Walker Chandiok & Co LLP

Walker Chandiok & Co LLP
21st Floor, DLF Square
Jacaranda Marg, DLF Phase II
Gurugram - 122 002
India

T +91 124 462 8099
F +91 124 462 8001

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
A. Revenue recognition for software implementation services Refer Note 3(i)(ii) for accounting policy and 27 of notes forming part of the Standalone Financial Statements. 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: • High estimation uncertainty relating to determination of the progress of each contract, efforts incurred till date and additional efforts required to complete satisfaction of the performance obligation • Determination of unbilled revenue receivables and unearned revenue related to these contracts as at the end of reporting period Considering the materiality of the amounts involved and significant degree of judgement and subjectivity involved in the estimates as mentioned above, we have identified revenue recognition from fixed price contracts as a key audit matter for the current year audit.	Our audit work included but was not restricted to the following procedures: 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. b) Tested the design and operating effectiveness of related manual controls and involved auditor's experts to assess key information technology (IT) controls over the IT environment in which the business systems operate, including access controls, segregation of duties, program change controls, program development controls and IT operation controls; c) Selected a sample of contracts and performed a performed the following procedures: - Inspected key terms, including price, deliverables, timetable and milestones set out in the contract for selected sample of contracts and identified the distinct performance obligations. - Tested project management tool for budgeted efforts and related percentage completion milestones and establishing accuracy of milestones based on actualisation of efforts for delivered projects. - Tested the details of activities completed with those stated in the customer contract, details of activities completed as provided by the project head and confirmation/acceptance of completion of such activities by the customer. - d) Evaluated the appropriateness of disclosures made in the financial statements with respect to revenue recognised during the year as required by applicable Indian Accounting Standards.
B. Trade receivables and provision for expected credit losses Refer note 3(e) for significant accounting policy and note 43(C)(ii) for credit risk disclosures. 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). 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	Our audit work included but was not restricted to the following procedures: 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; b) Assessed and tested the design and operating effectiveness of key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognised. Also, evaluated the controls over the modelling process, validation of data and related approvals; c) Considered the 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;

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. 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. 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.	d) Inquired with management about the conditions leading to, and their assessment of recoverability of dues from the customers and also referred to the available communication, if any, between them. e) Assessed, on a sample basis that items in the receivables ageing report were classified within the correct ageing bracket by comparing individual items in the report with underlying documentation, which included sales invoices, proof of delivery and customers sign offs; f) Analysed the methodology used by the management and considered the credit and payment history of specific parties to determine the trend used for arriving at the expected credit loss provision and co-related to our understanding of the debtor's financial condition, the industry in which debtor operates. g) Since the assumptions and inputs used for calculating ECL is based on historical data, we assessed whether such historical experience was representative of current circumstances. h) Tested the accuracy and completeness of underlying data for "expected credit loss model". i) Evaluated responses to direct confirmation request circulated to customers and ensured the reconciling items have been adequately recorded in the books of account; j) Obtained written representations from management and those charged with governance on whether they believe significant assumptions used in calculation of expected credit losses are reasonable. k) Assessed the adequacy of disclosures made by the management in the financial statements to reflect the expected credit loss provision, trade and other receivables.

Information other than the 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.

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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;

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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 Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Neeraj Goel
Partner
Membership No.: 099514
UDIN: 22099514AIHYBB9827

Place: Gurugram
Date: 3 May 2022

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 - Subsidiary	-	-	34,450,000	-
Balance outstanding as at balance sheet date - Subsidiary	-	-	34,450,000	-

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(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.

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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 CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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.

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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 Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Kumar

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Neeraj Goel
Partner
Membership No.: 099514
UDIN: 22099514AIHYBB9827

Place: Gurugram
Date: 3 May 2022

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 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 Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Neeraj Goel

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS

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
ASSETS			
Non-current assets			
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
Financial assets			
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
Total non-current assets		**36,267.52**	**27,996.72**
Current assets			
Financial assets			
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
Total current assets		**64,482.65**	**56,300.16**
TOTAL ASSETS		**1,00,750.17**	**84,296.88**
EQUITY AND LIABILITIES			
Equity			
Share capital	17	6,954.02	6,930.60
Other equity	18	69,940.50	56,418.49
Total equity attributable to the owners of the Company		**76,894.52**	**63,349.09**
Non-current liabilities			
Financial liabilities			
- Borrowings	20	430.18	-
- Lease liabilities	19	1,231.03	1,091.74
Provisions	21	3,330.84	2,844.25
Total non-current liabilities		**4,992.05**	**3,935.99**
Current liabilities			
Financial liabilities			
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
Total current liabilities		**18,863.60**	**17,011.80**
Total liabilities		**23,855.65**	**20,947.79**
TOTAL EQUITY AND LIABILITIES		**1,00,750.17**	**84,296.88**

Summary of significant accounting policies 3

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

As per our report of even date

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

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

Neeraj Goel	**Diwakar Nigam**	**T.S.Varadarajan**	**Arun Kumar Gupta**	**Aman Mourya**
Partner	Chairman & Managing Director	Whole Time Director	Chief Financial Officer	Company Secretary
Membership No.: 095514	DIN: 00263222	DIN: 00263115	Membership No: 056859	Membership No: F9975
Place: Gurugram	Place: New Delhi	Place: Noida	Place: Noida	Place: Noida
Date: 03 May 2022	Date: 03 May 2022	Date: 03 May 2022	Date: 03 May 2022	Date: 03 May 2022

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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
Income			
Revenue from operations	27	71,078.57	61,039.47
Other income	28	2,993.38	1,430.95
Total income		74,071.95	62,470.42
Expenses			
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
Total expenses		54,816.82	45,501.29
Profit before tax		19,255.13	16,969.13
Tax expense	33		
Current tax		3,090.56	3,632.26
Tax expense for earlier years		-	1,288.86
Deferred tax expense		565.32	288.58
Income tax expense		3,655.88	5,209.70
Profit for the year		15,599.25	11,759.43
Other comprehensive income / (loss)			
Items that will not be reclassified subsequently to profit or loss			
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)
Net other comprehensive (loss)/ income not to be reclassified subsequently to profit or loss		(205.96)	66.83
Items that will be reclassified subsequently to profit or loss			
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)
Net other comprehensive (loss)/ income to be reclassified subsequently to profit or loss		(62.38)	48.95
Other comprehensive (loss)/ income for the year, net of income tax		(268.34)	115.78
Total comprehensive income for the year		15,330.91	11,875.21
Profit attributable to:			
Owners of the Company		15,599.25	11,759.43
Profit for the year		15,599.25	11,759.43
Other comprehensive income / (loss) attributable to:			
Owners of the Company		(268.34)	115.78
Other comprehensive (loss)/ income for the year		(268.34)	115.78
Total comprehensive income attributable to:			
Owners of the Company		15,330.91	11,875.21
Total comprehensive income for the year		15,330.91	11,875.21
Earnings per equity share	34		
Nominal value of share INR 10 (31 March 2021: INR 10)			
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 Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

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

Aman Mourya

Diwakar Nigam	**T.S.Varadarajan**	**Arun Kumar Gupta**	**Aman Mourya**
Chairman & Managing Director	Whole Time Director	Chief Financial Officer	Company Secretary
DIN: 00263222	DIN: 00263115	Membership No: 056859	Membership No: F9975
Place: New Delhi	Place: Noida	Place: Noida	Place: Noida
Date: 03 May 2022	Date: 03 May 2022	Date: 03 May 2022	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**

	Equity share capital		Total share capital
Particulars	**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
Total Share capital as at 31 March 2021	6,93,06,005	6,930.60	6,930.60
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
Balance as at 31 March 2022	6,95,40,191	6,954.02	6,954.02

b. **Other equity***

Particulars	Securities premium	Retained earnings	Others: Capital redemption reserve	Others: General reserve	Others: Newgen ESOP Trust reserve	Others: Share options outstanding reserve	Items of Other comprehensive income: Remeasurement of defined benefit liability	Items of Other comprehensive income: Debt instruments through OCI	Total attributable to owners of the Company
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
Total comprehensive income for the year ended 31 March 2021									
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)
Balance as at 31 March 2021	10,418.50	43,647.14	87.95	1,731.39	404.32	344.72	(29.46)	58.84	56,663.40
Less: Securities premium on shares held by Newgen ESOP Trust	244.91								244.91
Balance as at 31 March 2021	10,173.59	43,647.14	87.95	1,731.39	404.32	344.72	(29.46)	58.84	56,418.49
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
Total comprehensive income for the year ended 31 May 2021									
Profit for the year	-	15,599.25	-	-	-	-	-	-	15,599.25
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	-	(205.96)	(62.38)	(268.34)
Transactions with owners, recorded directly in equity									
Addition to Newgen ESOP Trust reserve	-	-	-	-	107.39	-	-	-	107.39
Contributions by and distributions to owners									
Dividend on equity shares	-	(2,448.45)	-	-	-	-	-	-	(2,448.45)
Employee stock compensation expense	-	-	-	-	-	548.26	-	-	548.26
Loss of debt instrument transferred to Statement of Profit and Loss	-	-	-	-	-	-	-	7.35	7.35
Transferred to securities premium account on exercise of stock options	106.76	-	-	-	-	(130.21)	-	-	(23.45)
Balance as at 31 March 2022	10,525.26	56,797.94	87.95	1,731.39	511.71	762.77	(235.42)	3.81	70,185.41
Less: Securities premium on shares held by Newgen ESOP Trust	244.91	-	-	-	-	-	-	-	244.91
Balance as at 31 March 2022	10,280.35	56,797.94	87.95	1,731.39	511.71	762.77	(235.42)	3.81	69,940.50

* 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 Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

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

Diwakar 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
A. Cash flows from operating activities		
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)
Operating cash flow before working capital changes	**21,196.10**	**20,178.94**
(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)
Cash generated from operations	**18,027.16**	**24,345.03**
Income taxes paid (net)	(4,333.60)	(2,855.62)
Net cash generated from operating activities (A)	**13,693.56**	**21,489.41**
B. Cash flows from investing activities		
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)
Net cash used in investing activities (B)	**(8,156.88)**	**(14,295.91)**
C. Cash flows from financing activities		
(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
Net cash used in financing activities (C)	**(3,026.93)**	**(10,082.60)**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**2,509.75**	**(2,889.10)**
Cash and cash equivalents at the beginning of the year	**2,869.61**	**5,758.70**
Cash and cash equivalents at the end of the year	**5,379.36**	**2,869.61**
Components of cash and cash equivalents: (refer note 12)		
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
	5,379.36	**2,869.61**

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 Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

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

Diwakar 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

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

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

- 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

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

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.

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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.

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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

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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.

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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:

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

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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.

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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

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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

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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)

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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

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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

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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:

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- 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.

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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:

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- 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.

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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.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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
Cost										
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	-
Balance as at 31 March 2021	4.28	12,895.15	742.07	5.99	228.65	1,315.30	614.89	1,947.94	17,754.27	-
Additions during the year	-	-	2.07	-	275.83	40.11	1.12	1,088.89	1,408.02	-
Less: Disposals during the year	-	-	22.03	-	27.39	3.71	0.16	37.01	90.30	-
Balance as at 31 March 2022	4.28	12,895.15	722.11	5.99	477.09	1,351.70	615.85	2,999.82	19,071.99	-
Accumulated Depreciation										
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	-
Balance as at 31 March 2021	-	219.09	173.97	5.99	129.30	321.61	151.22	1,070.98	2,072.16	-
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	-
Balance as at 31 March 2022	-	436.11	222.71	5.99	138.28	455.12	213.45	1,428.96	2,900.62	-
Carrying amount (net)										
Balance as at 31 March 2021	4.28	12,676.06	568.10	-	99.35	993.69	463.67	876.96	15,682.11	-
Balance as at 31 March 2022	4.28	12,459.04	499.40	-	338.81	896.58	402.40	1,570.86	16,171.37	-

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

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6 Investment in subsidiaries	As at 31 March 2022	As at 31 March 2021
Investments in equity instruments - at cost (unquoted)		
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	-
	2,786.27	1,420.34
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)
	10,087.33	3,684.13

*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
	1,289.90	985.84

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
	684.21	1,623.22

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	-
	18.15	6.83

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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
Investments in bonds (unquoted)		
Bonds at FVOCI		
-Investment in government bonds	6,468.06	3,561.72
	6,468.06	3,561.72
Investments in mutual funds (unquoted)		
Mutual funds at FVTPL	2,769.70	4,755.74
	2,769.70	4,755.74
	9,237.76	8,317.46
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
	21,998.41	21,530.45
Allowance for bad and doubtful debts		
- Unsecured, considered good	(2,103.18)	(1,550.00)
- Trade receivable - Credit impaired	(1,030.93)	(2,439.38)
	18,864.30	17,541.07

Trade Receivable Ageing Schedule

*	Outstanding for following periods from due date of payment						
	Current but not due	Less than 6 months	6 months to 1 years	1-2 Years	2-3 Years	More Than 3 years	Total
As at 31 March 2022							
Undisputed Trade Receivables- Considered good	13,754.50	5,357.93	1,222.10	632.95	-	-	20,967.48
Undisputed Trade Receivables- Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables- credit impaired	-	-	-	494.07	536.86	-	1,030.93
Disputed Trade Receivables- Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables- Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables- credit impaired	-	-	-	-	-	-	-
	13,754.50	5,357.93	1,222.10	1,127.02	536.86	-	21,998.41
As at 31 March 2021							
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	-	-	-	-	-	-	-
	12,466.43	4,840.42	1,125.85	687.84	888.44	1,521.47	21,530.46

*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).

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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
	5,379.36	2,869.61

*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
	17,236.15	17,003.77

*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	-
	365.75	9.04

*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 parsuant 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
		344.50	-	-	344.50

Disclosure parsuant 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
Loans and Advances in the nature of loan given to subsidiary						
Number Theory Software Private Limited	6%	Unsecured	344.50	344.50	-	-
			344.50		-	

* Includes interest INR 3.50 lakhs .

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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

15 Current financial assets - Others	As at 31 March 2022	As at 31 March 2021
(unsecured considered good, unless otherwise stated)		
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
	12,537.67	9,967.56

*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	11,835.50	9,139.18

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
	861.66	591.65

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

(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
Authorised share capital				
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
	11,00,00,000	**11,000.00**	**11,00,00,000**	**11,000.00**

Issued, subscribed and paid up	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
Equity share capital of INR 10 each, fully paid up	6,99,55,701	6,995.57	6,99,55,701	6,995.57
Add: Issued during the year to Newgen ESOP Trust	-	-	-	-
Balance	**6,99,55,701**	**6,995.57**	**6,99,55,701**	**6,995.57**
Less : Shares held by Newgen ESOP Trust	4,15,510	41.55	6,49,696	64.97
Total Share capital	**6,95,40,191**	**6,954.02**	**6,93,06,005**	**6,930.60**

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

Equity share capital of INR 10 each, fully paid up	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	6,99,55,701	6,995.57	6,99,55,701	6,995.57
Add: Issued during the year to Newgen ESOP Trust	-	-	-	-
At the end of the year	**6,99,55,701**	**6,995.57**	**6,99,55,701**	**6,995.57**
Less: Shares held by Newgen ESOP Trust	4,15,510	41.55	6,49,696	64.97
Total equity share capital	**6,95,40,191**	**6,954.02**	**6,93,06,005**	**6,930.60**

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 alloted by way of bonus issues and no shares has been bought back in the current year and preceding 5 years.

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

18 Other equity

	As at 31 March 2022	As at 31 March 2021
Securities premium	10,280.35	10,173.59
Retained earnings	56,797.94	43,647.14
Capital redemption reserve	87.95	87.95
General reserve	1,731.39	1,731.39
Newgen ESOP Trust reserve	511.71	404.32
Share options outstanding reserve	762.77	344.72
Other comprehensive gain/ (loss)	(231.61)	29.38
	69,940.50	56,418.49

Securities premium (refer note (i) below)	As at 31 March 2022	As at 31 March 2021
Balance as at beginning of the year	10,418.50	10,314.50
Transferred from share options outstanding reserve on exercise of stock options	106.76	104.00
Balance as at end of the year	10,525.26	10,418.50
Less: Securities premium on shares held by Newgen ESOP Trust	244.91	244.91
Balance as at end of the year	10,280.35	10,173.59

Retained earnings (refer note (ii) below)	As at 31 March 2022	As at 31 March 2021
Balance as at beginning of the year	43,647.14	33,286.82
Profit for the year	15,599.25	11,759.43
Dividend on equity shares	(2,448.45)	(1,399.11)
Balance as at end of the year	56,797.94	43,647.14

Capital redemption reserve	As at 31 March 2022	As at 31 March 2021
Balance as at beginning of the year	87.95	87.95
Balance as at end of the year	87.95	87.95

General reserve	As at 31 March 2022	As at 31 March 2021
Balance as at beginning of the year	1,731.39	1,731.39
Balance as at end of the year	1,731.39	1,731.39

Newgen ESOP Trust reserve (refer note (iii) below)	As at 31 March 2022	As at 31 March 2021
Balance as at beginning of the year	404.32	297.47
Addition to Newgen ESOP Trust reserve	107.39	106.85
Balance as at end of the year	511.71	404.32

Share options outstanding reserve (refer note (iv) below)	As at 31 March 2022	As at 31 March 2021
Balance as at beginning of the year	344.72	405.75
Employee stock compensation expense	548.26	64.59
Transferred to securities premium account on exercise of stock options	(130.21)	(125.62)
Balance as at end of the year	762.77	344.72

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

Remeasurement of defined benefit liability	As at 31 March 2022	As at 31 March 2021
Balance as at beginning of the year	(29.46)	(96.29)
Other comprehensive income (loss) (net of tax)	(205.96)	66.83
Balance as at end of the year	(235.42)	(29.46)

Financial assets or investments carried at fair value through other comprehensive income	As at 31 March 2022	As at 31 March 2021
Balance as at beginning of the year	58.84	0.89
Other comprehensive income (net of tax)	(62.38)	48.95
(Profit)/loss on sale of debt instrument transferred to profit and loss	7.35	9.00
Balance as at end of the year	3.81	58.84

(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.

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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)
Balance as at 31 March 2021	**3,326.48**	**913.18**	**4,239.66**

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)
Balance as at 31 March 2022	**3,287.18**	**1,125.69**	**4,412.87**

*Right of use assets recognised in the balance sheet at the date of initial recognition.

The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the Statement of Profit and Loss.(refer note 31)

Lease liabilities

Break up of current and non-current lease liabilities:

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current lease liabilities	1,231.03	1,091.74
Current lease liabilities	494.45	475.32
Total	**1,725.48**	**1,567.06**

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)
Balance as at 31 March 2021	**1,567.06**

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)
Balance as at 31 March 2022	**1,725.48**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was 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)

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

20 Borrowings	As at 31 March 2022	As at 31 March 2021
Non Current Borrowings		
-Deferred payment liabilities (refer note 6)	430.18	-
	430.18	-
Current Borrowings		
Current maturities of deferred payment liabilities (refer note 6)	188.55	-
	188.55	-

21 Non-current provisions	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits (refer note 29)		
- provision for gratuity	2,633.00	2,196.75
- provision for compensated absences	697.84	647.50
	3,330.84	2,844.25

22 Trade payables	As at 31 March 2022	As at 31 March 2021
- 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
	4,099.90	2,387.20

Trade payables Ageing Schedule

	Outstanding for following periods from due date of payment					
	Less than 1 year	1-2 Years	2-3 Years	More Than 3 years	Unbilled payable	Total
As at 31 March 2022						
Total outstanding dues of Micro enterprises and small enterprises	75.27	-	-	-	-	75.27
Total outstanding dues of creditors other than Micro enterprises and small enterprises	253.68	-	-	-	3,414.67	3,668.35
Disputed Dues of Micro enterprises and small enterprises	-	-	-	-	-	-
Disputed Dues of creditors other than Micro enterprises and small enterprises	-	-	-	-	356.28	356.28
	328.95	-	-	-	3,770.95	4,099.90
As at 31 March 2021						
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	-	-	-	-	-	-
	583.59	0.23	-	-	1,803.38	2,387.20

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).

23 Current financial liabilities - Others	As at 31 March 2022	As at 31 March 2021
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
	3,767.43	4,319.47

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.

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

24 Deferred income

	As at 31 March 2022	As at 31 March 2021
Unearned revenue*	7,862.92	6,542.05
	7,862.92	6,542.05

*Changes in deferred income is as follows:

	As at 31 March 2022	As at 31 March 2021
Balance at the begining of the year	6,542.05	5,940.17
Revenue recognised that was included in deferred income at the beginning of the year	(6,388.62)	(5,739.60)
Increase due to invoicing during the year, excluding amount recognised as revenue during the year	7,709.49	6,341.48
Balance at the end of the year	7,862.92	6,542.05

25 Other current liabilities

	As at 31 March 2022	As at 31 March 2021
Statutory dues payable	1,114.79	1,185.09
Advance from employees for share options	1.65	0.26
Other current liabilities	1.00	(0.00)
Advance from customers	21.68	32.67
	1,139.12	1,218.02

26 Current provisions

	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits (refer note 29)		
- provision for gratuity	460.68	313.84
- provision for compensated absences	166.34	132.68
	627.02	446.52

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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
	71,078.57	61,039.47

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
	2,993.38	1,430.95

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
	34,890.01	27,926.06

(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.

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

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	As at 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)
Balance at the end of the year	3,093.68	2,510.58

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
Total expense recognised in Statement of profit and loss	526.54	614.89

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)
Total remeasurements recognised in other comprehensive income	316.59	(58.48)

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
Total employee benefit liabilities	3,957.86	3,290.75
Non-current:		
Gratuity	2,633.00	2,196.75
Compensated absences	697.84	647.50
Current:		
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.

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30 Finance costs	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Finance cost on lease liabilities	180.33	272.67
Interest expense on borrowings	15.05	86.71
Other finance costs	122.41	175.46
	317.79	534.84

31 Depreciation and amortisation	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
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
	1,532.43	1,851.48

32 Other expenses	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
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
	18,076.59	15,188.91

***Payment to auditors**		
As auditor:		
- 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
	66.95	72.31

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

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
Total	**3,655.88**	**5,209.70**
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)
Total	144.14	(62.20)

B. Reconciliation of effective tax rate

	31 March 2022		31 March 2021	
Profit before tax		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)
Total	**1,913.69**	**(565.32)**	**140.17**	**1,488.54**

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)
Total	**2,269.32**	**(288.58)**	**(67.05)**	**1,913.69**

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

(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
Profit attributable to equity holders of the Company for basic and diluted earnings	**15,599.25**	**11,759.43**

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
Weighted average number of shares for basic EPS	**6,94,21,757**	**6,91,90,786**
Effect of dilution:		
Add: Weighted average number of potential equity shares on account of employees stock options	4,67,801	7,02,162
Weighted average number of shares for diluted EPS	**6,98,89,558**	**6,98,92,948**

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

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

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% 3year- 30% 4year-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
Date of grant	25-Mar-2021	23-Dec-2021	2-Mar-2022
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%

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

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	**6,03,212**	**INR 63.00**	**9,01,406**	**INR 63.00**
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	**13,60,000**	**INR 10.00**	-	-
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

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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	For the year ended
	31 March 2022	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.

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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
Investment in mutual funds -FVTPL				
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	-
Investment in government bonds-FVTOCI				
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	-
			9,237.76	**8,317.46**

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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
Salaries, wages and bonus*	1,737.36	1,236.05	786.29	675.20
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
Dividend paid (excluding dividend distribution tax)	1,379.87	935.81	-	-
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	-	-

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	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
Share-based payments	**161.34**	**99.83**	-	-
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		

*It includes share-based payments and commission but excludes provision for gratuity and compensated absences, as these are determined on the basis of actuarial valuation for the Company as a whole.

Sitting fees to independent director	**56.00**	**50.00**	-	-
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	-	-
Commission to independent director	**107.28**	**95.79**	**96.55**	**88.60**
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
Sale of products and services*				
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
* It includes unbilled revenues as follows:				
Unbilled revenue				
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	-	-
Sale of services-back office support cost #				
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	-	-
# It includes unbilled revenues as follows:				
Unbilled revenue				
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		

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	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
Expense-Outsourced technical services @				
Subsidiaries				
Newgen Software Inc., USA	2874.09	2,401.65	-	-
Newgen Software Technologies Pte Ltd.	357.63	115.11	-	27.28
Expense-Marketing support services@				
Subsidiary				
Newgen Software Technologies Pty Ltd.	634.53	511.66	-	-
@ It includes unbilled payable as follows:				
Unbilled payable				
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		
Rent expense				
Subsidiary				
Newgen Computers Technologies Limited	7.92	7.92	-	-
Inter-Company Deposit Given and Interest thereon				
Subsidiary				
Number Theory Software Private Limited	344.50	0.00	344.50	-
Paid on behalf of				
Subsidiary				
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	-
Bank Guarantee issued on behalf of				
Subsidiary				
Newgen Software Technologies Pte Ltd.	0.00	65.71	-	-
Recovered from				
Subsidiary				
Newgen Computers Technologies Limited	1.25	0.00	-	-
Newgen Software Technologies Pte Ltd.	0.00	0.22		
Investment in subsidiaries - share based payment				
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 31 March 2022	As at 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	-
	2,786.27	**1,420.34**

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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.

		Carrying amount				Fair value			
31 March 2022	**Note**	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets									
Financial assets measured at fair value									
Investments in mutual funds	10	2,769.70	-	-	2,769.70	2,769.70	-	-	2,769.70
Investments in bonds	10	-	6,468.06	-	6,468.06	6,468.06	-	-	6,468.06
Financial assets not measured at fair value									
Other non-current financial asset	7	-	-	10,087.33	10,087.33	-	-	-	-
Trade receivables	11	-	-	18,864.30	18,864.30	-	-	-	-
Cash and cash equivalents	12	-	-	5,379.36	5,379.36	-	-	-	-
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	-	-	-	-
		2,769.70	6,468.06	64,470.56	73,708.32	9,237.76	-	-	9,237.76
Financial liabilities									
Financial liabilities not measured at fair value									
Lease liabilities	19	-	-	1,725.48	1,725.48	-	-	-	-
Borrowings	20	-	-	618.73	618.73	-	-	-	-
Trade payables	22	-	-	4,099.90	4,099.90	-	-	-	-
Other financial liabilities	23	-	-	3,767.43	3,767.43	-	-	-	-
		-	-	10,211.53	10,211.53	-	-	-	-

		Carrying amount				Fair value			
31 March 2021	**Note**	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets									
Financial assets measured at fair value									
Investments in debt mutual funds	10	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
Financial assets not measured at fair value									
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	-	-	-	-
		4,755.74	3,561.72	51,075.18	59,392.64	8,317.46	-	-	8,317.46

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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	-	-	-	-
		-	-	8,273.73	8,273.73	-	-	-	-

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
Financial assets measured at FVTPL				
Investments in mutual funds	Level 1	Market valuation technique: Investments traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house, quoted price of equity shares in the stock exchange etc.	Not applicable	Not applicable
Financial assets measured at FVTOCI				
Investments in bonds	Level 1	Market valuation technique: The fair value of bonds is based on direct and market observable inputs.	Not applicable	Not applicable
Financial liabilities measured at Amortised cost				
Long term borrowings	Level 2	Discounted cash flow: The valuation model considers the present value of expected payment, discounted using a risk adjusted discount rate.	Not applicable	Not applicable
Short term borrowings	Level 2			

There have been no transfers in either direction for the years ended 31 March 2022 and 31 March 2021.

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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 31 March 2022	As at 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
	73,708.32	59,392.64

To cater to the credit risk for investments in mutual funds and bonds, only high rated mutual funds/bonds are accepted.

The Company has given security deposits to vendors for rental deposits for office properties, securing services from them, government departments. The Company does not expect any default from these parties and accordingly the risk of default is negligible or nil.

Trade receivables and unbilled revenues are typically unsecured and derived from revenue earned from customers primarily located in India, USA, EMEA and APAC.

Credit risk has always been managed by the Company through credit approval, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit term in normal course of business. Credit limits are established for each customers and received quarterly. Any sales/services exceeding these limits require approval from the risk management committee.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, industry and existence of previous financial difficulties, if any.

Trade and other receivables
The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. An impairment analysis is performed at each reporting date.

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
	18,864.30	17,541.07

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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
	21,998.41		**3,134.11**

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
	21,530.45		**3,989.38**

Ageing for expected credit loss has been considered from invoice date

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

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.

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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.

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

			Contractual cash flows				
31 March 2021	**Carrying amount**	**Total**	**2 months or less**	**2-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Finance lease obligations (including current maturities)	1,567.06	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	-	-	-
Total	**8,273.73**	**13,410.54**	**5,023.25**	**2,142.54**	**379.70**	**663.24**	**5,201.79**

Interest payment on variable interest rate loan in the table above reflect market forward interest rates at the reporting dates and these amount may change as market interest changes

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Newgen Software Technologies Limited
Standalone Statement of Profit and Loss for the year ended 31 March 2022
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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)
Financial assets					
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
Financial liabilities					
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	For the year ended 31 March 2022		For the year ended 31 March 2021	
	Strengthening	Weakening	Strengthening	Weakening
1 % movement				
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)

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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**
Fixed-rate instruments		
Financial assets	34,509.13	24,017.21
Financial liabilities	2,344.20	1,567.06
Total	**36,853.33**	**25,584.27**

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)

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(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
Adjusted net debt (a)	(3,035.16)	(1,302.55)
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.

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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
Revenue					
External revenue	21,446.17	23,886.09	9,878.34	15,867.97	71,078.57
Inter-segment revenue	-	-	-	-	-
Total Segment Revenue	**21,446.17**	**23,886.09**	**9,878.34**	**15,867.97**	**71,078.57**
Segment profit/(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
Revenue					
External revenue	19,723.17	16,770.68	8,453.08	16,092.54	61,039.47
Inter-segment revenue	-	-	-	-	-
Total Segment Revenue	**19,723.17**	**16,770.68**	**8,453.08**	**16,092.54**	**61,039.47**
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
(a) Revenue		
Total revenue for reportable segments	71,078.57	61,039.47
Elimination of inter-segment revenue	-	-
Total revenue	**71,078.57**	**61,039.47**
(b) Profit / (loss) before tax		
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
Total profit before tax from operations	**19,255.13**	**16,969.13**
(c) Assets		
Total assets for reportable segments	34,832.07	29,209.11
Other unallocated amounts	65,918.10	55,087.77
Total assets	**1,00,750.17**	**84,296.88**
(d) Liabilities		
Total liabilities for reportable segments	19,384.23	16,422.56
Other unallocated amounts	4,471.42	4,525.23
Total liabilities	**23,855.65**	**20,947.79**

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 reclassed 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.

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(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:

1. Total debts consists of borrowings and lease liabilities.
2. 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.
3. Debt service = Interest + payment for lease liabilities + principal repayments.
4. Credit sales = Total Revenue + opening unbilled revenue - closing unbilled revenue - opening deferred revenue + closing deferred revenue.
5. Earnings before interest and taxes = profit before tax + finance cost - other income
6. Capital Employed = Average tangible net worth + Total debt + Deferred tax.
7. Average is calculated on the basis of opening and closing balances.

Schedule III require explanation where the change in the ratio is more than 25% as compared to the preceding year. Since there are only 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.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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 May12, 2016, in one calendar year, the Company is allowed to seek extension for an amount equivalent to 10% of the average export collection of the last 3 years only and pursuant to the same, the company has applied for an extension of all the foreign currency receivables outstanding for more than 9 months. The management is of the view that the Company will be able to obtain approvals from the authorities for realizing such funds beyond the stipulated timeline without levy of any penalties as it had bonafide reasons that caused the delays in realization.

48 **Other statutory informations**

i. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

ii The Company do not have any transactions with companies struck off.

iii The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iv The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

v The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

vi The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

vii The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

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 Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

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

Diwakar Nigam	**T.S.Varadarajan**	**Arun Kumar Gupta**	**Aman Mourya**
Chairman & Managing Director	Whole Time Director	Chief Financial Officer	Company Secretary
DIN: 00263222	DIN: 00263115	Membership No: 056859	Membership No: F9975
Place: New Delhi	Place: Noida	Place: Noida	Place: Noida
Date: 03 May 2022	Date: 03 May 2022	Date: 03 May 2022	Date: 03 May 2022

Walker Chandiok &Co LLP

Walker Chandiok & Co LLP
21st Floor, DLF Square
Jacaranda Marg, DLF Phase II
Gurugram - 122 002
India

T +91 124 462 8099
F +91 124 462 8001

Independent Auditor's Report

To the Members of Newgen Software Technologies Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Newgen Software Technologies Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2022, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

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
A. Revenue recognition for software implementation services Refer Note 3(i)(ii) for accounting policy and 26 of notes forming part of the Standalone Financial Statements. The Group earns revenue from software implementation services wherein it has entered into various fixed-price contracts, for which revenue is recognised by the Group using the percentage of completion computed as per the Input method prescribed under Ind AS 115, Revenue from Contracts with Customers. The said revenue recognition accounting policy involves exercise of significant judgement by the management and the following factors requiring significant auditor attention: • High estimation uncertainty relating to determination of the progress of each contract, efforts incurred till date and additional efforts required to complete satisfaction of the performance obligation • Determination of unbilled revenue receivables and unearned revenue related to these contracts as at the end of reporting period • Considering the materiality of the amounts involved and significant degree of judgement and subjectivity involved in the estimates as mentioned above, we have identified revenue recognition from fixed price contracts as a key audit matter for the current year audit.	Our audit work included but was not restricted to the following procedures: 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. b) Tested the design and operating effectiveness of related manual controls and involved auditor's experts to assess key information technology (IT) controls over the IT environment in which the business systems operate, including access controls, segregation of duties, program change controls, program development controls and IT operation controls; c) Selected a sample of contracts and performed a performed the following procedures: - Inspected key terms, including price, deliverables, timetable and milestones set out in the contract for selected sample of contracts and identified the distinct performance obligations. - Tested project management tool for budgeted efforts and related percentage completion milestones and establishing accuracy of milestones based on actualisation of efforts for delivered projects. - Tested the details of activities completed with those stated in the customer contract, details of activities completed as provided by the project head and confirmation/acceptance of completion of such activities by the customer. - d) Evaluated the appropriateness of disclosures made in the financial statements with respect to revenue recognised during the year as required by applicable Indian Accounting Standards.
B. Trade receivables and provision for expected credit losses Refer note 3(e) for significant accounting policy and note 40(C)(ii) for credit risk disclosures. Trade receivables and unbilled revenue comprise a significant portion of the current financial assets of the Group. As at 31 March 2022, the Group has reported trade receivable of Rs. 27,887.83 lacs (net of provision for expected credit loss of Rs. 3,559.82 lacs. The Group applies simplified approach permitted by Ind AS 109 - Financial Instruments, which requires lifetime expected	Our audit work included but was not restricted to the following procedures: a) Obtained an understanding of the process adopted and controls implemented by the Group for calculation, recording and monitoring of the impairment loss recognised for expected credit loss; b) Assessed and tested the design and operating effectiveness of key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognised. Also, evaluated the controls over the modelling process, validation of data and related approvals;

credit losses to be recognised from the date of initial recognition of receivables. The Group analyses the trend of trade receivables under different ageing bracket for previous years and calculate weighted average loss rate basis such movement in ageing brackets. 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. 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.	c) Considered the Group'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; d) Inquired with management about the conditions leading to, and their assessment of recoverability of dues from the customers and also referred to the available communication, if any, between them. e) Assessed, on a sample basis that items in the receivables ageing report were classified within the correct ageing bracket by comparing individual items in the report with underlying documentation, which included sales invoices, proof of delivery and customers sign offs; f) Analysed the methodology used by the management and considered the credit and payment history of specific parties to determine the trend used for arriving at the expected credit loss provision and co-related to our understanding of the debtor's financial condition, the industry in which debtor operates. g) Since the assumptions and inputs used for calculating ECL is based on historical data, we assessed whether such historical experience was representative of current circumstances. h) Tested the accuracy and completeness of underlying data for "expected credit loss model". i) Evaluated responses to direct confirmation request circulated to customers and ensured the reconciling items have been adequately recorded in the books of account; j) Obtained written representations from management and those charged with governance on whether they believe significant assumptions used in calculation of expected credit losses are reasonable. k) Assessed the adequacy of disclosures made by the management in the financial statements to reflect the expected credit loss provision, trade and other receivables.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

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

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

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially

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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 Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These consolidated financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;

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- 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

15. We did not audit the financial statements of 7 subsidiaries, whose financial statements reflects total assets of ₹ 15,730.29 lacs and net assets of ₹ 5,551.45 lacs as at 31 March 2022, total revenues of ₹ 31,771.79 lacs and net cash inflows amounting to ₹ 529.57 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

Further, of these subsidiaries, 5 subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the balances and affairs of such subsidiaries located outside India, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

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Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

16. The consolidated financial statements of the Group 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 consolidated financial statements vide their audit report dated 25 May 2021.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 15, on separate financial statements of the subsidiaries, we report that the Holding Company covered under the Act 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. Further, we report that 2 subsidiary companies covered under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary companies.

18. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and by the respective other auditors as mentioned in paragraph 15 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.

19. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

   b) In our opinion, for all the companies covered under the Act, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

   c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

   d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

   e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary companies and taken on record by the Board of Directors of the Holding Company and its subsidiary companies, and the reports of the statutory auditors of its subsidiary companies, covered under the Act, none of the directors of the Group companies covered under the Act, are 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 financial statements of the Holding Company, and its subsidiary companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II' wherein we have expressed an unmodified opinion; and

   g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:

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i. There were no pending litigations as at 31 March 2022 which would impact the consolidated financial position of the Group;

ii. The Holding Company and its subsidiary companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies covered under the Act, during the year ended 31 March 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 Group 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 Group ('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 Group, from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Group 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 Holding Company and its subsidiary companies is in compliance with section 123 of the Act.

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

Neeraj Goel

Neeraj Goel
Partner
Membership No.: 099514
UDIN: 22099514AIHXZM1557

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Place: Gurugram
Date: 3 May 2022

Annexure I

List of subsidiary companies:

1. Newgen Software, Inc.
2. Newgen Computers Technologies Limited
3. Newgen Software Technologies PTE. Ltd.
4. Newgen Software Technologies (UK) Limited
5. Newgen Software Technologies Canada, Ltd.
6. Newgen Software Technologies Pty Ltd
7. Number Theory Software Private Limited

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Annexure II

Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Newgen Software Technologies Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as

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Annexure II to the Independent Auditor's Report of even date to the members of Newgen Software Technologies Limited on the consolidated financial statements for the year ended 31 March 2022

necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

6. Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

7. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

8. We did not audit the internal financial controls with reference to financial statements insofar as it relates to 2 subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 147.02 lacs and net assets of ₹ (221.89) lacs as at 31 March 2022, total revenues of ₹ 8.90 lacs and net cash inflows amounting to ₹ 13.86 lacs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Neeraj Goel
Partner
Membership No.: 099514
UDIN: 22099514AIHXZM1557
Place: Gurugram
Date: 3 May 2022

NEWGEN SOFTWARE TECHNOLOGIES LIMITED

Consolidated Financial Statements for the year ended 31 March 2022

Newgen Software Technologies Limited
Consolidated 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
ASSETS			
Non-current assets			
Property, plant and equipment	4	16,272.39	15,783.39
Right-of-use assets	18	4,824.97	4,647.42
Goodwill	4A	283.31	-
Intangible assets	5	1,611.22	64.12
Financial assets			
Other Financial assets	6	10,111.30	3,697.21
Deferred tax assets (net)	32	1,587.83	1,979.74
Income tax assets (net)	7	1,362.87	985.82
Other non-current assets	8	18.15	6.83
Total non-current assets		**36,072.04**	**27,164.53**
Current assets			
Financial assets			
Investments	9	9,237.76	8,317.46
Trade receivables	10	27,887.83	23,854.30
Cash and cash equivalents	11	10,357.07	7,171.17
Other bank balances	12	17,236.16	17,003.77
Loans	13	20.92	9.04
Other financial assets	14	8,804.50	7,796.09
Other current assets	15	1,087.31	741.32
Total current assets		**74,631.55**	**64,893.15**
TOTAL ASSETS		**1,10,703.59**	**92,057.68**
EQUITY AND LIABILITIES			
Equity			
Share capital	16	6,954.02	6,930.60
Other equity	17	74,186.09	59,639.07
Total equity attributable to the owners of the Holding Company		**81,140.11**	**66,569.67**
Non-current liabilities			
Financial liabilities			
-Borrowings	19	430.18	-
-Lease liabilities	18	1,493.52	1,391.36
Deferred tax liabilities	32	414.66	-
Provisions	20	3,345.11	2,857.89
Total non-current liabilities		**5,683.47**	**4,249.25**
Current liabilities			
Financial liabilities			
Borrowings	19	188.55	-
Lease liabilities	18	670.09	617.76
Trade payables			
- Total outstanding dues to micro enterprises and small enterprises	21	75.27	-
- Total outstanding dues to creditors other than micro and small enterprises	21	3,570.00	2,264.31
Other financial liabilities	22	4,110.61	4,386.81
Deferred income	23	12,597.37	10,358.98
Other current liabilities	24	1,271.53	1,377.21
Provisions	25	648.51	461.58
Income tax liabilities (net)	7A	748.08	1,772.11
Total current liabilities		**23,880.01**	**21,238.76**
Total liabilities		**29,563.48**	**25,488.01**
TOTAL EQUITY AND LIABILITIES		**1,10,703.59**	**92,057.68**

Summary of significant accounting policies 3

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

As per our report of even date

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

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

Neeraj Goel	**Diwakar Nigam**	**T.S.Varadarajan**	**Arun Kumar Gupta**	**Aman Mourya**
Partner	Chairman & Managing Director	Whole Time Director	Chief Financial Officer	Company Secretary
Membership No.: 099514	DIN: 00263222	DIN: 00263115	Membership No: 056859	Membership No: F9975
Place: Gurugram	Place: New Delhi	Place: Noida	Place: Noida	Place: Noida
Date: 03 May 2022	Date: 03 May 2022	Date: 03 May 2022	Date: 03 May 2022	Date: 03 May 2022

Newgen Software Technologies Limited

Consolidated Statement of Profit and Loss for the period 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
Income			
Revenue from operations	26	77,896.15	67,262.44
Other income	27	2,991.20	1,503.74
Total Income		80,887.35	68,766.18
Expenses			
Employee benefits expense	28	40,901.36	32,761.76
Finance costs	29	349.16	562.58
Depreciation and amortisation expenses	30	1,763.03	2,014.97
Other expenses	31	17,528.44	15,310.17
Total expenses		60,541.99	50,649.48
Profit before tax		20,345.36	18,116.70
Tax expense	33		
Current tax		3,369.64	3,977.42
Tax expense for earlier years		-	1,288.86
Deferred tax expense		554.25	202.19
Income tax expense		3,923.89	5,468.47
Profit for the year		16,421.47	12,648.23
Other comprehensive income / (loss)			
Items that will not be reclassified subsequently to profit or loss			
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)
Net other comprehensive (loss)/income not to be reclassified subsequently to profit or loss		(205.96)	66.83
Items that will be reclassified subsequently to profit or loss			
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)
Exchange differences on translation of foreign operations		196.21	117.69
Net other comprehensive income to be reclassified subsequently to profit or loss		133.83	166.64
Other comprehensive (loss)/income for the year, net of income tax		(72.13)	233.47
Total comprehensive income for the year		16,349.34	12,881.70
Profit attributable to:			
Owners of the Holding Company		16,421.47	12,648.23
Profit for the year		16,421.47	12,648.23
Other comprehensive income / (loss) attributable to:			
Owners of the Holding Company		(72.13)	233.47
Other comprehensive (loss)/income for the year		(72.13)	233.47
Total comprehensive income attributable to:			
Owners of the Holding Company		16,349.34	12,881.70
Total comprehensive income for the year		16,349.34	12,881.70
Earnings per equity share	34		
Nominal value of share INR 10 (31 March 2021: INR 10)			
Basic earning per share (INR)		23.65	18.28
Diluted earning per share (INR)		23.50	18.10
Summary of significant accounting policies	3		

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

As per our report of even date attached

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

Walker Chandiok & Co Chartered Accountants

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

Diwakar Nigam	**T.S.Varadarajan**	**Arun Kumar Gupta**	**Aman Mourya**
Chairman & Managing Director	Whole Time Director	Chief Financial Officer	Company Secretary
DIN: 00263222	DIN: 00263115	Membership No: 056859	Membership No: F9975
Place: New Delhi	Place: Noida	Place: Noida	Place: Noida
Date: 03 May 2022	Date: 03 May 2022	Date: 03 May 2022	Date: 03 May 2022

Newgen Software Technologies Limited
Consolidated Statement of Changes in Equity for the year ended 31st March 2022
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

a. **Share capital**

Particulars	Equity share capital Number	Equity share capital Amount	Total share capital 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
Total Share capital as at 31 March 2021	6,93,06,005	6,930.60	6,930.60
Balance as at 1 April 2021	6,99,55,701	6,995.57	6,995.57
Less: Shares held by Newgen ESOP Trust	4,15,510	41.55	41.55
Total Share capital as at 31 March 2022	6,95,40,191	6,954.02	6,954.02

b. **Other equity***

Particulars	Securities premium	Retained earnings	Others					Items of Other comprehensive income			Total attributable to owners of the Group
			Capital redemption reserve	General reserve	Capital reserve	Newgen ESOP Trust reserve	Share options outstanding reserve	Foreign currency translation reserve	Remeasurement of defined benefit liability	Debt instruments through OCI	
Balance as at 1 April 2020	10,314.50	35,113.48	87.95	1,731.39	0.21	297.47	405.75	387.20	(96.29)	0.89	48,242.55
Total comprehensive income for the year ended 31 March 2021	-	-	-	-	-	-	-	-	-	-	
Profit for the year	-	12,648.23	-	-	-	-	-	-	-	-	12,648.23
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	-	-	117.69	66.83	48.95	233.47
Transactions with owners, recorded directly in equity											
Addition to Newgen ESOP Trust reserve	-	-	-	-	-	106.85	-	-	-	-	106.85
Contributions by and distributions to owners											
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	104.02	-	-	-	-	-	(125.62)	-	-	-	(21.60)
Balance as at 31 March 2021	10,418.52	46,362.60	87.95	1,731.39	0.21	404.32	344.72	504.89	(29.46)	58.84	59,883.98
Less: Securities premium on shares held by Newgen ESOP Trust	244.91	-	-	-	-	-	-	-	-	-	244.91
Balance as at 31 March 2021	10,173.61	46,362.60	87.95	1,731.39	0.21	404.32	344.72	504.89	(29.46)	58.84	59,639.07
Balance as at 1 April 2021	10,418.52	46,362.60	87.95	1,731.39	0.21	404.32	344.72	504.89	(29.46)	58.84	59,883.98
Total comprehensive income for the year ended 31st March 2022	-	-	-	-	-	-	-	-	-	-	
Profit for the year	-	16,421.47	-	-	-	-	-	-	-	-	16,421.47
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	-	-	196.21	(205.96)	(62.38)	(72.13)
Transactions with owners, recorded directly in equity											
Addition to Newgen ESOP Trust reserve	-	-	-	-	-	107.39	-	-	-	-	107.39
Opening adjustment of deferred tax	-	6.60	-	-	-	-	-	-	-	-	6.60
Contributions by and distributions to owners											
Dividend on equity shares	-	(2,448.45)	-	-	-	-	-	-	-	-	(2,448.45)
Employee stock compensation expense	-	-	-	-	-	-	548.26	-	-	-	548.26
Loss of debt instrument transferred to Statement of Profit and Loss	-	-	-	-	-	-	-	-	-	7.35	7.35
Transferred to securities premium account on exercise of stock options	106.74	-	-	-	-	-	(130.21)	-	-	-	(23.47)
Balance as at 31st March, 2022	10,525.26	60,342.22	87.95	1,731.39	0.21	511.71	762.77	701.10	(235.42)	3.81	74,431.00
Less: Securities premium on shares held by Newgen ESOP Trust	244.91	-	-	-	-	-	-	-	-	-	244.91
Balance as at 31st March 2022	10,280.35	60,342.22	87.95	1,731.39	0.21	511.71	762.77	701.10	(235.42)	3.81	74,186.09

* Refer Note 17

Summary of significant accounting policies — Note 3

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

As per our report of even date attached

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

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

Diwakar 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

Consolidated 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
A. Cash flows from operating activities		
Net profit before tax	20,345.36	18,116.70
Adjustments for:		
Depreciation and amortisation	1,763.02	2,014.97
Gain on sale of property, plant and equipment	(8.05)	(10.16)
Loss allowance on trade receivables & unbilled revenue	1,896.93	3,061.38
Liabilities/ provision no longer required written back	(56.96)	(7.27)
Unrealised foreign exchange gain	(279.91)	(13.71)
Share based payment - equity settled	548.26	64.59
Finance costs	207.04	475.45
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	(1,508.53)	(1,039.93)
Gain on lease termination	(0.43)	(87.49)
Operating cash flow before working capital changes	22,709.35	22,405.73
(Increase) in trade receivables	(5,312.11)	(55.23)
(Increase)/decrease in loans	(12.21)	74.50
(Increase)/decrease in other financial assets	(1,199.13)	868.46
(Increase)/decrease in other assets	(290.94)	50.67
Increase in provisions	355.68	679.37
(Decrease)/increase in other financial liabilities	(635.16)	723.70
Increase in other liabilities	1,965.88	460.19
Increase/(decrease) in trade payables	1,486.23	(489.97)
Cash generated from operations	19,067.59	24,717.42
Income taxes paid (net)	(4,790.31)	(3,147.52)
Net cash generated from operating activities (A)	14,277.28	21,569.90
B. Cash flows from investing activities		
Acquisition or construction of property plant and equipment including intangible assets, capital work-in-progress and capital advances	(1,269.09)	(1,171.15)
Proceeds from sale of property plant and equipment	10.74	12.33
Purchase of mutual funds and bonds	(16,374.16)	(14,893.34)
Proceeds from redemption of mutual funds and bonds	15,408.22	14,444.43
Loan to body corporate	(241.00)	-
Interest received from bonds	259.74	168.20
Interest received from bank deposits	1,157.39	627.36
Investment in subsidiary company, net of cash acquired	(688.58)	-
Investment in bank deposits (net of maturities)	(6,322.48)	(13,487.76)
Net cash used in investing activities (B)	(8,059.22)	(14,299.93)
C. Cash flows from financing activities		
(Repayment of) / proceeds from short-term borrowings (net)	-	(7,453.21)
Repayment of lease liabilities	(859.46)	(1,446.13)
Dividend paid	(2,445.31)	(1,399.11)
Interest paid	-	(86.71)
Gain on transfer of equity shares by Newgen ESOP trust	107.39	153.95
Net cash used in financing activities (C)	(3,197.38)	(10,231.21)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	3,020.68	(2,961.24)
Cash and cash equivalents at the beginning of the year	7,171.17	10,011.04
Effect of exchange differences on translation of foreign currency cash and cash equivalents	165.22	121.37
Cash and cash equivalents at the end of the year	10,357.07	7,171.17
Components of cash and cash equivalents: (refer note 11)		
Cash in hand	3.58	3.08
Balances with banks:		
- in current accounts	9,287.10	7,008.09
- balances with scheduled banks in deposit accounts with original maturity of less than 3 months	1,066.39	160.00
	10,357.07	7,171.17

Notes:

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

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

As per our report of even date attached

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

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

Diwakar Nigam	T.S.Varadarajan	Arun Kumar Gupta	Aman Mourya
Chairman & Managing Director	Whole Time Director	Chief Financial Officer	Company Secretary
DIN: 00263222	DIN: 00263115	Membership No: 056859	Membership No: F9975
Place: New Delhi	Place: Noida	Place: Noida	Place: Noida
Date: 03 May 2022	Date: 03 May 2022	Date: 03 May 2022	Date: 03 May 2022

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

1. Background

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

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

2. Basis of Preparation

A. Statement of compliance

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

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

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

B. Basis of Consolidation

The Consolidated financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Name of Subsidiaries	Country of Incorporation	Effective Shareholding (%)
Newgen Software Inc.	U.S.A	100
Newgen Software Technologies Canada, Limited	Canada	100
Newgen Software Technologies PTY Limited.	Australia	100

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Newgen Software Technologies PTE, Limited	Singapore	100
Newgen Software Technologies (UK) Limited	United Kingdom	100
Number Theory Software Private Limited	India	100
Newgen Computers Technologies Limited	India	100

The consolidated financial statements have been prepared on the following basis:

The financial statements of the Holding Company and its subsidiary companies are combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and unrealized profits in full in accordance with Ind AS 110 – "Consolidated Financial Statements". The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase/decrease in the reserves of the consolidated entities.

The excess/deficit of cost to the parent company of its investment over its portion of net worth in the consolidated entities at the respective dates on which investment in such entities was made is recognized in the consolidated financial statements as goodwill/capital reserve. The parent company's portion of net worth in such entities is determined on the basis of book values of assets and liabilities as per the financial statements of the entities as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant changes.

The financial statements of the foreign non integral subsidiaries (collectively referred to as the 'foreign non integral operations') are translated into Indian rupees as follows:-

i. Share capital and opening reserves and surplus are carried at historical cost.
ii. All assets and liabilities, both monetary and non-monetary, (excluding share capital, opening reserves and surplus) are translated using the year-end rates.
iii. Profit and loss items are translated at the respective weighted average rates or the exchange rate that approximates the actual exchange rate on date of specific transactions.

iv. The resulting net exchange difference is credited or debited to the foreign currency translation reserve.

C. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

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However, deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 'Income Taxes' and Ind AS 19 'Employee Benefits' respectively. When a liability assumed is recognised at the acquisition date, but the related costs are not deducted in determining taxable profits until a later period, a deductible temporary difference arises which results in a deferred tax asset. A deferred tax asset also arises when the fair value of an identifiable asset acquired is less than its tax base.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind-AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind-AS 109, it is measured in accordance with the appropriate Ind-AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised in consolidated statement of profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed off, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

D. Functional and presentation currency

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

E. Basis of measurement

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

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

F. Use of estimates and judgments

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

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

Judgments

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

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- Note 3(i) and Note 26 – revenue recognition from fixed price contracts of software implementation services: percentage of completion method to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended.
- Note 3(l) and Note 18 – determination of lease term;

Assumptions and estimation uncertainties

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

- Note 3(c)(iii) –Estimation of Useful lives of intangible assets and Property, plant and equipment
- Note 28 – Measurement of defined benefit obligations: key actuarial assumptions;
- Note 32 – Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 34 –Fair value of share based payments
- Note 40(C)(iii) – Impairment of trade receivables and financial assets.
- Note 18 – Recognition of right of use asset and lease liability

G. Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/liabilities include current portion of non-current financial assets/liabilities respectively. All other assets/ liabilities are classified as non-current. Deferred tax assets and liabilities (if any) are classified as non-current assets and liabilities.

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Operating cycle

Based on the nature of the operations and the time between the acquisition of assets for processing and their realization in cash or cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

H. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer. The Group regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Group assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's audit committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (Unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 34 – Share-based payment arrangements; and

Note 40 – Financial instruments.

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3. Significant Accounting Policies

a. Foreign currency

i. Functional currency
The Group financial statements are presented in INR, which is also the Group's functional currency.

ii. Foreign currency transactions
Transactions in foreign currencies are translated into INR, the functional currency of the Group, at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

b. Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets:
On initial recognition, a financial asset is classified as measured at
- Amortised cost;
- Fair value through Other Comprehensive Income (FVOCI) – debt investment;
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

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A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

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

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

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

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

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

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

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

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

Financial assets: Subsequent measurement and gains and losses

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

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

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

Equity investments at FVOCI

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

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on de-recognition is also recognised in profit or loss.

iii. Derecognition

Financial assets
The Group de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or

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in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.
If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not de-recognised.

Financial liabilities
The Group de-recognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also de-recognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. Derivatives and Embedded derivatives

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

Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

c. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

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

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its

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intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

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

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

ii. Subsequent expenditure

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

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

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

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

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

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

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

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

d. Intangible assets

Recognition and measurement

Intangible assets are initially recognised at:

(a) In case the assets are acquired separately then at cost,

(b) In case the assets are acquired in a business combination or under any asset purchase agreement at fair value.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment loss.

Intangible assets with finite useful life are assessed for impairment whenever there is an indication that the intangible assets may be impaired.

Subsequent expenditure

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

Amortization

Amortisation of intangible assets are amortised on a straight-line basis using the estimated useful life as follows:

Intangible assets	Useful lives (years)
Computer Software	**3-4 Years**
AI Platform	**5 Years**

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

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

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e. Impairment

i. Impairment of financial instruments

The Group recognises loss allowances for expected credit losses on:

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

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

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

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

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

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

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

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

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

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

Measurement of expected credit losses

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

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

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Presentation of allowance for expected credit losses in the balance sheet

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

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

Write-off

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

ii. Impairment of Non-financial assets

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

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

f. Employee benefits

i. Short-term employee benefits

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

ii. Share-based payment transactions

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

iii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

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

iv. Defined benefit plans

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

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

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

v. Other long-term employee benefits

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

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

g. Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for. Provisions are reviewed by the management at each reporting date and adjusted to reflect the current best estimates.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

h. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation, or a present obligation whose amount cannot be estimated reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements

i. Revenue

Effective 1 April 2018, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Group has adopted Ind AS 115 using the cumulative effect method. The adoption of the standard did not have any material impact to the consolidated financial statements of the Group.

Revenues from customer's contracts are considered for recognition and measurement when the contract has been approved by the parties, in writing, to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Group has received or expects to receive in exchange for these products or services ("transaction price"). When

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there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

i. Sale of License

Revenue from sale of licenses for software products is recognised when the significant risks and rewards of ownership have been transferred to the buyer which generally coincides with delivery of licenses to the customers, recovery of the consideration is probable, the associated costs and possible return of software sold can be estimated reliably, there is no continuing effective control over, or managerial involvement with the licenses transferred and the amount of revenue can be measured reliably.

ii. Rendering of services

Revenue from services rendered is recognized in proportion to the stage of completion of the transaction at the reporting date. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Software Implementation Services
The revenue from fixed price contracts for software implementation is recognized based on proportionate completion method based on hours expended, and foreseeable losses on the completion of contract, if any are recognized immediately. Efforts or costs expended have been used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts. Estimates of transaction price and total costs or efforts are continuously monitored over the lives of the contracts and are recognized in profit or loss in the period when these estimates change or when the estimates are revised. Revenues and the estimated total costs or efforts are subject to revision as the contract progresses. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

The Group is also involved in time and material contracts and recognizes revenue as the services are performed.

Digitization services
Revenue from digitization services is recognized as services are rendered to the customer.

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

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iii. Sale of right to use software

Software-as-a-service, that is, a right to access software functionality in a cloud-based-infrastructure provided by the Group. Revenue from arrangements where the customer obtains a "right to access" is recognized over the access period.

Revenue from client training, support and other services arising due to the sale of license is recognized as the performance obligations are satisfied.

Revenue is recognised, net of returns, trade discounts and volume rebates. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. Reimbursements of out-of-pocket expenses received from customers have been netted off with expense.

Amounts received or billed in advance of services to be performed are recorded as advance from customers/unearned revenue. Unbilled revenue represents amounts recognized based on services performed in advance of billing in accordance with contract terms.

iv. Multiple deliverable arrangements

When two or more revenue generating activities or deliverables are provided under a single arrangement, the Group has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering license for software products and related services as distinct performance obligations. For allocating the transaction price, the Group has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Group is unable to determine the standalone selling price, the Group uses the expected cost plus margin approach in estimating the standalone selling price.

Arrangements to deliver software products generally have three elements license, implementation and Annual Technical Services (ATS). The Group has applied the principles under Ind AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach.

Deferred contract costs are incremental costs of obtaining a contract which are recognized as assets and amortized over the term of the contract.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

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

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j. Recognition of dividend income, interest income or expense

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

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

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

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

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

k. Sale of investments

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

l. Leases

The Group as a lessee

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

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

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus

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any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

m. Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

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Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

n. Cash and cash equivalents

Cash and short-term deposits in the Balance Sheet comprise cash at banks and cash in hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

o. Earnings per share ("EPS")

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Groupby the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the net profit or loss for the year attributable to equity shareholders and the weighted average number of common and dilutive common equivalent shares outstanding during the year but including share options, compulsory convertible preference shares except where the result would be anti-dilutive.

p. Share Capital

Equity Shares

Equity shares are classified as equity. Incremental costs directly attributable to the issuance of new equity shares are recognized as a deduction from equity.

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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.

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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
Cost										
Balance as at 1 April 2020	4.28	4,114.40	471.95	5.99	244.85	1,161.17	443.10	1,797.72	8,243.46	9,072.62
Additions during the year	-	8,802.73	299.31	-	-	171.47	283.97	289.11	9,846.59	437.91
Translation exchange difference during the year	-	-	-	-	-	(0.01)	(1.92)	(0.08)	(2.01)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	(9,510.53)
Less: Disposals during the year	-	-	16.08	-	16.20	16.44	16.71	82.41	147.84	-
Balance as at 31 March 2021	4.28	12,917.13	755.18	5.99	228.65	1,316.19	708.44	2,004.34	17,940.20	-
Additions during the year	-	-	2.07	-	275.83	40.44	1.12	1,106.90	1,426.36	-
Acquisition of subsidiary (refer note 46)	-	-	-	-		5.87	0.88	9.20	15.95	-
Translation exchange difference during the year	-	-	-	-	-	(0.06)	1.92	0.68	2.54	-
Less: Disposals during the year	-	-	22.03	-	27.39	3.71	0.16	38.15	91.44	-
Balance as at 31 March 2022	4.28	12,917.13	735.22	5.99	477.09	1,358.73	712.20	3,082.97	19,293.61	-
Accumulated Depreciation										
Balance as at 1 April 2020	-	115.49	135.45	5.99	111.01	209.64	149.53	875.03	1,602.14	-
Depreciation during the year	-	107.30	54.56	-	34.49	128.84	57.59	317.80	700.58	-
Translation exchange difference during the year	-	-	-	-	-	(0.10)	(0.14)	0.00	(0.24)	-
Less: Disposals during the year	-	-	15.49	-	16.20	16.25	15.54	82.19	145.67	-
Balance as at 31 March 2021	-	222.79	174.52	5.99	129.30	322.13	191.44	1,110.64	2,156.81	-
Depreciation during the year	-	217.76	70.49	-	36.37	136.97	74.55	405.98	942.12	-
Acquisition of subsidiary (refer note 46)	-	-	-	-	-	2.83	0.52	7.18	10.53	-
Translation exchange difference during the year	-	-	-	-	-	0.01	0.25	0.21	0.47	-
Less: Disposals during the year	-	-	21.75	-	27.39	3.00	0.16	36.41	88.71	-
Balance as at 31 March 2022	-	440.55	223.26	5.99	138.28	458.94	266.60	1,487.60	3,021.22	-
Carrying amount (net)										
Balance as at 31 March 2021	4.28	12,694.34	580.66	-	99.35	994.06	517.00	893.70	15,783.39	-
Balance as at 31 March 2022	4.28	12,476.58	511.96	-	338.81	899.79	445.60	1,595.37	16,272.39	-

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)

4A Goodwill

	As at 31 March 2022	As at 31 March 2021
Opening Balance	-	-
Acquisition of subsidiary (refer note 46)	283.31	-
Impairment of goodwill	-	-
Closing Balance	283.31	-

5 Intangible assets

	Computer software	AI Platform	Total
Cost			
Balance as at 1 April 2020	401.94	-	401.94
Additions during the year	8.57	-	8.57
Balance as at 31 March 2021	410.51	-	410.51
Additions during the year	2.10	-	2.10
Acquisition of subsidiary (refer note 46)	-	1,654.33	1,654.33
Balance as at 31 March 2022	412.61	1,654.33	2,066.94
Accumulated Amortisation			
Balance as at 1 April 2020	262.38	-	262.38
Additions during the year	84.01	-	84.01
Balance as at 31 March 2021	346.39	-	346.39
Additions during the year	53.13	56.20	109.33
Balance as at 31 March 2022	399.52	56.20	455.72
Carrying amount (net)			
Balance as at 31 March 2021	64.12	-	64.12
Balance as at 31 March 2022	13.09	1,598.13	1,611.22

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Financial Assets

6	Other financial assets (non-current)	As at 31 March 2022	As at 31 March 2021
	Bank deposits*		
	- Original maturity of more than 12 months	6,000.00	-
	- pledged with tax authorities	4.42	4.42
	- held as margin money	3,382.94	3,289.36
	Interest accrued on deposits	263.08	47.40
	Security deposits	424.33	343.75
	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)
		10,111.30	3,697.21

*Bank deposits held as margin money represents deposits made on account of guarantees issued to government customers amounting to INR 304.3 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 Group's exposure to credit and market risks and fair value measurement is included in Note 40(c).

7	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))	1,362.87	985.82
		1,362.87	985.82

7A	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))	748.08	1,772.11
		748.08	1,772.11

8	Other non-current assets	As at 31 March 2022	As at 31 March 2021
	Prepaid expenses	4.43	6.83
	Capital advances	13.72	-
		18.15	6.83

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

Financial Assets

	As at 31 March 2022	As at 31 March 2021
9 Investments (refer note 38)		
Investments in bonds (unquoted)		
Bonds at FVOCI		
-Investment in government bonds	6,468.06	3,561.72
	6,468.06	3,561.72
Investments in mutual funds (unquoted)		
Mutual funds at FVTPL	2,769.70	4,755.74
	2,769.70	4,755.74
	9,237.76	8,317.46
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 Group's exposure to credit and market risks and fair value measurement is included in Note 40(c).

	As at 31 March 2022	As at 31 March 2021
10 Trade receivables		
- Unsecured, considered good	30,416.72	25,781.03
- Trade receivable - Credit impaired	1,030.93	2,439.38
	31,447.65	28,220.41
Allowance for bad and doubtful debts		
- Unsecured, considered doubtful	(2,528.89)	(1,926.73)
- Trade receivable - Credit impaired	(1,030.93)	(2,439.38)
	27,887.83	23,854.30

Trade Receivable Ageing Schedule

	Outstanding for following periods from due date of payment						
	Current but not due	Less than 6 months	6 months to 1 years	1-2 Years	2-3 Years	More Than 3 years	Total
As at 31 March 2022							
Undisputed Trade Receivables- Considered good	20,019.19	8,003.49	1,511.29	671.51	211.24	-	30,416.72
Undisputed Trade Receivables- Which have significant increase in credit risk		-	-	-	-	-	-
Undisputed Trade Receivables- credit impaired	-	-	-	494.07	536.86	-	1,030.93
Disputed Trade Receivables- Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables- Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables- credit impaired	-	-	-	-	-	-	-
	20,019.19	8,003.49	1,511.29	1,165.58	748.10	-	31,447.65
As at 31 March 2021							
Undisputed Trade Receivables- Considered good	17,516.51	6,010.73	1,130.24	1,123.55	-	-	25,781.03
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	-	-	-	-	-	-	-
	17,516.51	6,010.73	1,130.24	1,153.02	888.44	1,521.47	28,220.41

No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30-90 days.

The Group's exposure to credit and currency risks and loss allowances related to trade receivables are discussed in note 40(c).

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

11 Cash and cash equivalents	As at 31 March 2022	As at 31 March 2021
Cash on hand	3.58	3.08
Balances with banks		
- in current accounts*	9,287.10	7,008.09
-Balances with scheduled banks in deposit accounts with original maturity of less than three months	1,066.39	160.00
	10,357.07	7,171.17

*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.

12 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	17,229.25	17,000.00
- Unclaimed dividend account*	6.91	3.77
	17,236.16	17,003.77

*These balances are not available for use by the Group as they represent corresponding unclaimed liabilities.

13 Current financial assets - Loans	As at 31 March 2022	As at 31 March 2021
Loans to employees*	20.92	9.04
	20.92	9.04

*These are interest bearing loans - repayable within one year given to employees, chargeable at the rate of 12% p.a.

14 Current financial assets - Others	As at 31 March 2022	As at 31 March 2021
(unsecured considered good, unless otherwise stated)		
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	114.30	192.07
Unbilled revenue*		
- other than related parties	8,066.55	6,926.04
Less: Provision for loss allowance	(273.39)	-
	8,804.50	7,796.09

*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	6,926.04	7,767.02
Less: Amount of revenue billed during the year	(3,254.99)	(3,224.27)
Add: Addition during the year	4,395.50	2,383.29
Balance at the end of the year	8,066.55	6,926.04

15 Other current assets	As at 31 March 2022	As at 31 March 2021
Advances to vendors	54.11	20.85
Balances with government authorities	21.12	-
Deferred contract cost	109.68	93.90
Advance to employees	74.16	51.67
Prepaid expenses	785.95	569.89
Other current assets	42.29	5.01
	1,087.31	741.32

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

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

16 Share capital

	As at 31 March 2022 Number of shares	As at 31 March 2022 Amount	As at 31 March 2021 Number of shares	As at 31 March 2021 Amount
Authorised share capital				
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
	11,00,00,000	11,000.00	11,00,00,000	11,000.00

Issued, subscribed and paid up	As at 31 March 2022 Number of shares	As at 31 March 2022 Amount	As at 31 March 2021 Number of shares	As at 31 March 2021 Amount
Equity share capital of INR 10 each, fully paid up	6,99,55,701	6,995.57	6,99,55,701	6,995.57
Add: Issued during the year to Newgen ESOP Trust	-	-	-	-
Balance	6,99,55,701	6,995.57	6,99,55,701	6,995.57
Less : Shares held by Newgen ESOP Trust	4,15,510	41.55	6,49,696	64.97
Total Share capital	6,95,40,191	6,954.02	6,93,06,005	6,930.60

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

Equity share capital of INR 10 each, fully paid up	As at 31 March 2022 Number of shares	As at 31 March 2022 Amount	As at 31 March 2021 Number of shares	As at 31 March 2021 Amount
At the beginning of the year	6,99,55,701	6,995.57	6,99,55,701	6,995.57
Add: Issued during the year to Newgen ESOP Trust	-	-	-	-
At the end of the year	6,99,55,701	6,995.57	6,99,55,701	6,995.57
Less: Shares held by Newgen ESOP Trust	4,15,510	41.55	6,49,696	64.97
Total equity share capital	6,95,40,191	6,954.02	6,93,06,005	6,930.60

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 Holding Company after distribution of all preferential amounts, in proportion to their respective shareholding.

16 A Details of shareholders holding more than 5% shares in the Holding Company

Equity shares of INR 10 each, fully paid up held by:

	As at 31 March 2022 Number of shares	As at 31 March 2022 % Holding	As at 31 March 2021 Number of shares	As at 31 March 2021 % 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%

16 B Details of shares held by promoters and promoter's Group

Equity shares of INR 10 each, fully paid up held by:

	As at 31 March 2022 Number of shares	As at 31 March 2022 % of total shares	As at 31 March 2022 % change during the year	As at 31 March 2021 Number of shares	As at 31 March 2021 % 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%	-	-

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

Terms attached to stock options granted to employees are described in note 34 regarding share based payments.

16 D Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.

(i) Equity shares have been issued under Employee stock options plans to trust for which only exercise price has been received in cash.

	For the year ended 31 March 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 alloted by way of bonus issues and no shares has been bought back in the current year and preceding 5 years.

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

17 Other equity

	As at 31 March 2022	As at 31 March 2021
Securities premium	10,280.35	10,173.61
Retained earnings	60,342.22	46,362.60
Capital redemption reserve	87.95	87.95
Capital reserve	0.21	0.21
General reserve	1,731.39	1,731.39
Newgen ESOP Trust reserve	511.71	404.32
Share options outstanding reserve	762.77	344.72
Foreign currency translation reserve	701.10	504.89
Other comprehensive gain/ (loss)	(231.61)	29.38
	74,186.09	**59,639.07**

Securities premium (refer note (i) below)	As at 31 March 2022	As at 31 March 2021
Balance as at beginning of the year	10,418.52	10,314.50
Securities premium on issue of shares to Newgen ESOP Trust	-	
Transferred from share options outstanding reserve on exercise of stock options	106.74	104.02
Balance as at end of the year	**10,525.26**	**10,418.52**
Less: Securities premium on shares held by Newgen ESOP Trust	244.91	244.91
Balance as at end of the year	**10,280.35**	**10,173.61**

Retained earnings (refer note (ii) below)	As at 31 March 2022	As at 31 March 2021
Balance as at beginning of the year	46,362.60	35,113.48
Opening adjustment of deferred tax	6.60	-
Profit for the year	16,421.47	12,648.23
Dividend on equity shares	(2,448.45)	(1,399.11)
Balance as at end of the year	**60,342.22**	**46,362.60**

Capital redemption reserve	As at 31 March 2022	As at 31 March 2021
Balance as at beginning of the year	87.95	87.95
Balance as at end of the year	**87.95**	**87.95**

General reserve	As at 31 March 2022	As at 31 March 2021
Balance as at beginning of the year	1,731.39	1,731.39
Balance as at end of the year	**1,731.39**	**1,731.39**

Capital reserve	As at 31 March 2022	As at 31 March 2021
Balance as at beginning of the year	0.21	0.21
Balance as at end of the year	**0.21**	**0.21**

Newgen ESOP Trust reserve (refer note (iii) below)	As at 31 March 2022	As at 31 March 2021
Balance as at beginning of the year	404.32	297.47
Addition to Newgen ESOP Trust reserve	107.39	106.85
Balance as at end of the year	**511.71**	**404.32**

Share options outstanding reserve (refer note (iv) below)	As at 31 March 2022	As at 31 March 2021
Balance as at beginning of the year	344.72	405.75
Employee stock compensation expense	548.26	64.59
Transferred to securities premium account on exercise of stock options	(130.21)	(125.62)
Balance as at end of the year	**762.77**	**344.72**

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

Remeasurement of defined benefit liability	As at 31 March 2022	As at 31 March 2021
Balance as at beginning of the year	(29.46)	(96.29)
Other comprehensive income (loss) (net of tax)	(205.96)	66.83
Balance as at end of the year	**(235.42)**	**(29.46)**

Debt instruments through other comprehensive income	As at 31 March 2022	As at 31 March 2021
Balance as at beginning of the year	58.84	0.89
Other comprehensive income (net of tax)	(62.38)	48.95
(Profit)/loss on sale of debt instrument transferred to profit and loss	7.35	9.00
Balance as at end of the year	**3.81**	**58.84**

Foreign currency translation reserve (refer note (vi) below)	As at 31 March 2022	As at 31 March 2021
Balance as at beginning of the year	504.89	387.20
Other comprehensive income (net of tax)	196.21	117.69
Balance as at end of the year	**701.10**	**504.89**

(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 Holding 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 Holding Company, except for profit / loss on issue of shares to the employees and dividend received by trust which are directly adjusted in the Newgen ESOP Trust reserve.

(iv) The Group has established various equity-settled share-based payment plans for certain employees of the Group. Refer to note 34 for further details on these plans.

(v) Refer Statement of Changes in Equity for analysis of other comprehensive income, net of tax.

(vi) Foreign currency translation reserve comprises of all exchange differences arising from translation of financial statements of foreign subsidiaries into functional and presentational currency.

18 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	2,886.52	6,252.30
Addition	-	320.58	320.58
Termination of leases	-	(689.48)	(689.48)
Translation exchange difference	-	(5.60)	(5.60)
Depreciation	(39.30)	(1,191.08)	(1,230.38)
Balance as at 31 March 2021	**3,326.48**	**1,320.94**	**4,647.42**

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	1,320.94	4,647.42
Addition	-	885.06	885.06
Termination of leases	-	(4.63)	(4.63)
Reduction due to rent concession	-	(3.44)	(3.44)
Translation exchange difference	-	12.14	12.14
Depreciation	(39.30)	(672.28)	(711.58)
Balance as at 31 March 2022	**3,287.18**	**1,537.79**	**4,824.97**

*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 30)

Lease liabilities

Break up of current and non-current lease liabilities:

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current lease liabilities	1,493.52	1,391.36
Current lease liabilities	670.09	617.76
Total	**2,163.61**	**2,009.12**

Movement in lease liabilities during the year ended 31 March 2021

Particulars	As at 31 March 2021
Balance as at 1 April 2020	3,630.29
Addition	320.58
Finance cost	282.75
Termination of leases	(771.61)
Translation exchange difference	(8.46)
Payment of lease liabilities	(1,444.43)
Balance as at 31 March 2021	**2,009.12**

Movement in lease liabilities during the year ended 31 March 2022

Particulars	As at 31 March 2022
Balance as at 1 April 2021	2,009.12
Addition	817.25
Finance cost	192.02
Termination of leases	(5.06)
Translation exchange difference	16.70
Reduction due to rent concession	(3.45)
Payment of lease liabilities	(862.97)
Balance as at 31 March 2022	**2,163.61**

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was INR 616.35 lakhs for the year ended 31 March 2022 (31 March 2021: INR 249.91 lakhs).

For detail regarding the undiscounted contractual maturities of lease liabilities refer note 40(c)(iii).

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

19 Borrowings	As at 31 March 2022	As at 31 March 2021
Non Current Borrowings		
-Deferred payment liabilities	430.18	-
	430.18	-
Current Borrowings		
Current maturities of deferred payment liabilities	188.55	-
	188.55	-

20 Non-current provisions	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits (refer note 28)		
- provision for gratuity	2,633.00	2,196.75
- provision for compensated absences	712.11	661.14
	3,345.11	2,857.89

21 Trade payables	As at 31 March 2022	As at 31 March 2021
- Total outstanding dues to micro enterprises and small enterprises	75.27	-
- Total outstanding dues to creditors other than micro and small enterprises	3,570.00	2,264.31
	3,645.27	2,264.31

Trade payables Ageing Schedule

	Outstanding for following periods from due date of payment					
	Less than 1 years	1-2 Years	2-3 Years	More Than 3 years	Unbilled payable	Total
As at 31 March 2022						
Total outstanding dues of Micro enterprises and small enterprises	75.27	-	-	-	-	75.27
Total outstanding dues of creditors other than Micro enterprises and small enterprises	253.68	-	-	-	2,960.04	3,213.72
Disputed Dues of Micro enterprises and small enterprises	-	-	-	-	-	-
Disputed Dues of creditors other than Micro enterprises and small enterprises	-	-	-	-	356.28	356.28
	328.95	-	-	-	3,316.32	3,645.27
As at 31 March 2021						
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	-	-	1,680.49	2,264.31
Disputed Dues of Micro enterprises and small enterprises	-	-	-	-	-	-
Disputed Dues of creditors other than Micro enterprises and small enterprises	-	-	-	-	-	-
	583.59	0.23	-	-	1,680.49	2,264.31

Trade payables are non-interest bearing and are generally on terms of 30-45 days
a) Refer note 35 for disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)
b) The Group's exposure to currency and liquidity risks related to trade payables is disclosed in note 40(c).

22 Current financial liabilities - Others	As at 31 March 2022	As at 31 March 2021
Employee related payables	3,785.13	4,237.22
Payable in respect of retention money	-	127.82
Earnest money deposits	1.00	1.00
Payable for capital assets	317.57	17.00
Unclaimed dividends*	6.91	3.77
	4,110.61	4,386.81

Refer note 35 for amount payable to Micro, Small and Medium Enterprises.
*Unclaimed dividends amount is not due for deposit to the Investor Education & Protection fund

23 Deferred income	As at 31 March 2022	As at 31 March 2021
Unearned revenue*	12,597.37	10,358.98
	12,597.37	10,358.98

*Changes in deferred income is as follows:

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	10,358.98	10,058.34
Revenue recognised that was included in deferred income at the beginning of the year	(10,265.11)	(9,812.25)
Increase due to invoicing during the year, excluding amount recognised as revenue during the year	12,442.68	10,153.54
Foreign Currency Translation Reserve	60.82	(40.65)
Balance at the end of the year	12,597.37	10,358.98

24 Other current liabilities	As at 31 March 2022	As at 31 March 2021
Statutory dues payable	1,247.20	1,344.27
Advance from employees for share options	1.65	0.26
Advance from customers	21.68	32.68
Other current liabilities	1.00	-
	1,271.53	1,377.21

25 Current provisions	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits (refer note 28)		
- provision for gratuity	460.68	313.84
- provision for compensated absences	187.83	147.74
	648.51	461.58

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26 Revenue from operations

	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of products - softwares	16,095.45	13,049.26
Sale of services		
- Implementation	15,408.52	14,799.48
- Scanning	746.03	702.82
- AMC/ATS	18,433.75	15,060.29
- Support	21,032.79	18,689.20
- SaaS revenue	6,179.61	4,961.39
	77,896.15	67,262.44

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Group expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts where :

(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).

27 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	1,232.14	755.81
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	56.96	7.27
Net foreign exchange fluctuation gain	1,120.66	-
Bad debts recovered	9.48	43.10
Miscellaneous income	64.91	117.19
	2,991.20	1,503.74

28 Employee benefits expense

	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	37,993.01	30,555.65
Contribution to provident funds (refer note i below)	1,104.02	995.96
Expenses related to compensated absences (refer note ii below)	558.18	444.36
Share based payment - equity settled	548.26	64.59
Expense related to defined benefit plan (refer note iii below)	526.54	614.89
Staff welfare expenses	171.35	86.31
	40,901.36	32,761.76

(i) Defined contribution plans:

The Group makes contributions, determined as a specified percentage of the employee salaries in respect of qualifying employees towards provident fund, which is a defined contribution plan. The amount recognised as an expense towards contribution to provident fund for the year aggregated to INR 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 at least 5 years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit.

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

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

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

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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	As at 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)
Balance at the end of the year	**3,093.68**	**2,510.58**

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
Total expense recognised in Statement of profit and loss	**526.54**	**614.89**

ii) Remeasurements recoginsed 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)
Total remeasurements recognised in other comprehensive income	**316.59**	**(58.48)**

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 Group'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

	31 March 2022	31 March 2021
Net defined benefit liability		
Liability for gratuity	3,093.68	2,510.58
Liability for compensated absences	899.94	650.31
Total employee benefit liabilities	**3,993.62**	**3,160.89**
Non-current:		
Gratuity	2,633.00	2,196.75
Compensated absences	712.11	661.14
Current:		
Gratuity	460.68	313.84
Compensated absences	187.83	147.14

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 Group 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.

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29 Finance costs

	For the year ended 31 March 2022	For the year ended 31 March 2021
Finance cost on lease liabilities	192.02	282.75
Interest expense on borrowings	15.05	86.71
Other finance costs	142.09	193.12
	349.16	**562.58**

30 Depreciation and amortisation

	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation of property, plant and equipment (refer note 4)	942.11	700.58
Depreciation of right-of use assets (refer note 18)	711.58	1,230.38
Amortisation of intangible assets (refer note 5)	109.34	84.01
	1,763.03	**2,014.97**

31 Other expenses

	For the year ended 31 March 2022	For the year ended 31 March 2021
Rent	616.35	249.91
Repairs and maintenance	319.38	261.90
Rates and taxes	444.99	488.74
Travelling and conveyance	1,139.24	865.55
Legal and professional fees	3,159.63	2,857.97
Outsourced technical services expense	229.79	-
Cloud hosting services	1,402.84	1,245.75
Payment to auditors*	66.95	72.31
Electricity and water	310.75	355.98
Advertising and sales promotion	1,349.47	463.01
Membership and subscription fee	442.22	408.23
Brokerage and commission	1,535.67	910.07
Communication costs	343.88	349.25
Software and license maintenance	1,110.13	795.12
Expenditure on corporate social responsibility(refer note 37)	248.85	201.27
Donation	30.82	29.00
Recruitment charges	480.71	123.28
Insurance	1,312.74	1,131.21
Operation and maintenance	307.98	464.56
Printing, stationery and scanning charges	400.48	293.12
Loss allowance on trade receivables (net of adjustment for bad debts written off of INR 2,443.63 lakhs (previous year INR 4,183.76 lakhs). Loss allowance on trade receivables includes loss allowance created on unbilled revenue amounting to INR 273.39 lakhs)	1,896.93	3,061.38
Security charges	201.62	229.12
Net foreign exchange fluctuation loss	-	168.75
Loss on redemption of bonds (net) at FVOCI	24.80	27.78
Miscellaneous expenses	152.22	256.91
	17,528.44	**15,310.17**

***Payment to auditors**		
As auditor:		
- 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
	66.95	**72.31**

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32 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	3,369.64	3,977.42
Tax expense for earlier years	-	1,288.86
Deferred tax expense	554.25	202.19
Total	**3,923.89**	**5,468.47**
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)
Total	144.14	(62.20)

B. Reconciliation of effective tax rate

	31 March 2022		31 March 2021	
Profit before tax		20,345.36		18,116.70
Tax using the Company's tax rate	34.94%	7,109.48	34.94%	6,330.70
Impact of different rate in each jurisdiction	-0.55%	(112.89)	-0.79%	(142.26)
Effect of deduction under section 10AA of the Income tax Act, 1961	-14.85%	(3,020.28)	-12.53%	(2,270.61)
Effect of expenses permanently disallowed under the Income Tax Act, 1961	0.67%	135.56	0.23%	41.98
Effect of income exempt/ non taxable/ taxed on lower rate	-0.57%	(116.38)	-0.63%	(114.75)
Effect of profit on redemption of mutual funds	-0.15%	(30.67)	0.62%	111.75
Tax expense for earlier years	-1.23%	(251.22)	7.11%	1,288.86
Others	1.03%	210.29	1.23%	222.80
Income tax recognised in statement of profit and loss for the current year	19.29%	3,923.89	30.18%	5,468.47

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

31 March 2022

Particulars	**Balance as at 1 April 2021**	**Translation exchange difference**	**Recognised in Statement of Profit or Loss during the year**	**Recognised in OCI during the year**	**Balance as at 31 March 2022**
Deferred tax liabilities (net)					
Property, plant and equipment	13.93	0.48	(2.00)	-	12.41
Intangible assets on AI Platform (acquisition of subsidiary-refer note 48)	-	-	-	-	402.25
Total	**13.93**	**0.48**	**(2.00)**	-	**414.66**
Deferred tax assets (net)					
Investments at fair value through OCI	(29.73)	-	-	29.55	(0.17)
Remeasurement of defined benefit liability (asset)	15.47	-	-	110.63	126.10
Property, plant and equipment	(606.72)	0.36	(389.94)	-	(996.30)
Loss allowance on other financial assets	57.57	-	-	-	57.57
Loss allowance on trade receivables	1,466.39	9.63	(300.79)	-	1,175.23
Provision for employee benefits	1,222.51	0.24	53.34	-	1,276.09
Lease liabilities	39.00	-	(31.13)	-	7.87
MAT credit entitlement	-	-	139.19	-	139.19
Others	(170.82)	-	(26.92)	-	(197.74)
Total	**1,993.67**	**10.23**	**(556.25)**	**140.18**	**1,587.83**

31 March 2021

Particulars	**Balance as at 1 April 2020**	**Translation exchange difference**	**Recognised in Statement of Profit or Loss during the year**	**Recognised in OCI during the year**	**Balance as at 31 March 2021**
Deferred tax liabilities (net)					
Property, plant and equipment	17.39	-	(3.46)	-	13.93
Total	**17.39**	-	**(3.46)**	-	**13.93**
Deferred tax assets (net)					
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)	-	(232.75)	-	(606.72)
Loss allowance on other financial assets	57.57	-	-	-	57.57
Loss allowance on trade receivables	1,681.52	-	(215.13)	-	1,466.39
Provision for employee benefits	934.43	-	288.08	-	1,222.51
Lease liabilities	58.84	-	(19.84)	-	39.00
Others	(145.20)	0.39	(26.01)	-	(170.82)
Total	**2,265.97**	**0.39**	**(205.65)**	**(67.05)**	**1,993.67**

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33 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Holding 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 Holding 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 Holding Company

	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit attributable to equity holders of the Holding Company	16,421.47	12,648.23
Profit attributable to equity holders of the Holding Company for basic and diluted earnings	**16,421.47**	**12,648.23**

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
Weighted average number of shares for basic EPS	**6,94,21,757**	**6,91,90,786**
Effect of dilution:		
Add: Weighted average number of potential equity shares on account of employees stock options	4,67,801	7,02,162
Weighted average number of shares for diluted EPS	**6,98,89,558**	**6,98,92,948**

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	23.65	18.28
Diluted earnings per share	23.50	18.10

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34 Share-based payment arrangements:

A. Description of share-based payment arrangements

i. Share option programmes (equity-settled)

The Group established Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014) in the year 2014-15, administered through a new Trust 'Newgen ESOP Trust'. The maximum numbers of shares to be issued under this Scheme shall be limited to 3,783,800 equity shares of the Group. Pursuant to the scheme, during the year 2014-15, the Group has granted 3,653,525 options at an exercise price of INR 63 per option, to the employees of the Group. Further, during the year 2017-18 grant of options 353,000, 130,000, and 79,250 through grant II, III and IV on 1 Jul 2017, 1 Sep 2017 and 1 Oct 2017 respectively under the same scheme and with same vesting conditions was made. During the year 2020-21, the Group has granted 2,33,000 options 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 Group has established Newgen Software Technologies Restricted Stock Units Scheme – 2021 (Newgen RSU – 2021), administered through a new trust "Newgen RSU Trust" The maximum numbers of shares to be issued under this Scheme shall be limited to 14,00,000 equity shares of the Group. During the year 2021-22, the Group has granted 12,11,500 and 1,73,500 options through grant I and II respectively under this scheme at an exercise price of INR 10 per option, to the employees of the Group. Under the terms of the scheme, these options are vested on a graded vesting basis over a maximum period of five years from the date of grant and are to be exercised either in part(s) or full, within a maximum period of five 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% 3year- 30% 4year-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 Group and accordingly shares held by Newgen ESOP Trust are netted off from the total share capital. Consequently, all the assets, liabilities, income and expenses of the trust are accounted for as assets and liabilities of the Group, except for profit / loss on issue of shares to the employees and dividend received by trust which are directly adjusted in the Newgen ESOP Trust reserve.

Following table represents general terms of the grants for the ESOP outstanding as on 31 March 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
Date of grant	25-Mar-2021	23-Dec-2021	2-Mar-2022
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%

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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 31 March 2022	Weighted average exercise price 31 March 2022	Number of options 31 March 2021	Weighted average exercise price 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	-	-	2,33,000	INR 63.00
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	6,03,212	INR 63.00	9,01,406	INR 63.00
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 31 March 2022	Weighted average exercise price 31 March 2022	Number of options 31 March 2021	Weighted average exercise price 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	13,60,000	INR 10.00	-	-
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 28

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35 Details of dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum.

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

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 until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act , 2006.	-	-

* Includes INR 307.35 lakhs on account of capital creditor

36 After the reporting date the following dividend were proposed by the Board of Directors, subject to the approval of shareholders at Annual General Meeting; Accordingly, the dividends have not been recognised as liabilities.

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

37 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 Group: Gross amount to be spent by the Group 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.

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38 Details of current Investments (refer note 9)

Particulars	Number of units as at		Amount in lakhs as at	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Investment in mutual funds -FVTPL				
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	-
Investment in government bonds-FVTOCI				
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	-
			9,237.76	**8,317.46**

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

39 Related party transactions

Transactions with Key Management Personnel

A number of key management personnel, or their related parties hold positions in other entities that result in them having control or significant influence over those entities.

Compensation of the Group's key managerial personnel includes salaries, non-cash benefits and contributions to post - employment defined benefit plan(see note 28)

Executive officers also participate in the Group's share option plan as per the conditions laid down in that scheme (see note 28 and note 34).

List of key management personnel and their relatives
Diwakar Nigam - Managing Director
T.S. Varadarajan - Whole Time Director
Priyadarshini Nigam - Whole Time Director
Arun Kumar Gupta - Chief Financial Officer
Virender Jeet - Chief Executive Officer
Surender Jeet Raj - Senior Vice President (HR/Operations)
Tarun Nandwani - Chief Operating Officer
Usha Varadarajan - Relative of Whole Time Director - T.S. Varadarajan
Shubhi Nigam - Relative of Managing Director
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
Salaries, wages and bonus*	1,806.90	1,328.59	786.29	675.19
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
Shubhi Nigam	69.54	92.53		
Dividend paid	1,379.87	935.83	-	-
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		
Share-based payments	161.33	99.84	-	-
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		

*It includes share-based payments and commission but excludes provision for gratuity and compensated absences, as these are determined on the basis of actuarial valuation for the Group as a whole.

Sitting fees to independent director	56.00	50.00	-	-
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	-	-
Commission to independent director	107.28	95.80	96.56	88.60
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

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

40 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

		Carrying amount				Fair value			
31 March 2022	**Note**	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets									
Financial assets measured at fair value									
Investments in mutual funds	9	2,769.70	-	-	2,769.70	2,769.70	-	-	2,769.70
Investments in bonds	9	-	6,468.06	-	6,468.06	6,468.06	-	-	6,468.06
Financial assets not measured at fair value									
Other non-current financial asset	6	-	-	10,111.30	10,111.30	-	-	-	-
Trade receivables	10	-	-	27,887.83	27,887.83	-	-	-	-
Cash and cash equivalents	11	-	-	10,357.07	10,357.07	-	-	-	-
Other bank balances	12	-	-	17,236.16	17,236.16				
Loans	13	-	-	20.92	20.92	-	-	-	-
Other financial assets	14	-	-	8,804.50	8,804.50	-	-	-	-
		2,769.70	6,468.06	74,417.78	83,655.54	9,237.76	-	-	9,237.76
Financial liabilities									
Financial liabilities not measured at fair value									
Lease liabilities	18	-	-	2,163.61	2,163.61	-	-	-	-
Borrowings	19	-	-	618.73	618.73	-	-	-	-
Trade payables	21	-	-	3,645.27	3,645.27	-	-	-	-
Other financial liabilities	22	-	-	4,110.61	4,110.61	-	-	-	-
		-	-	10,538.22	10,538.22	-	-	-	-

		Carrying amount				Fair value			
31 March 2021	**Note**	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets									
Financial assets measured at fair value									
Investments in debt mutual funds	9	4,755.74	-	-	4,755.74	4,755.74	-	-	4,755.74
Investments in bonds	9	-	3,561.72	-	3,561.72	3,561.72	-	-	3,561.72
Financial assets not measured at fair value									
Other non-current financial asset	6	-	-	3,697.21	3,697.21	-	-	-	-
Trade receivables	10	-	-	23,854.30	23,854.30	-	-	-	-
Cash and cash equivalents	11	-	-	7,171.17	7,171.17	-	-	-	-
Other bank balances	12	-	-	17,003.77	17,003.77				
Loans	13	-	-	9.04	9.04	-	-	-	-
Other financial assets	14	-	-	7,796.09	7,796.09	-	-	-	-
		4,755.74	3,561.72	59,531.58	67,849.04	8,317.46	-	-	8,317.46
Financial liabilities									
Financial liabilities not measured at fair value									
Long-term maturities of finance lease obligations (secured)	18	-	-	2,009.12	2,009.12	-	-	-	-
Trade payables	21	-	-	2,264.31	2,264.31	-	-	-	-
Other financial liabilities	22	-	-	4,386.81	4,386.81	-	-	-	-
		-	-	8,660.24	8,660.24	-	-	-	-

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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
Financial assets measured at FVTPL				
Investments in mutual funds	Level 1	Market valuation technique: Investments traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house, quoted price of equity shares in the stock exchange etc.	Not applicable	Not applicable
Financial assets measured at FVTOCI				
Investments in bonds	Level 1	Market valuation technique: The fair value of bonds is based on direct and market observable inputs.	Not applicable	Not applicable
Financial liabilities measured at Amortised cost				
Long term borrowings	Level 2	Discounted cash flow: The valuation model considers the present value of expected payment, discounted using a risk adjusted discount rate	Not applicable	Not applicable
Short term borrowings	Level 2			

There have been no transfers in either direction for the years ended 31 March 2022 and 31 March 2021.

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

Financial instruments – Fair values and risk management (continued)

C. Financial risk management
The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

i. Risk management framework
The Group's board of directors has framed a Risk Management Policy and plan for enabling the Group to identify elements of risk as contemplated by the provisions of the Section 134 of the Companies Act 2013. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.
The Group's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit.

ii. Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises partially from the Group's receivables from customers, loans and investment in debt securities. The carrying amount of financial assets represent the maximum credit risk exposure. The Group has credit policies in place and the exposures to these credit risks are monitored on an ongoing basis.

The carrying amount of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting was:

Particulars	As at 31 March 2022	As at 31 March 2021
Other financials assets-non current	10,111.30	3,697.21
Investments	9,237.76	8,317.46
Trade receivables	27,887.83	23,854.30
Loans	20.92	9.04
Cash and cash equivalents	10,357.07	7,171.17
Other bank balances	17,236.16	17,003.77
Other financials assets-current	8,804.50	7,796.09
	83,655.54	67,849.04

To cater to the credit risk for investments in mutual funds and bonds, only high rated mutual funds/bonds are accepted.

The Group has given security deposits to vendors for rental deposits for office properties, securing services from them, government departments. The Group does not expect any default from these parties and accordingly the risk of default is negligible or nil.

Trade receivables and unbilled revenues are typically unsecured and derived from revenue earned from customers primarily located in India, USA, EMEA and APAC.

Credit risk has always been managed by the Group through credit approval, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit term in normal course of business. Credit limits are established for each customers and received quarterly. Any sales/services exceeding these limits require approval from the risk management committee.

The Group establishes an allowance for impairment that represents its expected credit losses in respect of trade receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, industry and existence of previous financial difficulties, if any.

Trade and other receivables
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.
The Group establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. An impairment analysis is performed at each reporting date.
The Group'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	6,737.40	6,086.63
USA	6,299.50	770.54
EMEA	10,410.74	8,586.97
APAC	4,440.19	2,096.93
	27,887.83	17,541.07

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	25,014.00	2.51%	628.17
3-6 months past due	2,150.80	10.51%	226.08
6-9 months past due	1,290.61	26.47%	341.61
9-12 months past due	496.85	45.89%	227.99
12-15 months past due	624.58	64.55%	403.19
15-18 months past due	208.22	78.94%	164.36
18-21 months past due	257.41	89.38%	230.07
21-24 months past due	174.07	87.94%	153.08
above 24 months past due	1,231.11	96.28%	1,185.27
	31,447.65		3,559.82

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As at 31 March 2021	Gross carrying amount	Weighted- average loss rate	Loss allowance
0-3 months past due	21,991.89	2.44%	537.52
3-6 months past due	941.15	7.83%	73.67
6-9 months past due	652.25	21.87%	142.66
9-12 months past due	411.58	36.89%	151.85
12-15 months past due	784.53	51.49%	403.95
15-18 months past due	502.46	56.93%	286.06
18-21 months past due	443.03	65.64%	290.79
21-24 months past due	48.30	71.19%	34.39
above 24 months past due	2,445.22	100.00%	2,445.22
	28,220.41		**4,366.11**

Ageing for expected credit loss has been considered from invoice date.

Balance as at 1 April 2020	**5,488.49**
Impairment loss recognised	3,061.38
Amounts written off	4,183.76
Balance as at 31 March 2021	**4,366.11**
Impairment loss recognised	1,637.34
Amounts written off	2,443.63
Balance as at 31 March 2022	**3,559.82**

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

Debt securities

The Group limits its exposure to credit risk by investing only in liquid debt securities and only with counterparties that have a credit rating AA to AAA from renowned rating agencies.

The Group monitors changes in credit risk by tracking published external credit ratings. For its investment in bonds, Group also reviews changes in government bond yields together with available press and regulatory information about issuers

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

	Net carrying amount	
	As at 31 March 2022	As at 31 March 2021
India	9,237.76	8,317.46
	9,237.76	8,317.46

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

Cash and cash equivalents and other bank balances

The Group held cash and cash equivalents of INR 10357.07 lakhs at 31 March 2022 (31 March 2021: INR 7,171.17 lakhs) and other bank balances of INR 17,236.16 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.

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Financial instruments – Fair values and risk management (continued)

iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's primary sources of liquidity include cash and bank balances, deposits, undrawn borrowings and cash flow from operating activities. As at 31 March 2022, the Group had a working capital of INR 50,751.54 lakhs (31 March 2021: INR 43,654.39 lakhs) including cash and cash equivalent of INR 10,357.07 lakhs (31 March 2021: INR 7,171.17 lakhs), other bank balances of INR 17,236.16 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 Group believes its revenue, along with proceeds from financing activities will continue to provide the necessary funds to cover its short term liquidity needs. In addition, the Group projects cash flows and considering the level of liquid assets necessary to meet liquidity requirement.

In addition, the Group had access to the following undrawn borrowing facilities at the end of the reporting year

Particulars	Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
As at 31 March 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.

		Contractual cash flows					
31 March 2022	**Carrying amount**	**Total**	**2 months or less**	**2-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Finance lease obligations (including current maturities)	2,163.61	7,290.50	116.63	575.38	569.74	892.81	5,135.95
Borrowings	618.73	702.73	-	234.24	234.24	234.25	-
Unpaid dividends	6.91	6.91	6.91	-	-	-	-
Employee related payables	3,785.13	3,785.13	419.79	3,265.37	99.97	-	-
Trade and other payables	3,645.27	3,645.27	2,058.50	1,586.76	-	-	-
Payable in respect of retention money	-	-	-	-	-	-	-
Earnest money deposits	1.00	1.00	-	1.00	-	-	-
Payable for capital assets	317.57	317.57	-	317.57	-	-	-
Total	**10,538.22**	**15,749.11**	**2,601.83**	**5,980.32**	**903.95**	**1,127.06**	**5,135.95**

		Contractual cash flows					
31 March 2021	**Carrying amount**	**Total**	**2 months or less**	**2-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Finance lease obligations (including current maturities)	2,009.12	7,210.62	145.84	605.97	432.54	824.46	5,201.79
Unpaid dividends	3.77	3.77	3.77	-	-	-	-
Employee related payables	4,237.22	4,237.22	2,533.13	1,540.59	96.16	-	-
Trade and other payables	2,264.31	2,264.31	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	17.00	17.00	-	17.00	-	-	-
Total	**8,660.24**	**13,861.74**	**5,069.94**	**2,292.38**	**528.70**	**824.46**	**5,201.79**

Interest payment on variable interest rate loan in the table above reflect market forward interest rates at the reporting dates and these amount may change as market interest changes

Financial instruments – Fair values and risk management (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 Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

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 Group is exposed to currency risk on account of its borrowings, receivables and other payables in foreign currency. The functional currency of the Group is Indian Rupee.
The Management endeavours to minimise 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 Group manages the risk by netting off naturally-occurring opposite exposures wherever possible, and then dealing with any material residual foreign currency exchange risks if any.

The Group has entered into foreign exchange forward contracts to mitigate the risks involved in foreign exchange transactions and has booked 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 recognised 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)
Financial assets					
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
Financial liabilities					
Trade and other payables	USD	(28.14)	(2,085.61)	(13.01)	(931.38)
	SGD	(0.33)	(18.41)	-	-
	SAR	(1.24)	(24.88)	-	-
	EURO	(0.04)	(3.02)	-	-
	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	For the year ended 31 March 2022		For the year ended 31 March 2021	
	Strengthening	Weakening	Strengthening	Weakening
1 % movement				
USD	151.15	(151.15)	125.06	(125.06)
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	0.00	(0.00)
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	-	-
	151.10	(151.10)	130.45	(130.45)

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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 Group is exposed to both fair value interest rate risk as well as cash flow interest rate risk arising both on short-term and long-term floating rate instruments. The interest rate profile of the Group's interest-bearing financial instruments is as follows:

	Nominal amount in INR	
	31 March 2022	**31 March 2021**
Fixed-rate instruments		
Financial assets	34,171.98	24,216.61
Financial liabilities	2,782.34	3,630.29
Total	**36,954.32**	**27,846.90**

There is no balance in variable rate instruments.

b) Sensitivity analysis

Fair value sensitivity analysis for fixed-rate instruments

The Group accounts for investments in government and other bonds as fair value through other comprehensive income. Therefore, a change in interest rate at the reporting date would have impact on equity.

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity by 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 Group's exposure to mutual funds and bonds price risk arises from investments held by the Group and classified in the balance sheet as fair value through profit and loss and at fair value through other comprehensive income respectively.

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

b)Sensitivity analysis

Group is having investment in mutual funds, government bonds, other bonds and investment in subsidiaries.
For such investments classified at Fair value through other comprehensive income, a 2% increase in their fair value at the reporting date would have increased equity by INR 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)

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

41 Capital Management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to equity shareholders.

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

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

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

	As at 31 March 2022	As at 31 March 2021
Total liabilities	2,782.33	2,009.12
Less: Cash & Cash equivalent	10,357.07	7,171.17
Adjusted net debt (a)	(7,574.74)	(5,162.05)
Total equity (b)	81,140.11	66,569.67
Total equity and net debt (a+b) = c	73,565.37	61,407.62
Capital gearing ratio (a/c)	-10.30%	-8.41%

As a part of its capital management policy the Group ensures compliance with all covenants and other capital requirements related to its contractual obligations.

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

42 Segment reporting

A. Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available.

The Group's board of directors have been identified as the Chief Operating Decision Makers (CODM) since they are responsible for all major decisions in respect of allocation of resources and assessment of the performance on the basis of the internal reports/ information provided by functional heads. The board examines the performance of the Group based on such internal reports which are based on operations in various geographies and accordingly, have identified the following reportable segments:
• India
• Europe, Middle East and Africa (EMEA)
• Asia Pacific and Australia (APAC)
• United States of America (USA)

B. Information about reportable segments

Particulars	Reportable segments				
	India	EMEA	APAC	USA	Total Segment
Revenue					
External revenue	21,446.15	24,368.99	10,755.83	21,325.18	77,896.15
Inter-segment revenue	-	-	-	-	-
Total Segment Revenue	**21,446.15**	**24,368.99**	**10,755.83**	**21,325.18**	**77,896.15**
Segment profit/(loss) before income tax	4,073.79	8,109.57	3,471.05	3,829.64	19,484.05
Segment assets	11,507.93	14,068.00	7,266.85	11,942.72	44,785.50
Segment liabilities	6,311.42	9,361.85	3,099.21	6,319.65	25,092.13
Capital expenditure during the year	1,417.31	1.36	5.37	9.83	1,433.87

Year ended 31 March 2021

Particulars	Reportable segments				
	India	EMEA	APAC	USA	Total Segment
Revenue					
External revenue	19,723.17	17,146.49	9,213.83	21,178.95	67,262.44
Inter-segment revenue	-	-	-	-	-
Total Segment Revenue	**19,723.17**	**17,146.49**	**9,213.83**	**21,178.95**	**67,262.44**
Segment profit before income tax	4,552.39	4,965.95	3,748.86	6,075.94	19,343.14
Segment assets	9,275.72	11,922.12	5,584.83	10,187.25	36,969.92
Segment liabilities	5,593.20	6,818.10	2,439.25	6,112.25	20,962.80
Capital expenditure during the year	9,850.16	0.75	0.74	3.51	9,855.16

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
(a) Revenue		
Total revenue for reportable segments	77,896.15	67,262.44
Elimination of inter-segment revenue	-	-
Total revenue	**77,896.15**	**67,262.44**
(b) Profit / (loss) before tax		
Total profit before tax for reportable segments	19,484.05	19,343.14
Unallocated amounts:		
- Unallocated income	2,991.20	1,503.74
- Other corporate expenses	2,129.89	2,730.18
Total profit before tax from operations	**20,345.36**	**18,116.70**
(c) Assets		
Total assets for reportable segments	44,785.50	36,969.92
Other unallocated amounts	65,918.09	55,087.76
Total assets	**1,10,703.59**	**92,057.68**
(d) Liabilities		
Total liabilities for reportable segments	25,092.13	20,962.80
Other unallocated amounts	4,471.35	4,525.21
Total liabilities	**29,563.48**	**25,488.01**

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 Group believes that it is not practicable to provide segment disclosures relating to such assets, liabilities, revenue and expenses and accordingly such assets, liabilities, revenue and expenses are separately disclosed as 'unallocated'.

F. The Group, during the year ended 31 March 2022, changed the segment classification for one geography which was earlier reported as part of Australia segment, has been reclassed 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.

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

43 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	3.13	3.06	2.29%	-
Debt- Equity Ratio	Total Debt (refer note 1 below)	Shareholder's Equity	Times	0.03	0.03	13.62%	-
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses (refer note 2 below)	Debt service = Interest & Lease Payments + Principal Repayments	Times	23.99	2.04	1074.64%	Increase due to zero borrowings from banks during the year
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	%	22.23%	20.82%	6.77%	-
Inventory Turnover ratio	Cost of goods sold	Average Inventory	Times	NA	NA	NA	Not applicable for business of the Group
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return (refer note 4 below)	Average Trade Receivable	Times	3.06	2.69	13.76%	-
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	Times	NA	NA	NA	Not applicable for business of the Group
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	Times	1.53	1.54	-0.39%	-
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	%	21.08%	18.80%	12.11%	-
Return on Capital Employed	Earnings before interest and taxes (refer note 5 below)	Capital Employed (refer note 6 below)	%	23.59%	28.26%	-16.54%	-
Return on Investment	Interest (Finance Income)	Average Investment	%	4.00%	6.17%	-35.21%	Drecares due to increased investment in liquid funds and mark to market loss in bonds at the end of the year.

Notes:

1. Total debts consists of borrowings and lease liabilities.
2. Earning availables 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.
3. Debt service = Interest + payment for lease liabilities + principal repayments.
4. Credit sales = Total Revenue + opening unbilled revenue - closing unbilled revenue - opening deferred revenue + closing deferred revenue.
5. Earnings before interest and taxes = profit before tax + finance cost - other income
6. Capital Employed = Tangible net worth includes acquired goodwill and other intangibles assets + total debt - deferred tax assets.
7. Average is calculated on the basis of opening and closing balances.

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

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44 As at 31 March 2022, the Group 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 Group must file extension with AD Bank & as per the requirements of circular no. RBI/2015-16/395 A. P. (DIR series) Circular no. 68 dated May12, 2016, in one calendar year, the Group is allowed to seek extension for an amount equivalent to 10% of the average export collection of the last 3 years only and pursuant to the same, the Group has applied for an extension of all the foreign currency receivables outstanding for more than 9 months. The management is of the view that the Group will be able to obtain approvals from the authorities for realizing such funds beyond the stipulated timeline without levy of any penalties as it had bonafide reasons that caused the delays in realization.

45 Other statutory informations

i. The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

ii The Group do not have any transactions with companies struck off.

iii The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iv The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

v The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

vi The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

vii The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

viii The Group has sanctioned working capital limits from banks on the basis of security of trade receivables and fixed deposits. The quarterly returns being filed by Group with banks are in line with the books of accounts.

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46 Business Combination

Acquisition of Number Theory Software Private Limited

On 18 January 2022, Newgen Software Technologies Limited (NSTL or ""the Holding Company"") entered into Share Purchase Agreement (SPA) with existing shareholders of Number Theory Software Private Limited (""Number Theory"") to acquire 100% stake. Pursuant to SPA, the Holding Company has made investment of INR 1405.47 Lakhs in Number Theory (which has become wholly owned subsidiary of the Holding Company effective from 28 January 2022).

Consequent to the acquisition, A Scheme of Amalgamation u/s 230-232 of the Companies Act, 2013 which provides for merger of Number Theory with NSTL ("Scheme"), has been approved by the respective Board of Directors of companies at their meeting held on 3 May 2022, subject to requisite approval(s). The application will be filed under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with NCLT for their approval.

Number Theory Software Private Limited ('Number Theory') is engaged in providing Artificial Intelligence ('AI') platforms to various enterprises through its enterprise AI platform and data science capabilities.
Details of the purchase consideration, the net assets acquired and goodwill are as follows:

Particulars	Amount
Cash paid	702.73
Deferred payment liabilities	603.68
Total purchase consideration	**1,306.41**

The assets and liabilities recognised as a result of the acquisition are as follows:

Particulars	Fair Value
Assets	
Property, plant and equipment	5.42
Intangible assets	1,654.33
Cash and cash equivalents	14.15
Other current assets	42.82
Total Assets (a)	**1,716.72**
Liabilities	
Trade payables	5.64
Short term provisions	10.09
Other current liabilities	20.78
Deferred tax liability	416.11
Long term borrowings	241.00
Total Liabilities (b)	**693.62**
Net identifiable net assets at fair value (a-b)	1,023.10

Calculation of goodwill:

Particulars	Amount
Purchase consideration	1,306.41
Less: Net identifiable net assets acquired	(1,023.10)
Goodwill	**283.31**

The goodwill comprises the value of expected synergies arising from the acquisition, customer contracts /relationships,non-compete agreement and Number Theory's Artificial Intelligence that do not qualify for separate recognition. None of the goodwill recognised is expected to be deductible for income tax purposes.

Transaction costs were expensed and are included in other expenses.

From the date of acquisition, Number Theory has contributed Nil of revenue and INR 79.21 lakhs of loss before tax to the Group for year ended 31 March 2022.

Purchase consideration - cash outflow

Particulars	Amount
Outflow of cash to acquire subsidiary, net of cash acquired:	
Net cash and cash equivalent acquired with the subsidiary	14.15
Cash paid	(702.73)
Net outflow of cash - investing activities	**(688.58)**

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

47 Additional information pursuant to Para 2 of general instruction for the preparation of consolidated financial statement

Particulars	Net assets i.e. total assets minus total liabilities		Share in Profit or (Loss)		Share in other Comprehensive income		Share in total Comprehensive income/ (loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
As on 31 March,2022								
Parent	94.77%	76,894.52	94.99%	15,599.25	372.01%	-268.34	93.77%	15,330.91
Newgen Software Technologies Limited								
Indian Subsidiary								
Newgen Computers Technologies Limited	0.09%	72.17	(0.02%)	(2.47)	0.00%	-	(0.02%)	(2.47)
Number Theory Software Private Limited	(0.36%)	(294.06)	(0.48%)	(79.21)	0.00%	-	(0.48%)	(79.21)
Foreign Subsidiaries								
Newgen Software Inc. USA.	4.18%	3,393.04	4.15%	681.16	(190.36%)	137.32	5.01%	818.48
Newgen Software Technologies UK Ltd.	0.37%	303.20	0.15%	24.89	21.77%	(15.70)	0.06%	9.19
Newgen Software Technologies Canada Ltd.	0.37%	303.77	0.24%	39.60	(15.41%)	11.11	0.31%	50.71
Newgen Software technologies PTE Ltd	1.40%	1,138.56	1.59%	260.38	(69.80%)	50.35	1.90%	310.73
Newgen Software technologies PTY Ltd	0.78%	634.80	0.20%	32.21	(18.20%)	13.13	0.28%	45.34
Adjustment arising out of consolidation	(1.61%)	(1,305.89)	(0.82%)	(134.34)	0.00%	-	(0.82%)	(134.34)
Total	**100.00%**	**81,140.11**	**100.00%**	**16,421.47**	**100.00%**	**(72.13)**	**100.00%**	**16,349.34**
As on 31 March,2021								
Parent	95.16%	63,349.09	92.97%	11,759.43	49.59%	115.78	92.19%	11,875.21
Newgen Software Technologies Limited								
Indian Subsidiary								
Newgen Computers Technologies Limited	0.11%	74.65	0.05%	5.81	0.00%	-	0.05%	5.81
Number Theory Software Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Foreign Subsidiaries								
Newgen Software Inc. USA.	3.91%	2,600.79	5.01%	633.26	(42.58%)	(99.42)	4.14%	533.84
Newgen Software Technologies UK Ltd.	0.42%	281.90	0.16%	19.75	18.68%	43.61	0.49%	63.36
Newgen Software Technologies Canada Ltd.	0.38%	251.92	0.30%	38.05	10.49%	24.49	0.49%	62.54
Newgen Software technologies PTE Ltd	1.27%	848.39	2.02%	254.94	26.10%	60.94	2.45%	315.88
Newgen Software technologies PTY Ltd	0.88%	588.67	0.12%	14.65	37.72%	88.07	0.80%	102.72
Adjustment arising out of consolidation	(2.14%)	(1,425.74)	(0.61%)	(77.66)	0.00%	-	(0.60%)	(77.66)
Total	**100.00%**	**66,569.67**	**100.00%**	**12,648.23**	**100.00%**	**233.47**	**100.00%**	**12,881.70**

48 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 Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

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

Aman Mourya

Diwakar 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