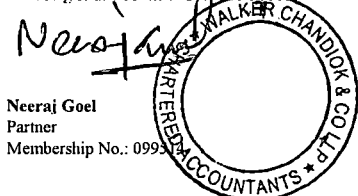
The accompanying notes are an integral part of the Standalone Financial Statements

As per our report of even date attached

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No.: 001976/NM/569013



Neeraj Goel

Partner

Membership No.: 0993

Place: Gurugram  
Date: 03 May 2022

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

*(Signatures of Diwakar Nigam, T.S. Varadarajan, Arun Kumar Gupta, Aman Mourya)*

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: New Delhi  
Date: 03 May 2022

Place: Noida  
Date: 03 May 2022

Place: Noida  
Date: 03 May 2022

Place: Noida  
Date: 03 May 2022



## 1. Background

Newgen Software Technologies Limited ('Newgen' or 'the Company') is a public company domiciled and incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is situated at A-6, Satsang Vihar Marg, Qutab Institutional Area, New Delhi - 110067. The Company raised money by way of initial public offer during the year ended 31 March 2018 and its shares were listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) of India.

The Company is a global software Company and is engaged in the business of software product development including designing and delivering end-to-end software solutions covering the entire spectrum of software services from workflow automation to Document management to imaging. Newgen provides a complete range of software that helps automate business processes. Newgen's solutions enable document intensive organizations/ industries such as Finance and Banking, Insurance and government departments to improve productivity through better document management and workflow implementation.

## 2. Basis of Preparation

### A. Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The financial statements for the year ended 31 March 2018 were the first financial statements that the Company had prepared in accordance with Ind AS.

The financial statements were authorised for issue by the Company's Board of Directors on 03 May 2022.

Details of the Company's accounting policies are included in Note 3.

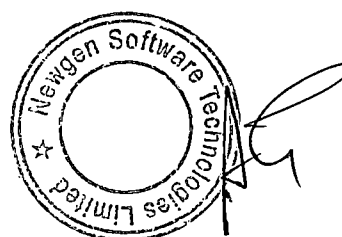
### B. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

### C. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations



#### **D. Use of estimates and judgements**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures. Uncertainty about the assumptions and estimates could result in outcomes that may require material adjustment to the carrying value of assets or liabilities affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

##### ***Judgements***

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 3(i) and Note 27 – revenue recognition from fixed price contracts of software implementation services: percentage of completion method to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended.
- Note 3(l) and Note 19 – determination of lease term;

##### ***Assumptions and estimation uncertainties***

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2022 is included in the following notes:

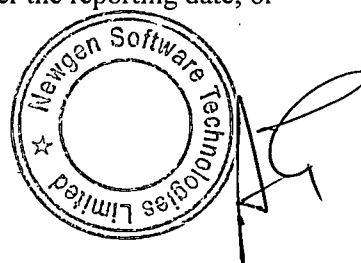
- Note 3(c)(iii) – Estimation of Useful lives of intangible assets and Property, plant and equipment
- Note 29 – Measurement of defined benefit obligations: key actuarial assumptions;
- Note 33 – Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried 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**

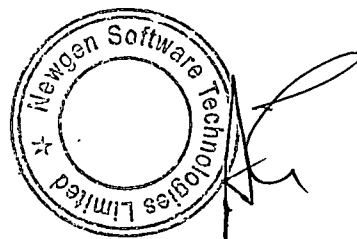
A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility 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).
- 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.

### **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.

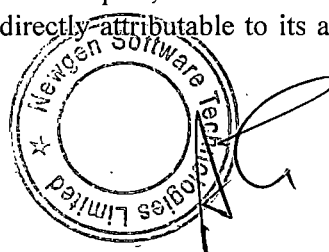
Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange 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.



*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 asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

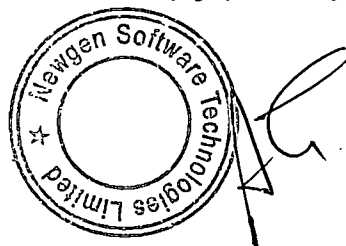
*Financial assets: Business model assessment*

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management, for instance the stated policies and objectives for the portfolio, frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

*Financial assets: Assessment whether contractual cash flows are solely payments of principal and Interest.*





For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and

Basis the above classification criteria, Company's investments are classified as below:-

- Investments in government and other bonds have been classified as FVOCI.
- Investments in Mutual funds have been classified as FVTPL.

*Financial assets: Subsequent measurement and gains and losses*

*Financial assets at FVTPL*

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

*Financial assets at amortised cost*

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

*Debt investments at FVOCI*

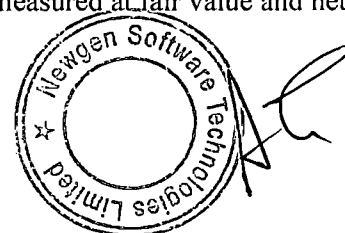
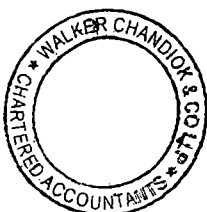
These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

*Equity investments at FVOCI*

These assets are subsequently measured at fair value. Dividends are recognized as income in Statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to Statement of profit or loss.

*Financial liabilities: Classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and



losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest 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*

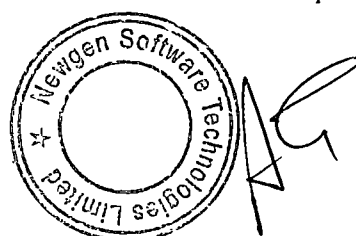
Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

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.



**Newgen Software Technologies Limited**  
**Notes to standalone financial statements for the year ended 31 March 2022**  
*(All amounts are in lakhs of Indian Rupees, unless otherwise stated)*

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of profit or loss.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress.

*ii. Subsequent expenditure*

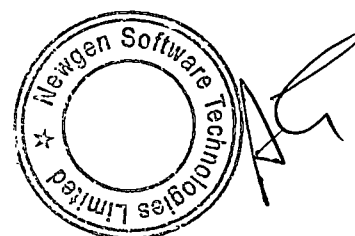
Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

*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:

<b>Category of property, plant and equipment</b>	<b>Estimated useful life (Years)</b>
Building	60
Plant and equipment	15
Leasehold Improvements*	3
Office equipment**	10
Furniture and Fixtures	10
Vehicles	8
Computer hardware	
- servers and networks	6
- Computers**	3-5



Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on addition (disposal) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).

\*Leasehold improvements are depreciated over the period of the lease term of the respective property or 3 years whichever is lower.

Leasehold land is amortised over the lease period of 90 years.

\*\*Based on an internal technical assessment, the management believes that the useful lives as given above best represents the period over which management expects to use its assets. Hence, the useful life of plant and equipment is different from the useful life as prescribed under Part C of Schedule II of Companies Act, 2013.

#### **d. Intangible assets**

##### *Recognition and measurement*

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and accumulated impairment loss, if any.

##### *Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

##### *Amortization*

Intangible assets of the Company represents computer software and are amortized using the straight-line method over the estimated useful life (at present 3-4 years) or the tenure of the respective software license, whichever is lower. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

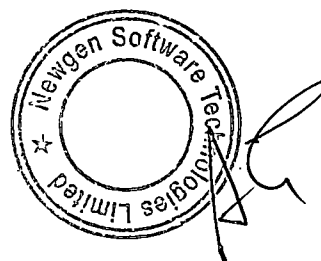
Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of profit or loss when the asset is derecognized.

#### **e. Impairment**

##### *i. Impairment of financial instruments*

The Company recognises loss allowances for expected credit losses on:

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



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

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

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

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

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

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

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

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

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to 'investment grade' e.g. BBB or higher as per renowned rating agencies.

#### *Measurement of expected credit losses*

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

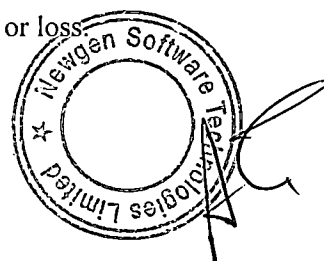
As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

#### *Presentation of allowance for expected credit losses in the balance sheet*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss.

#### *Write-off*



The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

*ii. Impairment of Non-financial assets*

The carrying amounts of assets are reviewed at each reporting date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount. The recoverable amount is the greater of the asset's (or cash generating unit's) net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset (or cash generating unit).

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised

**f. Employee benefits**

*i. Short-term employee benefits*

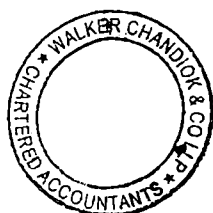
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

*ii. Share-based payment transactions*

The grant date fair value of equity settled share-based payment awards granted to employees of the Company and subsidiaries of the Company is recognised as an employee expense and deemed investment, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense/deemed investment is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense/dement investment is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

*iii. Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered



provident fund scheme. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

*iv. Defined benefit plans*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's gratuity scheme is a defined benefit plan. The present value of obligations under such defined benefit plans are determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, are based on the market yields on government securities as at the balance sheet date, having maturity period approximating to the terms of related obligations

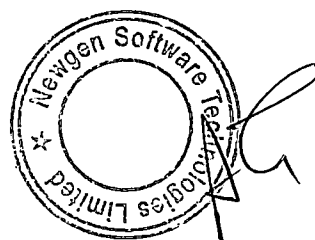
Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income and are never reclassified to profit or loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the profit or loss as past service cost.

*v. Other long-term employee benefits*

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted.

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Re measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the profit or loss

**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

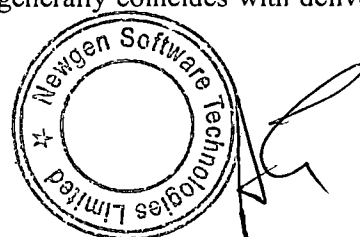
#### **i. Revenue**

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.

*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*

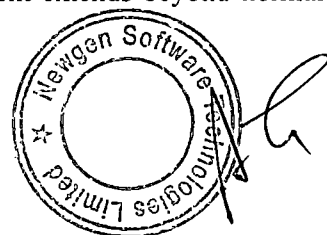
Revenue from annual technical service and maintenance contracts is recognised ratably over the term of the underlying maintenance arrangement.

*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.

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.

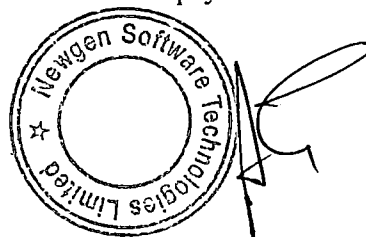
Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

**j. Recognition of dividend income, interest income or expense**

Dividend income is recognised in Statement of profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:



- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

#### **k. Sale of investments**

Profit on sale of investments is recorded on transfer of title from the Company and is determined as the difference between the sales price and the carrying value of the investment

#### **l. Leases**

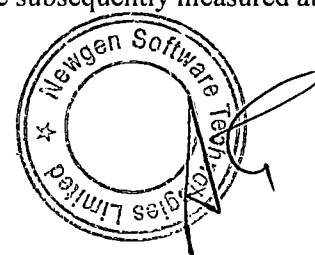
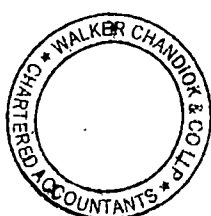
##### **The Company as a lessee**

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.



Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not 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.

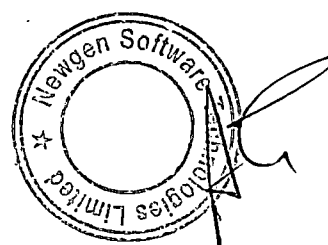
*i. Current tax*

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 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.

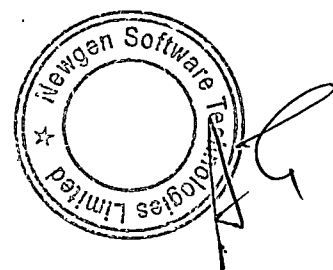
**n. Cash and cash equivalents**

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 45 for segment information.

**r. ESOP Trust**

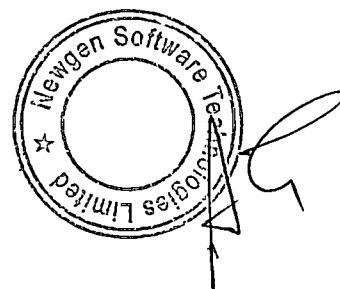
The ESOP trust has been treated as an extension of the Company and accordingly shares held by ESOP Trust are netted off from the total share capital. Consequently, all the assets, liabilities, income and expenses of the trust are accounted for as assets and liabilities of the Company, except for profit / 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.

**t. Standards issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2022.



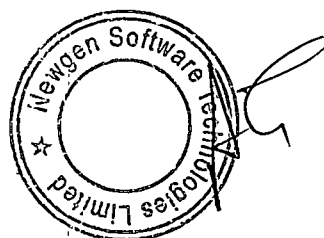
4 Property, plant and equipment

	Freehold land	Buildings	Plant and machinery	Leasehold improvements	Vehicles	Office equipment	Furniture and fixtures	Computer and servers	Total	Capital work-in-progress
<b>Cost</b>										
Balance as at 1 April 2020	4.28	4,092.42	458.84	5.99	244.85	1,160.28	347.63	1,746.23	8,060.52	9,072.62
Additions during the year	-	8,802.73	299.31	-	-	171.46	283.97	284.12	9,841.59	437.91
Capitalised during the year	-	-	-	-	-	-	-	-	-	(9,510.53)
Less: Disposals during the year	-	-	16.08	-	16.20	16.44	16.71	82.41	147.84	-
<b>Balance as at 31 March 2021</b>	<b>4.28</b>	<b>12,895.15</b>	<b>742.07</b>	<b>5.99</b>	<b>228.65</b>	<b>1,315.30</b>	<b>614.89</b>	<b>1,947.94</b>	<b>17,754.27</b>	<b>-</b>
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	-
<b>Balance as at 31 March 2022</b>	<b>4.28</b>	<b>12,895.15</b>	<b>722.11</b>	<b>5.99</b>	<b>477.09</b>	<b>1,351.70</b>	<b>615.85</b>	<b>2,999.82</b>	<b>19,071.99</b>	<b>-</b>
<b>Accumulated Depreciation</b>										
Balance as at 1 April 2020	-	112.53	134.90	5.99	111.01	209.25	121.25	844.87	1,539.80	-
Additions during the year	-	106.56	54.56	-	34.49	128.61	45.51	308.30	678.03	-
Less: Disposals during the year	-	-	15.49	-	16.20	16.25	15.54	82.19	145.67	-
<b>Balance as at 31 March 2021</b>	<b>-</b>	<b>219.09</b>	<b>173.97</b>	<b>5.99</b>	<b>129.30</b>	<b>321.61</b>	<b>151.22</b>	<b>1,070.98</b>	<b>2,072.16</b>	<b>-</b>
Additions 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	-
<b>Balance as at 31 March 2022</b>	<b>-</b>	<b>436.11</b>	<b>222.71</b>	<b>5.99</b>	<b>138.28</b>	<b>455.12</b>	<b>213.45</b>	<b>1,428.96</b>	<b>2,900.62</b>	<b>-</b>
<b>Carrying amount (net)</b>										
Balance as at 31 March 2021	4.28	12,676.06	568.10	-	99.35	993.69	463.67	876.96	15,682.11	-
<b>Balance as at 31 March 2022</b>	<b>4.28</b>	<b>12,459.04</b>	<b>499.40</b>	<b>-</b>	<b>338.81</b>	<b>896.58</b>	<b>402.40</b>	<b>1,570.86</b>	<b>16,171.37</b>	<b>-</b>

As at 31 March 2022 properties with a carrying amount of INR 366.49 lakhs (31 March 2021 : INR 374.60 lakhs) are subject to first charge to working capital limits from banks.  
Capital commitment as on 31 March 2022 is NIL (31 March 2021: NIL)

5 Intangible assets

	Computer software
<b>Cost</b>	
Balance as at 1 April 2020	401.94
Additions during the year	8.57
<b>Balance as at 31 March 2021</b>	<b>410.51</b>
Additions during the year	2.10
<b>Balance as at 31 March 2022</b>	<b>412.61</b>
<b>Accumulated Amortisation</b>	
Balance as at 1 April 2020	262.38
Additions during the year	84.01
<b>Balance as at 31 March 2021</b>	<b>346.39</b>
Additions during the year	53.13
<b>Balance as at 31 March 2022</b>	<b>399.52</b>
<b>Carrying amount (net)</b>	
Balance as at 31 March 2021	64.12
<b>Balance as at 31 March 2022</b>	<b>13.09</b>



**Newgen Software Technologies Limited**  
**Standalone Statement of Profit and Loss for the year ended 31 March 2022**  
*(All amounts are in lakhs of Indian Rupees, unless otherwise stated)*

**6 Investment in subsidiaries**

**Investments in equity instruments - at cost (unquoted)**

	As at 31 March 2022	As at 31 March 2021
6,000 (31 March 2021: 6,000) common shares of USD 200 each, fully paid up of Newgen Software Inc.	567.79	530.09
1,000,000 (31 March 2021: 1,000,000) common shares of CAD 0.10 each, fully paid up of Newgen Software Technologies Canada, Limited.	58.86	56.52
250,000 (31 March 2021: 250,000) ordinary shares of SGD 1 each, fully paid up of Newgen Software Technologies Pte. Limited.	119.18	117.44
210,000 (31 March 2021: 210,000) equity shares of INR 10 each, fully paid up of Newgen Computers Technologies Limited.	46.50	46.50
20,000,000 (31 March 2021: 20,000,000) common stock of GBP 0.01 each, fully paid up of Newgen Software Technologies (UK) Ltd.	182.86	178.74
1,000,000 (31 March 2021: 1,000,000) common shares of AUD 1 each, fully paid up of Newgen Software Technologies Pty Ltd.	497.92	491.05
50,000 (31 March 2021: Nil) equity shares of INR 10 each, fully paid up of Number Theory Software Private Limited	1,313.16	-
	<b>2,786.27</b>	<b>1,420.34</b>
Aggregate book value of unquoted investments	2,786.27	1,420.34

Increase in investment represents investment in Number Theory Software Private Limited (Newly acquired company) and deemed investment on account of share based payment awards granted to the employees of subsidiaries of the Company.

Company entered into Share Purchase Agreement (SPA) with shareholders of Number Theory Software Private Limited (NTSPL) in January 2022 to acquire 100% stake. Pursuant to SPA, the Company made an investment of INR 1,405.47 lakhs of which INR 703.72 lakhs were paid on the acquisition completion date i.e. 28 January, 2022 and the remaining will be paid over next three years equally. Consequent to the acquisition, a Scheme of Amalgamation u/s 230-232 of the Companies Act, 2013 which provides for merger of Number Theory Software Private Limited (NTSPL) with Newgen Software Technologies Limited (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. As the approval is yet to be filed, therefore pending sanctions, impact of the Scheme has not been considered in standalone financials of NSTL for FY 2021-22.

**7 Other financial assets (non-current)**

	As at 31 March 2022	As at 31 March 2021
Bank deposits*		
- Deposits with maturity of more than 12 months	6,000.00	-
- pledged with tax authorities	4.42	4.42
- held as margin money	3,375.26	3,282.03
Interest accrued on deposits	262.69	47.10
Security deposits	408.43	338.30
Earnest money deposits		
-Unsecured, considered good	36.53	12.28
-Unsecured, considered doubtful	164.75	164.75
-Less: Loss allowance for doubtful deposits	(164.75)	(164.75)
	<b>10,087.33</b>	<b>3,684.13</b>

\*Bank deposits held as margin money represents deposits made on account of guarantees issued to government customers amounting to INR 296.62 lakhs (31 March 2021: INR 282.03 lakhs) and deposits made to avail overdraft facilities amounting to INR 3,078.64 lakhs (31 March 2021: INR 3,000 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)**

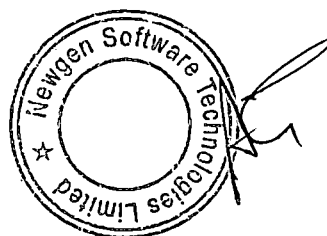
	As at 31 March 2022	As at 31 March 2021
Advance income tax (net of provision of INR 13,990.61 lakhs (31 March 2021: INR 5,453.20 lakhs))	1,289.90	985.84
	<b>1,289.90</b>	<b>985.84</b>

**8A Income tax liabilities (net)**

	As at 31 March 2022	As at 31 March 2021
Provision for tax (net of advance tax of INR 2,657.57 lakhs (31 March 2021: INR 7,084.45 lakhs))	684.21	1,623.22
	<b>684.21</b>	<b>1,623.22</b>

**9 Other non-current assets**

	As at 31 March 2022	As at 31 March 2021
Prepaid expenses	4.43	6.83
Capital advances	13.72	-
	<b>18.15</b>	<b>6.83</b>





Newgen Software Technologies Limited  
 Standalone Statement of Profit and Loss for the year ended 31 March 2022  
 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

10 Investments (refer note 41)

	As at 31 March 2022	As at 31 March 2021
<b>Investments in bonds (unquoted)</b>		
Bonds at FVOCI		
-Investment in government bonds	6,468.06	3,561.72
	<b>6,468.06</b>	<b>3,561.72</b>
<b>Investments in mutual funds (unquoted)</b>		
Mutual funds at FVTPL	2,769.70	4,755.74
	<b>2,769.70</b>	<b>4,755.74</b>
	<b>9,237.76</b>	<b>8,317.46</b>
Aggregate book value of unquoted investments	9,237.76	8,317.46

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 2022	As at 31 March 2021
- Unsecured, considered good	20,967.48	19,091.07
- Trade receivable - Credit impaired	1,030.93	2,439.38
	<b>21,998.41</b>	<b>21,530.45</b>
<b>Allowance for bad and doubtful debts</b>		
- Unsecured, considered good	(2,103.18)	(1,550.00)
- Trade receivable - Credit impaired	(1,030.93)	(2,439.38)
	<b>18,864.30</b>	<b>17,541.07</b>

Trade Receivable Ageing Schedule

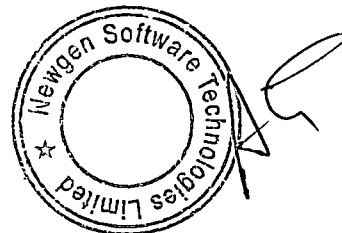
	Outstanding for following periods from due date of payment						Total
	Current but not due	Less than 6 months	6 months to 1 years	1-2 Years	2-3 Years	More Than 3 years	
<b>As at 31 March 2022</b>							
Undisputed Trade Receivables- Considered good	13,754.50	5,357.93	1,222.10	632.95	-	-	20,967.48
Undisputed 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	-	-	-	-	-	-	-
	<b>13,754.50</b>	<b>5,357.93</b>	<b>1,222.10</b>	<b>1,127.02</b>	<b>536.86</b>	<b>-</b>	<b>21,998.41</b>
<b>As at 31 March 2021</b>							
Undisputed Trade Receivables- Considered good	12,466.43	4,840.42	1,125.85	658.37	-	-	19,091.07
Undisputed Trade Receivables- Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables- credit impaired	-	-	-	29.47	888.44	1,521.47	2,439.38
Disputed Trade Receivables- Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables- Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables- credit impaired	-	-	-	-	-	-	-
	<b>12,466.43</b>	<b>4,840.42</b>	<b>1,125.85</b>	<b>687.84</b>	<b>888.44</b>	<b>1,521.47</b>	<b>21,530.46</b>

\*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 30-90 days.

The Company's exposure to credit and currency risks and loss allowances related to trade receivables are discussed in note 43(c).



Newgen Software Technologies Limited  
**Standalone Statement of Profit and Loss for the year ended 31 March 2022**  
*(All amounts are in lakhs of Indian Rupees, unless otherwise stated)*

12 Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Cash on hand	3.51	3.08
Balances with banks		
- in current accounts*	4,309.46	2,706.53
-Balances with scheduled banks in deposit accounts with original maturity of less than three months	1,066.39	160.00
	<b>5,379.36</b>	<b>2,869.61</b>

\*Current account balances with banks include INR 48.10 lakhs (31 March 2021: INR 142.43 lakhs) held at a foreign branch.

Short term deposits are from varying periods of between one day and three months, depending upon the immediate cash requirements of the group, and earn interest at the respective short term deposit rates.

13 Other bank balances

	As at 31 March 2022	As at 31 March 2021
Balances with scheduled banks in		
- Original maturity of less than 12 months	17,229.24	17,000.00
- Unclaimed dividend account*	6.91	3.77
	<b>17,236.15</b>	<b>17,003.77</b>

\*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 2022	As at 31 March 2021
Loans to employees*	21.25	9.04
Loan to a related party	344.50	-
	<b>365.75</b>	<b>9.04</b>

\*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 2022		As at 31 March 2021	
	Amount outstanding*	% of total advance	Amount outstanding	% of total advance
Promoters	-	-	-	-
Directors	-	-	-	-
KMP	-	-	-	-
Other related party	344.5	94.19%	-	-

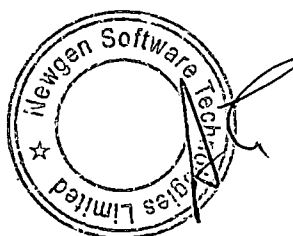
The Company has provided following loans in pursuant to section 186 (4) of Companies Act , 2013.

Name of the entity	Balance as at 31 March 2021	Loan given*	Loan repaid	Loan provided for	Balance as at 31 March 2022
Number Theory Software Private Limited (subsidiary company)	-	344.50	-	-	344.50
		<b>344.50</b>	<b>-</b>	<b>-</b>	<b>344.50</b>

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 2022*	Maximum O/S during the year 21-22	Balance as at 31 March 2021	Maximum O/S during the year 20-21
<b>Loans and Advances in the nature of loan given to subsidiary</b>						
Number Theory Software Private Limited	6%	Unsecured	344.50	344.50	-	-
			<b>344.50</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* Includes interest INR 3.50 lakhs .



Newgen Software Technologies Limited  
 Standalone Statement of Profit and Loss for the year ended 31 March 2022  
 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

15 Current financial assets - Others

(unsecured considered good, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
Interest accrued on deposits	378.27	519.11
Interest accrued but not due on government bonds	307.04	158.87
Derivatives assets	211.73	-
Security deposits	75.38	150.40
Other receivable from related party	3.14	-
Unbilled revenue*		
- other than related parties	8,064.49	6,926.03
Less: Provision for loss allowance	(273.39)	-
- related parties (refer note 42)	3,771.01	2,213.15
	<u>12,537.67</u>	<u>9,967.56</u>

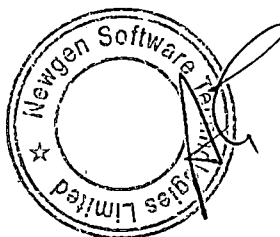
\*Unbilled revenue represents amounts recognised based on services performed in advance of billing in accordance with contract terms.

\*Changes in unbilled revenue is as follows:

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	9,139.18	7,767.02
Less: Amount of revenue billed during the year	(5,470.19)	(3,224.27)
Add: Addition during the year	8,166.51	4,596.43
Balance at the end of the year	<u>11,835.50</u>	<u>9,139.18</u>

16 Other current assets

	As at 31 March 2022	As at 31 March 2021
Advances to vendors	54.11	12.65
Deferred contract cost	109.68	93.90
Advance to employees	52.44	24.52
Prepaid expenses	645.43	460.58
	<u>861.66</u>	<u>591.65</u>



**Newgen Software Technologies Limited**  
**Standalone Statement of Profit and Loss for the year ended 31 March 2022**  
*(All amounts are in lakhs of Indian Rupees, unless otherwise stated)*

**17 Share capital**

	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised share capital</b>				
Equity shares of INR 10 each	9,80,00,200	9,800.02	9,80,00,200	9,800.02
0.01% Compulsory convertible preference shares of INR 10 each	1,19,99,800	1,199.98	1,19,99,800	1,199.98
	<b>11,00,00,000</b>	<b>11,000.00</b>	<b>11,00,00,000</b>	<b>11,000.00</b>

	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
<b>Issued, subscribed and paid up</b>				
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	-	-	-	-
<b>Balance</b>	<b>6,99,55,701</b>	<b>6,995.57</b>	<b>6,99,55,701</b>	<b>6,995.57</b>
Less: Shares held by Newgen ESOP Trust	4,15,510	41.55	6,49,696	64.97
<b>Total Share capital</b>	<b>6,95,40,191</b>	<b>6,954.02</b>	<b>6,93,06,005</b>	<b>6,930.60</b>

**Reconciliation of shares outstanding at the beginning and at the end at the reporting year.**

	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
<b>Equity share capital of INR 10 each, fully paid up</b>				
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	4,15,510	41.55	6,49,696	64.97
<b>Total equity share capital</b>	<b>6,95,40,191</b>	<b>6,954.02</b>	<b>6,93,06,005</b>	<b>6,930.60</b>

**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 INR 10 each, fully paid up held by:**

	As at 31 March 2022		As at 31 March 2021	
	Number of shares	% Holding	Number of shares	% Holding
- Mr. Diwakar Nigam	1,56,74,732	22.41%	1,84,72,406	26.41%
- Mr. T.S. Varadarajan	1,50,09,306	21.46%	1,50,09,306	21.46%
- Mrs. Priyadarshini Nigam	65,69,792	9.39%	79,68,906	11.39%
- Mrs. Usha Varadarajan	13,32,320	1.90%	45,28,320	6.47%
- Malabar India Fund Limited	18,35,083	2.62%	49,78,931	7.12%

**17 B Details of shares held by promoters and promoters group**  
**Equity shares of INR 10 each, fully paid up held by:**

	As at 31 March 2022			As at 31 March 2021	
	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%	-15.1%	1,84,72,406	26.41%
- 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%	-17.6%	79,68,906	11.39%
- Mrs. Usha Varadarajan	13,32,320	1.90%	-70.6%	45,28,320	6.47%
- Mrs. Ragini Goorha	50	0.00%	0.0%	50	0.00%
- Mrs. Sudha Sairaj	100	0.00%	0.0%	-	-

**17 C Shares reserved for issue under Employee stock option plan and RSU Scheme**

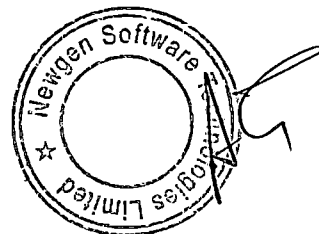
Terms attached to stock options granted to employees are described in note 35 regarding share based payments.

**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 2022	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2018
Equity shares of INR 10 each	-	-	3,70,000	3,50,000	10,50,000

(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.



**Newgen Software Technologies Limited**  
**Standalone Statement of Profit and Loss for the year ended 31 March 2022**  
*(All amounts are in lakhs of Indian Rupees, unless otherwise stated)*

**18 Other equity**

Securities premium
Retained earnings
Capital redemption reserve
General reserve
Newgen ESOP Trust reserve
Share options outstanding reserve
Other comprehensive gain/ (loss)

	As at 31 March 2022	As at 31 March 2021
10,280.35	10,280.35	10,173.59
56,797.94	56,797.94	43,647.14
87.95	87.95	87.95
1,731.39	1,731.39	1,731.39
511.71	511.71	404.32
762.77	762.77	344.72
(231.61)	(231.61)	29.38
<b>69,940.50</b>	<b>69,940.50</b>	<b>56,418.49</b>

**Securities premium (refer note (i) below)**

Balance as at beginning of the year
Transferred from share options outstanding reserve on exercise of stock options
Balance as at end of the year
Less: Securities premium on shares held by Newgen ESOP Trust
Balance as at end of the year

	As at 31 March 2022	As at 31 March 2021
10,418.50	10,418.50	10,314.50
106.76	106.76	104.00
<b>10,525.26</b>	<b>10,525.26</b>	<b>10,418.50</b>
244.91	244.91	244.91
<b>10,280.35</b>	<b>10,280.35</b>	<b>10,173.59</b>

**Retained earnings (refer note (ii) below)**

Balance as at beginning of the year
Profit for the year
Dividend on equity shares
Balance as at end of the year

	As at 31 March 2022	As at 31 March 2021
43,647.14	43,647.14	33,286.82
15,599.25	15,599.25	11,759.43
(2,448.45)	(2,448.45)	(1,399.11)
<b>56,797.94</b>	<b>56,797.94</b>	<b>43,647.14</b>

**Capital redemption reserve**

Balance as at beginning of the year
Balance as at end of the year

	As at 31 March 2022	As at 31 March 2021
87.95	87.95	87.95
<b>87.95</b>	<b>87.95</b>	<b>87.95</b>

**General reserve**

Balance as at beginning of the year
Balance as at end of the year

	As at 31 March 2022	As at 31 March 2021
1,731.39	1,731.39	1,731.39
<b>1,731.39</b>	<b>1,731.39</b>	<b>1,731.39</b>

**Newgen ESOP Trust reserve (refer note (iii) below)**

Balance as at beginning of the year
Addition to Newgen ESOP Trust reserve
Balance as at end of the year

	As at 31 March 2022	As at 31 March 2021
404.32	404.32	297.47
107.39	107.39	106.85
<b>511.71</b>	<b>511.71</b>	<b>404.32</b>

**Share options outstanding reserve (refer note (iv) below)**

Balance as at beginning of the year
Employee stock compensation expense
Transferred to securities premium account on exercise of stock options
Balance as at end of the year

	As at 31 March 2022	As at 31 March 2021
344.72	344.72	405.75
548.26	548.26	64.59
(130.21)	(130.21)	(125.62)
<b>762.77</b>	<b>762.77</b>	<b>344.72</b>

**Other comprehensive income/(loss) (refer note (v) below)**

**Remeasurement of defined benefit liability**

Balance as at beginning of the year
Other comprehensive income (loss) (net of tax)
Balance as at end of the year

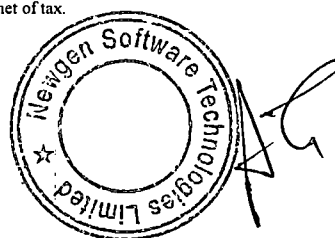
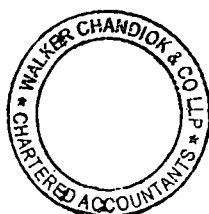
	As at 31 March 2022	As at 31 March 2021
(29.46)	(29.46)	(96.29)
(205.96)	(205.96)	66.83
<b>(235.42)</b>	<b>(235.42)</b>	<b>(29.46)</b>

**Financial assets or investments carried at fair value through other comprehensive income**

Balance as at beginning of the year
Other comprehensive income (net of tax)
(Profit)/loss on sale of debt instrument transferred to profit and loss
Balance as at end of the year

	As at 31 March 2022	As at 31 March 2021
58.84	58.84	0.89
(62.38)	(62.38)	48.95
7.35	7.35	9.00
<b>3.81</b>	<b>3.81</b>	<b>58.84</b>

- (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.
- (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.



**Newgen Software Technologies Limited**  
**Notes to the standalone financial statements for the period ended 31 March 2022**  
 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**19 Right-of-use assets**

Changes in the carrying value of right of use assets for the year ended 31 March 2021

Particulars	Category of ROU asset		Total
	Leasehold land	Buildings	
Balance as at 1 April 2020	3,365.78	2,641.23	6,007.01
Termination of leases	-	(677.91)	(677.91)
Depreciation	(39.30)	(1,050.14)	(1,089.44)
<b>Balance as at 31 March 2021</b>	<b>3,326.48</b>	<b>913.18</b>	<b>4,239.66</b>

Changes in the carrying value of right of use assets for the period 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)
<b>Balance as at 31 March 2022</b>	<b>3,287.18</b>	<b>1,125.69</b>	<b>4,412.87</b>

\*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	As at
	31 March 2022	31 March 2021
Non-current lease liabilities	1,231.03	1,091.74
Current lease liabilities	494.45	475.32
<b>Total</b>	<b>1,725.48</b>	<b>1,567.06</b>

**Movement in lease liabilities during the year ended 31 March 2021**

Particulars	As at 31 March 2021
Balance as at 1 April 2020	3,347.03
Addition	-
Finance cost	272.63
Termination of leases	(755.09)
Payment of lease liabilities	(1,297.51)
<b>Balance as at 31 March 2021</b>	<b>1,567.06</b>

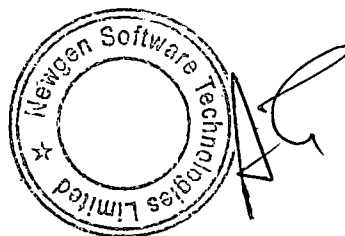
**Movement in lease liabilities during the year ended 31 March 2022**

Particulars	As at 31 March 2022
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)
<b>Balance as at 31 March 2022</b>	<b>1,725.48</b>

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 INR 448.81 lakhs for the year ended 31 March 2022 (31 March 2021: INR 94.31 lakhs)

For detail regarding the undiscounted contractual maturities of lease liabilities. (refer note 43)



	As at 31 March 2022	As at 31 March 2021
<b>20 Borrowings</b>		
<b>Non Current Borrowings</b>		
-Deferred payment liabilities (refer note 6)	430.18	-
	<u>430.18</u>	<u>-</u>
<b>Current Borrowings</b>		
Current maturities of deferred payment liabilities (refer note 6)	188.55	-
	<u>188.55</u>	<u>-</u>
<b>21 Non-current provisions</b>		
Provision for employee benefits (refer note 29)		
- provision for gratuity	2,633.00	2,196.75
- provision for compensated absences	697.84	647.50
	<u>3,330.84</u>	<u>2,844.25</u>
<b>22 Trade payables</b>		
- Total outstanding dues to micro enterprises and small enterprises	75.27	-
- Total outstanding dues to creditors other than micro and small enterprises	4,024.63	2,387.20
	<u>4,099.90</u>	<u>2,387.20</u>

**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	
<b>As at 31 March 2022</b>						
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
	<u>328.95</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,770.95</u>	<u>4,099.90</u>
<b>As at 31 March 2021</b>						
Total outstanding dues of Micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than Micro enterprises and small enterprises	583.59	0.23	-	-	1,803.38	2,387.20
Disputed Dues of Micro enterprises and small enterprises	-	-	-	-	-	-
Disputed Dues of creditors other than Micro enterprises and small enterprises	-	-	-	-	-	-
	<u>583.59</u>	<u>0.23</u>	<u>-</u>	<u>-</u>	<u>1,803.38</u>	<u>2,387.20</u>

Trade payables are non-interest bearing and are generally on terms of 30-45 days.

a) Refer note 37 for disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED).

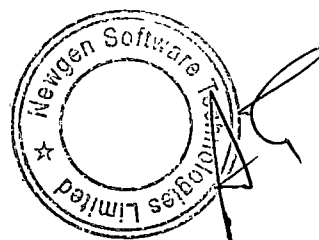
b) Refer note 42 for dues to related parties.

c) The Company's exposure to liquidity risk and currency risks related to trade payables is disclosed in note 43(b) & (c).

	As at 31 March 2022	As at 31 March 2021
<b>23 Current financial liabilities - Others</b>		
Employee related payables	3,441.95	4,169.87
Payable in respect of retention money	-	127.82
Earnest money deposits	1.00	1.00
Payable for capital assets#	317.57	17.01
Unpaid dividends*	6.91	3.77
	<u>3,767.43</u>	<u>4,319.47</u>

# Refer note 37 for amount payable to Micro, Small and Medium Enterprises.

\*Unpaid dividends amount is not due for deposit to the Investor Education & Protection fund.



Newgen Software Technologies Limited  
 Standalone Statement of Profit and Loss for the year ended 31 March 2022  
 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

24 Deferred income

Unearned revenue\*

\*Changes in deferred income is as follows:

Balance at the beginning of the year

Revenue recognised that was included in deferred income at the beginning of the year

Increase due to invoicing during the year, excluding amount recognised as revenue during the year

Balance at the end of the year

As at 31 March 2022	As at 31 March 2021
7,862.92	6,542.05
<b>7,862.92</b>	<b>6,542.05</b>

As at 31 March 2022	As at 31 March 2021
6,542.05	5,940.17
(6,388.62)	(5,739.60)
7,709.49	6,341.48
<b>7,862.92</b>	<b>6,542.05</b>

25 Other current liabilities

Statutory dues payable

Advance from employees for share options

Other current liabilities

Advance from customers

As at 31 March 2022	As at 31 March 2021
1,114.79	1,185.09
1.65	0.26
1.00	(0.00)
21.68	32.67
<b>1,139.12</b>	<b>1,218.02</b>

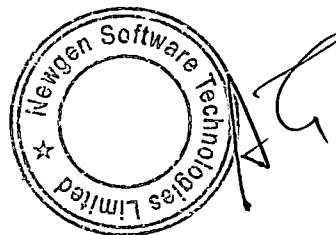
26 Current provisions

Provision for employee benefits (refer note 29)

- provision for gratuity

- provision for compensated absences

As at 31 March 2022	As at 31 March 2021
460.68	313.84
166.34	132.68
<b>627.02</b>	<b>446.52</b>





**27 Revenue from operations**

	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of products - softwares	14,977.63	11,857.65
Sale of services		
- Implementation	13,908.52	13,253.68
- Scanning	746.03	702.82
- AMC/ATS	17,532.14	14,396.97
- Support	19,055.47	16,900.50
- SaaS revenue	4,858.78	3,927.85
	<u>71,078.57</u>	<u>61,039.47</u>

**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 :

(i) The performance obligation is part of a contract that has an original expected duration of one year or less.

(ii) 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 2022, other than those meeting the exclusion criteria mentioned above is INR Nil ( 31 March 2021 INR Nil).

**28 Other income**

	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income under the effective interest rate method:		
- on security deposits at amortised cost	26.90	38.69
- government and other bonds at FVOCI	249.49	240.64
Interest income on deposit with banks	1,231.71	754.90
Gain on lease termination	0.43	87.49
Gain on sale of property, plant and equipment	8.05	10.16
Profit on sale of mutual funds (net) at FVTPL	146.79	132.79
Fair value changes of financial assets at FVTPL	75.39	70.60
Liabilities / provision no longer required written back	64.71	7.27
Net foreign exchange fluctuation gain	1,164.53	-
Bad debts recovered	5.00	43.10
Miscellaneous income	20.38	45.31
	<u>2,993.38</u>	<u>1,430.95</u>

**29 Employee benefits expense**

	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	32,063.29	25,747.74
Contribution to provident funds (refer note i below)	1,104.02	995.96
Expenses related to compensated absences (refer note ii below)	535.95	419.26
Share based payment - equity settled	488.74	61.90
Expense related to defined benefit plan (refer note iii below)	526.54	614.89
Staff welfare expenses	171.47	86.31
	<u>34,890.01</u>	<u>27,926.06</u>

**(i) Defined contribution plans:**

The Company makes contributions, determined as a specified percentage of the employee salaries in respect of qualifying employees towards provident fund, which is a defined contribution plan. The amount recognised as an expense towards contribution to provident fund for the year aggregated to INR 1,104.02 lakhs (31 March 2021: INR 995.96 lakhs). The amount recognised as an expense towards employee state insurance aggregated to INR 0.29 lakhs (31 March 2021: INR 0.88 lakhs).

**(ii) Compensated absences:**

The Principal assumptions used in determining the compensated absences benefit obligation are as given below:

	31 March 2022	31 March 2021
Discounting rate (p.a.)	3.55% - 7.18%	3.20% - 6.88%
Future salary increase ( p.a.)	5.00% -7.00%	5.00% - 6.00%

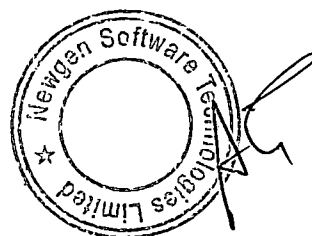
**(iii) Defined Benefit Plan:**

Gratuity scheme - This is an unfunded defined benefit plan and it entitles an employee, who has rendered atleast 5 years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit.

i) On normal retirement / early retirement / withdrawal / resignation: As per the provisions of the Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

ii) On death in service: As per the provisions of the Payment of Gratuity Act, 1972 without any vesting period.

Gratuity payable to employee in case (i) and (ii), as mentioned above, is computed as per the Payment of Gratuity Act, 1972 except the Company does not have any limit on gratuity amount.



**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 2022	31 March 2021
Balance at the beginning of the year	2,510.58	2,077.89
Benefits paid	(260.03)	(123.72)
Current service cost	361.46	471.52
Interest cost	165.08	143.37
Actuarial (gains) / losses recognised in OCI		
change in demographic assumptions	1.84	20.87
change in financial assumptions	116.71	3.28
experience adjustments	198.04	(82.63)
<b>Balance at the end of the year</b>	<b>3,093.68</b>	<b>2,510.58</b>

**B. i) Expense recognised in profit and loss**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	361.46	471.52
Interest cost	165.08	143.37
<b>Total expense recognised in Statement of profit and loss</b>	<b>526.54</b>	<b>614.89</b>

**ii) Remeasurements recognised in other comprehensive income**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Actuarial loss on defined benefit obligation	316.59	(58.48)
<b>Total remeasurements recognised in other comprehensive income</b>	<b>316.59</b>	<b>(58.48)</b>

**C. Defined benefit obligations**

**i. Actuarial assumptions**

The following were the principal actuarial assumptions at the reporting date:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Discount rate	3.55% - 7.18%	3.25% - 6.88%
Salary escalation rate	5.00% - 7.00%	5.00% - 6.00%
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 2022		31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(105.20)	114.82	(77.78)	83.10
Future salary growth (0.50% movement)	113.90	(105.64)	83.40	(78.76)

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:

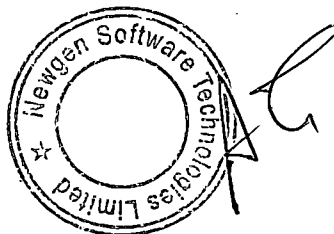
**iii. Maturity profile of defined benefit obligation:**

	As at 31 March 2022	As at 31 March 2021
Within the next 12 months ( next annual reporting period )	460.68	313.84
Between 2 and 5 years	1,049.38	790.86
Beyond 5 years	1,622.50	1,430.20

**Net defined benefit liability**

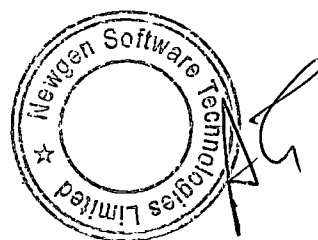
	31 March 2022	31 March 2021
Liability for gratuity	3,093.68	2,510.58
Liability for compensated absences	864.18	780.17
<b>Total employee benefit liabilities</b>	<b>3,957.86</b>	<b>3,290.75</b>
<b>Non-current:</b>		
Gratuity	2,633.00	2,196.75
Compensated absences	697.84	647.50
<b>Current:</b>		
Gratuity	460.68	313.84
Compensated absences	166.34	132.68

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.



**Newgen Software Technologies Limited**  
**Standalone Statement of Profit and Loss for the year ended 31 March 2022**  
*(All amounts are in lakhs of Indian Rupees, unless otherwise stated)*

	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>30 Finance costs</b>		
Finance cost on lease liabilities	180.33	272.67
Interest expense on borrowings	15.05	86.71
Other finance costs	122.41	175.46
	<b>317.79</b>	<b>534.84</b>
<b>31 Depreciation and amortisation</b>		
Depreciation of property, plant and equipment (refer note 4)	917.17	678.03
Depreciation of right-of use assets (refer note 19)	562.13	1,089.44
Amortisation of intangible assets (refer note 5)	53.13	84.01
	<b>1,532.43</b>	<b>1,851.48</b>
<b>32 Other expenses</b>		
Rent	448.81	94.31
Repairs and maintenance	319.38	261.85
Rates and taxes	324.65	426.49
Travelling and conveyance	974.82	773.16
Legal and professional fees	2,327.33	2,140.17
Outsourced technical services expense (refer note 42)	4,100.05	3,219.84
Cloud hosting services	1,402.26	1,245.75
Payment to auditors*	66.95	72.31
Electricity and water	310.75	355.98
Advertising and sales promotion	843.23	399.33
Membership and subscription fee	275.82	250.00
Brokerage and commission	1,466.61	861.77
Communication costs	229.00	233.69
Software and license maintenance	1,085.03	790.09
Expenditure on corporate social responsibility (refer note 39)	248.85	201.27
Donation	30.82	29.00
Recruitment charges	398.49	115.53
Insurance	494.09	385.02
Operation and maintenance	249.13	418.65
Printing, stationery and scanning charges	400.48	293.12
Loss allowance on trade receivables (net of adjustment for bad debts written off of INR 2,386.38 lakhs (previous year INR 2991.03 lakhs). Loss allowance on trade receivables includes loss allowance created on unbilled revenue amounting to INR 273.39 lakhs)	1,804.50	2,149.62
Security charges	201.62	229.12
Net foreign exchange fluctuation loss	-	141.98
Loss on redemption of bonds (net) at FVOCI	24.80	27.78
Miscellaneous expenses	49.12	73.08
	<b>18,076.59</b>	<b>15,188.91</b>
<b>*Payment to auditors</b>		
<b>As auditor:</b>		
- Statutory audit fee	37.00	39.50
- Limited review fee	21.50	22.50
- Certification fee	5.25	6.95
- Reimbursement of expenses	3.20	3.36
	<b>66.95</b>	<b>72.31</b>



**Newgen Software Technologies Limited**  
**Standalone Statement of Profit and Loss for the year ended 31 March 2022**  
*(All amounts are in lakhs of Indian Rupees, unless otherwise stated)*

**33 Income Tax**

**A. The major components of income tax income recognised in Statement of Profit or Loss**

	For the year ended 31 March 2022	For the year ended 31 March 2021
Tax expense	3,090.56	3,632.26
Tax expense for earlier years	-	1,288.86
Deferred tax expense	565.32	288.58
<b>Total</b>	<b>3,655.88</b>	<b>5,209.70</b>

**Recognised in Other comprehensive income**

Tax impact on		
- Re-measurement on defined benefit plan	110.63	(35.90)
- Financial assets or investments carried at fair value through other comprehensive income	33.51	(26.30)
<b>Total</b>	<b>144.14</b>	<b>(62.20)</b>

**B. Reconciliation of effective tax rate**

	31 March 2022		31 March 2021	
<b>Profit before tax</b>		19,255.13		16,969.13
Tax using the Company's tax rate	34.94%	6,728.51	34.94%	5,929.69
Effect of deduction under section 10AA of the Income tax Act, 1961	-15.69%	(3,020.28)	-13.38%	(2,270.61)
Effect of expenses permanently disallowed under the Income Tax Act, 1961	0.70%	135.56	0.25%	41.98
Effect of income exempt/ non taxable/ taxed on lower rate	-0.60%	(116.38)	-0.68%	(114.75)
Effect of profit on redemption of mutual funds	-0.16%	(30.67)	0.66%	111.75
Tax expense for earlier years	-1.30%	(251.22)	7.60%	1,288.86
Others	1.09%	210.36	1.31%	222.78
Income tax recognised in statement of profit and loss for the current year	18.99%	3,655.88	30.70%	5,209.70

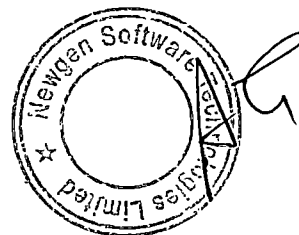
**C. Deferred tax asset/(liabilities) and movement in temporary differences**

**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)	-	(996.76)
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)
<b>Total</b>	<b>1,913.69</b>	<b>(565.32)</b>	<b>140.17</b>	<b>1,488.54</b>

**31 March 2021**

Particulars	Balance as at 1 April 2020	Recognised in Statement of Profit or Loss during the year	Recognised in OCI during the year	Balance as at 31 March 2021
Investments at fair value through OCI	1.42	-	(31.15)	(29.73)
Remeasurement of defined benefit liability (asset)	51.37	-	(35.90)	15.47
Property, plant and equipment	(373.98)	(232.74)	-	(606.72)
Loss allowance on other financial assets	57.57	-	-	57.57
Loss allowance on trade receivables	1,688.07	(294.02)	-	1,394.05
Provision for employee benefits	931.23	283.64	-	1,214.87
Lease liabilities	58.84	(19.84)	-	39.00
Others	(145.20)	(25.62)	-	(170.82)
<b>Total</b>	<b>2,269.32</b>	<b>(288.58)</b>	<b>(67.05)</b>	<b>1,913.69</b>



**Newgen Software Technologies Limited**  
**Standalone Statement of Profit and Loss for the year ended 31 March 2022**  
*(All amounts are in lakhs of Indian Rupees, unless otherwise stated)*

**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**

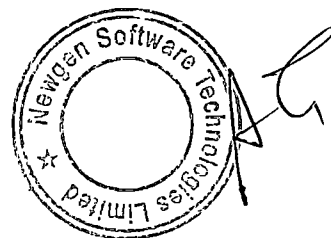
	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit attributable to equity holders of the Company	15,599.25	11,759.43
<b>Profit attributable to equity holders of the Company for basic and diluted earnings</b>	<b>15,599.25</b>	<b>11,759.43</b>

**ii. Weighted average number of ordinary shares**

	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance of equity's shares	6,93,06,005	6,90,89,813
Effect of share options exercised	1,15,752	1,00,973
<b>Weighted average number of shares for basic EPS</b>	<b>6,94,21,757</b>	<b>6,91,90,786</b>
Effect of dilution:		
Add: Weighted average number of potential equity shares on account of employees stock options	4,67,801	7,02,162
<b>Weighted average number of shares for diluted EPS</b>	<b>6,98,89,558</b>	<b>6,98,92,948</b>

**Basic and diluted earnings per share**

	For the year ended 31 March 2022 INR	For the year ended 31 March 2021 INR
Basic earnings per share	22.47	17.00
Diluted earnings per share	22.32	16.82



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 INR 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 under Newgen ESOP 2014 on 25 March 2021. Under the terms of the plans, these options are vested on a graded vesting basis over a maximum period of four years from the date of grant and are to be exercised either in part(s) or full, within a maximum period of five from the date of last vesting.

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 INR 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 from the date of last vesting.

Particulars	Newgen ESOP 2014	Newgen RSU – 2021
Maximum number of shares under the plan	37,83,800	14,00,000
Method of settlement (cash/equity)	Equity	Cash/ Equity
Vesting period (maximum)	4 years 1 year - 10% 2 year - 20% 3 year - 30% 4 year - 40%	5 years at the end of 3rd year - 50% at the end of 5th year - 50%
Exercise period from the date of vesting (maximum)	5 year from last vesting	5 year from last vesting
Vesting conditions	Service period	Service period & Performance based

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 2022.

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	2,49,326	INR 63.00	1.75	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Jul-2017	69,486	INR 63.00	4.25	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Sep-2017	60,600	INR 63.00	4.42	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Oct-2017	19,800	INR 63.00	4.50	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	25-Mar-2021	2,04,000	INR 63.00	7.99	4 years

Following table represents general terms of the grants for the RSU outstanding as on 31 March 2022.

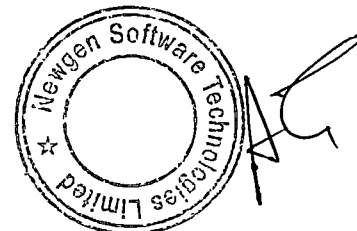
ESOP schemes	Grant Date	No. of Options Outstanding	Exercise Price	Weighted average remaining life	Vesting Period
Newgen Software Technologies Restricted Stock Units Scheme – 2021 (Newgen RSU – 2021)	23-Dec-2021	11,86,500	INR 10.00	9.73	5 years
Newgen Software Technologies Restricted Stock Units Scheme – 2021 (Newgen RSU – 2021)	2-Mar-2022	1,73,500	INR 10.00	9.93	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 RSU – 2021 Grant - I	Newgen RSU – 2021 Grant - II
	25-Mar-2021	23-Dec-2021	2-Mar-2022
Date of grant			
Fair value of options at grant date	230.95	554.29	470.62
Share price at grant date	280.50	583.30	499.40
Exercise price	63.00	10.00	10.00
Expected volatility (weighted-average)	46.49%	44.91%	44.89%
Expected life (weighted-average)	6 years	6.5 years	6.5 years
Expected dividends	0.50%	0.60%	0.70%
Risk-free interest rate (based on government bonds)	5.80% - 6.19%	5.29% - 6.39%	5.60% - 6.69%



**C. Reconciliation of outstanding share options**

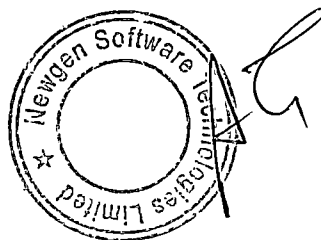
The number and weighted-average exercise prices of share options under the share option programmes were as follows.

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 2022	31 March 2022	31 March 2021	31 March 2021
Options outstanding as at the beginning of the year	9,01,406	INR 63.00	8,84,598	INR 63.00
Add: Options granted during the year	-	INR 63.00	2,33,000	-
Less: Options lapsed during the year	64,008	-	-	INR 63.00
Less: Options exercised during the year	2,34,186	INR 63.00	2,16,192	INR 63.00
Options outstanding as at the year end	<u>6,03,212</u>	<u>INR 63.00</u>	<u>9,01,406</u>	<u>INR 63.00</u>
Exercisable as at year end	4,20,012		4,89,498	
Weighted - average contractual life	4.51 years		5.20 years	

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 2022	31 March 2022	31 March 2021	31 March 2021
Options outstanding as at the beginning of the year	-	INR 10.00	-	-
Add: Options granted during the year	13,85,000	INR 10.00	-	-
Less: Options lapsed during the year	25,000	INR 10.00	-	-
Less: Options exercised during the year	-	INR 10.00	-	-
Options outstanding as at the year end	<u>13,60,000</u>	<u>INR 10.00</u>	<u>-</u>	<u>-</u>
Exercisable as at year end	-		-	
Weighted - average contractual life	9.76 years			

**D. Expense recognised in Statement of Profit and Loss**

For details on the employee benefits expense, refer note 29



**Newgen Software Technologies Limited**  
**Standalone Statement of Profit and Loss for the year ended 31 March 2022**  
*(All amounts are in lakhs of Indian Rupees, unless otherwise stated)*

**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.

**Disclosure in respect of the amounts payable to such enterprises as on 31 March 2022 and 31 March 2021 based on information received and available with the Company.**

Particulars	31 March 2022	31 March 2021
Principal Amount*	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 untill 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 INR 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.

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Final dividend of INR 4.50 per share (31 March 2021: INR 3.50/- per share)	3,148.01	2,448.45

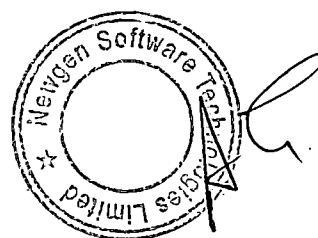
**39 Utilisation of Corporate Social Responsibility expenses**

As per Section 135 of the Companies Act 2013, the following is the detail of CSR expenses incurred by the Company: Gross amount required to be spent by the Company during the year ended 31 March 2022 is INR 245.65 lakhs as approved by the board of directors (previous year INR. 201.09 lakhs). Amount spent during the year ended 31 March 2022:

Particulars	Amount spent during the year	shortfall at the end of year	Total of previous year shortfall	Reason for shortfall
i) For construction / acquisition of any asset	-	-	-	NA
ii) For purpose other than (i) above*	248.85	-	-	NA

\*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.

**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.

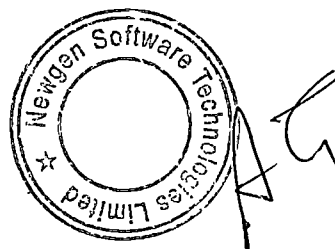




Newgen Software Technologies Limited  
Standalone Statement of Profit and Loss for the year ended 31 March 2022  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

41 Details of current Investments (refer note 10)

Particulars	Number of units as at		Amount in lakhs as at	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
<b>Investment in mutual funds -FVTPL</b>				
Aditya Birla Sun Life Liquid Fund -Growth-Regular Plan	4,04,905.14	1,94,248.97	661.29	639.68
Bharat bonds ETF	20,000.00	20,000.00	240.62	226.87
Aditya Birla Liquid Fund Direct plan Growth option	1,70,596.77	4,72,293.51	585.36	1,565.81
ICICI Prudential Liquid Fund Growth	-	4,92,315.98	-	1,500.27
HDFC Liquid Fund -Direct Growth	7,622.95	7,622.95	319.00	308.39
IDFC Cash Fund - Growth- Direct Plan	-	20,704.45	-	514.71
Axis Money Market Fund	83,644.96	-	963.43	-
<b>Investment in government bonds-FVTOCI</b>				
8.40% IRFC 15YRS SR2A 18022029 (18-Feb-2029)	40,000.00	40,000.00	484.14	494.26
7.35% NHAI LTD Tax free Bond 15YRS SR2A Annual (11-Jan-2031)	2,15,000.00	45,000.00	2,543.76	539.85
8.54% PFC Tax free Bonds (Series 2A) 16/11/2028	16,500.00	16,500.00	199.74	204.13
7.04% IRFC Bond 03/03/2026	15.00	15.00	162.00	164.73
8.3% NHAI Tax free Bonds 25/01/2027	30,000.00	30,000.00	344.85	352.97
8.63% IRFC Bonds 26/03/2029	22,000.00	22,000.00	269.72	275.62
8.30% IRFC Bonds 23/02/2027	87,000.00	87,000.00	994.49	1,016.65
8.20% NHAI Bonds 25/01/2022	-	50,000.00	-	513.51
7.34% IRFC Bonds 19/02/2028	1,30,000.00	-	1,469.36	-
			<b>9,237.76</b>	<b>8,317.46</b>



**Newgen Software Technologies Limited**  
**Standalone Statement of Profit and Loss for the year ended 31 March 2022**  
*(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 2022	31 March 2021
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%	-

The principal place of business of all the entities listed above is the same as the respective country of incorporation.  
The company acquired control of Number Theory Software Private Limited during the year on 28 January 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**

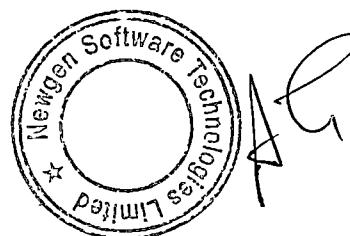
Diwakar Nigam - Managing Director  
T.S. Varadarajan - Whole Time Director  
Priyadarshini Nigam - Whole Time Director  
Arun Kumar Gupta - Chief Financial Officer  
Virender Jeet - Chief Executive Officer  
Surender Jeet Raj - Senior Vice President (HR/Operations)  
Tarun Nandwani - Chief Operating 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

**Key management personnel compensation**

	Transaction value		Balance payable	
	For the year ended 31 March 2022	For the year ended 31 March 2021	As at 31 March 2022	As at 31 March 2021
<b>Salaries, wages and bonus*</b>	<b>1,737.36</b>	<b>1,236.05</b>	<b>786.29</b>	<b>675.20</b>
Diwakar Nigam	370.71	275.03	160.92	154.62
T.S. Varadarajan	195.95	148.70	96.55	91.61
Priyadarshini Nigam	113.29	88.20	64.37	60.25
Arun Kumar Gupta	184.53	87.64	48.16	41.33
Virender Jeet	291.06	268.40	160.53	118.78
Surender Jeet Raj	304.98	177.67	129.15	112.65
Tarun Nandwani	249.09	173.04	126.61	94.68
Aman Mourya	27.74	17.38	-	1.27
<b>Dividend paid (excluding dividend distribution tax)</b>	<b>1,379.87</b>	<b>935.81</b>	<b>-</b>	<b>-</b>
Diwakar Nigam	548.60	369.45	-	-
T.S. Varadarajan	525.33	300.19	-	-
Priyadarshini Nigam	229.94	159.38	-	-
Arun Kumar Gupta	1.02	1.10	-	-
Virender Jeet	10.37	4.98	-	-
Surender Jeet Raj	8.73	4.99	-	-
Tarun Nandwani	9.24	5.14	-	-
Usha Varadarajan	46.63	90.57	-	-
Aman Mourya	0.01	0.03	-	-



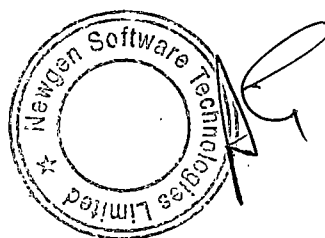
**Newgen Software Technologies Limited**  
**Standalone Statement of Profit and Loss for the year ended 31 March 2022**  
*(All amounts are in lakhs of Indian Rupees, unless otherwise stated)*

	Transaction value		Balance payable	
	For the year ended 31 March 2022	For the year ended 31 March 2021	As at 31 March 2022	As at 31 March 2021
<b>Share-based payments</b>	<b>161.34</b>	<b>99.83</b>	-	-
Arun Kumar Gupta	59.60	-	-	-
Virender Jeet	-	77.72	-	-
Surender Jeet Raj	76.60	-	-	-
Tarun Nandwani	15.24	19.75	-	-
Aman Mourya	9.89	2.37	-	-
<i>*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.</i>				
<b>Sitting fees to independent director</b>	<b>56.00</b>	<b>50.00</b>	-	-
Kaushik Dutta	17.00	15.00	-	-
Saurabh Srivastava	14.00	14.00	-	-
Subramaniam R Iyer	17.00	15.00	-	-
Padmaja Krishnan	8.00	6.00	-	-
<b>Commission to independent director</b>	<b>107.28</b>	<b>95.79</b>	<b>96.55</b>	<b>88.60</b>
Kaushik Dutta	26.82	23.95	24.14	22.15
Saurabh Srivastava	26.82	23.95	24.14	22.15
Subramaniam R Iyer	26.82	23.95	24.14	22.15
Padmaja Krishnan	26.82	23.95	24.14	22.15

**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 2022 and 31 March 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at each reporting period.

	Transaction value		Balance receivable	
	For the year ended 31 March 2022	For the year ended 31 March 2021	As at 31 March 2022	As at 31 March 2021
<b>Sale of products and services*</b>				
Subsidiaries				
Newgen Software Inc., USA	14,538.16	14,740.62	-	731.70
Newgen Software Technologies Pte Ltd.	4,639.68	4,099.33	-	0.03
Newgen Software Technologies Canada Limited	425.19	423.87	-	1.58
Newgen Software Technologies (UK) Ltd.	1,206.23	1,019.49	-	3.17
<i>* It includes unbilled revenues as follows:</i>				
<b>Unbilled revenue</b>				
Newgen Software Inc., USA	2,266.46	1,085.72	-	-
Newgen Software Technologies Pte Ltd.	1,211.13	699.26	-	-
Newgen Software Technologies Canada Limited	11.32	115.09	-	-
Newgen Software Technologies (UK) Ltd.	268.64	283.85	-	-
<b>Sale of services-back office support cost #</b>				
Subsidiaries				
Newgen Software Inc., USA	168.81	145.70	-	-
Newgen Software Technologies Pte Ltd.	36.79	37.30	-	-
Newgen Software Technologies Canada Limited	19.17	20.23	-	4.60
Newgen Software Technologies (UK) Ltd.	11.07	11.33	-	-
Newgen Software Technologies Pty Ltd.	8.95	6.40	-	-
<i># It includes unbilled revenues as follows:</i>				
<b>Unbilled revenue</b>				
Newgen Software Inc., USA	10.54	17.67	-	-
Newgen Software Technologies Pte Ltd.	1.41	4.70	-	-
Newgen Software Technologies Canada Limited	0.98	4.02	-	-
Newgen Software Technologies (UK) Ltd.	0.18	1.88	-	-
Newgen Software Technologies Pty Ltd.	0.35	0.95	-	-

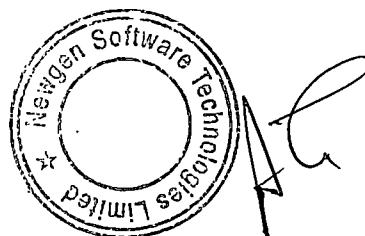


**Newgen Software Technologies Limited**  
**Standalone Statement of Profit and Loss for the year ended 31 March 2022**  
*(All amounts are in lakhs of Indian Rupees, unless otherwise stated)*

	Transaction value		Balance receivable	
	For the year ended 31 March 2022	For the year ended 31 March 2021	As at 31 March 2022	As at 31 March 2021
<b>Expense-Outsourced technical services @</b>				
<b>Subsidiaries</b>				
Newgen Software Inc., USA	2874.09	2,401.65	-	-
Newgen Software Technologies Pte Ltd.	357.63	115.11	-	27.28
<b>Expense-Marketing support services@</b>				
<b>Subsidiary</b>				
Newgen Software Technologies Pty Ltd.	634.53	511.66	-	-
<b>@ It includes unbilled payable as follows:</b>				
<b>Unbilled payable</b>				
Newgen Software Inc., USA	520.84	346.00		
Newgen Software Technologies Pte Ltd.	57.41	19.40		
Newgen Software Technologies Pty Ltd.	181.75	97.89		
<b>Rent expense</b>				
<b>Subsidiary</b>				
Newgen Computers Technologies Limited	7.92	7.92	-	-
<b>Inter-Company Deposit Given and Interest thereon</b>				
<b>Subsidiary</b>				
Number Theory Software Private Limited	344.50	0.00	344.50	-
<b>Paid on behalf of</b>				
<b>Subsidiary</b>				
Newgen Computers Technologies Limited	2.56	1.25	2.56	-
Newgen Software Technologies Pte Ltd.	-	0.22	-	-
Number Theory Software Private Limited	3.14	-	3.14	-
<b>Bank Guarantee issued on behalf of</b>				
<b>Subsidiary</b>				
Newgen Software Technologies Pte Ltd.	0.00	65.71	-	-
<b>Recovered from</b>				
<b>Subsidiary</b>				
Newgen Computers Technologies Limited	1.25	0.00	-	-
Newgen Software Technologies Pte Ltd.	0.00	0.22	-	-
<b>Investment in subsidiaries - share based payment</b>				
Newgen Software Inc., USA	37.70	1.99	-	-
Newgen Software Technologies Pte Ltd.	1.74	0.70	-	-
Newgen Software Technologies Canada Limited	2.34	-	-	-
Newgen Software Technologies (UK) Ltd.	4.12	-	-	-
Newgen Software Technologies Pty Ltd.	6.87	-	-	-
Number Theory Software Private Limited	6.75	-	-	-

**D. Investment in subsidiaries**

Subsidiary Company	As at	As at
	31 March 2022	31 March 2021
Newgen Software Inc. USA	567.79	530.09
Newgen Software Technologies Canada Limited	58.86	56.52
Newgen Software Technologies Pte. Ltd.	119.18	117.44
Newgen Computers Technologies Limited	46.50	46.50
Newgen Software Technologies Pty Ltd.	497.92	491.05
Newgen Software Technologies (UK) Ltd.	182.86	178.74
Number Theory Software Private Limited	1,313.16	-
	<b>2,786.27</b>	<b>1,420.34</b>



**Newgen Software Technologies Limited**  
**Standalone Statement of Profit and Loss for the year ended 31 March 2022**  
*(All amounts are in lakhs of Indian Rupees, unless otherwise stated)*

**43 Financial instruments – Fair values and risk management**

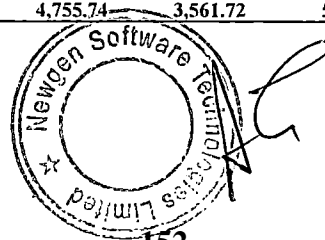
**A. Accounting classification and fair values**

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 2022	Note	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>									
<b>Financial assets measured at fair value</b>									
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
<b>Financial assets not measured at fair value</b>									
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	-	-	-	-
Other bank balances	13	-	-	17,236.15	17,236.15	-	-	-	-
Loans	14	-	-	365.75	365.75	-	-	-	-
Other financial assets	15	-	-	12,537.67	12,537.67	-	-	-	-
		<b>2,769.70</b>	<b>6,468.06</b>	<b>64,470.56</b>	<b>73,708.32</b>	<b>9,237.76</b>	-	-	<b>9,237.76</b>
<b>Financial liabilities</b>									
<b>Financial liabilities not measured at fair value</b>									
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	-	-	-	-
		-	-	<b>10,211.53</b>	<b>10,211.53</b>	-	-	-	-

31 March 2021	Note	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>									
<b>Financial assets measured at fair value</b>									
Investments in debt mutual funds	10	4,755.74	-	-	4,755.74	4,755.74	-	-	4,755.74
Investments in bonds	10	-	3,561.72	-	3,561.72	3,561.72	-	-	3,561.72
<b>Financial assets not measured at fair value</b>									
Other non-current financial asset	7	-	-	3,684.13	3,684.13	-	-	-	-
Trade receivables	11	-	-	17,541.07	17,541.07	-	-	-	-
Cash and cash equivalents	12	-	-	2,869.61	2,869.61	-	-	-	-
Other bank balances	13	-	-	17,003.77	17,003.77	-	-	-	-
Loans	14	-	-	9.04	9.04	-	-	-	-
Other financial assets	15	-	-	9,967.56	9,967.56	-	-	-	-
		<b>4,755.74</b>	<b>3,561.72</b>	<b>51,075.18</b>	<b>59,392.64</b>	<b>8,317.46</b>	-	-	<b>8,317.46</b>



**Newgen Software Technologies Limited**  
**Standalone Statement of Profit and Loss for the year ended 31 March 2022**  
*(All amounts are in lakhs of Indian Rupees, unless otherwise stated)*

**Financial liabilities**

**Financial liabilities not measured at fair value**

Long-term maturities of finance lease obligations (secured)	19	-	-	1,567.06	1,567.06	-	-	-	-
Trade payables	22	-	-	2,387.20	2,387.20	-	-	-	-
Other financial liabilities	23	-	-	4,319.47	4,319.47	-	-	-	-
		-	-	<b>8,273.73</b>	<b>8,273.73</b>	-	-	-	-

The fair value of trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, current borrowings, trade payables and other current financial liabilities approximate their carrying amounts, due to their short-term nature. Fair value of bank deposits included in non-current other financial assets are equivalent to their carrying amount, as the interest rate on them is equivalent to market rate.

**B. Measurement of fair values**

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

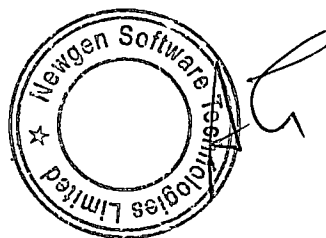
Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable inputs

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Particulars	Fair value hierarchy	Valuation technique	Significant unobservable inputs	Inter-relationship between unobservable inputs and fair value measurement
<b>Financial assets measured at FVTPL</b> 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
<b>Financial assets measured at FVTOCI</b> 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
<b>Financial liabilities measured at Amortised cost</b> 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 2022 and 31 March 2021.



**Newgen Software Technologies Limited**  
**Standalone Statement of Profit and Loss for the year ended 31 March 2022**  
*(All amounts are in lakhs of Indian Rupees, unless otherwise stated)*

**Financial instruments – Fair values and risk management (continued)**

**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.

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	As at
	31 March 2022	31 March 2021
Other financials assets-non current	10,087.33	3,684.13
Investments	9,237.76	8,317.46
Trade receivables	18,864.30	17,541.07
Loans	365.75	9.04
Cash and cash equivalents	5,379.36	2,869.61
Other bank balances	17,236.15	17,003.77
Other financials assets-current	12,537.67	9,967.56
	<b>73,708.32</b>	<b>59,392.64</b>

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 customer 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.

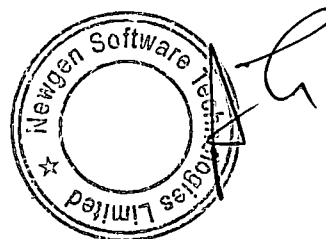
**Trade and other receivables**

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.

The Company's exposure to credit risk for trade receivables by geographic region is as follows

	Carrying amount	
	As at 31 March 2022	As at 31 March 2021
India	6,739.96	6,086.63
USA	68.15	770.54
EMEA	10,061.11	8,586.97
APAC	1,995.08	2,096.93
	<b>18,864.30</b>	<b>17,541.07</b>



**Newgen Software Technologies Limited**  
**Standalone Statement of Profit and Loss for the year ended 31 March 2022**  
*(All amounts are in lakhs of Indian Rupees, unless otherwise stated)*

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 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
	<b>21,998.41</b>		<b>3,134.11</b>

As at 31 March 2021	Gross carrying amount	Weighted- average loss rate	Loss allowance
0-3 months past due	16,097.90	2.89%	465.75
3-6 months past due	614.74	10.05%	61.80
6-9 months past due	647.86	21.86%	141.60
9-12 months past due	411.58	36.89%	151.85
12-15 months past due	666.53	50.64%	337.52
15-18 months past due	459.03	56.55%	259.57
18-21 months past due	153.09	65.94%	100.94
21-24 months past due	34.49	72.84%	25.12
above 24 months past due	2,445.22	100.00%	2,445.22
	<b>21,530.45</b>		<b>3,989.38</b>

Ageing for expected credit loss has been considered from invoice date

<b>Balance as at 1 April 2020</b>	4,830.79
Impairment loss recognised	2,149.62
Amounts written off	2,991.03
<b>Balance as at 31 March 2021</b>	<b>3,989.38</b>
Impairment loss recognised	1,531.11
Amounts written off	2,386.38
<b>Balance as at 31 March 2022</b>	<b>3,134.11</b>

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**Debt securities**

The Company limits its exposure to credit risk by investing only in liquid debt securities and only with counterparties that have a credit rating 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

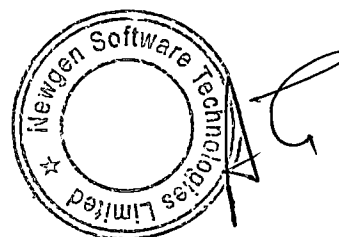
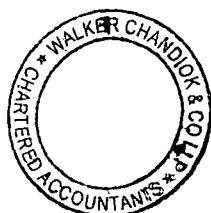
The exposure to credit risk for debt securities at FVTOCI and at FVTPL is as follows:-

	Net carrying amount	
	As at 31 March 2021	As at 31 March 2021
India	9,237.76	8,317.45
	9,237.76	8,317.45

Basis experienced credit judgement, no risk of loss is indicative on Company's investment in mutual funds and government bonds.

**Cash and cash equivalents and other bank balances**

The Company held cash and cash equivalents of INR 5,379.36 lakhs at 31 March 2022 (31 March 2021: INR 2,869.71 lakhs) and other bank balances of INR 17,236.15 lakhs as at 31 March 2022 (31 March 2021: INR 17,003.77 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.





**Newgen Software Technologies Limited**  
**Standalone Statement of Profit and Loss for the year ended 31 March 2022**  
*(All amounts are in lakhs of Indian Rupees, unless otherwise stated)*

**Financial instruments – Fair values and risk management (continued)**

**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 2022, the Company had a working capital of INR 45,619.08 lakhs (31 March 2021: INR 39,408.60 lakhs) including cash and cash equivalent of INR 5,379.36 lakhs (31 March 2021: INR 2,869.61 lakhs), other bank balances of INR 17,236.15 lakhs (31 March 2021: 17,003.77 lakhs) and current investments of INR 9,237.76 lakhs (31 March 2021: INR 8,317.46 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 2022	10,206.00	-	10,206.00	-	-	-
As at 31 March 2021	10,553.00	-	10,553.00	-	-	-

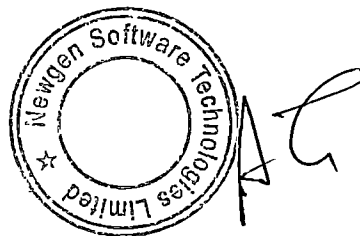
**Exposure to liquidity risk**

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 2022	Carrying amount	Total	Contractual cash flows				
			2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>							
Finance lease obligations (including current maturities)	1,725.48	6,812.39	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	-	-	-
<b>Total</b>	<b>10,211.54</b>	<b>15,382.45</b>	<b>2,864.67</b>	<b>5,598.79</b>	<b>809.66</b>	<b>973.39</b>	<b>5,135.94</b>

31 March 2021	Carrying amount	Total	Contractual cash flows				
			2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>							
Finance lease obligations (including current maturities)	1,567.06	6,703.87	99.15	456.13	283.55	663.24	5,201.79
Unpaid dividends	3.77	3.77	3.77	-	-	-	-
Employee related payables	4,169.87	4,169.87	2,533.13	1,540.59	96.16	-	-
Trade and other payables	2,387.20	2,387.20	2,387.20	-	-	-	-
Payable in respect of retention money	127.82	127.82	-	127.82	-	-	-
Earnest money deposits	1.00	1.00	-	1.00	-	-	-
Payable for capital assets	17.01	17.01	-	17.00	-	-	-
<b>Total</b>	<b>8,273.73</b>	<b>13,410.54</b>	<b>5,023.25</b>	<b>2,142.54</b>	<b>379.70</b>	<b>663.24</b>	<b>5,201.79</b>

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



**Newgen Software Technologies Limited**  
**Standalone Statement of Profit and Loss for the year ended 31 March 2022**  
*(All amounts are in lakhs of Indian Rupees, unless otherwise stated)*

**Financial instruments – Fair values and risk management (continued)**

**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.

**I. 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 dollar, 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 23 forward contracts for USD 2.5 million per month during the period from April 2021 to March 2022. The hedging gain of INR 638.95 lakhs is on account of mark to market gain (realised gain is 427.23 lakhs and unrealised gain is 211.72 lakhs) 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 period ended 31 March 2022.

**Exposure to currency risk**

The currency profile of financial assets and financial liabilities as at 31 March 2022 and 31 March 2021 are as below:

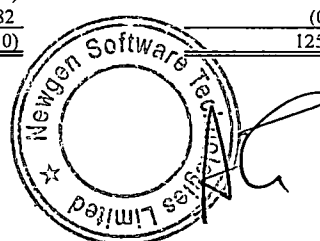
Particulars	Currency	31 March 2022		31 March 2021	
		Amount in foreign currency (lakhs)	Amount in local currency (lakhs)	Amount in foreign currency (lakhs)	Amount in local currency (lakhs)
<b>Financial assets</b>					
Trade and other receivables*					
	USD	188.12	14,278.16	167.49	12,255.57
	AED	5.61	115.94	4.05	80.62
	CAD	-	-	0.47	27.12
	EUR	-	-	1.21	104.02
	GBP	0.64	63.58	0.11	11.00
	SAR	2.08	42.00	-	-
	SGD	-	-	0.01	0.41
	MYR	2.02	36.39	9.80	172.99
Bank balance-Dubai	AED	2.33	48.10	7.15	142.43
Bank balance-EEFC	USD	46.03	3,493.93	16.43	1,202.38
<b>Financial liabilities</b>					
Trade and other payables					
	USD	(35.01)	(2,606.45)	(17.74)	(1,277.36)
	SGD	(1.35)	(75.82)	(0.86)	(47.04)
	SAR	(1.24)	(24.88)	-	-
	EURO	(0.04)	(3.02)	-	-
	AUD	(3.19)	(181.75)	(1.76)	(97.89)
	AED	(1.29)	(26.33)	-	-

\* gross of loss allowance

**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 INR 1 % movement	For the year ended 31 March 2022		For the year ended 31 March 2021	
	Strengthening	Weakening	Strengthening	Weakening
USD	151.15	(151.15)	121.60	(121.60)
EUR1	(0.03)	0.03	1.04	(1.04)
GBP1	0.64	(0.64)	0.11	(0.11)
CAD1	-	-	0.27	(0.27)
SGD1	(0.76)	0.76	(0.46)	0.46
AED1	1.37	(1.37)	2.23	(2.23)
SAR1	0.17	(0.17)	-	-
MYR1	0.36	(0.36)	1.73	(1.73)
AUD1	(1.82)	1.82	(0.98)	0.98
	151.10	(151.10)	125.54	(125.54)



**Newgen Software Technologies Limited**  
**Standalone Statement of Profit and Loss for the year ended 31 March 2022**  
*(All amounts are in lakhs of Indian Rupees, unless otherwise stated)*

**Financial instruments – Fair values and risk management (continued)**

**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 INR	
	31 March 2022	31 March 2021
<b>Fixed-rate instruments</b>		
Financial assets	34,509.13	24,017.21
Financial liabilities	2,344.20	1,567.06
<b>Total</b>	<b>36,853.33</b>	<b>25,584.27</b>

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 INR 42.04 lakhs after tax (31 March 2021: INR 23.15 lakhs).

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

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.

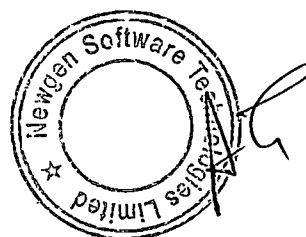
To manage its price risk arising from investments, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

**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 INR 84.08 lakhs after tax (31 March, 2021: INR 46.30 lakhs ). An equal change in the opposite direction would have decreased equity by INR 84.08 lakhs after tax (31 March, 2021: INR 46.30 lakhs )

For such investments classified at Fair value through profit or loss, the impact of a 2% increase in their fair value at the reporting date on profit or loss would have been an increase of INR 36.01 lakhs after tax (31 March, 2021: INR 61.82 lakhs ). An equal change in the opposite direction would have decreased profit or loss by INR 36.01 lakhs after tax (31 March, 2021: INR 61.82 lakhs )



**Newgen Software Technologies Limited**  
**Standalone Statement of Profit and Loss for the year ended 31 March 2022**  
*(All amounts are in lakhs of Indian Rupees, unless otherwise stated)*

**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.

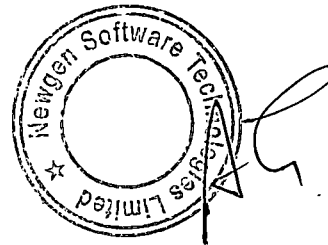
The Company manages its capital structure and makes adjustments to it as and when required. To maintain or adjust the capital structure, the company may pay dividend or repay debts, raise new debt or issue new shares. No major changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2022 and 31 March 2021.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities comprising interest bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity

The Company capital consists of equity attributable to equity holders that includes equity share capital, retained earnings and long term borrowings.

	As at 31 March 2022	As at 31 March 2021
Total liabilities	2,344.20	1,567.06
Less: Cash & Cash equivalent	5,379.36	2,869.61
<b>Adjusted net debt (a)</b>	<b>(3,035.16)</b>	<b>(1,302.55)</b>
Total equity (b)	76,894.52	63,349.09
Total equity and net debt (a+b) = c	73,859.36	62,046.55
Capital gearing ratio (a/c)	-4.11%	-2.10%

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

- India
- Europe, Middle East and Africa (EMEA)
- Asia Pacific and Australia (APAC)
- United States of America (USA)

B. Information about reportable segments

Particulars	Reportable segments				
	India	EMEA	APAC	USA	Total Segment
<b>Revenue</b>					
External revenue	21,446.17	23,886.09	9,878.34	15,867.97	71,078.57
Inter-segment revenue	-	-	-	-	-
<b>Total Segment Revenue</b>	<b>21,446.17</b>	<b>23,886.09</b>	<b>9,878.34</b>	<b>15,867.97</b>	<b>71,078.57</b>
Segment profit/(loss) 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

Year ended 31 March 2021

Particulars	Reportable segments				
	India	EMEA	APAC	USA	Total Segment
<b>Revenue</b>					
External revenue	19,723.17	16,770.68	8,453.08	16,092.54	61,039.47
Inter-segment revenue	-	-	-	-	-
<b>Total Segment Revenue</b>	<b>19,723.17</b>	<b>16,770.68</b>	<b>8,453.08</b>	<b>16,092.54</b>	<b>61,039.47</b>
Segment profit before income tax	4,545.60	4,963.27	3,509.41	5,250.09	18,268.37
Segment assets	9,245.75	11,635.05	4,304.78	4,023.53	29,209.11
Segment liabilities	5,591.38	6,634.20	1,987.77	2,209.21	16,422.56
Capital expenditure during the year	9,850.16	-	-	-	9,850.16

C. Reconciliations of information on reportable segments to Ind AS

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>(a) Revenue</b>		
Total revenue for reportable segments	71,078.57	61,039.47
Elimination of inter-segment revenue	-	-
<b>Total revenue</b>	<b>71,078.57</b>	<b>61,039.47</b>
<b>(b) Profit / (loss) before tax</b>		
Total profit before tax for reportable segments	18,391.66	18,268.37
Unallocated amounts:		
- Unallocated income	2,993.38	1,430.95
- Other corporate expenses	2,129.91	2,730.19
<b>Total profit before tax from operations</b>	<b>19,255.13</b>	<b>16,969.13</b>
<b>(c) Assets</b>		
Total assets for reportable segments	34,832.07	29,209.11
Other unallocated amounts	65,918.10	55,087.77
<b>Total assets</b>	<b>1,00,750.17</b>	<b>84,296.88</b>
<b>(d) Liabilities</b>		
Total liabilities for reportable segments	19,384.23	16,422.56
Other unallocated amounts	4,471.42	4,525.23
<b>Total liabilities</b>	<b>23,855.65</b>	<b>20,947.79</b>

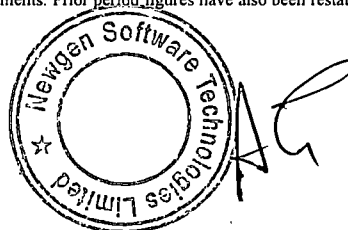
D. Information about major customers

No customer individually accounted for more than 10% of the revenues in the year ended 31 March 2022 and 31 March 2021.

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'.

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. Prior period figures have also been restated to conform the current period composition of the operating segments.



Newgen Software Technologies Limited  
 Standalone Statement of Profit and Loss for the year ended 31 March 2022  
 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

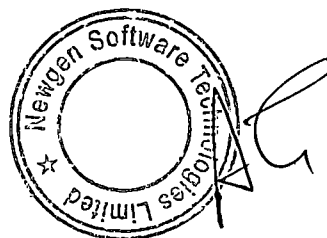
46. Ratios as per Schedule III requirements

Ratio	Numerator	Denominator	Unit	31-Mar-22	31-Mar-21	% variance	Reason for variance
Current ratio	Current assets	Current liabilities	Times	3.42	3.31	3.29%	-
Debt- Equity Ratio	Total Debt (refer note 1 below)	Shareholder's Equity	Times	0.03	0.02	23.24%	-
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	28.04	1.85	1415.00%	Increase due to zero borrowings from bank during the year
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	%	22.25%	20.27%	9.76%	-
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	3.84	2.91	31.89%	Increase due to increase in sales and better management of its collection as compared to previous year
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	1.56	1.55	0.29%	-
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	%	21.95%	19.27%	13.92%	-
Return on Capital Employed	Earnings before interest and taxes (refer note 5 below)	Capital Employed (refer note 6 below)	%	23.36%	27.87%	-16.18%	-
Return on Investment	Interest (Finance Income)	Average Investment	%	4.00%	6.17%	-35.21%	Decrease due to increased investment in liquid funds and mark to market loss in bonds at the end of the year

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 unbilled revenue - closing unbilled revenue - 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.

Schedule III require explanation where the change in the ratio is more than 25% as compared to the preceding year. Since there are only three instances where the change is more than 25% i.e. Debt Service Coverage ratio , Trade receivable turnover ratio and Return on Investment, hence explanation is given only for the said ratios.



**Newgen Software Technologies Limited**  
**Standalone Statement of Profit and Loss for the year ended 31 March 2022**  
*(All amounts are in lakhs of Indian Rupees, unless otherwise stated)*

47 As at 31 March 2022, the Company has gross foreign currency receivables amounting to INR 14,532.92 lakhs (previous year INR 12,651.72 lakhs). Out of these receivables, INR 2036.07 lakhs (previous year INR 492.42 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 May 12, 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.

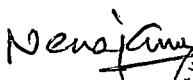
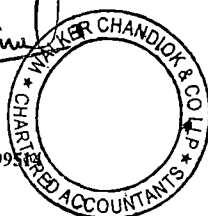
**48 Other statutory informations**

- 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).
- 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

49 Previous period's figures have been regrouped/reclassified wherever necessary to correspond with the current period's classification/disclosure.


As per our report of even date attached

**For Walker Chandio & Co LLP**  
 Chartered Accountants  
 Firm Registration No.: 001076N/N500013


*Neeraj*  
  
  
**Neeraj Goel**  
 Partner  
 Membership No.: 099548

Place: Gurugram  
 Date: 03 May 2022

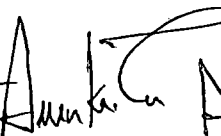
*For and on behalf of the Board of Directors of*  
**Newgen Software Technologies Limited**

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

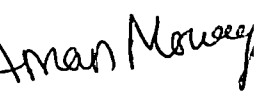
Place: New Delhi  
 Date: 03 May 2022

  
**T.S. Varadarajan**  
 Whole Time Director  
 DIN: 00263115

Place: Noida  
 Date: 03 May 2022

  
**Arun Kumar Gupta**  
 Chief Financial Officer  
 Membership No: 056859

Place: Noida  
 Date: 03 May 2022

  
**Aman Mourya**  
 Company Secretary  
 Membership No: F9975

Place: Noida  
 Date: 03 May 2022

