



Newgen Software Technologies Limited

CIN: L72200DL1992PLC049074

E-44/13, Okhla Phase-II, New Delhi-110 020, INDIA

Tel: +91-11-4653 3200 Fax : +91-11-2638 3963

Email: corpmktg@newgensoft.com URL: <https://newgensoft.com>

Date: August 10, 2018

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

Subject: Annual Report under Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Dear Sir/ Ma'am,

Pursuant to the provisions of Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of the Annual Report of the Company for the Financial Year 2017-18.

The same shall also be available on the website of the Company at <https://newgensoft.com>.

This is for your information and records.

Thanking you,

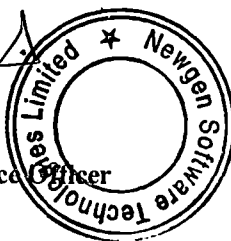
Yours truly

For Newgen Software Technologies Limited

Aman Mourya

Aman Mourya

Company Secretary & Compliance Officer



Encl.: Annual Report

REINVENT YOUR WORKPLACE



I N D E X

Corporate Review

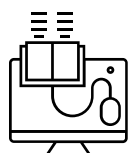
- 01** Newgen Today
- 02** Transformative Platforms
- 03** Solution Accelerators
- 04** Leadership Position across Platforms
- 06** Chairman's Message
- 08** Research & Development
- 09** Market Strategy
- 10** Newgen - A Great Place to Work
- 11** Making an Impact - CSR
- 12** Board of Directors
- 13** Management Team
- 14** Financial Performance
- 15** Corporate Information

Governance Reports

- 16** Directors' Report
- 55** Report on Corporate Governance
- 77** Management Discussion and Analysis

Financial Statements

- 84** Standalone Financial Statements
- 164** Consolidated Financial Statements



To read this report online and for other information log on to <https://newgensoft.com>



Chairman's Message



Newgen - A Great Place to Work



Making an Impact - CSR

Forward-looking statement

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

NEWGEN TODAY

26

years of proven
track record

520+

Active Customers
during the year

120

New Customer
Additions during the
year

60+

Countries

37*

Patent
Applications

5

Core Verticals

2,600+

Personnel

300+

Partners

₹5,124^{mn}

Consolidated
Revenues

* 5 patents registered in India, 28 outstanding patent applications in India and 4 outstanding patent applications in the USA

Our Global Offices



REINVENT YOUR WORKPLACE WITH OUR TRANSFORMATIVE PLATFORMS

Our comprehensive and dynamic low code product platform integrates systems, processes, people and things – so that businesses can increase their efficiency and responsiveness and enhance customer experience.

TRANSFORMATIVE PRODUCT PLATFORMS



OmniDocs

Enterprise Content Management

Deliver contextual content for smarter decision-making and improved collaboration



OmniFlow iBPS

Business Process & Case Management

Create smarter processes, empower knowledge workers and build responsive business



OmniOMS

Customer Communication Management

Create, personalise and deliver interactive communication to enhance customer experience

POWERED BY DIGITAL TRANSFORMATION ENABLERS



Digital Sensing



RPA



Enterprise Mobility



Analytics



Cloud

REINVENT THE CORE OF YOUR BUSINESS

We possess multi-vertical industry expertise with solutions in 17 different verticals (with 5 core verticals).

We build domain rich solution frameworks. Applications developed on the Newgen platform extend multiple benefits to our customers, such as fit to purpose with minor changes. They are adaptable to customer needs and changing regulations.

Further, specialised centre of excellence teams have been set up to guide and train both implementation partners and customers on best practices for effective and quick implementations.

SOLUTION ACCELERATORS



BANKING

- Account Opening
- Retail Lending
- Commercial Lending
- FATCA Compliance
- Trade Finance
- Collections and Payment Systems



GOVERNMENT/PSUs

- Correspondence Management
- Agenda Management
- Citizen-Centric Services
- Office Automation
- Grants Management



BPO/IT

- Accounts Payable
- Accounts Receivable
- Invoice Processing
- Vendor Portal



HEALTHCARE

- Provider Contract Management
- Appeals and Grievances Management
- Mobile Member Enrolment
- Claims Repair



INSURANCE

- New Business Underwriting
- Claims Processing
- Policy Servicing

LEADERSHIP POSITION ACROSS PLATFORMS



A **“Leader”** in The Forrester Wave™: Cloud-Based Dynamic Case Management (DCM), Q1 2018

A **“Leader”** in The Forrester Wave™: Digital Process Automation Software, Q3 2017

A **“Leader”** in The Forrester Wave™: Enterprise Content Management – Transactional Content Services, Q2 2017

Forrester in its Q1 2018 report states that “enterprises often choose Newgen for its geographic diversity, with many installations in the Middle East and Asia-Pacific, its strong product features, quality of consultants, ease of implementation, and lower total cost of ownership”

*Forrester Wave™: Cloud-Based Dynamic Case Management (DCM), Q1 2018

Gartner

■ A **Visionary** in Magic Quadrant for Intelligent Business Process Management Suites, 2017, 24 October 2017, Rob Dunie et al

■ A **Niche Player** in Magic Quadrant for Content Services Platform, 2017, 05 October 2017, Karen A. Hobert et al

■ **Named all 6 use-cases in Critical Capabilities** for Intelligent Business Process Management Suites, 2018, Rob Dunie et al, 19 February 2018

■ **Named all 5 use-cases in Critical Capabilities** for Content Services Platform, 2017, Michael Woodbridge et al, 13 November 2017

ICRA

A2+ [ICRA] Short Term Rating for Line of Credit

D&B

Assigned Indicative Risk Rating of 5A2 by Dun & Bradstreet and overall status on Composite Appraisal as ‘Good’

Key Awards

- I.T. Innovations Awards – MSME for innovation in Robotic Process Automation at Express IT Awards 2017
- “Analytics Solution of the Year” Award for advanced analytics at Express IT Awards 2017

- “Preferred Partner for ECM solutions” Award at Infosys Finacle Global Partner Meet 2017
- Newgen’s ECM and BPM implementation at NIC Bank won the Asian Banker Award 2017 for Best Branch Automation Project

*Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner’s research organisation and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

OTHER ACHIEVEMENTS



**Successful listing
in January 2018
on National Stock
Exchange and BSE Ltd.**



**25 years of Newgen:
NEWS Celebration**

CHAIRMAN'S MESSAGE

Dear Shareholders,

It gives me immense pleasure to present to you the Annual Report of your Company for the Financial Year ended 31st March 2018. I hope this will provide you a deeper understanding of our business, ecosystem, performance and prospects. This would also highlight, how, through leading-edge solutions, we are reinventing workplaces. I would also like to thank all the shareholders for the overwhelming response to the IPO and look forward to their continued support and faith in the organisation



Due to global thrust on digitalisation, customers are looking for software solutions that empower their transformation to a digital integrated enterprise. Our comprehensive product portfolio presents us an excellent opportunity for growth. Our proven platforms innovatively connect systems, processes, people and things. The applications built on our platform are extremely powerful and help organisations achieve their critical objectives. Our applications are

scalable, secure, cloud-ready, highly available, and usable on all devices. We provide both on-premise and cloud solutions to suit customer needs.

During Fiscal 2018, we have continued with our strong growth and profitability momentum and delivered broadbased growth across geographies by expanding our sales distribution, both direct and indirect, with an emphasis on expanding our recurring revenues and operating cash flows. On a

consolidated basis, we reported revenues of ₹ 5,124 million in Fiscal 2018, that is a 20% growth (YoY) compared to the previous year revenues of ₹ 4,271 million. We continue to remain well diversified across geographies, with India comprising 35% of our revenues, EMEA comprising 33%, USA comprising 23% and APAC (excluding India) comprising 9% of revenues. This year, EMEA and APAC were two strong growth centers for us. In USA, the business is focused on SaaS/

Cloud and thus the upfront revenues are in line with the business model, but these would be better quality revenue streams in future.

Newgen continues to be a global business; well diversified across geographies, customers and verticals. Our product leadership has enabled us to establish a marquee and diversified global customer base with long-standing relationships. We have an active customer base of 520+ clients running their businesses and critical operations on our platforms in 60+ countries. We are providing solutions to some of the world's leading banks, insurance companies, healthcare firms, global manufacturers etc. We have made substantial customer wins during the year and added 120 new customers including some Fortune 500 companies. Our investments in USA are starting to bear fruit and we have seen large customer wins in this area.

Newgen continues to strengthen its horizontal product platform with constant focus on Research & Development. We have continued to enhance our solutions to take advantage of market trends and released product upgrades for our customers. Our new offerings include Mobility (Newgen Enterprise Mobility Framework), Virtual Repository Services, Dynamic Case Management, RPA with BPM, Digital Sensing and Flexible Designing and Authoring.

Newgen's commitment to delivering innovative products and solutions makes us one of the few software products organisations which have attracted multiple recognitions from leading advisory and research firms from time to time including Forrester and Gartner.

We are building vertical service accelerators to enhance the overall portfolio. We possess multi-vertical industry expertise and target a broad spectrum of services in our business and product offerings. This has helped us build solution frameworks which are enriched with domain knowledge from the relevant sector and subject matter experts across several industries. These frameworks have been built on our platform and are scalable and adaptable based on a particular customer's unique and constantly evolving business needs. Banking & Financial Services vertical continued to be a stronghold for us. During the year, we have built high level domain expertise and created robust frameworks for Retail and Corporate lending which are successfully operating across banks and geographies.

The Company witnessed substantial improvements in the operational performance, which reflect in the 39% increase in EBITDA (adjusted for other income). The Company reported the EBITDA (adjusted for other income) of ₹975 million in Fiscal 2018 as against ₹702 million in Fiscal 2017. PAT improved by 42% from ₹513 million in Fiscal 2017 to touch ₹729 million in Fiscal 2018. We continue to strike a fine balance between investing for our future growth and managing our margins.

We are focusing on scaling our Cloud / SaaS business by increasing penetration and strengthening the platforms to meet all compliance/regulatory requirements. SaaS revenues witnessed robust growth of 3X and comprised 2% of revenue from operations.

Apart from our direct presence in several countries around the world, our robust partner network has



On a consolidated basis, we reported revenues of ₹ 5,124 Million in Fiscal 2018, that is a 20% growth YoY compared to the previous year revenues of ₹ 4,271 Million.

played a pivotal role in expanding our outreach. We will continue to leverage our association with our partners to accelerate business growth.

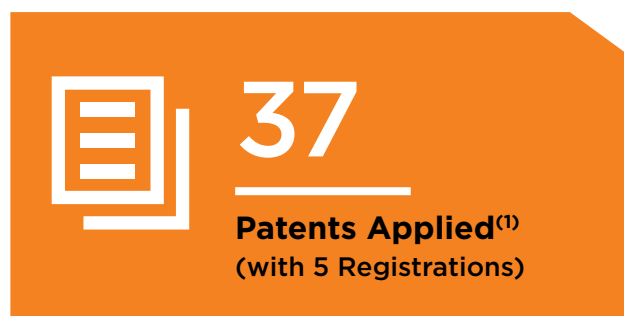
Our outstanding performance is due to the efforts of our dedicated, skilled and professional employees. To ensure that we have the right mix of next-generation skills to achieve our goals, we will continue to attract, develop and retain the best talent in the industry. Our people are our most important asset and we remain committed to provide them with a workplace that fosters innovation, collaboration and satisfaction.

We are heading towards exciting and transformative times in the industry as well as for the organisation. Our performance in Fiscal 2017-18 has set the foundation for the future.

We continue to work towards improvement of our products to make them future-ready and look forward to the continued support from all our stakeholders.

**With Best Regards,
Diwakar Nigam**

FOCUS ON RESEARCH AND DEVELOPMENT



⁽¹⁾5 patents registered in India, 28 outstanding patent applications in India and 4 outstanding patent applications in the USA

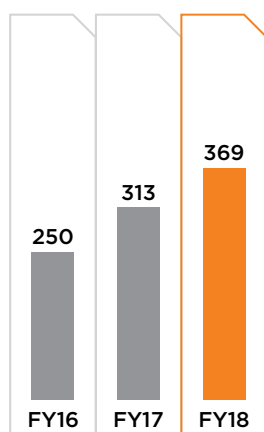
Newgen is proud of its skilled R&D team of 250+ employees with deep product domain expertise which continuously focuses on driving innovation and adopting solutions in line with rapidly-evolving technological trends. The Company has 32 patent applications under process and 5 patents granted as of March 2018.

We aim at expansion of product portfolio to address the digitisation market opportunity and lay strong emphasis on elements like Digital Sensing, Robotic Process Automation, Enterprise Mobility, Analytics and Cloud that are ruling the new world order.

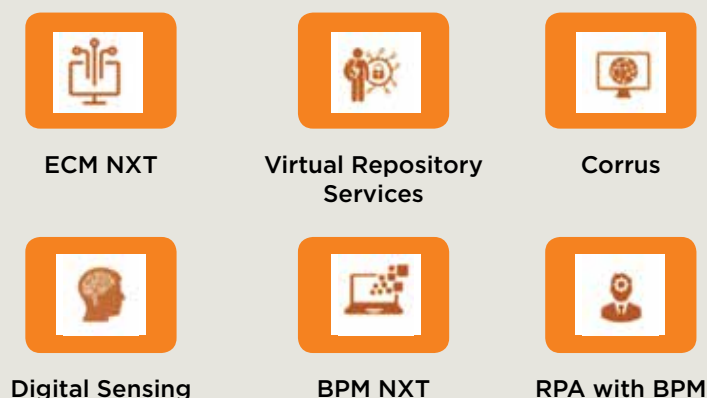
We, at Newgen, are making continuous investments to develop Cloud and SaaS delivery models. Our Cloud-based infrastructure is certified for various security and industry compliances and is witnessing strong traction in mature markets, including the US specifically in banking and healthcare verticals and witnessed a 3X revenue growth in Fiscal 2018. The customer base increased from 8 in Fiscal 2017 to 22 in Fiscal 2018.

R&D Expenses

(₹ in Million)



Product Pipeline



MULTI-PRONGED GO-TO-MARKET STRATEGY

Our go-to-market strategy consists of direct sales supplemented by sales through our channel partners. Our direct sales are made by our Company in India and our Subsidiaries located in USA, UK, Singapore and Canada, through our sales and marketing teams, of 270+ employees.

Key Events



We have now strengthened our worldwide partner network to over 300 partners across 60+ countries. The Company is involved in various initiatives including partner management and enablement through workshops, webinars, certification courses, trainings etc. It also provides continuous support to partners through architectural reviews, providing solutions, troubleshooting etc.

Further, we have a differentiated 'land and expand' model. Our customers receive the complete set of modules and functionality of our platform with their initial purchase / subscription, which facilitates the seamless creation of new applications. Many of our customers begin by building a single application and eventually grow to build dozens of applications on our platform due to an effective reduction in the per-user cost of each application and to save substantial costs of switching over to a new platform.



NEWGEN - A GREAT PLACE TO WORK

Our people are our biggest source of energy and inspiration and the torch-bearers of our values-led journey. Cognizant of their invaluable role towards accomplishing our purpose of reinventing workplaces globally, we believe we first have a moral responsibility to make Newgen a great workplace. Investing in our people, empowering them with next-generation skills and remaining committed to their happiness and satisfaction; we are continually implementing strategic HR programmes that make Newgen a thriving workplace.

Capacity Management

Human capital management is of critical importance in ensuring that an organisation operates smoothly, especially in a knowledge business like ours. Our key efforts to strengthen our focus on capacity management include:

- Attracting the brightest people in the industry through Talent Acquisition, Internal Job Postings, and Employee Referrals
- Making the on-boarding process smoother for new recruits through structured programmes such as Newgen Broad Spectrum Orientation, Product Training and Mentorship Programmes
- We have an employee base of 2,400+ across several developmental centres in leading metros including Noida, Gurugram, New Delhi, Mumbai and Chennai

Capability Management

In a dynamic and evolving marketplace, the need of the hour is an integrated and proactive approach towards competency development to achieve business objectives and enhance employee and client satisfaction levels. Our key efforts in this direction include:

- Goal-based assessment system to align individual's goals with Company's mission and vision

- In-house certifications, behavioural and technical training such as Newgen Certified Implementation Professional (NCIP), Newgen BI Certification, Newgen Emerge and Soul of Leading Teams and several other workshops under Newgen's iLearn and iEvolve initiative

Engagement and Empowerment

Our ability to excel and lead clients on their digital transformation is driven by the collective excellence of our people. In the past years, we reinforced our focus on leadership development and building an engaged workforce through the following initiatives:

- Holding town hall meetings with the senior management, aligning all Newgenites with a shared vision
- Conducting an Annual Employee Engagement Survey aimed at assessing the overall health of the Company and devising strategic interventions to strengthen the Employee Engagement Index
- Recognising employees for their outstanding contributions through a well-thought-out Reward and Recognition (R&R) Policy
- Supporting platforms such as Newgen Women's Forum and Newgen Employee Welfare Society (NEWS) for giving employees a forum to engage in collaborative discussions and activities

- ESOPs (Employee Stock Options) granted from time to time for employees concurrent growth with the Company

Ethics and Compliance

An unwavering commitment to integrity and ethical practices is the only way for conducting our business. To uphold a culture of compliance in which employees understand what the Company expects them to practice at work every day, we have implemented the following initiatives:

- Articulating our ethical focus by sharing and enforcing the Newgen's Code of Ethics and Business Conduct
- Focused awareness campaigns, robust complaints and redressal mechanisms
- Making all internal policies gender neutral to establish the philosophy of 'Zero Tolerance to Sexual Harassment' at every level. (Prevention of Sexual Harassment)
- Establishment of a Vigil Mechanism and Whistle Blower Policy

MAKING AN IMPACT - CSR



With Newgen's Corporate Social Responsibility initiative, we aim to actively contribute in the social and economic development of the less privileged children. We concentrate our efforts to raise the Human Development Index of our nation by enhancing their quality of lives. Our objective is to make CSR a key business process for sustainable development of the society and to have an insightful business engagement with society at large.

We believe in corporate responsibility and contributing to the communities in which we operate. While being focused on sustained financial performance, we are also aware of the necessity and importance of social stewardship. As part of our initiatives to realise our CSR vision, we seek to, inter alia, promote education, care of abandoned children and gender equality.

Major Social Development Projects

Newgen Digital Discovery Paathshala (NDDP)

The digital literacy programme aims at stimulating the minds of children through the use of iPads and internet. The NDDP programme aims at transforming classroom sessions into fun-learning activities and making education more meaningful, taking the school curriculum as the baseline.

The Digital Paathshala is a fun place to learn textbook concepts digitally through iPads. Also, Newgen's facilitators conduct sessions using methodologies like role plays, quizzes, movies and



presentations. Under the aegis of NDDP, Newgen has adopted Government's Girls' Senior Secondary School, Harkesh Nagar, Okhla. It is currently conducting classes for 1,300 + children of classes 6th, 7th and 8th. Newgen has also equipped the school's Computer lab with colourful furniture, iPads and projector.

Newgen adopted Soami Nagar Model School to run its NDDP programme in April 2017, for 150+ children of classes 6th, 7th and 8th.

S.O.S. Village

Newgen has adopted three families at the SOS Children's Village, Surajkund, Greenfields in Faridabad and also supports another three families at SOS Children's Village in Bhopal. Each house accommodates ten children and are looked after by a mother. Newgen volunteers occasionally visit the families and conduct fun learning activities such as arts and craft, diya painting, quizzes, quilling workshops and others.

Akshaya Patra Foundation

Newgen has partnered with Akshaya Patra, in March 2018 to sponsor mid-day meals for 1,000+ children.

S.O.S. Youth Hostel

Personality Development sessions are conducted by "I AM" a professional organisation, dealing with youth. The organisation conducts personality development and career counselling sessions. Once a month, children from SOS Youth hostel and Sadbhavna join in the session. These sessions



help to build self confidence, self-esteem and enhance the personality development of the children. As a monitoring mechanism, the organisation submits an impact report of the activities conducted during the year.

In addition to these initiatives, the promoters of the Company have also taken up the Sadbhavna Project, which looks at the holistic development of children, with the members offering tutorials for scholastic curriculums as well as guidance for vocational education.



NDDP classes are interesting way to learn about new topics. I liked the sessions in which I learnt various topics using a real iPad. I learned about using internet for search by using keywords. Our search topics were then explained by the teachers to us. Also, Videos related to our NCERT curriculum were shown, topics were discussed and quiz given from them. I learned a lot in the NDDP classes while having fun!

-Satnoor Saran, Class VII (NDDP Programme)

BOARD OF DIRECTORS



Diwakar Nigam

Chairman and Managing Director

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

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



T S Varadarajan

Whole-time Director

Varadarajan co-founded Newgen. He has been on our Board since its incorporation. Prior to promoting Newgen, he promoted Softek Private Limited and was associated with it for 13 years. He has more than 35 years of experience in the field of software designing and development. He did his bachelor's in science from the Bangalore University and engineering (electrical technology) from the Indian Institute of Science, Bengaluru. He holds a master's degree in technology (computer science) from IIT, Madras.



Priyadarshini Nigam

Whole-time Director

Priyadarshini has been on our Board since 1997. Previously, she was a journalist with over 10 years of experience. She has freelanced and published with South-North News Service and Depthnews Press Foundation Asia.

She holds a bachelor's and a master's degree in Economics.



Subramaniam Ramnath Iyer

Independent Director

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



Kaushik Dutta

Independent Director

Kaushik is an Independent Director of our Company. He previously served as Partner of Lovelock and Lewes and Price Waterhouse, Bangalore. He has served as an expert with the Indian Institute of Corporate Affairs and Serious Fraud Investigation Office of the MCA. He is the founder and co-director of Thought Arbitrage Research Institute.

He graduated in commerce from St. Xavier's College, University of Calcutta. He is a qualified chartered accountant and a fellow member of ICAI.



Saurabh Srivastava

Independent Director

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

MANAGEMENT TEAM



S J Raj

Senior Vice President (HR Operations)

Raj has been with us for over 25 years and is responsible for our human resources strategy, global operations and programmes aligned with human resource strategy. Before joining Newgen, he worked with Eicher Goodearth, SRF Nipponenso, PCS Data Products and Semiconductor Complex Limited.

He holds a master's degree in Arts with specialisation in Social Work from the Jamia Millia Islamia University, New Delhi.



Virender Jeet

Senior Vice President,
(Sales & Marketing / Products)

Jeet has been with us for over 26 years and manages the overall strategic and operational responsibility for our entire portfolio of offerings. He oversees the key functions of product development, global sales and marketing and business enabling functions. He has led us in filing of more than 37 patents in India, of which five have been granted.

He holds a bachelor's degree in Engineering from the Savitribai Phule Pune University.



Arun Kumar Gupta

Chief Financial Officer

Arun has been with us since 2010. He oversees financial planning, treasury, global taxation, investor relations, business finance, and compliances as well as financial reporting. He has 25 years of experience in finance. Previously, he worked with companies like Maersk, Thermax, Satyam. He holds a bachelor's degree in Science from the University of Calcutta. He is a qualified Chartered Accountant, Cost and Works Accountant and a Company Secretary.



Tarun Nandwani

Vice President,
(Customer Relations / Delivery)

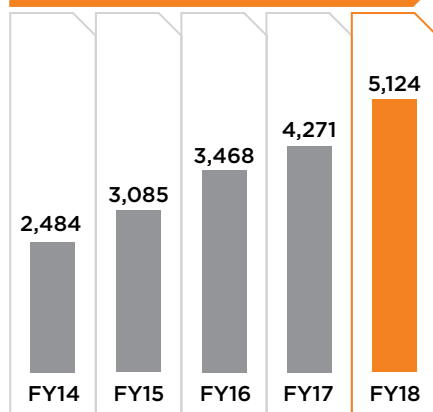
Tarun has been with us for over 25 years. He is responsible for implementation of our products and solutions across industry segments, improving implementation processes, systems, policies, talent management and leadership development with a focus on customer relationship management, delivery management and development centre management.

He holds a bachelor's degree in Engineering from the University of Delhi.

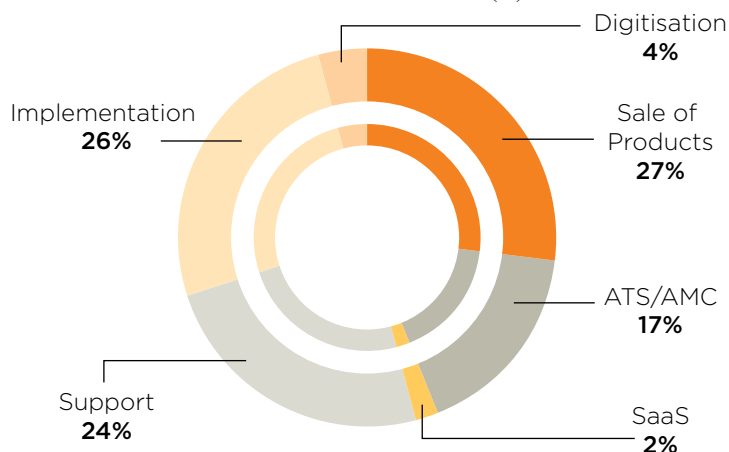
FINANCIAL PERFORMANCE (CONSOLIDATED)

Revenue (₹ in Million)

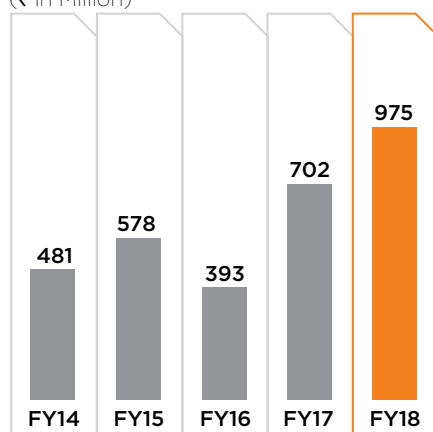
Revenue Growth (CAGR) - 20%



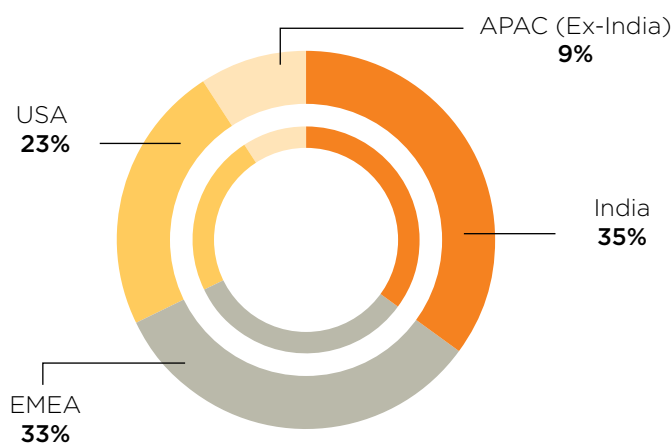
Fiscal 2018 Revenue Streams (%)



EBITDA (Adjusted for other income) (₹ in Million)

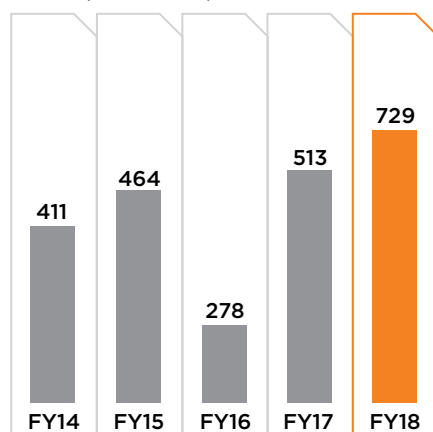


Fiscal 2018 Revenue Concentration by Geography (%)

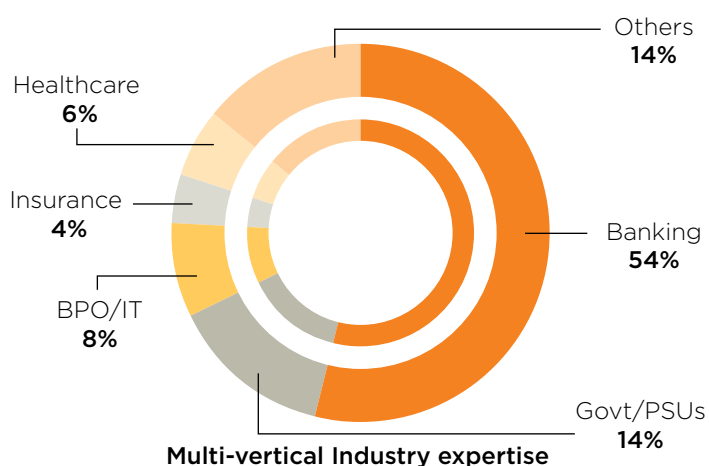


520+ active customers⁽¹⁾ in over 60 countries

PAT (₹ in Millions)



Fiscal 2018 Revenue Split by Vertical (%)



Multi-vertical Industry expertise

Note: FY14, FY15 and FY16 are restated Consolidated Financials as per IGAAP. FY 17 and FY 18 financials are Consolidated Financials as per Ind AS

CORPORATE INFORMATION

Directors

Mr. Diwakar Nigam

Chairman & Managing Director

Mr. T.S. Varadarajan

Whole-time Director

Ms. Priyadarshini Nigam

Whole-time Director

Mr. Kaushik Dutta

Independent Director

Mr. Saurabh Srivastava

Independent Director

Mr. Subramaniam

Ramnath Iyer

Independent Director

Key Managerial Personnel

Mr. Virender Jeet

Senior Vice President

(Sales & Marketing / Products)

Mr. S.J. Raj

Senior Vice President (HR Operations)

Mr. Tarun Nandwani

Vice President

(Customer Relations / Delivery)

Mr. Arun Kumar Gupta

Chief Financial Officer

Mr. Aman Mourya

Company Secretary &

Compliance Officer

Bankers

Standard Chartered Bank

Citi Bank

Statutory Auditors

B S R & Associates, LLP

Chartered Accountants

Gurgaon, (Firm Registration No.:
116231W-100024)

Secretarial Auditors

Aijaz & Associates

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

Internal Auditors

Grant Thornton India LLP

Noida

Registered Office & Corporate Office

A-6, Satsang Vihar Marg,
Qutab Institutional Area,
New Delhi-110 067

Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 26th Report of the Board of Directors (the "Board") of Newgen Software Technologies Limited (the "Company" or "Newgen") along with the Audited Standalone and Consolidated Financial Statement for the Financial Year ended March 31, 2018.

Business Overview:

Newgen Software Technologies Limited, is a global provider of Business Process Management (BPM), Enterprise Content Management (ECM), Customer Communication Management (CCM) solutions with a footprint in over 60 countries with large, mission-critical solutions deployed at Banks, Governments, BPO's & IT Companies, Insurance firms and Healthcare Organisations. For over two decades organisations have relied on Newgen's innovative technologies and solutions to drive smarter business decisions. Newgen through its proven platforms provides a perfect amalgamation of information / content, technology and processes; the building blocks of Digital Transformation. This has enabled clients to reinvent their workplaces and achieve greater agility, accuracy and efficiency in transforming processes, managing information, enhancing overall customer satisfaction and driving enterprise profitability.

Financial Results:

TABLE 1

(₹ in Lakhs)

	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Net Sales	45952.36	38311.41	51242.78	42709.80
Other Income	758.19	826.61	760.98	826.78
Total Income	46710.55	39138.02	52003.76	43536.58
Total Expenditure	36529.01	31805.19	41489.15	35687.13
EBIDTA	10181.54	7332.83	10514.61	7849.45
Finance Cost	520.68	525.60	520.68	525.60
Depreciation and amortisation expense	567.68	481.87	580.67	491.82
Profit before Tax	9093.18	6325.36	9413.25	6832.03
Provision for Tax (net of deferred tax credit)	1965.58	1406.73	2060.06	1572.39
Provision for Tax relating to earlier years written off/Provided	64.50	126.24	64.50	126.63
Profit after Tax	7063.09	4792.39	7288.68	5133.01
Add: Balance brought forward from previous year	15598.43	11581.82	15928.02	11570.79
Less: Dividend and Dividend Distribution tax for Financial Year 2016-17 and paid during the year	1160.99	775.78	1160.99	775.78
Profit available for Appropriation	21500.53	15598.43	22055.71	15928.02
Balance carried to Balance Sheet	21500.53	15598.43	22055.71	15928.02

Your Company's financial statements for the year ended March 31, 2018 are the first financial statements prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. Accordingly, numbers for all the comparative periods have been restated to comply with Ind AS. Necessary disclosures as regards to the key impact areas & Other adjustments upon transition to Ind-AS reporting have been made under the Notes to Financial Statements.

On a Consolidated basis:

- The Company's revenue from operations stood at ₹ 51242.78 Lakhs reflecting an increase of 20% in FY 2017-18.
- Over last 5 Financial Years, the company has been able to maintain 20% compounded annualised growth rate.

- EBITDA stood at ₹ 10514.61 Lakhs registering an increase of 33.95% in the FY 2017-18.
- Profit after Tax (PAT) for the year was ₹ 7288.68 Lakhs showing an increase of around 42%.

On Standalone basis:

- Revenue from operations for FY 2017-18 is at ₹ 45952.36 Lakhs was higher by 19.94% over previous corresponding FY 2016-17.

- EBITDA are ₹ 10181.54 Lakhs registering an increase of 38.85%.
- Profit after Tax (PAT) for the year is ₹ 7063.09 Lakhs registering an increase of 47.38%.

Credit Rating and Liquidity:

ICRA has reaffirmed the short-term rating of [ICRA] A2+ (pronounced ICRA A two plus) assigned earlier to the ₹ 7050 Lakhs line of credit of the Company, and also assigned a short-term rating of [ICRA] A2+ (pronounced ICRA A two plus) to the additional limit of ₹ 1000 Lakhs.

The Company follows a conservative investment policy and invests in high quality debt instruments and bonds. As on March 31, 2018, on Standalone basis, cash and cash equivalents were ₹ 13520.79 Lakhs and in addition to that ₹ 5022.07 Lakhs was invested in mutual funds & bonds and ₹ 204.74 Lakhs in non-current fixed deposits. As on March 31, 2018, on Consolidated basis, cash and cash equivalents were ₹ 14548.34 Lakhs and in addition to that ₹ 5022.07 Lakhs was invested in mutual funds & bonds and ₹ 210.49 Lakhs in non-current fixed deposits.

Dividend:

Considering the Company's financial performance, your Directors are pleased to recommend a dividend @ 20 % i.e. ₹ 2 per share for the Financial Year ended March 31, 2018 (dividend declared in previous year was @ 15 % i.e. ₹ 1.5 per share). The total outgo for the current year amounts to ₹ 1668.65 Lakhs, including dividend distribution tax of ₹ 283.94 Lakhs as against ₹ 1160.99 Lakhs including dividend distribution tax of ₹ 196.37 Lakhs in the previous year.

Change in the Nature of Business, if any:

There is no change of nature of business of the Company during the Financial Year 2017-18.

Share Capital:

Authorised Share Capital:

During the Financial Year 2017-18, there is a change in share capital structure of the Company. During the year under review, the Authorised Share Capital of the Company was increased from ₹ 7,640 Lakhs to ₹ 11,000 Lakhs.

Initial Public Offering:

During the year under review, the Company offered its equity shares of ₹ 10 each ("Equity Shares") for subscription by the public, by way of Initial Public Offer ("IPO"). The IPO comprised of fresh issue of 3,877,551 equity shares by your Company for cash at a price of ₹ 245/- per share and an offer for sale by outgoing investors of 1,34,53,932 equity shares for cash at a price of ₹ 245/- per share. Consequently, the Paid up, Issued and Subscribed Capital of the

Company increased from ₹ 6535.82 Lakhs (comprised of 6,53,58,150 equity shares) to ₹ 6923.57 Lakhs (comprised of 6,92,35,701 equity shares). The Equity Shares in the IPO were offered at a price of ₹ 245 per equity share (including share premium of ₹ 235 per equity share). The Company listed its Equity Shares on BSE Limited and National Stock Exchange of India Limited on January 29, 2018.

Utilisation of IPO Proceeds:

There is no deviation or variation proposed or contemplates in the use of net proceeds of IPO fund from the objects stated in the prospectus. As on March 31, 2018, the net proceeds of the IPO Fund have been deposited in the Scheduled Commercial bank. As per stated object of the IPO, your Company has identified an Institutional building near Noida-Greater Noida Expressway, Uttar Pradesh for an Office Premises. After completion of satisfactory due diligence, requisite agreements will be executed in this respect. After taking possession of the building, furnishing of the office premises will start.

Details Pertaining to Shares in Suspense Account:

Disclosures with respect to demat suspense account/unclaimed suspense account as provided in Para F of Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are provided in the Corporate Governance Report forming a part of this Report.

Details of Significant and Material Orders Passed by the Regulators or Courts or Tribunals Impacting the Going Concern Status and Company's Operations in Future:

NIL

Quality Systems & Information Security Initiative:

Newgen has sustained its commitment to the highest levels of quality, robust information security management practices that have collectively helped in achieving significant milestone during the year. Newgen's Quality and Information Security System journey has been a steady one and with full conviction starting from 1997. The same is evident from the implementation of industry standards namely ISO 9001:2008, ISO 27001:2013 and Process Improvement Models namely CMMi Dev v1.3 and CMMi Svc v1.3. Emphasis has been on System driven transparent process, which delivers exceptional Quality first time right with the required level of Security.

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

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

Subsidiary Companies:

The Company has five wholly owned subsidiaries (WOS). There are no associate companies or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

Names of wholly owned subsidiaries:

1. Newgen Software Inc. USA,
2. Newgen Software Technologies Pte. Ltd., (Singapore)
3. Newgen Software Technologies Canada Ltd.,
4. Newgen Software Technologies (UK) Ltd.
5. Newgen Computers Technologies Limited

Pursuant to first proviso to sub-section (3) of Section 129 of the Act read with Rule 5 of Companies (Accounts) Rules, 2014 the statement containing salient features of the financial statement of subsidiaries is enclosed in form AOC-1 as Annexure -1.

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

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

Deposits:

During the year under review, the Company has not accepted any fixed deposit within the meaning of Section 73 of the Companies Act, 2013 and the rules made thereunder.

Statutory Auditors:

The tenure of the Statutory Auditors of the Company M/s. B S R & Associates, LLP, Chartered Accountants, having Firm Registration number 116231W/W-100024 is upto five years with effect from conclusion of 24th Annual General Meeting held on August 22, 2016 till the conclusion of 29th Annual General Meeting.

Auditors' Report:

The Statutory Auditors' Report for the Financial Year 2017-18 does not contain any qualification, reservation or adverse remarks.

Secretarial Audit:

The Secretarial Audit Report from M/s Aijaz & Associates, Company Secretaries in Practice, New Delhi, for the Financial Year ended March 31, 2018 is enclosed herewith as "Annexure-2". The Secretarial Audit Report for the Financial Year 2017-18 does not contain any qualification, reservation or adverse remarks.

Employee Stock Options Schemes:

During the year under review, the Newgen ESOP Scheme 1999 and Newgen ESOP Scheme 2000 have been closed, no Options granted thereunder are outstanding. At present the Company has in place Newgen Employees Stock Option Scheme-2014 (Newgen ESOP 2014). The Scheme is operated through demat mode only. Newgen ESOP 2014 is administered by the Nomination & Remuneration Committee of the Board, through Newgen ESOP Trust. The information on Options granted, exercised and lapsed during the Financial Year 2017-18 and other particulars as required under Companies Act 2013 read with its rules and SEBI (Share Based Employee Benefits) Regulation, 2014 with regard to Employees' Stock Options is enclosed herewith as "Annexure-3".

Extract of the Annual Return:

As required under Section 92(3) of the Act, the extract of the Annual Return in Form No. MGT-9 is enclosed herewith as Annexure-4

Particulars of Employees and Related Disclosures:

The information required pursuant to Section 197(12) of the Companies Act 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI Regulations in respect of employees of the Company, is enclosed herewith as Annexure-5.

Directors and Key Managerial Personnel:**A) Changes in Directors and Key Managerial Personnel:**

During the year under review, the Board of Directors appointed Mr. Saurabh Srivastava and Mr. Subramaniam Ramnath Iyer as Non-Executive Independent Directors for a period of five years with effect from August 30, 2017 and November 22, 2017 respectively, subject to the approval of shareholders at the ensuing 26th Annual General Meeting of the Company.

Mr. Sudhir Kumar Sethi and Mr. Sunil Kumar Kolangara who were appointed as Nominee Directors on behalf of IDGVI and Ascent Capital respectively, ceased to be Directors of the Company on September 18, 2017, consequent to the withdrawal of their nomination. Mr. Mohit Goyal has resigned from the Board of the Company on November 22, 2017.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. T.S. Varadarajan, Whole-time Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, seeks re-appointment in the ensuing Annual General Meeting.

KMPs and Senior Management Personnel of the Company are:

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

B) Declaration by Independent Director(s) and re- appointment, if any:

The Independent Directors have submitted required declarations that they fulfill the requirements as stipulated in Section 149(6) of the Companies Act, 2013 and SEBI (LODR) Regulations. Pursuant to Clause VII (1) of Schedule IV of the Companies Act, 2013. The

Independent Directors had a separate meeting on April 25, 2017 during Financial Year 2017-18.

C) Board Annual Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and Regulation of SEBI (LODR) Regulations, the Board has carried out the annual performance evaluation of its own performance, Board Committee(s) and that of the Individual Director(s). The performance of the Board was evaluated by the Board itself after seeking inputs from all the individual directors on the basis of criteria such as structure & composition of Board Culture, effectiveness of Board processes, functioning, execution and performance of specific duties, obligations and governance etc. The performance of all the Committees was evaluated by the Board after seeking inputs from respective Committee members. The manner in which the annual performance evaluation has been stated in the Corporate Governance Report which forms a part of this Report.

In a separate meeting of Independent Directors held on 16th May 2018, performance of the non-independent directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors.

D) Remuneration Policy:

The Board, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management Personnel and their remuneration. The Policy is available on the website of the Company at <https://newgensoft.com>. and is enclosed with this report as Annexure-6.

E) Meetings:

The number of meetings of the Board and various Committees of your Company are set out in the Corporate Governance Report which forms part of this Report. The intervening gap between Board Meetings was within the period prescribed under the provisions of Section 173 of the Act and the SEBI (LODR) Regulations.

Whistle Blower Policy / Vigil Mechanism for Directors and Employees:

The Company has adopted a Whistle Blower Policy and Vigil Mechanism that provides a mechanism to report violations, any unethical behaviour, suspected or actual fraud, violation of the Code of Conduct etc. During the year under review no case has been reported under Whistle Blower Policy of the Company.

Whistle Blower Policy / Vigil Mechanism is available on the website of the Company at <https://newgensoft.com>.

CSR Initiative:

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure-7 of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. As part of its initiatives under "Corporate Social Responsibility (CSR)", the Company has undertaken projects in the areas of Digital Literacy Education, Livelihood, besides personality development of the students. Other details regarding Company's CSR activities and CSR Policy are available on the website of the Company at <https://newgensoft.com>.

Risk Management:

The Company has framed a Risk Management Policy and plan for enabling the Company to identify elements of major risks as contemplated by the provisions of Section 134 of the Companies Act 2013. The Company recognizes that these risks need to be managed and mitigated to protect the interest of the stakeholders and to achieve business objectives. This risk management policy is aimed at effectively mitigating the Company's various business and operational risks, through strategic action plan.

Internal Control Systems and their Adequacy:

Your Company has in place adequate Internal Financial Controls. The Report on Internal Financial Controls issued by the Statutory Auditor is attached with the Auditor Report on the Financial Statements of the Company and it does not report any weakness. Your Board has also reviewed the internal processes, systems and the internal financial and operational controls were also tested by Grant Thornton, Internal Auditor on behalf of the Board. The Directors' Responsibility Statement contains a confirmation as regards adequacy of the internal financial and controls. For more details, please refer MD&A section.

Corporate Governance:

Your Company is committed to maintain the highest standards of the Corporate Governance and adhere to the Corporate Governance requirements as set out by SEBI. The report on Corporate Governance as stipulated under the SEBI (LODR) Regulations forms an integral part of this Report and the same is enclosed herewith as Annexure - 8. The requisite certificate from Independent Company Secretaries confirming compliances with the conditions of Corporate Governance is also attached with the Corporate Governance Report.

Management Discussion and Analysis:

The Management Discussion and Analysis (MD&A), highlighting the important aspects of the business of the Company is enclosed as Annexure 9 to this Report.

Particulars of Loans, Guarantees or Investments Under Section 186 of the Companies Act, 2013:

The Company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013. The details of the investments made by Company have been set out in the financial statements.

Particulars of Contracts or Arrangements with Related Parties:

All Related Party Transactions with the subsidiary Companies are on an arm's length basis and were in the ordinary course of business. Information on transactions with related parties pursuant to section 134(3)(h) of Companies Act, 2013 read with rule 8(2) of Companies (Accounts) Rules, 2014 are given in Annexure-10 in form AOC-2.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

The particulars as prescribed under section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 are as follows:

a) Details of Conservation of energy

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

b) Research and Development:

The Company has made and will continue to make, significant investments in software product research and development and related product opportunities. For fiscals 2017, 2016 and 2015, the Company spent 8.55%, 7.92% and 7.91% (as a proportion of our total expenditure) respectively on research and development. For fiscal 2018 under review, the Company had spent 8.67% (as a proportion of the total expenditure) on research and development. We believe that the industry, in which we compete, witnesses rapid technological advances in software development due to constantly evolving customer preferences and requirements. The Company believes that emphasis on R&D has enabled us to remain up-to-date with the technological developments, as well as to cater to the evolving needs of our customers.

c) Technology Absorption, Adaptation and Innovation:

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

d) Foreign exchange Earnings and Outgo:

TABLE 2

(₹ In Lakhs)

Particulars	March 31, 2018	March 31, 2017
Foreign Exchange Earnings	27885.83	21363.76
Foreign Exchange Outgo	5116.78	3957.23

Directors' Responsibility Statement:

In terms of Section 134 (5) of the Companies Act, 2013 (the "Act"), the Directors would like to state that:

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

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

Number of Complaints Relating to Child Labour, Forced Labour, Involuntary Labour, Sexual Harassment in the Last Financial Year and Pending, as on the end of the Financial Year:

The Company has in place a policy on Prevention of Sexual Harassment, Prohibition and Redressal of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Taking a step further, Newgen has formed an Internal Complaints Committee where employees can register their complaints against sexual harassment. This is supported by the Sexual Harassment Policy which ensures a free and fair enquiry process with clear timelines.

During the year under review, two complaints on sexual Harassment were reported out of which one is pending as at the end of the Financial Year 2017-18.

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

Cautionary Statements:

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the statements.

Appreciation:

Your Company's organisational culture upholds professionalism, integrity and continuous improvement across all functions, as well as efficient utilisation of the Company's resources for sustainable and profitable growth.

Your Board acknowledges with gratitude and places on record its appreciation for the dedication and commitment of your Company's employees at all levels which has continued to be our major strength. Your Board also thanks the shareholders, investors, customers, business partners, bankers and other stakeholders for their confidence in the Company and its management and looks forward for their continuous support.

For and on behalf of the Board of Directors

Date: May 17, 2018

Place: New Delhi

Diwakar Nigam

Chairman & Managing Director

DIN: 00263222

Annexure 1

Form AOC-I

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

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

Part "A": Subsidiaries

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

TABLE 3

1	S. No.	1	2	3	4	5
	Name of the subsidiary	Newgen Computers Technologies Ltd	Newgen Software Technologies (UK) Ltd.	Newgen Software Inc. USA,	Newgen Software Technologies Canada Ltd	Newgen Software Technologies Pte. Ltd (Singapore)
	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-	-	-	-	-
	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	INR	GBP @ 92.28	USD @ 65.04	CAD @ 50.51	SGD @ 49.68
	Share capital	21.00	184.56	780.48	50.51	124.20
	Reserves & surplus	36.91	8.13	76.20	52.93	81.19
	Total assets	60.24	314.56	4418.03	566.89	584.98
	Total Liabilities	2.33	121.87	3561.35	463.45	379.59
	Investments	0.00	0.00	0.00	0.00	0.00
	Turnover	0.00	317.24	10873.47	957.93	1224.65
	Profit before taxation	5.73	-2.69	248.76	26.76	28.16
	Provision for taxation	1.50	-0.44	67.38	7.18	1.89
	Profit after taxation	4.22	-2.25	181.39	19.58	26.26
	Proposed Dividend	-	-	-	-	-
	% of shareholding	100%	100%	100%	100%	100%

2 Names of subsidiaries which are yet to commence operations

Not Applicable

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

Not Applicable

Part “B”: Associates and Joint Ventures

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

Name of Associates/Joint Ventures	There are no associates or joint venture of the Company During the year		
1. Latest audited Balance Sheet Date	- NA		
2. Shares of Associate/Joint Ventures held by the company on the year end	- NA		
Amount of Investment in Associates/Joint Venture	- NA		
Extend of Holding %	- NA		
3. Description of how there is significant influence	- NA		
4. Reason why the associate/joint venture is not consolidated	- NA		
5. Networth attributable to Shareholding as per latest audited Balance Sheet	- NA		
6. Profit / Loss for the year	- NA		
i. Considered in Consolidation	- NA		
ii. Not Considered in Consolidation	- NA		
1. Names of associates or joint ventures which are yet to commence operations	- NA		
2. Names of associates or joint ventures which have been liquidated or sold during the year.	- NA		

For and on behalf of the Board of Directors

Date: May 17, 2018
Place: New Delhi

Diwakar Nigam
Managing Director
DIN: 00263222

T. S. Varadarajan
Whole Time Director
DIN: 00263115

Arun Kumar Gupta
Chief Financial Officer
PAN: ADTPG6017D

Aman Mourya
Company Secretary
ACS: 27299

Annexure 2

SECRETARIAL AUDIT REPORT (For the Financial Year ended 31.03.2018)

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion the Company has, during the audit period covering the Financial Year ended on March 31, 2018 ('audit period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2018. According to the provisions of:

- (i) The Companies Act, 2013 (the 'Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye laws framed thereunder;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [Not Applicable];
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client [Not Applicable];
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [Not applicable];
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 [Not applicable].

(vi) The company carries business of software development and related activities for which it has registration with the SEZ Noida and the Management has identified and confirmed the following laws as specifically applicable to the Company:

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

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

- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:-

- The Board of directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act, however, the change in the appointment of two Independent Directors is subject to the ratification/approval by the members of the Company at ensuing Annual General Meeting.

- Advance notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has:

- i) Pursuant to the resolution passed by the Board at its meeting held on January 24, 2018, allotment of 38,77,551 Equity Shares of the face value of 10/- (Rupees Ten Only) @ ₹245/- per Equity share (including a premium of ₹235/- per Equity Share) was made through IPO of the Company, which were listed on National Stock Exchange of India ("NSE") & Bombay Stock Exchange of India ("BSE") w.e.f. January 29, 2018.
- ii) Increased Authorised Share Capital from ₹76,40,00,000 to ₹1,10,00,00,000.
- iii) Increased paid up share capital by public issue to the tune of ₹3,87,75,510/-.
- iv) Declared and distributed dividend at the 25th Annual General Meeting held on July 28, 2017 @ ₹1.5 per share.
- v) Altered its MoA and AoA according to the above events.

Place: New Delhi
Date : May 04, 2018

Name of Firm : **Aijaz & Associates**
FCS No. : 6563
C.P. No. : 7040

Annexure 'A'

To,
The Members,
Newgen Software Technologies Limited
New Delhi

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

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

Place: New Delhi
Date : May 04, 2018

Name of Firm : **Aijaz & Associates**
FCS No. : 6563
C.P. No. : 7040

Annexure 3

Information Regarding Employees Stock Option Schemes Pursuant to Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014

1) Details related to the Schemes:

As on March 31, 2018, the Company has in place the Newgen Employees Stock Option Scheme - 2014 ("NEWGEN ESOP 2014"). All the relevant details as prescribed under above Rule and Regulation are provided below. And the same is also available in the website of the Company at <https://newgensoft.com>.

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

Please refer Note no. 34 of Notes to the Standalone Financial Statements forming part of the Annual Report.

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

TABLE 4

Particulars

Fully diluted EPS pursuant to issue of Equity Shares on exercise of stock Options calculated in accordance with Ind AS - 33 'Earning Per Share' (Consolidated)	Basic: 11.44 Diluted: 11.15
--	--------------------------------

C. Other Details relating to Newgen ESOP 2014

TABLE 5

S. No.	Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015
i. a)	Date of shareholders' approval	As on March 31, 2018, the Company has in place a Newgen Employees Stock Option Scheme - 2014 ("NEWGEN ESOP 2014"), as approved by the Shareholders on November 13, 2014, which was further amended and modified on July 28, 2017 by the Shareholders of the Company, to be compliant with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 during IPO procedure			
b)	Total number of Options approved	The maximum number of 3,783,800 shares can be issued under NEWGEN ESOP 2014			
c)	Total number of Options granted	562,550	NIL	NIL	3,653,525
d)	Vesting requirements	Set forth below is the vesting schedule, subject to there being a gap of at least one year between the date of grant of Options and the vesting of such Options.			

S. No.	Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015
		Number of Options vested		Vesting schedule	
		10% of the Options granted		One year from the date of grant	
		20% of the Options granted		Two years from the date of grant	
		30% of the Options granted		Three years from the date of the grant	
		40% of the Options granted		Four years from the date of grant	
	e) Exercise price or pricing formula	₹ 63/-			
	f) Maximum term of Options granted	Once the Options have vested, such Options have to be exercised within a period of five years from the date on which the last of the Options vest. Vesting period shall be as stated in above point (d).			
	g) Source of shares (primary, secondary or combination)	Company uses Trust Route for implementing this Scheme. Source of Share to the Trust as on March 31, 2018 is Primary. For more Information please refer details related to Newgen ESOP Trust as provided in this disclosure.			
	h) Variation in terms of Options	Except for the amendment of the NEWGEN ESOP 2014 in order to comply with the SEBI SBEB Regulations, no terms of the NEWGEN ESOP 2014 have been amended, modified or varied.			
ii.	Method used to account for NEWGEN ESOP 2014	Fair Value Method			
iii.	Difference between the employee compensation cost using the intrinsic value of Stock Options and the employee compensation cost that shall have been recognised if it had used the fair value of the Options. The impact of this difference on profits and on EPS of the Company.	During the Financial Year 2017-18, Company followed fair value accounting of stock Options.			
iv	Option movement during Financial Year 2017-18				
	a) Number of Options outstanding at the beginning of the year			30,61,209	
	b) Number of Options granted during the year			5,62,550	
	c) Number of Options forfeited / lapsed during the year			1,26,096	
	d) Number of Options vested during the year			9,43,211	
	e) Number of Options exercised during the year			12,54,180	
	f) Number of shares arising as a result of exercise of Options			12,54,180	
	g) Money realised by exercise of Options (₹), if scheme is implemented directly by the company			7,90,13,340	
	h) Loan repaid by the Trust during the year from exercise price received			8,53,02,000	
	i) Number of Options outstanding at the end of the year			22,43,483	
	j) Number of Options exercisable at the end of the year			4,45,616	
v.	Weighted-average exercise prices and weighted-average fair values of Options shall be disclosed separately for Options whose exercise price either equals or exceeds or is less than the market price of the stock.	<ul style="list-style-type: none"> Weighted-average exercise prices: ₹ 63/- Weighted-average fair values of Options granted during the year: ₹ 100.23/- 			

vi. **Employee wise details of the Options granted:****TABLE 6**

Particulars	Name	Designation	No. of Options granted during the year	Exercise Price
a) Senior Managerial Personnel & KMPs	Virender Jeet	Sr. Vice President (Sales and Marketing/ Product)	42,000	₹ 63/-
	Surender Jeet Raj	Sr. Vice President (HR/Operations)	39,000	₹ 63/-
	Tarun Nandwani	Vice President (Customer Relations/ Delivery)	22,000	₹ 63/-
	Arun Kumar Gupta	Chief Financial Officer	13,000	₹ 63/-
	Aman Mourya	Company Secretary	5,000	₹ 63/-
b) Any other employee who receives a grant in any one year of Option amounting to 5% or more of Option granted during that year – Nil				
c) Identified employees who were granted Option during any one year equal to or exceeding 1% of the issued capital of the Company (excluding outstanding warrants and conversions) at the time of grant. – Nil				
vii. A Description of Method and significant assumptions used during the year to estimate the fair value of Options including the following information:		Black-Scholes formula		
a) the weighted-average values of share price		134.53		
b) weighted average exercise price		63		
c) Expected volatility		55.59%		
d) Expected Option life		Grant Name	Grant Date	Number of Options outstanding
			Exercise Period	Remaining Life (In Years)
		ESOP 2014/ Grant I	01-01-2015	17,02,708
		ESOP 2014/ Grant II	01-07-2017	3,35,025
		ESOP 2014/ Grant III	01-09-2017	1,30,000
		ESOP 2014/ Grant IV	01-10-2017	75,750
e) Expected dividends		0%		
f) Risk-free interest rate and any other inputs to the model		6.78%		
g) The method used and the assumptions made to incorporate the effects of expected early exercise;		N.A.		
h) How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and		Since the Company was unlisted during grant of Option. So, average volatility of closing price of two peer listed Companies from 10/01/2012 to 29/09/2017 were considered		
i) Whether and how any other features of the Option grant were incorporated into the measurement of fair value, such as a market condition		Not Considered		

Disclosure under Newgen ESOP Scheme 1999 and Newgen ESOP Scheme 2000

Under NEWGEN ESOP SCHEME 1999 a maximum of 2,93,160 Options could be granted to eligible employees, determined in terms of the NEWGEN ESOP SCHEME 1999, convertible into 2,93,160 Equity Shares. Subsequently, additional Options were made available under the NEWGEN ESOP SCHEME 1999 to give effect to the bonus issue by the Company and, accordingly, an aggregate of 7,33,610 Options were available for grant under the NEWGEN ESOP SCHEME 1999, which were convertible into 7,33,610 Equity Shares. Our Company has granted an aggregate of 6,82,400 Employee Stock Options under the NEWGEN ESOP SCHEME 1999 to eligible employees (after adjusting bonus stock Option), of which, cumulatively, 2,46,160 Options were exercised and consequently, 2,46,160 Equity Shares were transferred from the Newgen Employees Trust to such eligible employees at an exercise price of ₹ 80.00, which was further adjusted due to bonus Option issue, per Equity Share. Further, 2,41,950 Options granted under the NEWGEN ESOP SCHEME 1999 lapsed. Prior to IPO and as on the date of filing RHP, the NEWGEN ESOP SCHEME 1999 has been closed, no Options granted thereunder are outstanding and no additional Options will be granted by our Company under the NEWGEN ESOP SCHEME 1999.

Under NEWGEN ESOP SCHEME 2000 a maximum of 6,00,000 Options could be granted to eligible employees, determined in terms of the NEWGEN ESOP SCHEME 2000, convertible into 6,00,000 Equity Shares on exercise of such Options, as permitted in the

Scheme. Further, all Options that were outstanding, including Options that had not been granted or had been granted but not exercised under the NEWGEN ESOP SCHEME 1999, whether outstanding as on date of or any future date were made available under NEWGEN ESOP SCHEME 2000, and consequently, an aggregate of 8,62,850 Options were available for grant under the NEWGEN ESOP SCHEME 2000. Subsequently, additional Options were made available under the NEWGEN ESOP Scheme 2000 to give effect to the bonus issue by the Company and, accordingly, an aggregate of 12,92,300 Options were available for grant under the NEWGEN ESOP SCHEME 1999, which were convertible into 12,92,300 Equity Shares. Our Company has granted an aggregate of 15,55,150 Options under the NEWGEN ESOP SCHEME 2000 to eligible employees (after adjusting bonus stock Option), of which 9,48,170 Options were exercised and 9,48,170 Equity Shares were transferred from the Newgen Employees Trust to such eligible employees at an exercise price of ₹ 40 per Equity Share, which was further adjusted pursuant to a bonus issue by our Company. Prior to IPO and as on the date of RHP, the NEWGEN ESOP SCHEME 2000 has been closed, no Options are outstanding and no additional Options will be granted by our Company under the NEWGEN ESOP SCHEME 2000.

Furtherance to the above, no Option was granted under ("NEWGEN ESOP SCHEME 1999") and ("NEWGEN ESOP SCHEME 2000"), in three years prior to IPO and all the Options granted under these two schemes were exercised or lapsed. Prior to IPO, both the schemes were closed and no Option was outstanding under these schemes.

A. Other Details relating to Newgen ESOP 2000 and Newgen ESOP 1999

TABLE 7

S. No.	Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015
i.	a) Date of shareholders' approval	NEWGEN ESOP SCHEME 1999: February 20, 1999 NEWGEN ESOP SCHEME 2000: May 5, 2000			
	b) Total number of Options approved	As explained above in the brief description of the respective Schemes.			
	c) Total number of Options granted	No Option was granted under ("NEWGEN ESOP 1999") and ("NEWGEN ESOP 2000"), in three years prior to IPO.			
	d) Vesting requirements	Set forth below is the vesting schedule, subject to there being a gap of at least one year between the date of grant of Options and the vesting of such Options.			

S. No.	Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015
		Number of Options vested		Vesting schedule	
		10% of the Options granted		One year from the date of grant	
		20% of the Options granted		Two years from the date of grant	
		30% of the Options granted		Three years from the date of the grant	
		40% of the Options granted		Four years from the date of grant	
	e) Exercise price or pricing formula	As explained above in brief description of the respected schemes.			
	f) Maximum term of Options granted	Prior to IPO, both the schemes were closed and no Option was outstanding under these schemes			
	g) Source of shares (primary, secondary or combination)	Company used Trust Route for implementing this Scheme.			
	h) Variation in terms of Options	No variation.			
ii.	Method used to account for NEWGEN ESOP 1999 & 2000 Schemes	Intrinsic value Method. No cost impact in the Financial Year 2017-18			
iii.	Difference between the employee compensation cost using the intrinsic value of stock Options and the employee compensation cost that shall have been recognised if it had used the fair value of the Options. The impact of this difference on profits and on EPS of the Company.	During the Financial Year 2017-18, Company followed fair value accounting of stock Options.			
iv.	Option movement during Financial Year 2017-18				
	a) Number of Options outstanding at the beginning of the year	Newgen ESOP 1999: 52600 Newgen ESOP 2000: 386700			
	b) Number of Options granted during the year	NIL			
	c) Number of Options forfeited / lapsed during the year	NIL			
	d) Number of Options vested during the year	NIL			
	e) Number of Options exercised during the year	Newgen ESOP 1999: 52600 Newgen ESOP 2000:386700			
	f) Number of shares arising as a result of exercise of Options	Newgen ESOP 1999: 52600 Newgen ESOP 2000: 386700			
	g) Money realised by exercise of Options (₹), if scheme is implemented directly by the company	Newgen ESOP 1999: 233807 Newgen ESOP 2000: 2578129			
	h) Loan repaid by the Trust during the year from exercise price received	N.A.			
	i) Number of Options outstanding at the end of the year	Newgen ESOP 1999: Nil Newgen ESOP 2000: Nil			
	j) Number of Options exercisable at the end of the year	Newgen ESOP 1999: Nil Newgen ESOP 2000: Nil			
v.	Weighted-average exercise prices and weighted-average fair values of Options shall be disclosed separately for Options whose exercise price either equals or exceeds or is less than the market price of the stock.	Newgen ESOP 1999 Weighted-average exercise prices: ₹ 4.45 Newgen ESOP 2000: Weighted-average exercise prices: ₹ 6.67			

vi. **Employee wise details of the Option granted during the year:**

TABLE 8

Particulars	Name	Designation	No. of Options granted during the year	Exercise Price
a) Senior Managerial Personnel & KMPs	NIL	NIL	NIL	N.A.
b) Any other employee who receives a grant in any one year of Option amounting to 5% or more of Option granted during that year – Nil				
c) Identified employees who were granted Option during any one year equal to or exceeding 1% of the issued capital of the Company (excluding outstanding warrants and conversions) at the time of grant. – Nil				
vii. A Description of Method and significant assumptions used during the year to estimate the fair value of Options including the following information:		Note Applicable. No cost impact in the Financial Year 2017-18		
a) the weighted-average values of share price		N.A.		
b) weighted average exercise price		Newgen ESOP 1999 Scheme: ₹ 4.45/- Newgen ESOP 2000 Scheme: ₹ 6.67/-		
c) Expected volatility		N.A.		
d) Expected Option life		N.A.		
e) Expected dividends		NIL		
f) Risk-free interest rate and any other inputs to the model		NIL		
g) The method used and the assumptions made to incorporate the effects of expected early exercise;		N.A.		
h) How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and		N.A.		
i) whether and how any other features of the Option grant were incorporated into the measurement of fair value, such as a market condition		N.A.		

2) Details Related to Trust:

Newgen ESOP 2014 will continue to be implemented through the Trust Route and accordingly Newgen ESOP Trust was constituted for Newgen ESOP 2014. In Trust Route, the Trust will utilize the shares already held by it and will acquire the shares of the Company either through fresh allotment from the Company or by way of secondary acquisition including transfer of shares from any existing shareholder. Newgen ESOP 2000 and Newgen ESOP 1999, which were already been closed, were also implemented through trust route and accordingly a Newgen Employees Trust was constituted to implement these two Schemes.

(i) Details:

TABLE 9

S. No.	Particulars	Newgen ESOP Trust (For Newgen ESOP 2014)	Newgen Employees Trust (For Newgen ESOP 2000 and Newgen ESOP 1999)
1.	Name of the Trust	Newgen ESOP Trust	Newgen Employees Trust
2.	Details of the Trustee (s)	Mr. A K Sharan Mr. Arvind Kaul	Mr. A K Sharan Mr. Arvind Kaul
3.	Amount of Loan disbursed by the Company/ any company in the Group during the year	₹ 661.50 Lakhs	NIL
4.	Amount of loan outstanding (repayable to Company/ any company in the Group) as at the end of the year*	₹ 391.23 Lakhs	NIL
5.	Amount of Loan, if any, taken from any other sources for which the Company or any company in the group has provided any security or guarantee	NIL	NIL
6.	Any other Contribution made to the Trust during the year	NIL	NIL

*excluding Interest of ₹ 53,52,899/- on Loan payable by Newgen ESOP Trust.

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

TABLE 10

S. No.	Particulars	Newgen ESOP Trust (For Newgen ESOP 2014)	Newgen Employees Trust (for Newgen ESOP 2000 and Newgen ESOP 1999)
1.	Number of shares held at the beginning of the year	15,32,384	4,62,680
2.	Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the Previous Financial Year, along with information on weighted average cost of acquisition per share;	Primary Issue: 10,50,000 (1.63% of paid up capital as at the end of the Previous Financial Year 2016-17.) Weighted average cost of primary acquisition: ₹ 63/- Shares obtained from Newgen Employees Trust: 23,380/-* Secondary acquisition: Nil**	NIL
3.	Number of shares transferred to the employees / sold along with the purpose thereof during the year	12,54,180	a. Shares transferred to the Employees due to exercise of Options: 4,39,300 b. Shares transferred to the Newgen ESOP Trust: 23,380/-*
4.	Number of shares held at the end of the year.	13,51,584	Nil

*At the time of closure of the old schemes viz Newgen ESOP 2000 and Newgen ESOP 1999, Newgen Employees Trust had transferred remaining shares to the Newgen ESOP Trust without monetary consideration for the common object of implementing Newgen ESOP Schemes.

**As defined under SEBI (Share Based Employee Benefits) Regulations 2014, secondary acquisition" means acquisition of existing shares of the Company by the Trust on the platform of a recognised Stock Exchange for cash consideration.

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

TABLE 11

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

For and on behalf of the Board of Directors

Date: May 17, 2018
Place: New Delhi

Diwakar Nigam
Chairman & Managing Director
DIN: 00263222

Annexure 4

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN As on financial year ended on March 31, 2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. Registration & Other Details:

TABLE 12

1. CIN	L72200DL1992PLC049074
2. Registration Date	June 5, 1992
3. Name of the Company	Newgen Software Technologies Limited
4. Category/Sub-category of the Company	Company limited by Shares/ Non-govt Company
5. Class of Company	Public
6. Address of the Registered office & contact details	A-6, Satsang Vihar Marg, Qutab Institutional Area, New Delhi - 110067; Tel: +91 11 4077 0100; Email: aman@newgen.co.in
7. Whether listed company	Listed
8. Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31 and 32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032 Tel: +91 40 6716 2222; Fax: +91 40 2342 0814; Email: einward.ris@karvy.com; Website: www.karvycomputershare.com

II. Principal Business Activities of the Company (All the business activities contributing 10% or more of the total turnover of the company shall be stated)

TABLE 13

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Software Product	6201	100%

III. Particulars of Holding, Subsidiary and Associate Companies

TABLE 14

S. No.	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Newgen Computers Technologies Limited, A-6, Satsang Vihar Marg, Qutab Institutional Area New Delhi -110 067	U74899DL1993PLC051791	Subsidiary	100%	2(87)
2	Newgen Software Inc. USA, 1364, Beverly Road, Suite # 300, McLean, Virginia - 22101	NA	Subsidiary	100%	2(87)

S. No.	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
3	Newgen Software Technologies Canada Ltd., 199, Bay Street Suite 4000, Toronto, Ontario M5L 1A9	NA	Subsidiary	100%	2(87)
4	Newgen Software Technologies Pte. Ltd, 6, Shenton way, # 32 - 01, Singapore - 068809	NA	Subsidiary	100%	2(87)
5	Newgen Software Technologies (UK) Ltd, 10, Finsbury Square, London EC2A 1AF, United Kingdom.	NA	Subsidiary	100%	2(87)

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity) Category-wise Share Holding

(A) Category wise Shareholders:

TABLE 15

Category of Shareholders	No. of Shares held as on March 31, 2017				No. of Shares held as on March 31, 2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters & Promoters Group									
(1) Indian									
a) Individual / HUF	45928938	-	45928938	71.42	45928988	-	45928988	66.34	-5.08
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	45928938	-	45928938	71.42	45928988	-	45928988	66.34	-5.08
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Others- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	45928938	-	45928938	71.42	45928988	-	45928988	66.34	-5.08
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	3748116	-	3748116	5.41	5.41
b) Banks / FI	-	-	-	-	73257	-	73257	0.11	0.11
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds*	2324316	5982396	8306712	12.92	-	-	-	0.00	-12.92
f) Alternate Investment Funds	-	-	-	-	2051028	-	2051028	2.96	2.96
g) Foreign Portfolio Investors	-	-	-	-	6244480	-	6244480	9.02	9.02
h) Insurance Companies	-	-	-	-	-	-	-	-	-
i) FIs	-	-	-	-	-	-	-	-	-
j) Foreign Bodies Corporates	-	-	-	-	60	-	60	0.00	0.00
k) Foreign Venture Capital Funds*	835506	4311834	5147340	8.00	-	-	-	-	-8.00
l) Others	-	-	-	-	-	-	-	-	-
Sub Total (B) (1)	3159822	10294230	13454052	20.92	12116941	-	12116941	17.50	-3.42
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held as on March 31, 2017				No. of Shares held as on March 31, 2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Individual shareholders holding nominal share capital upto ₹1 lakh	219966	109560	329526	0.51	3710787	32550	3743337	5.41	4.894
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	2010170	590400	2600570	4.04	3370484	67800	3438284	4.97	0.92
d) NBFCs registered with RBI	-	-	-	-	20000	-	20000	0.03	0.03
e) Others	-	-	-	-	2614967	21600	2636567	3.81	3.81
Sub-total (B)(2):-	2230136	699960	2930096	4.56	9716238	121950	9838188.00	14.21	9.65
Total Public Shareholding (B)=(B)(1)+ (B)(2)	5389958	10994190	16384148	25.48	21833179	121950	21955129.00	31.71	6.23
C. Non Promoter- Non Public Shareholding									
1. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
2. Employee Benefit Trust (under SEBI(Share based Employee Benefit) Regulations 2014)	1995064	-	1995064	3.10	1351584	-	1351584	1.95	-1.15
Total Non-Promoter-Non Public Shareholding (C) = (C)(1)+(C)(2)	1995064	-	1995064	3.10	1351584	-	1351584	1.95	-1.15
Grand Total (A+B+C)	53313960	10994190	64308150	100.00	69113751	1,21,950.00	69235701	100.00	-0.02

*Includes Equity DVR

(B) Shareholding of Promoters & Promoter Group**TABLE 16**

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company*	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
Promoters								
1	Diwakar Nigam	1,84,22,406	28.65	Nil	1,84,22,406	26.61	Nil	-2.04
2	T.S. Varadarajan	1,50,09,306	23.34	Nil	1,50,09,306	21.68	Nil	-1.66
Promoter Group								
3	Priyadarshini Nigam	79,68,906	12.39	Nil	79,68,906	11.51	Nil	-0.88
4	Ragini Goorha	0	0	Nil	50	0	Nil	0.00
5	Usha Varadarajan	45,28,320	7.04	Nil	45,28,320	6.54	Nil	-0.50
Total		4,59,28,938	71.42	-	4,59,28,988	66.34	-	-

(C) Change in Promoters and Promoter Group's Shareholding**TABLE 17**

SN	Particulars	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
	Promoters							
	Diwakar Nigam							
1	At the beginning of the year	1,84,22,406	28.65	31.03.2017	NIL	NIL	1,84,22,406	26.61
2	At the end of the year	1,84,22,406	26.61	31.03.2018				
	T.S. Varadarajan							
	At the beginning of the year	1,50,09,306	23.34	31.03.2017	NIL	NIL	1,50,09,306	21.68
	At the end of the year	1,50,09,306	21.68	31.03.2018				

SN	Particulars	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
	Promoter Group							
	Priyadarshini Nigam							
1	At the beginning of the year	7968906	12.39	31.03.2017	NIL	NIL	7968906	11.51
2	At the end of the year	7968906	11.51	31.03.2018				
	Ragini Goorha							
1	At the beginning of the year	0	0.00	31.03.2017	50	Market Purchase	50	0.00
2	At the end of the year	50	0.00	31.03.2018				
	Usha Varadarajan							
1	At the beginning of the year	4528320	7.04	31.03.2017	NIL	NIL	4528320	6.54
2	At the end of the year	4528320	6.54	31.03.2018				

(D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters, Promoter Group and Holders of GDRs and ADRs):

TABLE 18

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase/ Decrease in share-holding during the year	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
	At the beginning of the year/ At the end of the year*							
1	Goldman Sachs India Limited	0	0.00	31.03.2017	29,79,640	Allotment under IPO	29,79,640	4.30
		29,79,640	4.30	31.03.2018				
2	Malabar India Fund Limited	0	0.00	31.03.2017	26,78,270	Allotment under IPO	26,78,270	3.87
		26,78,270	3.87	31.03.2018				
3	Newgen ESOP Trust	15,32,384	2.38	2017-18	(12,54,180)	ESOP Transfer	2,78,204	-
					23,380	Transfer from Newgen Employees Trust to Newgen ESOP Trust.	3,01,584	-
					10,50,000	Allotment	13,51,584	1.95
		13,51,584	1.95	31.03.2018				
4	HDFC Trustee Company Limited- HDFC Equity Saving Fund	0	0.00	31.03.2017	12,03,311	Allotment under IPO	12,03,311	1.74
		12,03,311	1.74	31.03.2018				
5	Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited	0	0.00	31.03.2017	10,36,001	Allotment under IPO	10,36,001	1.50
		10,36,001	1.50	31.03.2018				
6	HDFC Trustee Company Limited- HDFC Capital Builder Fund	0	0.00	31.03.2017	10,22,444	Allotment under IPO	10,22,444	1.48
		10,22,444	1.48	31.03.2018				

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
7	IL & FS Trust Company Limited - FOREFRONT ALTERNAT	0	0.00	31.03.2017	10,13,324	Allotment under IPO	10,13,324	1.46
		10,13,324	1.46	31.03.2018				
8	Aditya Birla Sun Life Trustee Private Limited A/C	0	0.00	31.03.2017	9,30,030	Allotment under IPO	9,30,030	1.34
		9,30,030	1.34	31.03.2018				
9	Malabar Value Fund	0	0.00	31.03.2017	5,37,704	Allotment under IPO	5,37,704	0.78
		5,37,704	0.78	31.03.2018				
10	Alchemy Leaders of Tomorrow	0	0.00	31.03.2017	5,00,000	Allotment under IPO	5,00,000	0.72
		5,00,000	0.72	31.03.2018				

* Top Ten Shareholders as on 31.03.2018

(E) Shareholding of Directors and Key Managerial Personnel:

TABLE 19

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
	At the beginning of the year/ At the end of the year							
1	Diwakar Nigam	1,84,22,406	28.65		0	NIL	1,84,22,406	26.61
	Chairman & Managing Director	1,84,22,406	26.61	31.03.2018				
2	T.S. Varadarajan	1,50,09,306	23.34		0	NIL	1,50,09,306	21.68
	Whole-Time Director	1,50,09,306	21.68	31.03.2018				
3	Priyadarshini Nigam	79,68,906	12.39		0	NIL	79,68,906	11.51
	Whole-Time Director	79,68,906	11.51	31.03.2018				
4	Virender Jeet*	2,16,000	0.34		33,000	ESOP	2,49,000	0.36
	Sr. VP-Sales & Marketing/ Product	2,49,000	0.36	31.03.2018				
5	Surender Jeet Raj*	1,99,900	0.31		27,500	ESOP	2,27,400	0.33
	Sr. VP- HR/Operations	2,27,400	0.33	31.03.2018				
6	Tarun Nandwani*	2,21,700	0.34		16,500	ESOP	2,38,200	0.34
	VP- Customer Relations/ Delivery	2,38,200	0.34	31.03.2018				
7	Arun Kumar Gupta	44,100	0.07		10,500	ESOP	54,600	0.08
	Chief Financial Officer	54,600	0.08	31.03.2018				
8	Aman Mourya	0	0.00		0	NIL	0	0.00
	Company Secretary	0	0.00	31.03.2018				

*Officer of the Company designated as Key Managerial Personnel.

V. Indebtedness - Indebtedness of the Company including interest outstanding/accrued but not due for payment

TABLE 20

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5226.18	Nil	Nil	5226.18
ii) Interest due but not paid	Nil		Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	5226.18	Nil	Nil	5226.18
Change in Indebtedness during the financial year	Nil	Nil	Nil	Nil
* Addition	0	Nil	Nil	0
* Reduction	279.91	Nil	Nil	279.91
Net Change	-279.91	Nil	Nil	-279.91
Indebtedness at the end of the financial year	Nil	Nil	Nil	Nil
i) Principal Amount	4946.27	Nil	Nil	4946.27
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	4946.27	Nil	Nil	4946.27

VI. Remuneration of Directors and Key Managerial Personnel as on March 31, 2018

(A) Remuneration to Managing Director, Whole-time Directors and/or Manager:

TABLE 21

Particulars of Remuneration:	Diwakar Nigam	T.S. Varadarajan	Priyadarshini Nigam	Total Amount
	MD	WTD	WTD	
Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	1,59,70,240	75,43,360	38,88,400	2,74,02,000
Value of perquisites u/s 17(2) of the Income Tax Act, 1961	64,440	88,428	39,600	1,92,468
Profits in lieu of salary under	0	0	0	0
section 17(3) of the Income Tax Act, 1961	0	0	0	0
Stock Option	0	0	0	0
Sweat Equity	0	0	0	0
Commission	0	0	0	0
Others	0	0	0	0
Total Amount	1,60,34,680	76,31,788	39,28,000	2,75,94,468
Ceiling as per the Act	₹ 909.32 Lakh (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

(in ₹ Lakh)

(B) Remuneration to other Directors:**TABLE 22**

Particulars of Remuneration:	Kaushik Dutta	Mohit Goyal #3	Sudhir Kumar Sethi #5	Sunil Kumar Kolangara #4	Saurabh Srivastava* #1	Subrmaniam Ramnath Iyer #2
	Independent Director	Independent Director	Nominee Director	Nominee Director	Independent Director	Independent Director
Fee for attending board/ Committee meetings	14,00,000	8,00,000	Nil	Nil	7,00,000	7,00,000
Commission	Nil	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil	Nil
Total Amount	14,00,000	8,00,000	Nil	Nil	7,00,000	7,00,000
Ceiling as per the Act	₹ 90.93 Lakh (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013). However sitting fee shall not be included in this %.					

#1Mr. Saurabh Srivastava was appointed as an Independent Director of the Company w.e.f. August 30, 2017 subject to the approval of shareholders in the ensuing AGM.

#2Mr. Subramaniam Ramnath Iyer was appointed as an Independent Director of the Company w.e.f. November 22, 2017 subject to the approval of shareholders in the ensuing AGM.

#3Mr. Mohit Goyal ceased to be a director of the Company w.e.f. November 22, 2017 due to resignation.

#4Mr. Sunil Kumar Kolanagara has resigned from the Directorship of the Company w.e.f. September 18, 2017 due to withdrawal of nomination.

#5Mr. Sudhir Kumar Sethi has resigned from the Directorship of the Company w.e.f. September 18, 2017 due to withdrawal of nomination.

(C) Remuneration to Key Managerial Personnel other than Managing Director/Manager/Whome-time Director:**TABLE 23**

Particulars of Remuneration:	Virender Jeet Sr VP-Marketing/ Product	Surender Jeet Raj Sr VP- HR/ Operations	Tarun Nandwani VP-Customer Relations/ Delivery	Arun Kumar Gupta CFO	Aman Mourya CS
Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	71,56,335	67,28,310	59,26,065	48,11,220	9,88,705
Value of perquisites u/s 17(2) of the Income Tax Act, 1961	60,327	66,030	28,800	1,04,600	15,000
Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0	0
Stock Option	16,33,010	14,82,090	11,80,250	7,51,065	0
Sweat Equity	0	0	0	0	0
Commission	0	0	0	0	0
Others	78,02,020	66,27,696	61,85,467	26,71,619	2,436
Total Amount	1,66,51,692	1,49,04,126	1,33,20,582	83,38,504	10,06,141

VII. Penalties / Punishment / Compounding of Offences:

TABLE 24

Type	Section of the Companies Act 2013/ 1956	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	441 & 134 of the Companies Act, 2013	Suo moto application made in respect of non disclosure in a report of its Board of Directors of the Company, which shall include particulars of contracts or arrangements of the Company with related parties in Form AOC-2.	7,50,000	NCLT-Delhi Bench	Nil
	441 & 177 of the Companies Act, 2013	Suo moto application made, not taking approval or any subsequent modification of transactions of the Company with related parties from the Audit Committee.	2,00,000	NCLT-Delhi Bench	Nil
	441 of the Companies Act, 2013 & 314 of the Companies Act, 1956	Suo moto application made by the Company due to not passing Special Resolution in respect of appointment of relative of the Director of the Company to hold any "office or place of profit" in the wholly owned subsidiary of the Company.	2,00,000	NCLT-Delhi Bench	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	441, 188 & 189 of the Companies Act, 2013	Suo moto application made in respect of contract or arrangement with a related party with respect to related party's appointment to office or place of profit in the wholly owned subsidiary of the Company simultaneously unable to maintain registers giving separately the particulars of contracts or arrangements to which inter-alia Section 188 applies in such manner and containing such particulars as specified under Rule 16 of the Meetings of Board and its Powers Rules.	1,50,000	Regional Director (North Region)	Nil
	441 & 129 of the Companies Act, 2013	Suo moto application made in respect of non disclosure of the transactions between a reporting enterprise and its related parties in the financial statement of the Company.	2,50,000	NCLT-Delhi Bench	Nil
	441 & 134 of the Companies Act, 2013	Suo moto application made in respect of non disclosure in a report of its Board of Directors of the Company, which shall include particulars of contracts or arrangements of the company with related parties in Form AOC-2.	4,50,000	NCLT-Delhi Bench	Nil

Type	Section of the Companies Act 2013/ 1956	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
	441 & 177 of the Companies Act, 2013	Suo moto application made, not taking approval or any subsequent modification of transactions of the Company with related parties from the Audit Committee.	1,50,000	NCLT-Delhi Bench	Nil
	441 of the Companies Act, 2013 & 314 of the Companies Act, 1956	Suo moto application made by the Company due to not passing special resolution in respect of appointment of relative of the Director of the Company to hold any "office or place of profit" in the wholly owned subsidiary of the Company.	1,50,000	NCLT-Delhi Bench	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	441 & 129 of the Companies Act, 2013	Suo moto application made in respect of non disclosure of the transactions between a reporting enterprise and its related parties in the financial statement of the Company.	NCLT -Delhi Bench	2,50,000	Nil
	441 & 134 of the Companies Act, 2013	Suo moto application made in respect of non disclosure in a report of its Board of Directors of the Company, which shall include particulars of contracts or arrangements of the company with related parties in Form AOC-2.	NCLT -Delhi Bench	2,50,000	Nil
	441 & 177 of the Companies Act, 2013	Suo moto application made, not taking approval or any subsequent modification of transactions of the Company with related parties from the Audit Committee.	NCLT -Delhi Bench	75,000	Nil
	441 of the Companies Act, 2013 & 314 of the Companies Act, 1956	Suo moto application made by the Company due to not passing special resolution in respect of appointment of relative of the Director of the Company to hold any "office or place of profit" in the wholly owned subsidiary of the Company.	NCLT -Delhi Bench	50,000	Nil

For and on behalf of the Board of Directors

Date: May 17, 2018
Place: New Delhi

Diwakar Nigam
Chairman & Managing Director
DIN: 00263222

Annexure 5

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

- i. Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year 2017-18, the percentage increase in remuneration of each of the Director, Chief Financial Officer and Company Secretary during the Financial Year 2017-18:

TABLE 25

Sr. No.	Name of the Person	Remuneration for Financial Year 2017-18 (In ₹ Lakhs)	% increase in Remuneration in Financial Year 2017-18	Ratio of Remuneration of Director to Median Remuneration of employees
1.	Mr. Diwakar Nigam	160.35	87.83	22.50
2.	Mr. T S Varadarajan	76.32	80.29	10.71
3.	Ms. Priyadarshini Nigam	39.28	28.20	5.51
4.	Mr. Arun Kumar Gupta	83.39	55.98	11.70
5.	Mr. Aman Mourya	10.06	15.23	1.41

Non-Executive Directors are not getting any remuneration except sitting fee paid to them for attending the Board and Committee Meetings.

- ii. The number of permanent employees as on March 31, 2018 were 1826 and the median remuneration was ₹ 7,12,534 annually. The median remuneration of employees in Financial Year 2017-18 has increased by 1.95%.
- iii. The average percentile increases already made in the salaries of employees other than managerial personnel in the last Financial Year was 12.20% and the average percentile increase in the remuneration of managerial personnel was 74.28%. The higher percentage in the increase of managerial personnel was based on external benchmarking, growth plans of the Company and individual performance of the managerial personnel.
- iv. The remuneration of Directors and KMPs are in accordance with the Remuneration Policy of the Company which is uploaded on the website of the Company at <https://newgensoft.com>

Statement of particulars under Section 197(12) of the Act and Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the year ended March 31, 2018 (also includes the details of top ten employees of the Company)

- i. The names of the top ten employees in terms of remuneration drawn (remuneration paid in the Financial Year 2017-18) and the name of every employee of the Company, who - if employed throughout the Financial Year 2017-18, was in receipt of remuneration which, in the aggregate, was not less than One Crore and Two Lakh rupees:

TABLE 26

Sr. No.	Name	Designation	Nature of employment, whether contractual or otherwise	Remuneration Received (in ₹ Lakhs)	Age	Qualification	Experience (in years)	Last Employment	Date of Commencement of Employment
1	Diwakar Nigam	Chairman & Managing Director	Permanent	160.35	63	MSC, M. Tech.	35	N.A.	He has been on the Board of the Company since 01-04-1993
2	Virender Jeet	Sr. Vice President	Permanent	166.52	49	B.E	25	N.A.	01-12-1992

Sr. No.	Name	Designation	Nature of employment, whether contractual or otherwise	Remuneration Received (in ₹ Lakhs)	Age	Qualification	Experience (in years)	Last Employment	Date of Commencement of Employment
3	Surender Jeet Raj	Sr. Vice President	Permanent	149.03	61	MSW	38	PCS DG	16-08-1993
4.	Tarun Nandwani	Vice President	Permanent	133.21	46	B.E	25	N.A.	15-07-1993
5	Arun Kumar Gupta	CFO	Permanent	83.39	48	CA, CS, CMA	22	Interra Infotech	15.10.2010
6	R. Krishna Kumar	Vice President	Permanent	133.68	49	B.E	24	Wipro Infotech	01-08-2013
7	Dushyant Kumar	Vice President	Permanent	146.17	58	B.E	36	Softtek Ltd.	16-11-1999
8	Ashish Vikram Singh	Vice President	Permanent	98.94	49	M.E	22	Pitney Bowes	13-01-2014
9	Atin Kumar	Associate Vice President	Permanent	82.03	44	MCA	21	N.A.	03-06-1997
10	Binu Remani Sundaresan	Regional Manager	Permanent	110.35	42	B.Tech	19	Cimcon Software (I) Pvt Ltd	12-07-2010

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

Notes:

- a) Except Mr. Diwakar Nigam, Chairman & Managing Director (holding 26.6% of equity shares himself and 11.5% of equity shares through his spouse), no other employee holding by himself or along with his/her spouse and dependent children, 2% or more of equity shares of the Company.
- b) Mr. Diwakar Nigam is the spouse of Ms. Priyadarshini Nigam, Whole-time Director of the Company
- ii. Details of employee if employed for a part of the Financial Year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Eight Lakh and Fifty Thousand rupees per month. **NIL**
- iii. Details of employee if employed throughout the Financial Year 2017-18 or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company, except the details of employees forming part of this annexure. **NIL**

For and on behalf of the Board of Directors

Date: May 17, 2018
Place: New Delhi

Diwakar Nigam
Chairman & Managing Director
DIN: 00263222

Annexure 6

NOMINATION AND REMUNERATION POLICY OF NEWGEN SOFTWARE TECHNOLOGIES LIMITED

Document Title : Nomination and Remuneration Policy

Last Updated : May 7, 2015

1. Purpose:

This Nomination and Remuneration Policy ("Policy") shall be in compliance with Section 178 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, which is formulated by Nomination and Remuneration Committee and approved by the Board of Directors, to guide the Board on various issues on appointment, evaluate performance, remuneration of Directors, Key Managerial Personnel and Senior Management.

2. Applicability:

This policy is applicable to all types of Directors, Key Managerial Personnel (KMP), and Senior Management team and other employees of Newgen Software Technologies Limited ("Company") as prescribed under Companies Act, 2013

3. Objectives:

This policy is framed with the following objectives:

- I. To guide the Board in relation to the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- II. To evaluate the performance of members of the Board and provide necessary report to the Board for further evaluation.
- III. To attract, retain and motivate the Senior Management including its Key Managerial Personnel, evaluation of their performance and provide necessary report to the Board for further evaluation.
- IV. The relationship of remuneration with performance is clear and meets appropriate performance benchmarks.
- V. To recommend the Board through this policy the Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- VI. To promote and develop a high performance workforce in line with the Company strategy.
- VII. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Director (Executive & Non-Executive/ Independent/ Nominee) and persons who may be appointed in Senior Management, Key Managerial Personnel and determine their remuneration.
- VIII. To determine the remuneration based on the Company's size and financial position and practices in the industry..

4. Definitions:

- I. **"Act"** means Companies Act, 2013 and rules framed thereunder as amended from time to time.
- II. **"Board of Directors" or Board**, in relation to the company, means the collective body of the Directors of the Company.

- III. **“Committee”** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- IV. **“Company”** means **“Newgen Software Technologies Limited”**.
- V. **“Managerial Personnel”** means Managerial Personnel or Persons as applicable under section 196 and other applicable provisions of the Companies Act, 2013.
- VI. **“Policy”** or **“This policy”** means Nomination and Remuneration Policy.
- VII. **“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961.
- VIII. **“Independent Director”** means a Director referred to in Section 149 (6) of the Companies Act, 2013.
- IX. **“Key Managerial Personnel” (KMP)** means the Chief Executive Officer or the Managing Director or the Manager and in their absence the Whole-time Director; The Company Secretary and The Chief Financial Officer.
- X. **“Senior Management”** mean personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors including the functional heads.
- XI. **“Manager”** means an individual who, subject to the superintendence, control and direction of the Board of Directors, has the management of the whole, or substantially the whole, of the affairs of a company, and includes a director or any other person occupying the position of a manager, by whatever name called, whether under a contract of service or not.

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

5 Constitution of Nomination and Remuneration Committee:

- 5.1 The Nomination and Remuneration Committee shall consist of three or more non-executive directors, out of which at least one-half shall be independent director(s), provided that Chairperson of the Company may be appointed as a member of this Committee but shall not chair such Committee.
- 5.2 The Board shall reconstitute/re-constitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and other applicable statutory requirements.
- 5.3 The meeting of Committee shall be held at such regular intervals as may be required to carry out the objectives set out in the Policy.
- 5.4 The Committee members may attend the meeting physically or through Video conference or through permitted audio -visual mode, subject to the provisions of the applicable laws.
- 5.5 Minimum two (2) members shall constitute a quorum for the Committee meeting.
- 5.6 Membership of the Committee shall be disclosed in the Annual Report.
- 5.7 Term of the Committee shall be continued unless terminated by the Board of Directors.
- 5.8 Chairperson of the Committee shall be an Independent Director.
- 5.9 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- 5.10 Chairperson of the Company (whether executive or Non-Executive) may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

- 5.11 Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries
- 5.12 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- 5.14 Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- 5.15 In the case of equality of votes, the Chairman of the meeting will have a casting vote.
- 5.16 The Company Secretary shall act as Secretary to the Committee.

6 Applicability:

The Policy is applicable to Directors (Executive and Non Executive), Key Managerial Personnel and Senior Management Personnel. This policy is divided into 3 parts as follows:

6.1 PART - A: Matters to be Dealt with, Perused and Recommended to the Board by the Nomination and Remuneration Committee:

The Committee shall:

- I. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- II. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy as prescribed under section 178(2) of the Companies Act, 2013.
- III. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel with the criteria laid down in this policy.

6.1 PART - B: Policy for Appointment and Removal of Director, Independent Director KMP and Senior Management:

6.1 Appointment:

- I. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and recommend to the Board his / her appointment.
- II. A person to be act as director should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- III. The Company shall not appoint or continue the employment of any person as Whole-time Director/ Managing Director/CEO who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- IV. For appointing any person as an Independent Director he/she should possess qualifications as mentioned in section 149 of the Companies Act, 2013 and Rule 5 of The Companies (Appointment and Qualification of Directors) Rules, 2014.
- V. The candidate for a position at Company Secretary, Chief Financial Officer and Senior Management level is met by the Head-HR/ Managing Director and the interview is targeted at assessing the candidate on his/her functional and leadership capabilities and cultural fitment to the organisation. The Head-HR/ Managing Director shall ensure that the person possesses adequate qualification, expertise and experience for the position he / she is considered for appointment.

VI. The Head-HR/ Managing Director Managing Director shall assess the shortlisted candidates for the position of Company Secretary, Chief Financial Officer and Senior Management Level.

6.2.2 Disqualifications for Appointment of Directors:

- I. A person shall not be eligible for appointment as a director of a company if (a). He/she is of unsound mind and stands so declared by a competent court; (b). He/she is an undercharged insolvent; (c). He/she has applied to be adjudicated as an insolvent and his application is pending; (d). He/she has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:
- II. If a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period as prescribed in companies Act, 2013, he/she shall not be eligible to be appointed as a director;
- III. If any order disqualifying him/her for appointment as a director has been passed by a court or Tribunal and the order is in force;
- IV. He/she has not paid any calls in respect of any shares of the company held by him/her, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;
- V. He/she has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or He has not complied with sub-section (3) of section 152.
- VI. No person who is or has been a director of a company which (a). Has not filed financial statements or annual returns for any continuous period of three Financial Years; or (b). Has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall be eligible to be re-appointed as a director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so.
- VII. Other disqualification as may be prescribed under Companies Act, 2013 and under any other applicable laws, rules.

6.2.3 Term / Tenure:

- I. The tenure for Directors, Managing Director/ Whole-Time Director/CEO shall be governed by the terms defined in the Companies Act, 2013.
- II. The tenure for other KMPs and Senior Management Personnel will be governed by Newgen HR Policy.

6.2.4 Term / Tenure for Independent Director:

- I. An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for reappointment as specified in Companies Act, 2013. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.
- II. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.
- III. The maximum tenure of Independent Directors shall also be in accordance with the Companies Act, 2013 and clarifications/ circulars issued by the Ministry of Corporate Affairs, in this regard, from time to time.

6.2.5 **Evaluation:**

- I. The HR-Head/Managing Director performs the evaluation of performance of Company Secretary, Chief Financial Officer and Senior Management Personnel at regular intervals as per Newgen HR Policy or he can authorised any official person or respective reporting head of evaluated person to perform this function.
- II. The performance evaluation of Independent Directors shall be done by the Board, excluding the Director being evaluated, basis the contributions made to the Board deliberations on various matters including business strategy, financial strategy, operations, cost and risk management, etc., and suggestions given in this regard.

6.2.6 **Removal:**

- I. Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, subject to the provisions and compliance of the said Act, rules and regulations.
- II. For other KMP or Senior Management Personnel the removal will be governed by Newgen HR Policy.

6.2.7 **Retirement:**

- I. The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing Newgen HR Policy.
- II. The Managing Director will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company subject to the applicable laws and rules.

6.3 **PART – C: Policy Relating to the Remuneration for the Whole-Time Director, KMP and Senior Management Personnel:**

6.3.1 **Evaluation Process :**

- I. The performance metrics shall be defined by the Nomination and Remuneration Committee for Directors, Managing Director/ Whole-Time Director/ CEO and for other KMPs & Senior Management Personnel the metrics shall be determined by the Managing Director and / or HR-Head as per Newgen HR Policy.
- II. An holistic view of the ratings will be reviewed by the Board in relation to Directors, Managing Director/ Whole-Time Director/ CEO, whereas for other KMPs and Senior Management Personnel the same shall be reviewed by the Managing Director and / or HR-Head as per Newgen HR Policy. The Managing Director/ HR-Head shall do qualitative review of the performance based on the efforts put in by the employee, results achieved and impact of the external and internal factors to arrive at the Final Rating.

6.3.2 **Remuneration:**

- I. The revision in the total remuneration is directly linked to the Final Rating for all employees. The remuneration / compensation / commission etc., to other KMPs and Senior Management Personnel will be determined by the Managing Director/ HR-Head in accordance with the Newgen HR Policy, which is based on the Final rating, employee potential and market benchmark compensation.
- II. The ESOP's to the Senior Management Personnel will be determined by the Managing Director/ HR-Head as prescribed under Newgen ESOP Scheme/(s) of the Company.
- III. The remuneration/compensation/commission etc., to the Directors and Managing Director/ Whole-Time Director/ CEO shall be subject to the prior / post approval of the Shareholders of the Company and Central Government wherever required as per Companies Act, 2013.

- IV. The remuneration and commission to be paid to Whole Time Director/Managing Director/Independent Director shall be in accordance with the percentage/ slabs/ conditions laid down in the Articles of Association of the Company and as per the provision of the Companies Act, 2013 and the rules made thereunder.
- V. If any Managerial Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.
- VI. Increments to the existing Remuneration /compensation structure may be recommended by the Managing Director to the Committee and the Board which should be within the slabs approved by the Shareholders in the case of Whole time Director/ Managing Director. Where any insurance is taken by the Company on behalf of its Whole-Time Director, Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary and any other employee for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such Insurance may be treated as part of the remuneration.
- VII. An Independent Director, promoter director shall not be entitled to any stock Option of the Company as prescribed under Companies Act, 2013.

6.3.3 Sitting Fees:

- I. The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof and by way of other means as may be prescribed by applicable laws. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

7 Amendment to the Policy:

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

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

Annexure 7

Corporate Social Responsibility (CSR) Report

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

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

Newgen looks at CSR differently. We relate this to the Company's core values, precisely driven by the Newgen's Code of Ethics & Business Conduct. We see our employees as a part of Newgen family and thus the Community we dwell in becomes our extended family. We thus do not connect it to our business or profit. It is not only our moral and social responsibility as a Corporate, but the obligation to empower them so that India becomes an empowered nation in the years to come.

Newgen's sustainability strategy is premised on the belief that transformational capacity of business can be very effectively leveraged to create significant societal value through a spirit of innovation and enterprise. The sustainability strategy aims to significantly contribute to both social and economic development of young minds who would impact future of the nation. Presently we are dealing with 1500+ children under our Newgen Digital Discovery Paathshala (NDDP) program and 1000+ children for mid-day meal with Akshaya Patra Foundation. Our CSR Programs are as below:

- i. **Newgen Digital Discovery Paathshala (NDDP):** The NDDP program is based on empowering children through Digital Education. This stems from the vision of Newgen's Chairman & Managing Director, Mr. Diwakar Nigam. It aims at transforming their classroom sessions into fun-learning activities. To make their education more meaningful, to achieve the same, their school curriculum is taken as the baseline. The Newgen Digital Discovery Paathshala is a fun place to learn the textbook concepts digitally. Also, Newgen's facilitators are using methodologies like role play, quiz, movies and presentations while conducting the sessions.
- ii. **NDDP at Harkesh Nagar:** Newgen has adopted Government's Girls' Senior Secondary School, Harkesh Nagar, Okhla. It is currently conducting classes for 1300+ children of 6th, 7th and 8th Standard.
- iii. **NDDP at Soami Nagar:** After the successful completion of NDDP Pilot run for 150 children in the month of February 2017, for 6th, 7th and 8th Standard students at Soami Nagar Model School, Newgen has adopted the school in April 2017. The students are taught lessons using I-Pads, presentations and audio visuals.
- iv. **Partnership with Akshaya Patra Foundation:** Newgen has recently collaborated with Akshaya Patra to provide mid-day meal to 1000+ children in Government schools.
- v. **Partnership with SOS Village:** Newgen has adopted six family houses at SOS Children's Village. Three are in Greenfields, Faridabad i.e. house number 6, 10 and 11 and three family houses at SOS Bhopal i.e. house number 1, 2 and 3. Each house has ten children looked after by one mother. Newgen volunteers conduct fun learning activities like arts & craft, diya painting, quizzes, quelling workshop with the children and SOS mothers.
- vi. **SOS Youth Hostel:** Personality Development sessions are conducted by "I AM" a professional organisation, dealing with youth. The organisation conducts Personality development and career counseling sessions. Once a month, children from SOS Youth hostel and Sadbhavna join in the session. These sessions help to build self confidence, self esteem and enhance the personality development of the children. As a monitoring mechanism the organisation submits an impact report of the activities conducted during the year.

Web-link to the CSR Policy:

<https://newgensoft.com/company/about-newgen/corporate-social-responsibility/>

2. The Composition of the CSR Committee:

CSR Committee of the Board of Directors consists of Ms. Priyadarshini Nigam, Whole -Time Director, Mr. T.S. Varadarajan, Whole time Director and Mr. Kaushik Dutta, Independent Director. Ms. Priyadarshini Nigam is the Chairperson of the CSR Committee.

3. Average net profit of the company for last three Financial Years:

₹ 5306.58 Lakhs

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

₹ 106.13 Lakhs

5. Details of CSR spent during the Financial Year 2017-18:

(a) Total amount spent during the Financial Year: ₹ 107.31 Lakhs

(b) Amount unspent, if any: NIL

(c) Manner in which the amount spent during the Financial Year is detailed below.

TABLE 27

(1) S. No	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs Sub - heads: (1) Direct expenditure on projects or programs (2) Overheads	(7) Cumulative expenditure upto to the reporting period	(8) Amount spent: Direct or through implementing agency*
1.	Adoption of SOS Village - Children Families	Promoting preventive healthcare & Education	Delhi NCR	₹ 33.75 Lakhs	₹ 33.75 Lakhs	₹ 33.75 Lakhs	Implementing Agency. Through SOS Children Village
2.	Adoption of SOS Village Children Families, Training, and educating orphaned children	Promoting preventive healthcare & Education	Bhopal	₹ 33.75 Lakhs	₹ 33.75 Lakhs	₹ 33.75 Lakh	Implementing Agency. Through SOS Children Village

(1) S. No	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs Sub - heads: (1) Direct expenditure on projects or programs (2) Overheads	(7) Cumulative expenditure upto to the reporting period	(8) Amount spent: Direct or through implementing agency*
3.	Newgen Digital Discovery Paathshala	Promoting Preventive Healthcare, Sanitation, Education & empowering Women	Delhi NCR	₹ 28.12 Lakhs	₹ 28.12 Lakhs	₹ 28.12 Lakhs	Direct
4.	Personality development, Training, education of children	Promoting Preventive Healthcare, Sanitation, Education & empowering Women	Delhi NCR	₹ 1.69 Lakhs	₹ 1.69 Lakhs	₹ 1.69 Lakhs	Direct
5.	Akshaya Patra Foundation- Partnership	Promoting preventive healthcare & Education	Delhi NCR	₹ 10 Lakhs	₹ 10 Lakhs	₹ 10 Lakhs	Implementing Agency. Through Akshaya Patra Foundation
6.	Expenditure on administrative overheads	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
TOTAL				107.31 Lakhs	107.31 Lakhs	107.31 Lakhs	

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

Not Applicable

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

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

For and on behalf of the Board of Directors

Date: May 17, 2018
Place: New Delhi

Priyadarshini Nigam
(Chairperson -CSR Committee)
DIN: 00267100

Diwakar Nigam
Chairman & Managing Directors
DIN: 00263222

Annexure 8

Report on Corporate Governance

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 became applicable to the Company w.e.f. January 29, 2018, i.e. the date when the Equity Shares of face value of ₹10/- of the Company got listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The information stated herein pertains to the Financial Year 2017-18.

I. Corporate Governance Philosophy:

Your Company's philosophy on Corporate Governance envisages accomplishment of a high level of transparency, integrity, honesty and accountability in the conduct of its businesses and puts high prominence towards regulatory compliances. Effective Corporate Governance practices constitute the strong foundation on which successful business organisation are built to last. At Newgen, Corporate Governance is considered as a benchmark for efficient working of the Board of Directors, Management reviews, strong control procedures and a guiding culture for employees. Your Company always strives to adopt best global practices in the Corporate Governance and remains up-to-date with the continuous developments in the Corporate Governance practices.

II. Board of Directors:

- a) As on March 31, 2018, the Board comprises of six Directors, out of which three Directors (i.e. 50%) are Executive Directors including one-woman Director and three Directors (i.e. 50%) are Non-Executive Directors in the category of Independent Directors. The profiles of the Directors can be found on the Company's website: <https://newgensoft.com>. The composition of the Board is in conformity with the requirements of the Companies Act, 2013 (the "Act") including the rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- b) None of the Directors on the Board hold directorships in more than ten public

Companies. Further none of them is a member of more than ten Committees or chairman of more than five Committees across all the public Companies in which he is a Director, as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Necessary disclosures regarding their directorship and the Committee positions in other public Companies as on March 31, 2018 have been made by the Directors.

- c) Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149(6) of the Act. The maximum tenure of Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Companies Act, 2013.
- d) As on March 31, 2018, there are no institutional nominee director on the Board of the Company.
- e) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the Financial Year 2017-18 and at the last Annual General Meeting (AGM) and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited Companies as on March 31, 2018 are given herein below. For the purpose of determination of the limit of Directors, in the Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has alone been considered as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

TABLE 28

Name of the Director	Category & Designation	Whether attended last AGM held on July 28, 2017	Number of Directorship in other public listed entities #1	Number of memberships in Committee(s) in other public listed entities.	Number of post of Chairperson in Committee (s) in other public listed entities.
Mr. Diwakar Nigam ^{#2}	Promoter, Executive, Chairman and Managing Director	Yes	-	-	-
Mr. T.S. Varadarajan	Promoter, Executive, Whole - Time Director	Yes	-	-	-
Ms. Priyadarshini Nigam	Executive, Whole - Time Director	No	-	-	-
Mr. Kaushik Dutta	Non - Executive, Independent Director	No	2	2	2
Mr. Saurabh Srivastava ^{#3}	Non - Executive, Independent Director	N.A.	4	5	2
Mr. Subramaniam Ramnath Iyer ^{#4}	Non - Executive, Independent Director	N.A.	-	-	-
Mr. Mohit Goyal ^{#5}	Non- Executive, Independent Director	Yes	N.A.	N.A.	N.A.
Mr. Sunil Kolanagara ^{#6}	Non- Executive, Nominee Director	No	N.A.	N.A.	N.A.
Mr. Sudhir Sethi ^{#7}	Non- Executive, Nominee Director	No	N.A.	N.A.	N.A.

^{#1} The above list of other Directorship is based on declaration given by respective Director and does not include Directorship in private limited companies, Foreign Companies and Section 8 Company of the Companies Act, 2013.

^{#2} Mr. Diwakar Nigam, Managing Director was also appointed as the Chairman of the Company w.e.f. June 14, 2017.

^{#3} Mr. Saurabh Srivastava was appointed as an Independent Director of the Company w.e.f. August 30, 2017 subject to the approval of shareholders in the ensuing AGM.

^{#4} Mr. Subramaniam Ramnath Iyer was appointed as an Independent Director of the Company w.e.f. November 22, 2011 subject to the approval of shareholders in the ensuing AGM.

^{#5} Mr. Mohit Goyal ceased to be a director of the Company w.e.f. November 22, 2017 due to resignation.

^{#6} Mr. Sunil Kolanagara has resigned from the Directorship of the Company w.e.f. September 18, 2017 due to withdrawal of nomination by Ascent India Fund III

^{#7} Mr. Sudhir Sethi has resigned from the Directorship of the Company w.e.f. September 18, 2017 due to withdrawal of nomination by IDG Ventures India Fund II LLC

- f) During the Financial Year 2017-18, total 9 Board meetings were held as per details given below:

TABLE 29

Name of the Director	Category	Date(s) of the Board Meetings								
		25.04. 2017	14.06. 2017	18.09. 2017	21.09. 2017	24.11. 2017	05.01. 2018	19.01. 2018	24.01. 2018	28.03. 2018
Mr. Diwakar Nigam	Promoter, Chairman and Managing Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. T.S. Varadarajan	Promoter, Executive, Whole - Time Director	Yes	Yes	Yes	Yes	No	Yes	No	Yes	Yes
Ms. Priyadarshini Nigam	Executive, Whole - Time Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Kaushik Dutta	Non- Executive and Independent Director	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes
Mr. Saurabh Srivastava	Non- Executive and Independent Director	N.A.	N.A.	Yes	No	Yes	No	Yes	Yes	Yes
Mr. Subramaniam Ramnath Iyer	Non- Executive and Independent Director	N.A.	N.A.	N.A.	N.A.	Yes	Yes	Yes	Yes	Yes
Mr. Mohit Goyal	Non- Executive and Independent Director	Yes	Yes	Yes	No	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Sunil Kolanagara	Non-executive and Nominee Director	Yes	Yes	No	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Sudhir Sethi	Non-executive and Nominee Director	No	Yes	Yes	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

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

g) Disclosure of relationship between Directors inter-se:

Except Ms. Priyadarshini Nigam, Whole-time Director who is the spouse of Mr. Diwakar Nigam, Chairman & Managing Director of the Company, none of the other Director is a relative of another Director(s).

h) Details of Equity Shares of the Company held by the Directors as on March 31, 2018 are given below:

TABLE 30

Name of the Director	Category	Number of Equity Shares
Mr Diwakar Nigam	Chairman and Managing Director	1,84,22,406
Mr. T.S. Varadarajan	Whole-time Director	1,50,09,306
Ms. Priyadarshini Nigam	Whole-time Director	79,68,906
Mr. Kaushik Dutta	Independent Director	NIL
Mr. Saurabh Srivastava	Independent Director	NIL
Mr. Subramaniam Ramnath Iyer	Independent Director	NIL

As on March 31, 2018, the Company does not have any outstanding convertible instruments.

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

With a view to familiarise Independent Directors, as required under Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV to the Companies Act, 2013, Newgen Software Technologies Limited (the "Company") has introduced a program to familiarize the Independent Directors with the Company, their roles, rights and responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc.

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

Orientation Programme upon Induction of New Director:

A set of information is being handed over to the new inductee, which includes the latest Annual Report and various policies such as Code of Conduct, Whistle Blower Policy, Nomination & Remuneration Policy, Policy on

Related Party Transactions, Insider Trading etc. A detailed Appointment Letter is being issued to the Independent Directors incorporating the role, duties and responsibilities, remuneration and performance evaluation process etc. A brief introduction is being provided about the Company, its subsidiaries and associate companies.

Other Initiatives to update the Directors on a continuing basis:

Meetings with Company's officials have been arranged as and when necessary to understand the business and operations of the Company. The presentations at Board meetings include updates on business operations and financial performance, working capital management, senior management changes, compliances, cash flow, budgets, operation of the Company's subsidiaries.

The familiarisation of Independent Directors can be found on the website of the Company: <https://newgensoft.com>.

III. Composition of Committees of the Board:

There are total five (5) Board Committees as on March 31, 2018 comprising four (4) mandatory Committees and one (1) other Committee that have been constituted considering the best practices in Corporate Governance and needs of the Company:

1. Audit Committee:

The Board had constituted first Audit Committee at its meeting held on November 18, 2002 and subsequently reconstituted the Committee from time to time. At present, Committee was constituted by the Board on November 22, 2017 and is in compliance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms of reference of the Audit Committee are as set forth below:

Powers of Audit Committee:

The Audit Committee shall have powers, including the following:

- (1) To investigate any activity within its terms of reference;
- (2) To seek information from any employee;
- (3) To obtain outside legal or other professional advice; and
- (4) To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee

The role of the Audit Committee shall include the following:

- (1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- (2) Recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) Reviewing, the financial statements with respect to its unlisted Subsidiary(ies), in particular investments made by such subsidiary(ies) of the Company;
- (5) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-Section 3 of Section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions; and
 - g. Modified opinion(s) in the draft audit report.
- (6) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- (7) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights

issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- (8) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (9) Approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;

Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.

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

- (18) Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (19) Recommending to the board the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
- (20) Reviewing the functioning of the whistle blower mechanism;
- (21) Overseeing the vigil mechanism established by the Company, with the chairman of the audit Committee directly hearing grievances of victimisation of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
- (22) Carrying out any other functions required to be carried out by the audit Committee in terms of applicable law.

The audit Committee shall mandatorily review the following information:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit Committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses;
- e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit Committee; and
- f) Statement of deviations in terms of the SEBI listing regulations:
 - i. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the SEBI listing regulations;
 - ii. Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of the SEBI listing regulations.

A. Composition of the Audit Committee during the Financial Year 2017-18:

TABLE 31

Name of the Committee Member	Category & Designation	Chairman/ Member
Mr. Kaushik Dutta	Non-Executive, Independent Director	Chairman
Mr. Saurabh Srivastava ^{#1}	Non-Executive, Independent Director	Member
Mr. Subramaniam Ramnath Iyer ^{#2}	Non-Executive, Independent Director	Member
Mr. Mohit Goyal ^{#3}	Non-Executive, Independent Director	Member
Mr. Sunil Kolangara ^{#4}	Non-Executive, Nominee Director	Member

^{#1} Mr. Saurabh Srivastava was appointed as an Independent Director of the Company w.e.f. August 30, 2017 subject to the approval of shareholders in the ensuing AGM. He was appointed as member of the Committee by the Board of Directors in its meeting held on September 18, 2017.

^{#2} Mr. Subramaniam Ramnath Iyer was appointed as an Independent Director of the Company w.e.f. November 22, 2017 subject to the approval of shareholders in the ensuing AGM. He was appointed as Member of the Committee on November 22, 2017 through Board Circular Resolutions.

^{#3} Mr. Mohit Goyal ceased to be a member of the Committee w.e.f. November 22, 2017 due to resignation from the directorship of the Company.

^{#4} Mr. Sunil Kolangara ceased to be a member of the Committee w.e.f. September 18, 2017 due to withdrawal of nomination.

B. Attendance of the members at the Audit Committee meeting held during the Financial Year 2017-18:

TABLE 32

Name of the Committee Member	Category & Designation	Date(s) of the meeting			
		14.06.2017	18.09.2017	24.11.2017	28.03.2018
Mr. Kaushik Dutta	Non-Executive, Independent Director	YES	YES	NO	YES
Mr. Saurabh Srivastava	Non-Executive, Independent Director	N.A.	N.A.	YES	YES
Mr. Subramaniam Ramnath Iyer	Non-Executive, Independent Director	N.A.	N.A.	YES	YES
Mr. Mohit Goyal	Non-Executive, Independent Director	YES	YES	N.A.	N.A.
Mr. Sunil Kolangara	Non-Executive, Nominee Director	YES	NO	N.A.	N.A.

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

2. Nomination & Remuneration Committee:

The Board had constituted Remuneration Committee at the Board Meeting held on November 18, 2002. It was renamed as "Nomination & Remuneration Committee" on June 12, 2014 and was last reconstituted on November 22, 2017. The composition and terms of reference of the Nomination & Remuneration Committee are in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and

recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;

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

- the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- Formulation of criteria for evaluation of independent directors and the Board;

- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance (including independent director);
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of directors; and
- Carrying out any other functions required to be undertaken by the Nomination & Remuneration Committee under applicable law."

Administer and implement the Newgen ESOP-2014 Scheme including:

- delegation of duties and powers in whole or in part as it determines, to one or more officers of the Company and/ or to any one or more sub-Committees in respect of Newgen ESOP schemes;
- to choose eligible employees for grant of Options and formulate the detailed terms and conditions of the scheme;
- to meet at such intervals as may be required for consideration of grant of Options and for giving Options to exercise;
- to take decision about the criteria of employees to whom shares, under Newgen ESOP-2014 scheme, to be directly issued or through transfer of shares from trust as may be set up under this scheme; and
- to do all such other act and matters as may be provided in the Newgen ESOP-2014 Scheme and empowered by the Board of Directors time to time.

B. Composition of the Nomination & Remuneration Committee during the Financial Year 2017-18:

TABLE 33

Name of the Committee Member	Category	Chairman/ Member
Mr. Subramaniam Ramnath Iyer ^{#1}	Non-Executive, Independent Director	Chairman
Mr. Saurabh Srivastava ^{#2}	Non-Executive, Independent Director	Member
Mr. Kaushik Dutta	Non-Executive, Independent Director	Member
Mr. Mohit Goyal ^{#3}	Non-Executive, Independent Director	Member
Mr. Sudhir Sethi ^{#4}	Non-Executive, Nominee Director	Member

^{#1} Mr. Saurabh Srivastava was appointed as an Independent Director of the Company w.e.f. August 30, 2017 subject to the approval of shareholders in the ensuing AGM. He was appointed as member of the Committee by the Board of Directors in its meeting held on September 18, 2017.

^{#2} Mr. Subramaniam Ramnath Iyer was appointed as Chairman of the Committee w.e.f. November 22, 2017 subject to the approval of shareholders in the ensuing AGM. He was appointed as Member of the Committee on November 22, 2017 through passing Board Circular Resolutions.

^{#3} Mr. Mohit Goyal, Chairman of the Committee, ceased to be a member of the Committee w.e.f. November 22, 2017 due to resignation from the directorship of the Company.

^{#4} Mr. Sudhir Sethi ceased to be a member of the Committee w.e.f. September 18, 2017 due to withdrawal of nomination.

C. Meetings and attendance of the Nomination & Remuneration Committee meeting held during the Financial Year 2017-18:

During the Financial Year 2017-18 total 3 Nomination & Remuneration Committee meetings were held as below:

TABLE 34

Name of the Committee Member	Category	Date of the meeting		
		14.06.2017	30.08.2017	18.09.2017
Mr. Subramaniam Ramnath Iyer	Non-Executive, Independent Director	N.A.	N.A.	N.A.
Mr. Saurabh Srivastava	Non-Executive, Independent Director	N.A.	N.A.	N.A.
Mr. Kaushik Dutta	Non-Executive, Independent Director	YES	YES	YES
Mr. Mohit Goyal	Non-Executive, Independent Director	YES	YES	YES
Mr. Sudhir Sethi	Non-Executive, Nominee Director	YES	YES	YES

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

D. Board Annual Evaluation:

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19(4) read with Part D of the Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, Board Committees and that of the Individual Director.

The performance of the Board was evaluated by the Board itself after seeking the inputs from all the directors on the basis of the criteria such as structure & composition of Board Culture, effectiveness of Board processes, functioning, execution and performance of specific duties, obligations and governance etc. The performance of Committees was evaluated by the Board after seeking inputs from respective Committee members on the basis of the criteria such as composition of Committees, effectiveness of Committee meetings, and quality of recommendation to the Board etc.

The Board and the Nomination & Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role. In a separate meeting of Independent Directors, performance of Non-Independent

Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting held on May 17, 2018.

The performance evaluation of the Independent Directors was carried out by the entire Board. All the Directors expressed their satisfaction with the evaluation process.

E. Details of the Remuneration of Directors:**(i) Pecuniary transactions with Non-Executive Directors:**

During the year under review, there was no pecuniary transaction with any of the Non-Executive Director of the Company except payment of sitting fees.

The Register of Contracts is maintained by the Company under Section 189 of the Act and the same is placed before the Board for approval from time to time, as required.

(ii) Criteria of making payments to Non-Executive Directors:

Independent Directors ("ID") and Non-Executive Directors ("NED") receive remuneration of ₹ 1,00,000 (Rupees One Lakh) by way of sitting fees for attending each of the meeting of the Board and of the Committees which is within the limits prescribed under the provisions of the Companies Act, 2013.

(iii) Details of Remuneration to Directors:**TABLE 35****■ Non-Executive Directors:**

Name	Sitting Fees (₹ in Lakhs)	Other Expenses reimbursed, if any
Kaushik Dutta	14	Nil
Saurabh Srivastava	7	Nil
Subramaniam Ramnath Iyer	7	Nil
Mohit Goyal	8	Nil

■ Executive Directors:

(in ₹)

Particulars	Name of the Executive Directors		
	Diwakar Nigam	T.S. Varadarajan	Priyadarshini Nigam
Salary	15970240	7543360	3888400
Benefits, Perquisites & Allowances	64440	88428	39600
Commission	-	-	-
Bonus	-	-	-
ESOPs	-	-	-

- Mr. Diwakar Nigam has been appointed as Managing Director by the shareholders, in 25th Annual General Meeting, for the period of three years with effect from June 1, 2017.

- Mr. T.S. Varadarajan has been appointed as Whole-time Director by the shareholders, in 25th Annual General Meeting, for the period of three years with effect from June 1, 2017.
- Ms. Priyadarshini Nigam has been appointed as Whole-time Director by the shareholders, in 25th Annual General Meeting, for the period of three years with effect from June 1, 2017.

3. Stakeholders' Relationship Committee:

The Board constituted the Stakeholders Relationship Committee on June 14, 2017 and had last reconstituted the Committee on November 22, 2017 and the composition is in compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- a. Considering and resolving grievances of shareholders, and other security holders;
- b. Redressal of grievances of the security holders of the Company, including complaints in respect of allotment of Equity Shares, transfer of Equity Shares, non-receipt of declared dividends, annual reports, balance sheets of the Company, etc.;
- c. Allotment of Equity Shares;
- d. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.; and
- e. Carrying out any other functions required to be undertaken by the Stakeholders' Relationship Committee under applicable law.

B. Composition of the Stakeholders' Relationship Committee during the Financial Year 2017-18:

TABLE 36

Name of the Committee Member	Category	Chairman/ Member
Mr. Subramaniam Ramnath Iyer	Non-Executive, Independent Director	Chairman
Mr. Diwakar Nigam	Executive Director	Member
Mr. T.S. Varadarajan	Executive Director	Member

C. Meetings and attendance of the Stakeholders' Relationship Committee meeting held during the Financial Year 2017-18:

During the Financial Year 2017-18 no meeting of the Committee was held.

D. Details of Investor Complaints received and redressed during the year 2017-18 are as follows:

In view of listing of Company's equity shares on stock exchanges, during the year i.e. effective January 29, 2018, the communication and / or correspondence received during the aforesaid period were primarily pertaining to the Initial Public Offer of the equity shares of the Company of ₹ 10 each ("IPO"). These correspondences included queries regarding:

- non- receipt of refund order; and
- non-receipt of electronic credit of shares.

During the period from the date of listing till March 31, 2018, the Company received and disposed off 79 investor queries/ complaints. All the grievances were resolved to the satisfaction of shareholders and investors, and as on March 31, 2018, there were no pending issues to be addressed or resolved.

E. Name, Designation and Contact details of Compliance Officer:

Mr. Aman Mourya,
Company Secretary & Compliance Officer

Newgen Software Technologies Limited
E-44/13, Okhla Phase - II,
New Delhi - 110 020
Phone: 91-11 46533200
E-mail: investors@newgensoft.com

4. Corporate Social Responsibility Committee (CSR):

The Board has constituted Corporate Social Responsibility Committee on June 12, 2014 and its composition and terms of reference are in compliance with Section 135 of the Companies Act, 2013.

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

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy of the Company which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- To recommend the amount of expenditure to be incurred on activities referred in the law;
- To monitor the Corporate Social Responsibility Policy of the Company from time to time;
- To take decisions and to spend the amount in CSR related activities and projects as defined in the CSR Policy of the Company.

B. Composition of the Corporate Social Responsibility Committee during the Financial Year 2017-18:**TABLE 37**

Name of the Committee Member	Category	Chairman/ Member
Ms. Priyadarshini Nigam	Executive Director	Chairperson
Mr. Kaushik Dutta	Non-Executive, Independent Director	Member
Mr. T.S. Varadarajan	Executive Director	Member

C. Meetings and attendance of the Corporate Social Responsibility Committee meeting held during the Financial Year 2017-18:

During the Financial Year 2017-18 one Corporate Social Responsibility Committee meeting was held as below:

TABLE 38

Name of the Committee Member	Category	Date of the meeting 14.06.2017
Ms. Priyadarshini Nigam	Executive Director	YES
Mr. Kaushik Dutta	Non-Executive, Independent Director	YES
Mr. T.S. Varadarajan	Executive Director	YES

5. Other Committees**5.1. Finance and Operations Committee:**

The Board has constituted the Finance Committee on January 22, 2008 and it was last reconstituted and renamed as "Finance and Operations Committee" on March 28, 2018.

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

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

B. Composition of the Finance and Operation Committee during Financial Year 2017-18:**TABLE 39**

Name of the Committee Member	Category	Chairman/ Member
Mr. T.S. Varadarajan	Executive Director	Chairman
Mr. Diwakar Nigam	Executive Director	Member
Ms. Priyadarshini Nigam	Executive Director	Member

Whereas, Mr. Arun Kumar Gupta will be permanent invitee to this Committee.

C. Meetings and attendance of the Finance and Operation Committee meeting held during Financial Year 2017-18:

During the Financial Year 2017-18 no meeting of the Committee was held.

5.2. IPO Committee and Investors Selling Shareholders Committee:

The Board constituted two Committees viz (1) IPO Committee to complete various legal, statutory and procedural formalities, including appointment of various intermediaries, filing the draft red herring prospectus (the "DRHP") with the SEBI and filing the red herring prospectus (the "RHP") and the prospectus in relation to the Offer (the "Prospectus") with the SEBI, the stock exchanges, and the Registrar of Companies or any other statutory agencies or relevant authorities in respect of Initial Public Offer (the "offer") and (2) Investors Selling Shareholders Committee to facilitate the matters pertaining to the QIPO as stated in the Amendment to SHA agreement. Both the aforementioned Committees were on September 18, 2017.

The IPO Committee was comprised of the following Directors:

- i. Mr. Diwakar Nigam, Chairman & Managing Director, (*Chairperson*);

- ii. Mr. T.S. Varadarajan, Whole Time Director, (*Member*); and

- iii. Ms. Priyadarshini Nigam, Whole-time Director, (*Member*);

During the year under review, the IPO Committee met 2 times on September 27, 2017 and January 15, 2018.

The Investors Selling Shareholders Committee was comprised of the following members:

- i. Mr. Sudhir Kumar Sethi (nominee of Investor);
- ii. Mr. Sunil Kumar Kolangara (nominee of Investor); and
- iii. Mr. Diwakar Nigam (nominee of the Promoter)

The Investors Selling Shareholders Committee did not convene any meeting during the Financial Year 2017-18.

The Board has dissolved both the Committees (i.e. IPO Committee & Investors Selling Shareholders Committee) on March 28, 2018 as the purposes of the Committees were accomplished after successful IPO.

IV. General Meetings:

A. Annual General Meeting ("AGM"):

During the preceding three years, the AGMs of the Company were held at D-152, Okhla Phase-I, New Delhi - 110 020; details thereof are tabulated below:

TABLE 40

AGM	Date & Time of AGM	Details of Special resolutions
23 rd AGM	17.08.2015 at 4.30 PM	<ol style="list-style-type: none"> 1. Alteration of Articles of Association ("AOA") by replacing clause 38 in relation to quorum for Board Meeting. 2. Alteration of AOA by replacing clause 40 in relation to notice of Board Meeting. 3. Alteration of AOA by replacing clause 44A to make AOA consistent with Companies Act, 2013

AGM	Date & Time of AGM	Details of Special resolutions
24 th AGM	22.08.2016 at 4.30 PM	<ol style="list-style-type: none"> 1. Modification in AOA by inserting new definition of “QIPO” 2. Modification in AOA by replacing clause 52 in relation to “QIPO” 3. Modification in AOA by replacing clause 58.6: Promoters issue Buy- back response notice 4. Re-appointment & Remuneration of Mr. Diwakar Nigam as Managing Director of the company. 5. Re-appointment & Remuneration of Mr. T.S. Varadarajan as Whole-time Director of the company. 6. Re-appointment & Remuneration of Ms. Priyadarshini Nigam as Whole-time Director of the company. 7. To increase the borrowing powers/limits upto ₹1,25,00,00,000 8. SR under Section 180(1)(a) of the Companies Act 2013 to increase the limit upto ₹1,25,00,00,000
25 th AGM	28.07.2017 at 4.30 PM	<ol style="list-style-type: none"> 1. Authorisation to Newgen ESOP trust for Secondary Acquisition of Equity Shares. 2. To increase the Authorised Share Capital to ₹1,10,00,00,000 & consequent alteration in MOA. 3. AdOption of new set of AOA with requirements of Companies Act & SEBI Regulations. 4. Raising of Capital through IPO 5. Increase in FPI shareholding limit to 49% of paid up equity share capital of the Company. 6. Increase in NRI shareholding limit to 24% of paid up equity share capital of the Company. 7. Revision of remuneration of Mr. Diwakar Nigam, Managing Director. 8. Revision of remuneration of Mr. T.S. Varadarajan, Whole-time Director. 9. Revision of remuneration of Ms. Priyadarshini Nigam, Whole-time Director. 10. Ratification of Appointment of Ms. Shubhi Nigam, daughter of Mr. Diwakar Nigam, Chairman & Managing Director and Ms. Priyadarshini Nigam, Whole-time Director, to hold an office or place of profit 11. To approve & take on record the expiration of Equity Shares with DVR. 12. Amendment to Newgen Employee Stock Option Scheme-2014. 13. Approval for extending benefits of Newgen Employee Stock Option Scheme-2014 to employees of Subsidiary Company(s).

B. Extra-Ordinary General Meeting (“EGM”):

During the preceding three years, the EGMs of the Company were held as tabulated below:

TABLE 41

Date & Time of EGM	Place of Meeting	Details of Special Resolution
27.03.2015 at 11.30 AM	A-6, Satsang Vihar Marg, Qutub Institutional Area, New Delhi - 110 067.	No special resolution was required to pass.
17.03.2017 at 10.30 AM	D-152, Okhla Phase-I, New Delhi - 110 020.	<ol style="list-style-type: none"> 1. Increase in Authorised Share Capital to ₹ 76,40,00,000 & consequent alteration of Memorandum of Association 2. Alteration of AOA due to change in Authorised Share Capital 3. Conversion of Compulsorily Convertible Preference Shares into equity shares.

No resolution of shareholders was passed through postal ballot in the above-mentioned AGMs and EGMs.

V. Means of Communication:

During the year under review, your Company before getting its equity shares listed on stock exchange (i.e. BSE and NSE) published its financial results on its website. Post listing of the Company, (w.e.f. January 29, 2018) quarterly and annual financial results are published on the website of the Company: <https://newgensoft.com> also in Financial Express and Jansatta, which are national and local daily newspapers respectively.

The Investor Relations team also conducts conference call with investors / analysts on the results published, if any, after Board meeting. The Company also informs the Stock Exchanges in a prompt manner, all price sensitive information and such other matters which, in its opinion, are material and relevant for the shareholders. The Company's website: <https://newgensoft.com>, contains information as prescribed under the Companies Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including details of the contact persons and Registrar & Transfer Agent of the Company, shareholding pattern, etc. Information published by the Company i.e. financial results, press release are also available on Company's website. Further, all news releases, transcripts of conference calls, Investor Presentation, if any and other communications to stock exchanges, are also uploaded on the Company's website.

VI. General Shareholder Information:**A. 26th Annual General Meeting:**

The date, time and venue of the Twenty sixth (26th) Annual General Meeting of the Company

is provided hereunder:

Day & Date : Thursday, August 9, 2018

Time : 11:00 A.M.

Venue : National Cooperative Consumers' Federation of India Limited (NCUI) Complex, 3, Siri Institutional Area, August Karanti Marg, Hauz Khas, New Delhi - 110 016.

B. Next Financial Year:

Financial Year: April 1, 2018 to March 31, 2019.

C. Date of Dividend Payment:

Dividend on equity shares, if declared, at the ensuing AGM, will be credited/dispatched on or after August 9, 2018 within the time limit as prescribed under Companies Act 2013. as under:

- i. the book closure period will be from August 3, 2018 to August 9, 2018 inclusive of both days;
- ii. to all those beneficial owners holding shares in electronic form, as per the beneficial ownership data made available to the Company by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as of the close of business hours on August 2, 2018; and
- iii. to all those shareholders holding shares in physical form, after giving effect to all the valid share transfers lodged with the Company/Registrar and Transfer Agent (i.e. Karvy Computershare Private Limited) on or before the closing hours on August 2, 2018.

D. Listing on Stock Exchanges:

The Equity Shares of face value of ₹ 10/- each of the Company got listed on January 29, 2018, on the following Stock Exchanges with the ISIN INE619B01017:

TABLE 42

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

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has entered into uniform listing agreements with BSE and NSE, the listing fee payable to these stock exchanges have been paid in full at the time of listing of the equity shares of the Company.

E. Market Price Data:

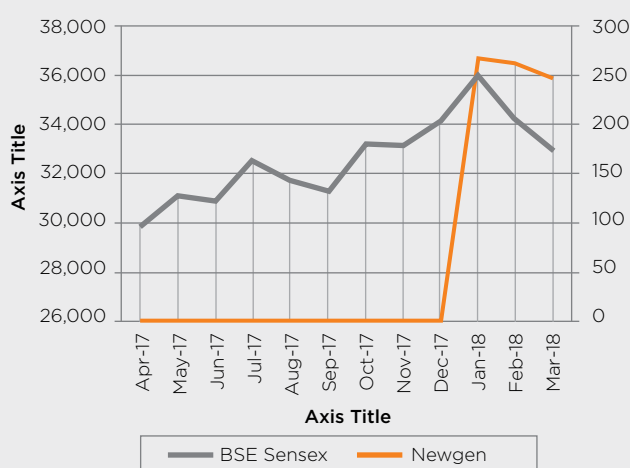
Monthly highs and lows of Company's shares during the Financial Year 2017-18:

TABLE 43

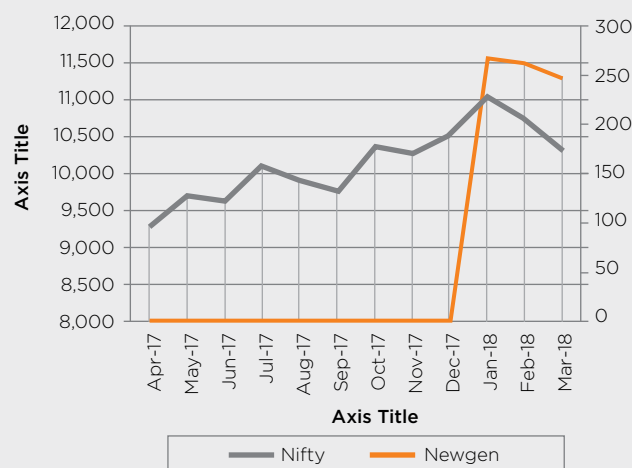
Month	BSE		NSE		BSE Sensex (Closing)	CNX Nifty (Closing)
	High	Low	High	Low		
Apr-17	-	-	-	-	29,918.4	9,304.05
May-17	-	-	-	-	31,145.8	9,621.25
Jun-17	-	-	-	-	30,921.6	9,520.9
Jul-17	-	-	-	-	32,514.9	10,077.1
Aug-17	-	-	-	-	31,730.5	9,917.9
Sep-17	-	-	-	-	31,283.7	9,788.6
Oct-17	-	-	-	-	33,213.1	10,335.3
Nov-17	-	-	-	-	33,149.4	10,226.55
Dec-17	-	-	-	-	34,056.8	10,530.7
Jan-18	266.5	234.65	266.7	234.4	35,965.0	11,027.7
Feb-18	261	215.1	261	215	34,184.0	10,492.85
Mar-18	248	218	248	221.05	32,968.7	10,113.7

The charts below show the comparison of the Company's share price (monthly high) movement vis-à-vis the movement of the BSE Sensex and CNX Nifty for the Financial Year 2017-18* (based on month end closing).

Company's performance Vs. BSE Sensex:



Company's performance Vs. CNX Nifty:



*The monthly high and low share price for the months from April 2017 to December 2017, cannot be provided since the equity shares of the Company got listed on BSE and NSE w.e.f. January 29, 2018.

F. Registrar to an Issue and Share Transfer Agent:

Karvy Computershare Private Limited*

Karvy Selenium Tower B, Plot No 31-32 Gachibowli, Financial District, Nanakramguda Hyderabad-500 032

Tel: +91 40 67162222

Facsimile: 91 40 23431551

Email: einward.ris@karvy.com

Contact Person: Mr. M Murali Krishna

**The Board has appointed the above agency on June 14, 2017, to act as its Registrar and Share Transfer Agent ("RTA"). The RTA is, inter alia, responsible for processing of requests pertaining to share transfers/ transmission/ dematerialisation/ rematerialisation and other activities related thereto for both electronic and physical shareholdings. Further, RTA also handles corporate actions such as data requirements for conduct of AGMs, dividends etc. The RTA corresponds with the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in this regard.*

G. Share Transfer System:

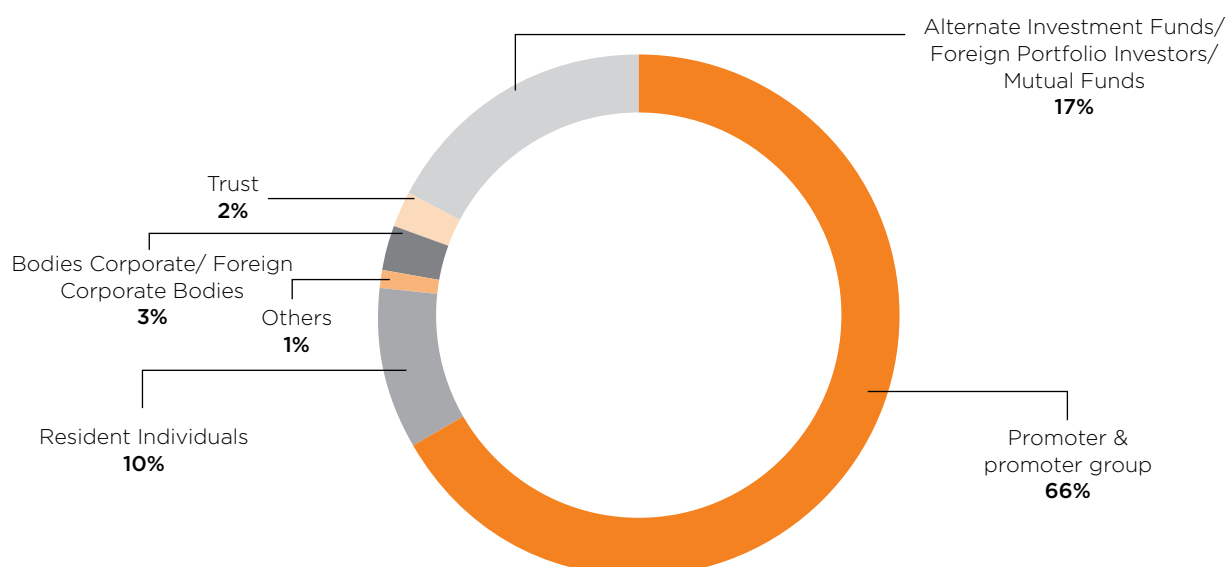
Requests for transfer of equity shares held in physical form, received by the RTA/Company shall be registered within 21 days from the date of receipt, provided the documents are complete in all respects. As on March 31, 2018, the Company had only 14 shareholders who holds shares in physical form. During the year 2017-18, there were no requests received by the RTA/Company for transfer of physical shares.

H. Distribution of Shareholding:

The below two tables provide details about the pattern of shareholding among various categories and number of shares held, as on March 31, 2018.

TABLE 44

Categories	March 31, 2018	
	Number of Shares	Percentage
Promoter & promoter group	4,59,28,988	66.34%
Resident Individuals	71,81,621	10.37%
Others	9,56,050	1.38%
Bodies Corporate/ Foreign Corporate Bodies	17,73,834	2.56%
Trust	13,51,584	1.95%
Alternate Investment Funds/ Foreign Portfolio Investors/ Mutual Funds	1,20,43,624	17.40%
Total	6,92,35,701	100.00%



Distribution Schedule - Consolidated As on 31-03-2018**TABLE 45**

Category (₹ Amount)	No. of Shareholders	% of Shareholders	Total Number of Shares	Amount (in ₹)	% of Amount
1-5000	41,959	98.13	2,698,045	2,69,80,450	3.90
5001- 10000	246	0.58	2,06,126	20,61,260	0.30
10001- 20000	214	0.50	3,30,363	33,03,630	0.48
20001- 30000	58	0.14	1,47,601	14,76,010	0.21
30001- 40000	45	0.11	1,52,173	15,21,730	0.22
40001- 50000	29	0.07	1,31,014	13,10,140	0.19
50001- 100000	66	0.15	4,98,976	49,89,760	0.72
100001 & Above	143	0.33	6,50,71,403	65,07,14,030	93.99
Total	42,760	100.00	6,92,35,701	69,23,57,010	100.00

I. Dematerialisation/ Rematerialisation of Shares and liquidity:

There were no requests received by the RTA during the Financial Year 2017-18 for re-materialisation of equity shares of the Company. During the Financial Year, the Company received total 31 dematerialisation requests.

The Company's shares are compulsorily tradable in dematerialised form on NSE and BSE, which provide sufficient liquidity to the investors. The Company has established connectivity with both the depositories i.e. NSDL and CDSL. Shares held in physical and electronic mode as on March 31, 2018 are given in the table below:

TABLE 46

Category	Total Shares	% to Equity
Physical (A)	1,21,950	0.18
Dematerialised		
NSDL	6,70,69,598	96.87
CDSL	20,44,153	2.95
Sub-total (B)	6,91,13,751	99.82
Total (A+B)	6,92,35,701	100.00

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

The Company does not have any outstanding convertible instruments/ ADRs/ GDRs/ Warrants.

K. Commodity price risk or foreign exchange risk and hedging activities:

Please refer to Management Discussion and Analysis Report for the same.

L. Address for Correspondence:**TABLE 47**

Registrar and Share Transfer Agent	Company
Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No 31-32 Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 Contact Person: Mr. M Murali Krishna Tel: +91 40 67162222 Facsimile: 91 40 23431551 Email: einward.ris@karvy.com	Newgen Software Technologies Limited E-44/13, Okhla Phase - II, New Delhi - 110 020 Contact person: Mr. Aman Mourya, Company Secretary & Compliance Officer Tel: 91-11 46533200 E-mail: investors@newgensoft.com

VII. Other Disclosures:

A. Related Party Transactions:

In Compliance with requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has adopted a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions between the Company and its Related Parties to ensure the proper approval and reporting of such transactions. A copy of the said Policy on dealing with Related Party Transactions is available on the website of the Company at <https://newgensoft.com>. There are no material significant related party transactions that may have potential conflict with the interests of Company at large. Details of related party transactions i.e. transactions of the Company with the Company, with its promoter, Directors, Key Managerial Personnel, subsidiaries or relatives etc., are present under note 46 to the annual account (Standalone & Consolidated Financial Statements) of the Annual Report.

During the year under review, the shareholders of the Company in its 25th Annual General Meeting held on July 28, 2017, ratified the appointments of Ms. Shubhi Nigam daughter of Mr. Diwakar Nigam, Managing Director and Ms. Priyadarshini Nigam, Whole-time director, of the Company, as “Manager - Product & Solution” in Newgen Software Inc. (“NSI”), a wholly owned subsidiary of the Company, incorporated in USA.

B. Details of Capital Market Non-Compliance, if any:

The equity shares of the Company were listed on BSE and NSE with effect from January 29, 2018. There has been no non-compliance by the Company of any legal requirements; nor has there been any penalty/stricture imposed on the Company by any stock exchange, SEBI or any other statutory authority on any matter related to capital markets.

C. Whistle Blower Policy/ Vigil Mechanism:

Pursuant to Section 177(9) of the Act, the Board at its meeting held on June 14, 2017, adopted the Whistle Blower Policy and revised by the Board in its meeting held on March 28, 2018. The Whistle Blower Policy includes vigil mechanism as mandated under the Listing Regulations and provides a mechanism for director/employee to report violations, any unethical behaviour, suspected or actual fraud, violation of the Code of Conduct etc. which could be detrimental to the organisation's interest. The mechanism protects whistle bower from any kind of discrimination, harassment, victimisation or any other unfair

employment practice. The Company affirms that no employee has been denied access to the Audit Committee in this respect. The said Policy is placed on the Company's website at <https://newgensoft.com>.

D. Code of Conduct for all Board members and Senior Management Personnel:

The Board has laid down a code of Conduct for all Board members and Senior Management Personnel of the Company. The Code is displayed on the website of the Company <https://newgensoft.com>. All Board members and Senior Management personnel have affirmed compliance requirement under the Code. A declaration signed by the Managing Director to this effect is enclosed at the end of this report.

E. Disclosure of material transactions:

In terms of Regulation 26(5) of the Listing Regulations, Senior Management has made disclosure to the Board relating to all material financial and commercial transactions, if any, where they had personal interest or that might have been in potential conflict with the interest of the Company. Based on disclosures received none of the officials in senior management of the Company have personal interest in any financial or commercial transactions within the Company.

F. Compliance of Mandatory and Non-Mandatory requirements:

■ Mandatory:

The Company has complied with the mandatory requirements of the SEBI (LODR) Regulations and there was no non-compliance in respect of Corporate Governance Report.

■ Discretionary:

The Company has adopted voluntary requirement relating to:

- i. Modified opinion(s) in audit report: The Company confirms that its financial statements for the year under review are with unmodified audit opinion.
- ii. Reporting of Internal Auditor: The Internal Auditor reports directly to the Audit Committee.

G. Subsidiary Companies:

The Company has five wholly owned subsidiaries (WOS). There are no associate companies or joint venture companies within the meaning of section 2(6) of the Companies Act, 2013 (“Act”). There has been no material change in the nature of the business of the subsidiaries.

1. Newgen Software Inc. USA, incorporated in USA

2. Newgen Software Technologies Pte. Ltd., incorporated in Singapore
3. Newgen Software Technologies Canada Ltd., incorporated in Canada
4. Newgen Software Technologies (UK) Ltd., incorporated in UK
5. Newgen Computers Technologies Limited, incorporated in India

A Policy for Determining Material Subsidiaries in terms of Regulation 16(1)(c) of the Listing Regulations had been approved by the Board

at its meeting held on September 18, 2017, and the same is placed on the Company's website at <https://newgensoft.com>. As per the materiality policy, Newgen Software Inc. is our material subsidiary company incorporated in USA. Provisions to the extent applicable under the Listing Regulations with reference to subsidiary companies were duly complied. During the year under review, there were no investments made or any significant transactions and arrangements entered into by the subsidiary companies. Minutes of the Board meetings of subsidiary companies were regularly placed before the Board.

VIII. Confirmation of Compliance with the Corporate Governance Requirements Specified Under Regulation 17 To 27 and Clauses (B) to (I) of Sub-Regulation 2 of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

TABLE 48

Sr. No.	Particulars	Regulation Number	Compliance status (Yes/No/N.A.)
1	Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
2	Board composition	17(1)	Yes
3	Meeting of Board of directors	17(2)	Yes
4	Review of Compliance Reports	17(3)	Yes
5	Plans for orderly succession for appointments to the Board and Senior Management Personnel.	17(4)	Yes
6	Code of Conduct for all members of the Board and Senior Management Personnel.	17(5)	Yes
7	Fees/compensation paid to directors	17(6)	Yes
8	Minimum Information to be placed before the Board	17(7)	Yes
9	Compliance Certificate from Managing Director and CFO	17(8)	Yes
10	Risk Assessment & Management	17(9)	Yes
11	Performance Evaluation of Independent Directors	17(10)	Yes
12	Composition of Audit Committee	18(1)	Yes
13	Meeting of Audit Committee	18(2)	Yes
14	Composition of Nomination & Remuneration Committee	19(1) & (2)	Yes
15	Composition of Stakeholder Relationship Committee	20(1) & (2)	Yes
16	Composition and role of Risk Management Committee	21(1),(2),(3),(4)	N.A.
17	Vigil Mechanism	22	Yes
18	Policy for related party Transaction	23(1),(5),(6),(7) & (8)	Yes
19	Prior or Omnibus approval of Audit Committee for all related party transactions, if any.	23(2), (3)	Yes
20	Approval for material related party transactions, if any.	23(4)	Yes
21	Composition of Board of Directors of unlisted material Subsidiary incorporated in India.	24(1)	N.A.
22	Other Corporate Governance requirements with respect to Indian subsidiary of listed entity.	24(2),(3),(4),(5) & (6)	N.A.
23	Maximum Directorship & Tenure	25(1) & (2)	Yes
24	Meeting of Independent Directors	25(3) & (4)	Yes
25	Familiarisation of Independent Directors	25(7)	Yes

Sr. No.	Particulars	Regulation Number	Compliance status (Yes/No/N.A.)
26	Memberships in Committees	26(1)	Yes
27	Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
28	Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes
29	Policy with respect to Obligations of directors and senior management.	26(2) & 26(5)	Yes
30	Disclosure on the website of the Company	46(2)	Yes

IX. Certificate from Practicing Company Secretary on Compliance of Corporate Governance Under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

The Company has obtained a certificate from a M/s Aijaz & Associates, Practicing Company Secretaries regarding compliance with the provisions relating to Corporate Governance laid down in Part E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This certificate is annexed to the Board's Report and will be sent to the Stock Exchanges, along with the Annual Report to be filed by the Company.

X. Disclosure with Respect to Demat Suspense Account/ Unclaimed Suspense Account:

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense account which were issued in dematerialised form pursuant to the public issue of the Company.

TABLE 49

Particulars	Number of Equity Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying w.e.f January 29, 2018*	5	305
Shareholders who approached the Company for transfer of shares from suspense account during the year.	3	183
Number of shareholders to whom shares were transferred from suspense account during the year.	2	122
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2018	3	183

*The date when the Equity Shares of face value of ₹ 10/- of the Company got listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

The voting rights on the shares outstanding in the suspense account as on March 31, 2018 shall remain frozen till the rightful owner of such shares claims the shares.

XI. CEO and CFO Certification:

To comply with the Regulation 17(8) of SEBI (LODR) Regulations, the Chief Executive Officer (CEO) or Managing Director and the Chief Financial Officer (CFO) of the Company have given Compliance Certificate stating therein matters prescribed under Part B of Schedule II of the said Regulations.

To comply with of Regulation 33(2) (a) of SEBI (LODR) Regulations, the Managing Director and CFO have certified the quarterly financial results while placing the financial results before the Board.

XII. CEO and CFO Certification:

Information on Deviation from Accounting Standards, if any, the Company has adopted Indian Accounting Standards (Ind ASs) in preparation of annual accounts for the Financial Year 2017-18.

XIII. Disclosure of Compliance with Corporate Governance Requirements Specified in Regulation 17 To 27 and Regulation 46 of SEBI (LODR) Regulations:

The Company has complied with the applicable provisions of SEBI (LODR) Regulations including Regulation 17 to 27 and Regulation 46 of SEBI (LODR) Regulations. The Company submits a quarterly compliance report on Corporate Governance signed by Compliance Officer to the Stock Exchange within 15 (fifteen) days from the close of every quarter. Such quarterly compliance reports on Corporate Governance are also posted on the website of the Company. Compliance of the Conditions of Corporate Governance has also been audited by an Independent Firm of Practising Company Secretaries. After being satisfied of the above compliances, they have issued a compliance certificate in this respect. The said certificate is attached to this report.

For and on behalf of the Board of Directors

Date: May 17, 2018
Place: New Delhi

Diwakar Nigam
Chairman & Managing Director
DIN: 00263222

DECLARATION TO COMPLIANCE OF CODE OF CONDUCT

This is to certify that the Company has laid down its Code of Conduct for all the Board Members and Senior Management of the Company and the copy of the same has been uploaded on the website of the Company. <https://newgensoft.com>.

I hereby declared that all the Directors and Senior Managerial Personnel have affirmed the compliance with the Code of Conduct and have given a confirmation thereto in this regard, in respect of Financial Year ended March 31, 2018.

Date: May 04, 2018
Place: New Delhi

Diwakar Nigam
Chairman & Managing Director
DIN: 00263222

To
The Board of Director
Newgen Software Technologies Limited
New Delhi

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

We, Diwakar Nigam, Chairman & Managing Director and Arun Kumar Gupta, Chief Financial Officer of Newgen Software Technologies Limited, hereby certify that: -

- a) We have reviewed financial statements and cash flow statement for the year ended on March 31, 2018 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee: -
 - i. Significant changes in internal control, if any, over financial reporting during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: May 14, 2018
Place: New Delhi

Diwakar Nigam
Chairman & Managing Director
DIN: 00263222

Arun Kumar Gupta
Chief Financial Officer
PAN: ADTPG6017D

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members,
Newgen Software Technologies Limited,

We have examined the compliance of conditions of Corporate Governance by Newgen Software Technologies Limited ("the Company"), for the Financial Year ended March 31, 2018 as stipulated under regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has substantially complied with the conditions of Corporate Governance as stipulated under regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations, the compliances of which needs to be further strengthened.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company

For Aijaz & Associates

Sd/-
M. Aijaz
Practicing Company Secretary

CP No: 7040

M. No.: 6563

Place: New Delhi

Date: May 04, 2018

Annexure 9

Management Discussion and Analysis

Management's discussion and analysis of the financial condition and results of operations include forward-looking statements based on certain assumptions and expectations of future events. The Company cannot assure that these assumptions and expectations are accurate. Although the Management has considered future risks as part of the discussions, future uncertainties are not limited to Management perceptions.

Company Overview

Newgen Software Technologies is a software products Company offering Enterprise Content Management (ECM), Business Process Management (BPM) and Customer Communication Management (CCM) platform that enables organisations to rapidly develop powerful applications addressing their strategic business needs. The applications created on the Company's platform enable organisations to drive digital transformation and competitive differentiation.

The Company, with its best-in-class products and solutions, deep domain expertise and global experience, is enabling 520+ customers across 60+ countries to transform their business through its enterprise solutions. It offers products and solutions across 17 industries and has been a preferred partner of some of the world's leading Banks, Insurance companies, Healthcare organisations, Governments, Telecom companies, Shared service centres, and BPOs among others.

Newgen's commitment to delivering innovative products and solutions makes it one of the few software products organisations which have attracted multiple recognitions from leading advisory and research firms from time to time. It has been positioned as a 'Leader' in Dynamic Case Management, Digital Process Automation and Enterprise Content Management by Forrester, a leading Independent Research Firm in its Wave™ Reports. It has also been positioned by Gartner in its Magic Quadrants. During the year, the Company has been named as a "Niche Player" in Magic Quadrant for Content Services Platform and a "Visionary" in Magic Quadrant for Intelligent Business Process Management Suites.

Given our constant focus on Research & Development, during the year, we have continued to enhance our solutions to take advantage of market trends and released our product upgrades for our customers. We have new offerings including Mobility (Newgen Enterprise Mobility Framework), Virtual Repository Services, Dynamic Case Management, RPA with BPM, Digital Sensing and Flexible Designing and Authoring creating a highly connected and digital workplace.

Newgen continues to be a global business; well diversified across geographies, customers, revenues and verticals. We have an active customer base of 520+ clients running their businesses and critical operations on our platforms in countries including India, USA, Canada, South Africa, UAE, Saudi Arabia, UK, Philippines, Indonesia, Singapore and many more countries. We are providing solutions to some of the world's leading banks, insurance companies, healthcare firms, global manufacturers etc. We have made substantial customer wins during the year and added 120 new customers including some Fortune 500 companies.

During the year, the Company's initial public offer received an overwhelming response and was oversubscribed 8.25 times the offer size. The total size of the IPO was ₹ 425 Crores which included a fresh issue of ₹ 95 Crores, which the company would utilise for purchase and furnishing of office premises and general corporate purposes. The Company was listed on the stock exchanges on January 29, 2018.

Industry Overview

Ovum's key indicators of digitalisation reveal that the rapid pace of adoption of digital and enabling technologies is increasing across enterprises and end users globally. Global technology spending is estimated at USD 2,385 billion in 2017. Spending is projected to grow at CAGR 3.36% from 2017 to 2021 and reach USD 2,722 billion by 2021.

According to the Ovum Report, the Company's core addressable market (i.e. global ECM, BPM and CCM markets) were estimated at USD 14,935 million, USD 6,100 million and USD 1,460 million, respectively in 2017. Newgen has expanded its addressable market by developing solution frameworks in key verticals including banking, government/PSU, BPO/IT and healthcare. The Ovum Report estimates aPaaS to account for a major share of PaaS spending. The global PaaS market is estimated at USD 17.61 billion in 2017 and forecasted at USD 46.66 billion in 2021. The Indian PaaS market is expected to grow from USD 379 million in 2017 to USD 1.46 billion by the end of 2021.

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

Financial Performance

Consolidated Financials

in ₹ Lakhs

TABLE 50

(All amounts in ₹ Lakhs, except per share data and unless otherwise stated)	FY 2018	FY 2017
Revenue		
Revenue from operations	51,242.78	42,709.80
Other income	760.98	826.78
Total revenue	52,003.76	43,536.58
Expenses		
Employee benefits	24,887.78	21,004.64
Finance costs	520.68	525.60
Depreciation and amortisation	580.67	491.82
Other expenses	16,601.38	14,682.49
Total expenses	42,590.51	36,704.55
Profit before tax	9,413.25	6,832.03
Profit after tax for the year	7,288.68	5,133.01
Other comprehensive income/(loss) for the year, net of income tax	82.31	-37.18
Total comprehensive income for the year	7,370.99	5,095.83

Revenue from Operations

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

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

During the year, we delivered broad based growth across geographies through expanding our sales distribution, both direct and indirect, with an emphasis on expanding our recurring revenues and operating cash flows.

It is important to note that we have adopted Ind AS accounting standards in this Financial Year. On a consolidated basis, the Company's revenue from operations stood at ₹51,242.78 Lakhs reflecting an increase of 20% in FY 2018 as against ₹42,709.80 Lakhs in FY 2017. Over last 5 Financial Years, the

Company has been able to maintain 20% compounded annualised growth in its revenues.

Newgen's License revenues were ₹13,695.06 Lakhs and witnessed a 17% growth YoY. The Company witnessed strong growth momentum in our annuity revenues which grew by 25% during the year. The SaaS revenues specifically (though smaller in base) grew 3 times.

We have made substantial customer wins during the year and added 120 new customers (including some Fortune 500 companies) and currently have an active customer base of 520+ clients.

Geographically, India comprising 35% of the revenues, EMEA comprised 33%, USA comprised 23% and APAC (excluding India) comprised 9% of revenues. EMEA and APAC were two strong growth centres for Newgen. In USA, the business is focussed on SaaS/Cloud and thus the upfront revenues are in line with the business model, but these are better quality revenue streams.

Newgen continues to strengthen its horizontal product platform with vertical service accelerators to enhance the overall portfolio. During the year under review, 54% revenues came from the BFSI. Moreover, the contribution of IT / BPO and government/PSU orders to the topline was 8% and 14% respectively.

Profits and Margins

The Company witnessed substantial improvements in the operational performance, which reflect in the

39% increase in EBITDA (adjusted for other income). The Company reported the EBITDA (adjusted for other income) of ₹9,753.63 Lakhs in FY 2018 as against ₹7,022.67 Lakhs in FY 2017. PAT improved by 42% from ₹5,133.01 Lakhs in FY 2017 to touch ₹7,288.68 Lakhs in FY 2018. We continue to strike a fine balance between investing for our future growth and managing our margins.

Share Capital

Share Capital of the Company consists of Equity Share Capital. The Equity Share Capital comprises of 6,92,35,701 shares of ₹10 each. At the time of the IPO, the Company had issued 38,77,551 shares of ₹10 each. In addition, shares issued during the year to Newgen ESOP trust were 10,50,000 shares of ₹10 each. 13,51,584 shares are held by the Trust.

Other Equity

The total retained earnings as on March 31, 2018 was ₹22,055.71 Lakhs. During the year, the Company earned net profit of ₹7,288.68 Lakhs. Newgen has proposed a dividend of ₹2 per share.

Securities Premium account stands at ₹9,196.49 Lakhs and witnessed additions during the year on account of Securities Premium on issue of fresh issue of shares and Securities Premium on issue of shares to ESOP Trust.

Others comprised of Capital redemption reserve, General reserve, Capital reserve, Foreign currency translation reserve, Newgen ESOP Trust reserve, Share Options outstanding reserve as well as items of other comprehensive income and stands at ₹2,481.65 Lakhs

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

As at March 31, 2018, property, plant and equipment stands at ₹6,757.93 Lakhs against ₹6,103.12 Lakhs as on March 31, 2017. There are fresh additions of ₹1,188.75 Lakhs during the year. The Company has Capital Work in Progress of ₹1,659.48 Lakhs as on March 31, 2018.

The intangible assets of the Company are at ₹89.56 Lakhs

Investments

Investments comprise of investments in unquoted bonds and mutual funds. The aggregate value of these investments is ₹5,022.07 Lakhs

Trade Receivables

Our trade receivables (net of allowances) as on March 31, 2018 are ₹22,201.67 Lakhs (allowances at ₹4,139.83 Lakhs), against ₹19,957.12 Lakhs (allowances of ₹6,325.98 Lakhs) on March 31, 2017.

During the year, Debtor Days stood at 158 days as compared to 171 days in FY 2017.

Other Financial Assets (Current)

Other Financial Assets largely comprise of unbilled revenues pertaining to consideration receivable in respect of initial sale of software and services to the extent of ₹5,091.99 Lakhs

Current Liabilities

Current liabilities represent borrowings, trade payables, other financial liabilities, deferred income short-term provisions and other current liabilities. As on March 31, 2018, the Current liabilities are ₹17,398.59 Lakhs (₹14,674.61 Lakhs as on March 31, 2017). Out of these, the deferred income comprises of ₹4,943.04 Lakhs.

Opportunities

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

The Company is likely to benefit from the emerging trends in digitalisation. Content management is at the core of digital transformation. The Company is well positioned to take advantage of the market opportunity with its strong product portfolio which endeavours to enable organisations to leverage the innovations in mobile, analytics, social and cloud technologies.

Risk Review

Technology/ obsolescence risk: Rapid technological advances, changing delivery models and evolving standards in computer software development and communications infrastructure, changing and increasingly sophisticated customer needs and frequent new product introductions and enhancements characterise the industry in which we compete. Our success depends upon our ability to anticipate, design, develop, test, market, license and support new software products, services, and enhancements of current products and services on a timely basis in response to both competitive threats and evolving industry requirements. However our continuous investments in R&D and intellectual properties help the Company mitigate this risk.

Currency Risk: The Company derives about 65% of its revenues from international markets and thus is always exposed to unforeseen exchange rate fluctuations that can potentially dent the revenues and profits of the Company. To tackle with this potential risk, the Company follows a well-documented hedging policy.

Market-specific risk: The IT spends in any market are affected by the domestic as well as global economic conditions. Considerable or a prolonged slowdown in a particular country or a region or industry within a

region severely affects the IT spends. Similarly, policy changes in global markets may also influence IT spending pattern. To deal with such market-specific risks, the Company endeavours to expand its clientele across industries and geographies continuously.

From about 48 countries in FY 2013, the Company increased its presence across 60+ countries in FY 2018. Similarly, the Company now has 520+ active clients in FY 2018, adding 120 new clients during the year. To deal with policy challenges the Company has been giving an emphasis on growing its regional presence and hiring local talent, without compromising on economies of scales and cost.

Our Strategies

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

Expansion of business and geographical footprint

The Company plans to expand its market share across key geographies and solutions. Its platform is designed to be natively multi-lingual to address challenges in multi-national organisations. Newgen currently operates in over 60 countries and believes that it has a significant opportunity to grow the international footprint. It is investing in direct and indirect sales channels, professional services, customer support and channel partners to expand the geographical footprint. The Company has a regional go-to-market strategy with specific strategies for mature markets such as USA and developing markets such as India and South-East Asia.

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

Newgen plans to develop new customer relationships by identifying potential customers that operate within the same verticals and engage in cross-selling of the solutions. It aims to also begin developing new verticals such as telecommunications, retail, manufacturing and education in developing markets. The Company continues to leverage its in-depth industry expertise and is continuously focusing on enhancing its global delivery model with onshore centres in proximity to large customers and offshore centres at strategic locations.

Focus on attractive verticals in select mature markets

Newgen has a strong presence across regions in the banking and healthcare verticals and intends

to continue to expand the customer base in these verticals in select mature markets, including USA and UK. The focus areas in the Caribbean include banking and government/PSUs in partnership with consulting firms. As part of the strategy to increase our customer base in USA, the Company has made infrastructure and operational investments in USA including hiring of senior-level professional in sales and marketing for the USA market in fiscal 2016.

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

The Company has built high level domain expertise and created robust frameworks for Retail and Corporate lending in the Banking domain which are successfully operating across banks and geographies

To further strengthen and expand our portfolio we may look at inorganic ways of growth as well.

Expansion of strategic business applications to new verticals

The Company has used the platform to create vertical domain rich products in several verticals, including banking, government/PSU, BPO/IT, insurance and healthcare. While the platforms are industry-agnostic, investments have been made to enhance the expertise of sales and marketing for key industry verticals. Newgen believes that focusing on the digital transformation needs of organisations within these industry verticals can help drive adoption of the platform. It also plans to target new verticals including education, telecommunications, oil & gas, retail, manufacturing, infrastructure and logistics.

Attract, develop and retain highly-skilled employees

The Company's employees are one of its most important assets. It focuses on the quality and level of service that the employees deliver by investing in recruitment, development, retention, maintenance of a culture of innovation and by creating both a challenging and rewarding work environment. Newgen's talent development strategy focuses on engaging, motivating and developing a high performing workforce and aims to create and sustain a positive workplace culture for employees.

Internal Controls Systems & their Adequacy

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

Newgen internal controls are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies. In view of the above, and for safeguarding the assets of the company, preventing and detecting fraud or other irregularities and maintaining proper books of account and to ensure adequate internal financial control, the Company is already pursuing various Standard Operating Procedures (SOPs), Vigil Mechanism, audit mechanism (through Internal Audit for Financial Year 2017-18, Secretarial Audit and Statutory Audit). Newgen also undergoes periodic audit by specialised third party consultants and professional for business specific compliances such as quality management, Information Security Management, etc. It has continued its efforts to align all its processes and controls with global best practices. Our management assessed the effectiveness of the Company's internal control over financial reporting as of March 31, 2018. B S R & Associates, LLP, Chartered Accountant, the statutory auditors of Newgen has audited the financial statements included in this annual report and also reported on our internal control over financial reporting (as defined in section 143 of Companies Act 2013).

The Audit Committee reviews reports submitted by the management and audit reports submitted by M/s Grant Thornton, internal auditors, and B S R & Associates, LLP, statutory auditors. The audit Committee also meets Newgen's statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the Board of directors informed of its major observations periodically. Based on its evaluation (as defined in section 177 of Companies Act 2013), our audit Committee has concluded that, as of March 31, 2018, our internal financial controls were adequate and operating effectively.

Human Resources

The Company follows the philosophy of achieving mutually beneficial and all-inclusive growth and

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

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

As on March 31, 2018, we had 2,656 personnel (consolidated) comprising 2,402 employees and 254 contract workers. As a result of its visionary human resource policies, the Company has managed to attract and retain talent.

Outlook

Digital Transformation has become a central component for businesses across all industries. It entails leveraging digital tools and technologies to make life easier, bringing increased convenience, enhanced efficiency, improved affordability, and better access to information, goods and services.

Going forward, the Company aims to pursue growth strategies to expand its market share across key geographies and solutions. Newgen's platform is designed to be natively multi-lingual to address challenges in multi-national organisations. The Company believes that focusing on the digital transformation needs of organisations within key industry verticals can help drive adoption of its platform. As of March 31, 2018, the Company operated in 60+ countries and believes it has a significant opportunity to grow its international footprint. It continues to invest in direct and indirect sales channels, professional services, customer support and channel partners to expand its geographical footprint.

To address the market opportunities arising from digitisation, Newgen seeks to continue to expand its product portfolio and is currently working on several projects including ECM NXT, Virtual Repository Services, Digital Sensing, RPA with BPM, BPM NXT and Corrus.

Annexure 10

FORM NO. AOC -2

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

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

- 1) **Details of contracts or arrangements or transactions not at Arm's length basis:** Newgen Software Technologies Limited (the "Company") has not entered into any contract/arrangement/transaction with its related parties which is not in ordinary course of business or at arm's length during FY 2017-18. The pricing of the transactions are with wholly owned subsidiaries are based on the Independent Transfer Pricing Report given by Price Waterhouse & Co., Chartered Accountants which determined the arms length pricing and are under ordinary course of business. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee:

TABLE 51

a) Name (s) of the related party & nature of relationship	Ms. Shubhi Nigam daughter of Mr. Diwakar Nigam, Chairman and Managing Director and Ms. Priyadarshini Nigam, Whole-time Director, of the Company
b) Nature of contracts/arrangements/transaction	Employment
c) Duration of the contracts/arrangements/transaction	April 27, 2017 till continuing
d) Salient terms of the contracts or arrangements or transaction including the value, if any	Appointment of Ms. Shubhi Nigam as Manager - P & S in Newgen Software Inc., a wholly-owned subsidiary of the Company (Newgen Software Technologies Limited), on a total remuneration of USD 1,00,000. She will be also entitled for basic, additional, fixed and variable remunerations, bonus, commission, incentives, allowances, benefits, perquisites, etc. as per rules of her employer. The terms of employment and remuneration of Ms. Shubhi Nigam may be varied from time to time by her employer Newgen Software Inc. based on the industry standards prevailing for similar position in USA and based on her performance evaluation and its own Remuneration Policy for similar position
e) Justification for entering into such contracts or arrangements or transactions'	Appointment on the basis of qualification. Bachelor's in Applied Science from University of Pennysylvania.
f) Date of approval by the Board	June 14, 2017
g) Amount paid as advances, if any	Not Applicable
h) Date on which the special resolution was passed in General meeting as required under first proviso to section 188	July 28, 2017

2) Details of contracts or arrangements or transactions at Arm's length basis:

TABLE 52

a) Name (s) of the related party & nature of relationship	Not Applicable
b) Nature of contracts/arrangements/transaction	Not Applicable
c) Duration of the contracts/arrangements/transaction	Not Applicable
d) Salient terms of the contracts or arrangements or transaction including the value, if any	Not Applicable
e) Date of approval by the Board	Not Applicable
f) Amount paid as advances, if any	Not Applicable

Note: the above disclosure on material transactions are based on the principle that the transactions with wholly owned subsidiaries are exempt for the purpose of Section 188(1) of the Companies Act, 2013.

For and on behalf of the Board of Directors

Date: May 17, 2018
Place: New Delhi

Diwakar Nigam
Chairman and Managing Director
DIN: 00263222

Independent Auditor's Report

To
The Members of Newgen Software Technologies Limited

Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Newgen Software Technologies Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of

Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited Standalone financial statements for the year ended 31 March 2017 have been disclosed.

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

Rakesh Dewan
Partner

Place: Gurugram
Date: 17 May 2018

Membership No.: 092212

Annexure A

referred to in our Independent Auditor's Report to the members of Newgen Software Technologies Limited on the standalone financial statements for the year ended 31 March 2018, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In accordance with this programme, fixed assets at certain locations were verified by the management during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds and lease deeds of the immovable properties are held in the name of the Company.
- (ii) The Company is a service company, primarily engaged in the business of software product development including designing and delivering end-to-end software solutions covering the entire spectrum of software services from workflow automation to document management to imaging. Accordingly, it does not hold any physical inventories at the end of the year. Thus, paragraph 3(ii) of the Order is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to Companies, limited liability partnerships, firms or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, para 3(iii) of the Order is not applicable.
- (iv) According to the information and explanations given to us, provisions of section 186 of the Companies Act, 2013 in respect of loan given have been complied with by the Company. There are no loans given by the company in respect of which provisions of Section 185 of the Companies Act, 2013 are applicable. There are no investments, guarantees and securities given in respect of which Section 185 and 186 of the Companies Act, 2013 are applicable.
- (v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly paragraph 3(v) of the order is not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for any of the activities carried out by the Company. Accordingly paragraph 3(vi) of the order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Goods and Service tax, Duty of customs, Value added tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company does not have any dues on account of Duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Goods and Service tax, Duty of customs, Value added tax, Cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Service tax, Goods and Service tax, Duty of customs and Value added tax which have not been deposited with the appropriate authorities on account of any dispute. As explained above, the Company does not have any dues on account of Duty of excise.

- (viii) In our opinion, and according to the information and explanations given to us, the Company has not defaulted in repayment of loans/borrowings to banks. Further, there were no dues payable to financial institutions, government or debenture holders during the year or outstanding as at 31 March 2018.
- (ix) The Company raised money by way of initial public offer. The proceeds from IPO is Rs. 8,150.85 lakhs (net of issue related expenses)

Details of utilization of IPO proceeds is as follows:

Particulars	Net proceeds	Utilized upto 31 March 2018	Unutilized amount as at 31 March 2018
Purchase and furnishing of office premises near Noida-Greater Noida Expressway, Uttar Pradesh and general corporate expenses	8,150.85	-	8,150.85
Total	8,150.85	-	8,150.85

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

- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration has been paid/provided by the Company in accordance with provisions of section 197 read with Schedule V of the Companies Act, 2013.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no transactions with the related parties which are not in compliance with Section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the standalone financial statements of the Company, as required, by the applicable accounting standards.
- (xiv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Rakesh Dewan
Partner

Place: Gurugram
Date: 17 May 2018

Membership No.: 092212

Annexure B

to the Independent Auditor's Report of even date on the standalone financial statements of Newgen Software Technologies Limited for the year ended 31 March 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Newgen Software Technologies Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting, issued by the Institute of Chartered Accountants of India ('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 its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both 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 financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control 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 control with reference to financial statements includes those policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March

2018, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting, issued by the ICAI.

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

Rakesh Dewan

Partner

Membership No.: 092212

Place: Gurugram

Date: 17 May 2018

Balance Sheet

as at March 31, 2018

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

	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
ASSETS				
Non-current assets				
Property, plant and equipment	4	6,664.89	6,044.15	6,229.12
Capital work-in-progress	4	1,659.47	1,108.29	604.61
Intangible assets	5	89.56	70.43	103.01
Investment in subsidiaries	6	918.19	908.11	723.05
Financial assets				
Loans	7	264.79	206.43	194.85
Other financial assets	8	548.53	227.71	169.79
Deferred tax assets (net)	32	1,896.09	2,356.24	2,292.26
Income tax assets (net)	9	1,277.88	852.26	808.69
Other non-current assets	10	356.23	105.39	46.07
Total non-current assets		13,675.63	11,879.01	11,171.45
Current assets				
Financial assets				
Investments	11	5,022.07	4,866.04	4,516.14
Trade receivables	12	20,392.66	18,588.04	15,575.18
Cash and cash equivalents	13	13,520.79	2,818.68	2,083.99
Loans	14	317.27	68.04	35.04
Other financial assets	15	5,177.19	2,609.39	2,419.49
Other current assets	16	641.23	611.03	441.37
Total current assets		45,071.21	29,561.22	25,071.21
TOTAL ASSETS		58,746.84	41,440.23	36,242.66
EQUITY AND LIABILITIES				
Equity				
Share capital	17	6,788.41	6,231.30	6,208.44
Other equity				
Securities premium		9,196.49	599.87	494.07
Retained earnings		21,500.53	15,598.43	11,581.82
Others (including items of other comprehensive income)		2,485.79	2,339.54	2,251.95
Total equity attributable to the owners of the Company		39,971.22	24,769.14	20,536.28
Non-current Liabilities				
Financial liabilities				
Borrowings	18	1,316.66	1,617.99	1,917.45
Derivative	19	-	-	136.00
Provisions	20	1,653.37	1,442.97	1,121.59
Total non-current liabilities		2,970.03	3,060.96	3,175.04
Current liabilities				
Financial liabilities				
Borrowings	21	4,946.27	5,226.18	5,883.19
Trade payables	22	2,143.75	1,714.52	1,405.47
Other financial liabilities	23	3,575.91	2,869.36	2,046.76
Deferred income	24	3,607.99	3,038.66	2,594.28
Other current liabilities	24	1,320.39	527.74	411.77
Provisions	25	211.28	233.67	189.87
Total current liabilities		15,805.59	13,610.13	12,531.34
Total Liabilities		18,775.62	16,671.09	15,706.38
TOTAL EQUITY AND LIABILITIES		58,746.84	41,440.23	36,242.66

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

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

Rakesh Dewan
Partner
Membership No.: 092212

Diwakar Nigam
Managing Director
DIN: 00263222

T. S. Varadarajan
Whole Time Director
DIN: 00263115

Arun Kumar Gupta
Chief Financial Officer
Place: New Delhi
Date: 17 May 2018

Aman Mourya
Company Secretary
Membership No: 27299
Place: New Delhi
Date: 17 May 2018

Place: Gurugram
Date: 17 May 2018

Place: New Delhi
Date: 17 May 2018

Place: New Delhi
Date: 17 May 2018

Place: New Delhi
Date: 17 May 2018

Place: New Delhi
Date: 17 May 2018

Statement of Profit and Loss

for the year ended March 31, 2018

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

	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
Income			
Revenue from operations	26	45,952.36	38,311.41
Other income	27	758.19	826.61
Total income		46,710.55	39,138.02
Expenses			
Employee benefits expense	28	22,285.86	18,633.19
Finance costs	29	520.68	525.60
Depreciation and amortisation expense	30	567.68	481.87
Other expenses	31	14,243.15	13,172.00
Total expenses		37,617.37	32,812.66
Profit before tax		9,093.18	6,325.36
Tax expense	32		
Current tax		1,549.01	1,540.62
Less: MAT entitlement		(86.97)	-
Tax expense for earlier years		64.50	126.24
Deferred tax (credit)		503.55	(133.89)
Income tax expense		2,030.09	1,532.97
Profit for the year		7,063.09	4,792.39
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability (asset)		126.35	(82.88)
Income tax relating to items that will not be reclassified to profit or loss		(43.73)	28.31
Net other comprehensive income/(loss) not to be reclassified subsequently to profit or loss		82.62	(54.57)
Items that will be reclassified subsequently to profit or loss			
Debt instruments through other comprehensive income - net change in fair value		(0.47)	26.59
Income tax relating to items that will be reclassified to profit or loss		0.16	(9.20)
Net other comprehensive (loss)/income to be reclassified subsequently to profit or loss		(0.31)	17.39
Other comprehensive income/(loss) for the year, net of income tax		82.31	(37.18)
Total comprehensive income for the year		7,145.40	4,755.21
Profit attributable to:			
Owners of the company		7,063.09	4,792.39
Profit for the year		7,063.09	4,792.39
Other comprehensive income/(loss) attributable to:			
Owners of the company		82.31	(37.18)
Other comprehensive income/(loss) for the year		82.31	(37.18)
Total comprehensive income attributable to:			
Owners of the company		7,145.40	4,755.21
Total comprehensive income for the year		7,145.40	4,755.21
Earnings per equity share			
Nominal value of share INR 10 (31 March 2017: INR 10, 1 April 2016: INR 10)			
Basic earning per share		11.09	7.72
Diluted earning per share		10.81	7.55
Summary of significant accounting policies	3		

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

As per our report of even date attached.

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

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

Rakesh Dewan
Partner
Membership No.: 092212

Diwakar Nigam
Managing Director
DIN: 00263222

T. S. Varadarajan
Whole Time Director
DIN: 00263115

Arun Kumar Gupta
Chief Financial Officer
Place: New Delhi
Date: 17 May 2018

Aman Mourya
Company Secretary
Membership No: 27299
Place: New Delhi
Date: 17 May 2018

Place: Gurugram
Date: 17 May 2018

Place: New Delhi
Date: 17 May 2018

Place: New Delhi
Date: 17 May 2018

Statement of Changes in Equity

as at 31 March 2018

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

a. Share capital

Particulars	Equity share capital		Equity share capital with differential voting right		Preference share capital		Total share capital	
	Number	Amount	Number	Amount	Number	Amount	Amount	Amount
Balance as at 31 March 2016	54,013,800	5,401.38	120	0.01	10,294,230	1,029.42	6,430.81	
Less: Shares held by trust	2,223,735	222.37	-	-	-	-	222.37	
Total Share capital as at 31 March 2016	51,790,065	5,179.01	120	0.01	10,294,230	1,029.42	6,208.44	
Balance as at 1 April 2016	54,013,800	5,401.38	120	0.01	10,294,230	1,029.42	6,430.81	
Changes in equity share capital during the year on account of conversion of compulsory convertible preference shares	10,294,230	1,029.42	-	-	(10,294,230)	(1,029.42)	-	
Balance as at 31 March 2017	64,308,030	6,430.80	120	0.01	-	-	6,430.81	
Less: Shares held by trust	1,995,064	199.51	-	-	-	-	199.51	
Total Share capital as at 31 March 2017	62,312,966	6,231.29	120	0.01	-	-	6,231.30	
Balance as at 31 March 2017	64,308,030	6,430.80	120	0.01	-	-	6,430.81	
Add: Equity shares with differential voting rights reclassified to equity shares during the year	120	0.01	(120)	(0.01)	-	-	-	
Add: Shares issued during the year through initial public offer	3,877,551	387.76	-	-	-	-	387.76	
Add: Issued during the year to Newgen ESOP Trust	1,050,000	105.00	-	-	-	-	105.00	
Balance as at 31 March 2018	69,235,701	6,923.57	-	-	-	-	6,923.57	
Less: Shares held by trust	1,351,584	135.16	-	-	-	-	135.16	
Total Share capital as at 31 March 2018	67,884,117	6,788.41	-	-	-	-	6,788.41	

b. Other equity

Particulars	Securities premium*	Retained earnings	Others			Items of Other comprehensive income			Total attributable to owners of the Company
			Capital redemption reserve	General reserve	Newgen ESOP Trust reserve*	Share options outstanding reserve*	Remeasurement of defined benefit liability	Debt instruments through OCI	
Balance as at 31 March 2016	1,141.87	11,581.82	87.95	1,731.39	175.75	259.07	-	(2.21)	14,975.64
Less: Securities premium on shares held by trust	(647.80)								(647.80)
Total Balance as at 31 March 2016	494.07	11,581.82	87.95	1,731.39	175.75	259.07	-	(2.21)	14,327.84
Balance as at 1 April 2016	1, 141.87	11,581.82	87.95	1,731.39	175.75	259.07	-	(2.21)	14,975.64
Total comprehensive income for the year ended 31 March 2017									
Profit for the year	-	4,792.39	-	-	-	-	-	-	4,792.39
Other comprehensive income /(loss) (net of tax)	-	-	-	-	-	-	(54.57)	17.39	(37.18)
Transactions with owners, recorded directly in equity									
Addition to Newgen ESOP Trust reserve	-	-	-	-	24.47	-	-	-	24.47
Contributions by and distributions to owners									
Dividend on equity shares	-	(540.14)	-	-	-	-	-	-	(540.14)
Dividend distribution tax on dividend on equity shares	-	(110.59)	-	-	-	-	-	-	(110.59)
Dividend on preference shares	-	(103.80)	-	-	-	-	-	-	(103.80)
Dividend distribution tax on dividend on preference shares	-	(21.25)	-	-	-	-	-	-	(21.25)
Employee stock compensation expense	-	-	-	-	-	119.40	-	-	119.40
Transferred to securities premium account on exercise of stock options	26.82	-	-	-	-	(26.82)	-	-	-
Adjustment on account of options issued to subsidiaries employees	-	-	-	-	-	7.72	-	-	7.72
Balance as at 31 March 2017	1,168.69	15,598.43	87.95	1,731.39	200.22	359.37	(54.57)	15.18	19,106.65
Less: Securities premium on shares held by trust	(568.82)								(568.82)
Total Balance as at 31 March 2017	599.87	15,598.43	87.95	1,731.39	200.22	359.37	(54.57)	15.18	18,537.84
Balance as at 1 April 2017	1,168.69	15,598.43	87.95	1,731.39	200.22	359.37	(54.57)	15.18	19,106.65
Total comprehensive income for the year ended 31 March 2018									
Profit for the year	-	7,063.09	-	-	-	-	-	-	7,063.09
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	-	82.62	(0.31)	82.31
Securities premium on issue of shares to Newgen ESOP Trust	556.50	-	-	-	-	-	-	-	556.50
Securities premium on shares issued through initial public offer	9,112.24	-	-	-	-	-	-	-	9,112.24
Utilized for share issue expenses	(1,349.15)	-	-	-	-	-	-	-	(1,349.15)

Particulars	Securities premium*	Retained earnings	Others			Items of Other comprehensive income			Total attributable to owners of the Company
			Capital redemption reserve	General reserve	Newgen ESOP Trust reserve*	Share options outstanding reserve*	Remeasurement of defined benefit liability	Debt instruments through OCI	
Transactions with owners, recorded directly in equity									
Addition to Newgen ESOP Trust reserve	-	-	-	-	31.43	-	-	-	31.43
Contributions by and distributions to owners									
Dividend on equity shares	-	(964.62)	-	-	-	-	-	-	(964.62)
Dividend distribution tax on dividend on equity shares	-	(196.37)	-	-	-	-	-	-	(196.37)
Employee stock compensation expense	-	-	-	-	-	215.64	-	-	215.64
Transferred to securities premium	193.21	-	-	-	-	(193.21)	-	-	-
Account on exercise of stock options	-	-	-	-	-	-	-	-	-
Adjustment on account of options issued to subsidiaries employees	-	-	-	-	-	10.08	-	-	10.08
Balance as at 31 March 2018	9,681.49	21,500.53	87.95	1,731.39	231.65	391.88	28.05	14.87	33,667.81
Less: Securities premium on shares held by trust	(485.00)								(485.00)
Balance as at 31 March 2018	9,196.49	21,500.53	87.95	1,731.39	231.65	391.88	28.05	14.87	33,182.81
* Refer Note 17 D									
Summary of significant accounting policies		Note 3							

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

As per our report of even date attached.

For **B S R & Associates LLP** For and on behalf of the Board of Directors of

Chartered Accountants

Firm Registration No.:

116231W / W-100024

Newgen Software Technologies Limited

Rakesh Dewan

Partner

Membership No.: 092212

Place: Gurugram

Date: 17 May 2018

Diwakar Nigam

Managing Director

DIN: 00263222

Place: New Delhi

Date: 17 May 2018

T. S. Varadarajan

Whole Time Director

DIN: 00263115

Place: New Delhi

Date: 17 May 2018

Arun Kumar Gupta

Chief Financial Officer

Membership No: 27299

Place: New Delhi

Date: 17 May 2018

Aman Mourya

Company Secretary

Membership No: 27299

Place: New Delhi

Date: 17 May 2018

Statement of Cash Flows

for the year ended March 31, 2018

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

	For the year ended 31 March 2018	For the year ended 31 March 2017
A. Cash flows from operating activities		
Net profit before tax	9,093.18	6,325.36
Adjustments for:		
Depreciation and amortisation	567.68	481.88
Loss on sale of property, plant and equipment	3.15	0.12
Property, plant and equipment written off	-	0.59
Interest income on security deposits at amortised cost	(31.21)	(24.16)
Impairment loss on trade receivables	462.52	1,353.40
Liability no longer required written back	(229.75)	-
Impairment loss on financial assets	-	6.55
Fair value changes of financial assets at FVTPL	(25.48)	5.57
Unrealised foreign exchange loss/(gain)	(49.10)	95.01
Share based payment - equity settled	215.64	119.40
Reversal of derivative liability	-	(136.00)
Finance costs	520.68	525.60
Dividend income from mutual funds at FVTPL	(87.86)	(1.75)
Interest income from government and other bonds at FVOCI	(131.56)	(35.11)
Profit on sale of mutual funds (net) at FVTPL	(60.73)	(589.89)
Interest income from bank deposits and others	(159.32)	(24.18)
Operating cash flow before working capital changes	10,087.84	8,102.39
Increase in trade receivables	(2,238.17)	(4,487.85)
Increase in loans	(276.38)	(20.42)
Increase in other financial assets	(2,686.55)	(302.06)
Increase in other assets	(45.31)	(185.66)
Increase in provisions	314.36	282.31
Increase in other financial liabilities	1,140.88	1,153.82
Increase in other liabilities	792.65	115.97
Increase in trade payables	659.00	302.53
Cash generated from operations	7,748.32	4,961.03
Income taxes paid (net)	(2,039.14)	(1,621.43)
Net cash generated from operating activities (A)	5,709.18	3,339.60
B. Cash flows from investing activities		
Purchase or construction of fixed assets (tangible and intangible fixed assets and capital work-in-progress) and capital advances	(1,869.57)	(701.17)
Proceeds from sale of fixed assets	6.96	2.29
Investment in subsidiary company	-	(177.34)
Purchase of mutual funds and government bonds	(1,683.12)	(8,680.24)
Proceeds from sale of mutual funds	1,699.60	8,942.99
Interest income from government bonds	86.21	28.06
Interest received on Bank deposit	73.57	32.19
Investment in bank deposits (net)	(70.94)	24.08
Net cash used in investing activities (B)	(1,757.29)	(529.14)

Cash Flow Statement

for the year ended March 31, 2018

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

	For the year ended 31 March 2018	For the year ended 31 March 2017
C. Cash flows from financing activities		
Repayment of from short-term borrowings (net)	(259.79)	(657.01)
Repayment of finance lease obligation	(301.33)	(299.46)
Proceed from issue of shares through initial public offer	9,500.00	-
Expenses paid for Initial Public Offer	(1,349.15)	-
Proceeds from issue of equity shares under ESOP scheme	169.35	22.87
Securities premium on issue of shared under ESOP scheme	640.31	78.98
Dividend paid (including corporate dividend distribution tax) - Equity	(1,140.21)	(628.63)
Dividend paid (including corporate dividend distribution tax) - Preference	-	(125.05)
Finance cost	(519.60)	(469.82)
Gain on transfer of equity shares by Newgen ESOP trust	10.64	2.37
Net cash generated from financing activities (C)	6,750.22	(2,075.77)
Net increase in cash and cash equivalents (A + B + C)	10,702.11	734.69
Cash and cash equivalents at the beginning of the year	2,818.68	2,083.99
Cash and cash equivalents at the end of the year	13,520.79	2,818.68
Components of cash and cash equivalents:		
Cash in hand	4.52	6.26
Cheques and drafts on hand		
Balances with banks:		
- in current accounts	5,116.27	2,012.42
- on deposit accounts with original maturity upto 3 months	8,400.00	800.00
	13,520.79	2,818.68

Notes:

- The cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".
- Effective 1 April 2017, the Company adopted the amendment to Ind AS7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

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

As per our report of even date attached

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

Rakesh Dewan
Partner
Membership No.: 092212

Place: Gurugram
Date: 17 May 2018

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

Diwakar Nigam
Managing Director
DIN: 00263222

Place: New Delhi
Date: 17 May 2018

T. S. Varadarajan
Whole Time Director
DIN: 00263115

Place: New Delhi
Date: 17 May 2018

Arun Kumar Gupta
Chief Financial Officer

Place: New Delhi
Date: 17 May 2018

Aman Mourya
Company Secretary
Membership No: 27299

Place: New Delhi
Date: 17 May 2018

Notes

to standalone financial statements for the year ended March 31, 2018

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

NOTE 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 are 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.

NOTE 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. These financial statements for the year ended 31 March 2018 are the first financial statements that the Company has prepared in accordance with Ind AS.

Accordingly, the Company has followed the provisions of Ind AS 101, 'First Time Adoption of Indian Accounting Standards', in preparing its opening Ind AS Balance Sheet as of the date of transition, i.e. 1 April 2016. Certain of the Company's Ind AS accounting policies used in the opening balance sheet differed from its Indian GAAP policies applied as at 31 March 2016, and accordingly adjustments were made to restate the opening balances as per Ind AS. The resulting adjustments arose from events and transactions before the date of transition to Ind AS. Therefore, as required by Ind AS 101, those

adjustments were recognized directly through retained earnings as at 1 April 2016.

Refer note 50 for the effect of transition to Ind AS on the reported financial position, financial performance and cash flows of the Company.

The financial statements were authorised for issue by the Company's Board of Directors on 17 May 2018.

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

E. 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 35 – lease classification: classification of leases under finance lease or operating lease;

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 2018 is included in the following notes:

- Note 3(c)(iii) –Estimation of Useful lives of intangible and depreciable assets
- 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 41 – Impairment of trade receivables and financial assets.

E. Current and non-current classification

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

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

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

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

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

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

Operating cycle

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

F. Measurement of fair values

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

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

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

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

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

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

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

Note 34 – Share-based payment arrangements; and

Note 41 – Financial instruments.

NOTE 3 Significant Accounting Policies

a. Foreign currency

i. Functional currency

The Company's financial statements are presented in INR, which is also the company's functional currency.

ii. Foreign currency transactions

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

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

b. Financial instruments

i. Recognition and initial measurement

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

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

ii. Classification and subsequent measurement

Financial assets:

On initial recognition, a financial asset is classified as measured at

- Amortised cost;
- Fair value through Other Comprehensive Income (FVOCI) – debt investment;
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- FVTPL

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

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

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

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

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

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

Financial assets: Business model assessment

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

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for

this purpose, consistent with the Company's continuing recognition of the assets.

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

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

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

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

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

Financial assets at amortised cost

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

Debt investments at FVOCI

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

Equity investments at FVOCI

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii. Derecognition**Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

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

iv. Offsetting

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

v. Derivatives and Embedded derivatives

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

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

c. Property, plant and equipment

i. Recognition and measurement

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

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

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

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

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

ii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

iii. 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.

iv. 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 fixed assets	Estimated useful life (Years)
Building	60
Plant and equipment	15
Leasehold Improvements*	3
Office equipment**	10
Furniture and Fixtures	10
Vehicles	8
Computer hardware	
-servers and networks	6
-Computers**	3-5

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

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

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

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

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

d. Intangible assets

Recognition and measurement

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

Subsequent expenditure

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognized as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Amortisation

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 profit or loss when the asset is derecognized.

e. Impairment

i. Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:

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

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

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

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

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

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

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

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

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or

- the financial asset is 90 days or more past due.

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

Measurement of expected credit losses

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

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

Presentation of allowance for expected credit losses in the balance sheet

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

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

Write-off

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

with the Company's procedures for recovery of amounts due.

ii. Impairment of Non-financial assets

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

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

f. Employee benefits

i. Short-term employee benefits

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

ii. Share-based payment transactions

The grant date fair value of equity settled share-based payment awards granted to employees of the Company and subsidiaries of the Company is recognised as an employee expense and deemed investment, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as

expense/deemed investment is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense/deemed investment is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

iii. Defined contribution plans

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

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

iv. Defined benefit plans

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

The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined

benefit plans, are based on the market yields on government securities as at the balance sheet date, having maturity period approximating to the terms of related obligations

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

v. Other long-term employee benefits

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

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

g. Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or

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

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on technical evaluation, historical warranty data and a weighting of all possible outcomes by their associated probabilities.

Onerous contracts

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

h. Contingent liabilities

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

i. Revenue

Revenue is measured at the fair value of the consideration received or receivable and is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and specific criteria as per the respective arrangements have been met.

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 recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date.

Software Development Services

The revenue from such fixed price contracts for software development is recognized based on proportionate completion method based on hours expended, and foreseeable losses on the completion of contract, if any are recognized immediately.

The Company is also involved in time and material contracts and recognizes revenue on a man month basis.

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 on a pro rata basis over the period in which such product up gradation and services are rendered.

iii. Sale of right to use software

Software-as-a-service, that is, a right to use software functionality in a cloud-based-infrastructure provided by the Company. Revenue is recognized monthly/periodically based on the number of users right given to customers.

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, each deliverable that is considered to be a separate unit of account is accounted for separately. The allocation of consideration from a revenue arrangement to its separate units of account is based on the relative fair value of each unit. If the fair value of the delivered item is not reliably measurable, then revenue is allocated based on the difference between the total arrangement consideration and the fair value of the undelivered item.

j. Recognition of dividend income, interest income or expense

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

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

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

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

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

k. Sale of investments

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

l. Leases

i. Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

ii. Assets held under leases

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and

the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's Balance Sheet.

iii. Lease payments

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

m. Income tax

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

i. Current tax

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

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

ii. Deferred tax

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

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

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

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

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to

settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

n. Cash and Cash Equivalents

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

o. Earnings per share ("EPS")

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

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

p. Share Capital

Equity Shares

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

Compulsorily convertible preference shares

The embedded derivative liability on initial recognition has been separated from the underlying equity instrument and recorded at

fair value. The difference between the fair value of the combined CCPS instrument and the fair value of the embedded derivative liability has been recorded as the value of the equity host contract. The embedded derivative has been fair valued through profit or loss at each balance sheet date.

Upon conversion of CCPS into equity shares the resultant gain/loss on the down-round derivative is recognised in profit or loss. The original equity component remains as equity/is transferred within 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. Segment

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 49 for segment information.

r. ESOP Trust

The ESOP trust has been treated as an extension of the Company and accordingly shares held by ESOP Trust are netted off from the total share capital. Consequently, all the assets, liabilities, income and expenses of the trust are accounted for as assets and liabilities of the Company, except for profit / loss on issue of shares to the employees and dividend received by trust which are directly adjusted in the Newgen ESOP Trust reserve.

s. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

4	Property, plant and equipment and Capital work in progress										
	Freehold land	Leasehold land*	Buildings	Plant and machinery	Leasehold improvements	Vehicles	Office equipment	Furniture and fixtures	Computer and servers	Total	Capital work in progress#
Cost (refer note 50)											
Deemed cost as at 1 April 2016	4.71	3,523.68	1,069.76	221.03	5.99	135.91	332.02	232.57	703.45	6,229.12	604.61
Additions during the year	-	-	33.98	18.93	-	-	16.95	10.16	160.09	240.11	503.68
Less: Disposals during the year	-	-	-	1.08	-	-	0.12	-	5.74	6.94	-
Balance as at 31 March 2017	4.71	3,523.68	1,103.74	238.88	5.99	135.91	348.85	242.73	857.80	6,462.29	1,108.29
Additions during the year	-	-	602.25	69.86	-	14.58	85.56	74.91	295.89	1,143.05	685.80
Less: Disposals during the year	-	-	-	9.77	-	-	17.07	8.78	-	35.62	134.62
Balance as at 31 March 2018	4.71	3,523.68	1,705.99	298.97	5.99	150.49	417.34	308.86	1,153.69	7,569.72	1,659.47
Accumulated Depreciation (refer note 50)											
Balance as at 1 April 2016	-	-	-	-	-	-	-	-	-	-	-
Charge for the year (refer note 30)	-	39.74	20.24	30.41	5.99	20.73	45.32	32.38	227.86	422.67	-
Less: Disposals during the year	-	-	-	0.54	-	-	0.12	-	3.87	4.53	-
Balance as at 31 March 2017	-	39.74	20.24	29.87	5.99	20.73	45.20	32.38	223.99	418.14	-
Charge for the year (refer note 30)	-	39.46	20.96	39.78	-	24.05	67.22	44.29	276.44	512.20	-
Less: Disposals during the year	-	-	-	3.30	-	-	16.75	5.46	-	25.51	-
Balance as at 31 March 2018	-	79.20	41.20	66.35	5.99	44.78	95.67	71.21	500.43	904.83	-
Carrying amount (net)											
Balance as at 1 April 2016	4.71	3,523.68	1,069.76	221.03	5.99	135.91	332.02	232.57	703.45	6,229.12	604.61
Balance as at 31 March 2017	4.71	3,483.94	1,083.49	209.01	-	115.18	303.65	210.35	633.81	6,044.15	1,108.29
Balance as at 31 March 2018	4.71	3,444.48	1,664.79	232.62	-	105.71	321.67	237.65	653.26	6,664.89	1,659.47
As at 31 March 2018, properties with a carrying amount of INR 472.93 lakhs (31 March 2017: INR 483.20 lakhs, 1 April 2016: INR 493.59 lakhs) are subject to first charge to working capital loans											

As at 31 March 2018 properties with a carrying amount of INR 472.93 lakhs (31 March 2017: INR 483.20 lakhs, 1 April 2016: INR 493.59 lakhs) are subject to first charge to working capital loans from banks.

*Represents land at Chennai and Noida location taken on finance lease for a term of 99 and 90 years respectively.

Capital work in progress represents construction of new office, cost incurred upto 31 March 2018 totaled to INR 1,659.47 lakhs.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

5 Intangibles

	Computer software
Cost (refer note 50)	
Deemed cost as at 1 April 2016	103.01
Additions during the year	26.62
Balance as at 31 March 2017	129.63
Additions during the year	74.61
Balance as at 31 March 2018	204.24
Accumulated Amortisation (refer note 50)	
Balance as at 1 April 2016	-
Amortisation (refer note 30)	59.20
Balance as at 31 March 2017	59.20
Amortisation (refer note 30)	55.48
Balance as at 31 March 2018	114.68
Carrying amount (net)	
Balance as at 1 April 2016	103.01
Balance as at 31 March 2017	70.43
Balance as at 31 March 2018	89.56

6 Investment in subsidiaries

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investments in equity instruments - at cost (unquoted)			
6,000 (31 March 2017: 6,000, 1 April 2016: 6,000) common stock of USD 200 each, fully paid up of Newgen Software Inc. USA.	522.52	515.35	509.82
1,000,000 (31 March 2017: 1,000,000, 1 April 2016: 1,000,000) common shares of CAD 0.10 each, fully paid up of Newgen Software Technologies Canada, Limited.	56.40	55.86	55.00
250,000 (31 March 2017: 250,000, 1 April 2016: 250,000) ordinary shares of SGD 1 each, fully paid up of Newgen Software Technologies Pte. Limited.	114.12	111.97	111.73
210,000 (31 March 2017: 210,000, 1 April 2016: 210,000) equity shares of INR 10 each, fully paid up of Newgen Computers Technologies Limited.	46.50	46.50	46.50
20,000,000 (31 March 2017: 20,000,000, 1 April 2016: Nil) common stock of GBP 0.01 each, fully paid up of Newgen Software Technologies (UK) Ltd.	178.65	178.43	-
	918.19	908.11	723.05
Aggregate book value of unquoted investments	918.19	908.11	723.05

Note: The Company has opted to measure its investment in subsidiary at deemed cost i.e. previous GAAP carrying amount in accordance with Ind AS 101 "First-time Adoption of Indian Accounting Standard". Also refer note 50.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

7 Loans (unsecured, considered good, unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Security deposits	264.79	206.43	194.85
	264.79	206.43	194.85

8 Non-current financial assets - others

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Bank deposits			
- pledged with tax authorities	2.25	2.25	2.25
- held as margin money*	202.49	131.54	155.62
Interest accrued on deposits	107.19	21.44	-
Earnest money deposits			
Unsecured, considered good	236.60	72.48	11.92
Unsecured, considered doubtful	123.21	123.21	123.46
Less: Loss allowance for doubtful deposits	(123.21)	(123.21)	(123.46)
	548.53	227.71	169.79

*Balances with bank held as margin money INR 202.49 lakhs (31 March 2017: INR 131.54 lakhs, 1 April 2016: INR 155.62 lakhs) represents the margin money on account of guarantees issued to government customers.

Information about Company's exposure to credit and market risks and fair value measurement is included in Note 47.

9 Income tax assets (net)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance income tax (net of provision of INR 8,622.29 lakhs (31 March 2017: INR 7,010.66 lakhs, 1 April 2016: INR 5,430.15 lakhs)	1,277.88	852.26	808.69
	1,277.88	852.26	808.69

10 Other non-current assets

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Prepaid expenses	120.50	105.39	46.07
Capital advances	235.73	-	-
	356.23	105.39	46.07

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

11 Investments

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investments in bonds (unquoted)			
Bonds at FVOCI			
Investment in government bonds	959.03	971.10	445.20
Investment in other bonds	726.46	711.69	-
	1,685.49	1,682.79	445.20
Investments in mutual funds (unquoted)			
Mutual Funds at FVTPL			
Investment in arbitrage funds	-	-	2,367.13
Investment in debt mutual funds	3,336.58	3,183.25	1,703.81
	3,336.58	3,183.25	4,070.94
	5,022.07	4,866.04	4,516.14
Aggregate book value of unquoted investments	5,022.07	4,866.04	4,516.14
Aggregate market value of unquoted investments	5,022.07	4,866.04	4,516.14

Investments in bonds measured at FVOCI have stated interest rates of 7.35% to 10.40%. Information about Company's exposure to credit and market risks and fair value measurement is included in Note 47

12 Trade receivables

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured*			
- Considered good	20,392.66	18,588.04	15,575.18
- Considered doubtful	4,000.87	5,976.64	5,566.26
	24,393.53	24,564.68	21,141.44
Less: Loss allowance for trade receivables			
- unsecured, considered doubtful	(4,000.87)	(5,976.64)	(5,566.26)
	20,392.66	18,588.04	15,575.18

*Includes balance receivables from related parties. For Details refer note 46

The Company's exposure to credit and currency risks and loss allowances related to trade receivables are discussed in note 47.

13 Cash and cash equivalents

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Cash on hand	4.52	6.26	4.32
Balances with banks			
- in current accounts*#	5,116.27	2,012.42	2,079.67
Balances with scheduled banks in deposit accounts with original maturity of less than 3 months#	8,400.00	800.00	-
	13,520.79	2,818.68	2,083.99

*Current account balances with banks include INR 112.24 lakhs (31 March 2017: INR 36.69 lakhs, 1 April 2016: INR 41.11 lakhs) held at a foreign branch.

Balance with banks and deposits includes INR 58.80 lakhs and INR 8,400 lakhs respectively as unutilized amounts of the IPO proceeds.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

14 Current financial assets - Loans

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Loans to employees*	20.03	26.64	35.04
Security deposits	297.24	41.40	-
	317.27	68.04	35.04

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

15 Current financial assets - Others

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(unsecured considered good, unless otherwise stated)			
Interest accrued on deposits	0.67	0.67	30.12
Interest accrued but not due on government bonds	84.53	39.18	32.13
Unbilled revenue*			
- other than related parties	5,079.43	2,500.35	2,274.31
- related parties	12.56	68.63	68.63
Earnest money deposits	-	-	14.30
Receivable from employees for issue of shares	-	0.56	-
	5,177.19	2,609.39	2,419.49

*Unbilled revenue pertains to consideration receivable in respect of initial sale of software and services.

16 Other current assets

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advances to vendors	11.04	17.90	8.88
Balances with government authorities*	137.47	191.92	152.80
Advance to employees	207.91	117.41	35.05
Prepaid expenses	284.81	283.80	244.64
	641.23	611.03	441.37

*Balances with government authorities comprises of Goods and Service tax/ service tax / vat credit receivable.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

17 Share capital

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Authorised share capital						
Equity shares of INR 10 each	98,000,000	9,800.00	64,400,000	6,440.00	63,050,000	6,305.00
Equity share capital with differential voting rights of INR 10 each	200	0.02	200	0.02	200	0.02
0.01% Compulsory convertible preference shares of INR 10 each	11,999,800	1,199.98	11,999,800	1,199.98	11,999,800	1,199.98
	110,000,000	11,000.00	76,400,000	7,640.00	75,050,000	7,505.00

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Issued, subscribed and paid up						
Equity share capital of INR 10 each, fully paid up	69,235,701	6,923.57	64,308,030	6,430.80	54,013,800	5,401.38
Equity share capital with differential voting rights (DVR) of INR 10 each, fully paid up	-	-	120	0.01	120	0.01
0.01% Compulsory convertible preference shares of Rs. 10 each, fully paid up	-	-	-	-	10,294,230	1,029.42
Balance	69,235,701	6,923.57	64,308,150	6,430.81	64,308,150	6,430.81
Less : Shares held by Trust	1,351,584	135.16	1,995,064	199.51	2,223,735	222.37
Total Share capital	67,884,117	6,788.41	62,313,086	6,231.30	62,084,415	6,208.44

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

	As at 31 March 2018		As at 31 March 2017	
	Number of shares	Amount	Number of shares	Amount
Equity share capital of INR 10 each, fully paid up				
At the beginning of the year	64,308,030	6,430.80	54,013,800	5,401.38
Add: Shares issued on conversion of preference shares	-	-	10,294,230	1,029.42
Add: Equity shares with differential voting rights reclassified to equity shares during the year	120	0.01	-	-
Add: Equity shares issued during the year through initial public offer*	3,877,551	387.76	-	-
Add: Issued during the year to Newgen ESOP Trust	1,050,000	105.00	-	-
At the end of the year	69,235,701	6,923.57	64,308,030	6,430.80
Less: Shares held by trust	1,351,584	135.16	1,995,064	199.51
Total equity share capital	67,884,117	6,788.41	62,312,966	6,231.29

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

During the year ended 31 March 2018, the Company has completed the initial public offer (IPO), pursuant to which 17,331,483 equity shares of INR 10 each were allotted/allocated, at an issue price of INR 245 each, consisting of fresh issue of 3,877,551 equity shares and an offer for sale of 13,453,932 equity shares by selling shareholders. The equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) via ID NEWGEN and BSE Limited (BSE) via ID 540900 on 29 January 2018."

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.

	As at 31 March 2018		As at 31 March 2017	
	Number of shares	Amount	Number of shares	Amount
Equity share capital with differential voting rights (DVR) of INR 10 each, fully paid up				
At the beginning of the year	120	0.01	120	0.01
Less: Re-classification to equity shares during the year	(120)	(0.01)	-	-
At the end of the year	-	-	120	0.01

Equity shares with differential voting rights :

Each of the shareholder with differential voting rights shall, at all times up to the conversion of Compulsory convertible preference shares into equity shares thereof, were entitled to a fixed preferential and cumulative dividend of one-hundredth percent (0.01%) of the investment amount and resolved to be so distributed as such dividend in respect of each financial year or other accounting period of the Company, in accordance with applicable law. In addition, the Ascent DVR and the IDGVI DVR shall be entitled to participate in any distribution of the profits of the Company (including, as regards any dividends declared) on a pro-rata share and as-if-converted basis vis-à-vis the other shareholders.

Expiration of differential rights:

Pursuant to the shareholder subscription agreement dated 31 October 2013, each Ascent DVR and an IDGVI DVR shall be compulsorily converted at no cost to the Investors, into equity shares in the ratio of 1:1 at any time as may be determined by the investors in their sole discretion. Upon conversion of the Ascent DVR and the IDGVI DVR, such differential voting and dividend rights, as mentioned above, on the shares held by each of the investors have automatically expired. During the year ended 31 March 2018 each equity share with DVR has been re-classified into equity shares.

	As at 31 March 2018		As at 31 March 2017	
	Number of shares	Amount	Number of shares	Amount
0.01% Compulsory convertible preference shares of INR 10 each, fully paid up				
At the beginning of the year	-	-	10,294,230	1,029.42
Less: Preference shares conversion to equity shares during the year	-	-	10,294,230	1,029.42
At the end of the year	-	-	-	-

Terms/rights attached to preference shares

During the years ended 31 March 2008 and 31 March 2009, the Company had issued 1,014,785 compulsorily convertible preference shares (hereinafter referred to as "CCPS") of Rs. 10 each fully paid up to HAV2 (Mauritius) Limited and 360,250 CCPS of INR 10 each fully paid up to SAPV (Mauritius). During the financial year 2013-14, HAV2 (Mauritius) Limited, exited from the Company and two new investors namely Unit Trust of India Investment Advisory Services Limited, A/C Ascent India Fund II ("Ascent") and IDG Ventures India Fund II LLC ("IDGVI") made investment in the Company. During the year ended 31 March 2014, all the CCPS held by HAV2

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

(Mauritius) Limited, were acquired by Ascent (670,790 CCPS) and IDGVI (343,995 CCPS). Further, during the year ended 2014-15, the Company has also allotted 225,192 number of CCPS to Ascent and 115,478 number of CCPS to IDGVI.

Pursuant to Shareholders agreement executed on 31 October 2013, between Newgen Software Technologies Ltd and Ascent, IDGVI, SAPV (Mauritius) (individually referred as investor and together referred to as investor group), Newgen Employees Trust and Mr. Diwakar Nigam, Mr. T.S. Varadarajan, Mrs. Priyadarshini Nigam and Mrs. Usha Varadarajan, and Share purchase cum Subscription agreement dated 31 October 2013, between Newgen Software Technologies Ltd, Ascent, IDGVI, SAPV (Mauritius), Mr. Diwakar Nigam, Mr. T.S. Varadarajan, Mrs. Priyadarshini Nigam and Mrs. Usha Varadarajan, the investor group were entitled to receive dividends in preference to any dividends on the equity shares of the Company at the rate of 0.01% (Zero point Zero One Per cent) per annum on the investors subscription consideration, pro rata on a fully diluted basis. However, all the preferential dividend and differential voting rights have already been expired due to conversion of CCPS into Equity.

During the year 2014-15, IDGVI transferred 606,540 shares (adjusted for bonus issue) to Pandara Trust Scheme - I

Each CCPS shall be compulsorily converted at no cost to the Investor, into Equity Shares in the ratio of 1:1 at any time as may be determined by the Investor at their sole discretion. Subject to applicable Law, the conversion of the Shares and the HAV2 (Mauritius) Limited Sale of Shares will take place within the maximum time period prescribed under applicable Law for such conversion.

Conversion of Compulsory convertible preference shares into equity

Pursuant to the Shareholders Agreement, during the year ended 31 March 2017, all issued 10,294,230 CCPS of Rs.10/- each have been converted into 10,294,230 equity shares of Rs.10/- each in the ratio of 1:1, at no cost to the investors. Equity shares of the Company allotted upon conversion of the CCPS, rank pari passu in all respects including as to dividend, voting rights, with the existing fully paid up equity shares of face value of Re. 10/- each of the Company.

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

Equity shares of INR10 each, fully paid up held by:

	As at 31 March 2018		31 March 2017		1 April 2016	
	Number	% Holding	Number	% Holding	Number	% Holding
- Mr. Diwakar Nigam	18,422,406	28.65%	18,422,406	28.65%	18,422,406	34.11%
- Mr. T.S. Varadarajan	15,009,306	23.34%	15,009,306	23.34%	15,009,306	27.79%
- Mrs. Priyadarshini Nigam	7,968,906	12.39%	7,968,906	12.39%	7,968,906	14.75%
- Mrs. Usha Varadarajan	4,528,320	7.04%	4,528,320	7.04%	4,528,320	8.38%
- Unit Trust of India Investment Advisory Services Limited, A/C Ascent India Fund III	-	-	7,464,510	11.61%	-	-

Equity shares with Differential voting Rights of INR 10 each, fully paid up held by:

	As at 31 March 2018		31 March 2017		1 April 2016	
	Number	% Holding	Number	% Holding	Number	% Holding
Unit Trust of India Investment Advisory Services Limited, A/C Ascent India Fund III	-	-	60	50.00%	60	50.00%
IDG Ventures India Fund II LLC	-	-	60	50.00%	60	50.00%

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

0.01% Compulsory Convertible Preference Shares of Rs.10 each, fully paid up held by:					
	As at 31 March 2018		31 March 2017		1 April 2016
	Number	% Holding	Number	% Holding	Number* % Holding
SAPV (Mauritius)	-	-	-	-	2,161,500 21.00%
Unit Trust of India Investment Advisory Services Limited, A/C Ascent India Fund III	-	-	-	-	5,375,892 52.22%
IDG Ventures India Fund II LLC	-	-	-	-	2,150,334 20.89%
Pandara Trust Scheme-1	-	-	-	-	606,504 5.89%

*Adjusted for bonus issue, refer note 17 C

17 B Shares reserved for issue under Employee stock option plan

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

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

A. Bonus shares have been issued for which no cash has been received. The bonus shares has been issued out of security premium

	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014
Equity shares of INR 10 each	-	-	-	43,974,000	-
Equity share capital with differential voting rights of INR 10 each	-	-	-	100	-
0.01% Compulsory convertible preference shares of INR 10 each	-	-	-	8,578,525	-

B. 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 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014
Equity shares of INR 10 each	1,050,000	-	-	1,245,000	-

17 D Securities premium

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.

Newgen ESOP Trust reserve

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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

Share options outstanding reserve

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

18 Non-current financial liabilities - Borrowings

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non-current maturities of finance lease obligations (secured)*	1,316.66	1,617.99	1,917.45
	1,316.66	1,617.99	1,917.45

* Finance lease obligations

The company had obtained leasehold land from 'Yamuna Expressway Industrial Development Authority (YEIDA)' during the year ended 31 March 2016. The lease term of leasehold land is 90 years with equated monthly payment beginning from the month subsequent to the commencement of lease.

Finance lease obligations are payable as follows:

Particulars

	As at 1 April 2016		
	Future minimum lease payments	Interest	Present value of minimum lease payments
Less than one year	315.25	240.16	555.40
Between one and five years	1,204.62	615.64	1,820.26
More than five years	712.83	4,973.29	5,686.12
Particulars	As at 31 March 2017		
Less than one year	302.25	205.49	507.74
Between one and five years	1,051.96	481.51	1,533.47
More than five years	566.03	4,901.93	5,467.97
Particulars	As at 31 March 2018		
Less than one year	302.25	170.37	472.62
Between one and five years	684.42	442.27	1,126.69
More than five years	566.40	4,832.93	5,399.33

Effective interest rate on above borrowings is 11.68%.

19 Derivative

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Derivative liability	-	-	136.00
	-	-	136.00

20 Non-current provisions

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for employee benefits (refer note 28)			
- provision for gratuity	1,266.07	1,113.20	865.24
- provision for compensated absences	387.30	329.77	256.35
	1,653.37	1,442.97	1,121.59

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

21 Current financial liabilities - Borrowings

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Loans from banks			
Pre-shipment loans (secured)*	4,946.27	5,226.18	5,883.19
	4,946.27	5,226.18	5,883.19

*Pre-shipment loans carry interest rate @ LIBOR plus margin which varied from 2.13% to 4.45% per annum. These are secured by first pari passu charge over all future and present stock, book debts and equitable mortgage of land and building with carrying amount of INR 472.93 lakhs (31 March 2017: INR 483.20 lakhs, 1 April 2016: INR 493.59) and are repayable within 180 days from the date of disbursement.

22 Trade payables

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
- Total outstanding dues to creditors other than micro and small enterprises	2,143.75	1,714.52	1,405.47
	2,143.75	1,714.52	1,405.47

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

- Refer note 37 for Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)
- Refer note 46 for dues to related parties
- The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 47

23 Current financial liabilities - Others

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current maturities of finance lease obligations	302.25	302.25	315.25
Employee related payables	2,983.39	2,411.84	1,702.40
Payable in respect of retention money	47.92	28.10	11.64
Earnest money deposits	1.00	0.50	-
Payable for capital assets	241.35	126.67	17.47
	3,575.91	2,869.36	2,046.76

24 Deferred income

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance billing	3,582.77	3,029.27	2,586.77
Advance from customers	25.22	9.39	7.51
	3,607.99	3,038.66	2,594.28
Other current liabilities	As at	As at	As at
	31 March 2018	31 March 2017	1 April 2016
Statutory dues payable	1,313.63	526.97	410.42
Advance from employees for share options	6.76	0.77	1.35
	1,320.39	527.74	411.77

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

25 Current provisions

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for employee benefits (refer note 28)			
- provision for gratuity	141.39	165.27	134.70
- provision for compensated absences	69.89	68.40	55.17
	211.28	233.67	189.87

26 Revenue from operations

	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of products - softwares	12,996.88	10,946.89
Sale of services		
- Implementation	11,768.53	10,381.22
- Scanning	1,950.01	1,698.67
- AMC/ATS	7,934.91	7,060.67
- Support	10,268.75	8,026.60
- SaaS revenue	1,033.28	197.36
	45,952.36	38,311.41

27 Other income

	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest income under the effective interest rate method:		
- on security deposits at amortised cost	31.21	24.16
- government and other bonds at FVOCI	131.56	35.11
Interest income on fixed deposits	159.32	22.16
Other interest income	1.10	2.02
Profit on sale of mutual funds (net) at FVTPL	60.73	589.89
Dividend income from mutual funds at FVTPL	87.86	1.75
Fair value changes of financial assets at FVTPL	25.48	-
Provision no longer required written back	229.75	-
Reversal of derivative liability	-	136.00
Miscellaneous income	31.18	15.52
	758.19	826.61

28 Employee benefits expense

	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries, wages and bonus	20,434.76	17,060.34
Contribution to provident and other funds (refer note i below)	672.31	609.44
Expenses related to compensated absences (refer note ii below)	244.17	228.20
Share based payment - equity settled	215.64	119.40
Expense related to defined benefit plan (refer note iii below)	272.39	242.81
Staff welfare expenses	446.59	373.00
	22,285.86	18,633.19

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

(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 672.31 lakhs (31 March 2017: INR 609.44 lakhs).

(ii) Compensated absences:

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

	31 March 2018	31 March 2017	1 April 2016
Discounting rate (p.a.)	7.80%	7.35%	7.95%
Future salary increase (p.a.)	7.00%	7.00%	7.00%

(iii) Defined Benefit Plan:

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

- On normal retirement / early retirement / withdrawal / resignation: As per the provisions of the Payment of Gratuity Act, 1972 with vesting period of 5 years of service.
- On death in service: As per the provisions of the Payment of Gratuity Act, 1972 without any vesting period. Gratuity payable to employee in case (i) and (ii), as mentioned above, is computed as per the Payment of Gratuity Act, 1972 except the Company does not have any limit on gratuity amount

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components

	Defined benefit obligation		
	31 March 2018	31 March 2017	1 April 2016
Expense recognised in profit or loss			
Opening balance	1278.47	999.93	679.45
Included in profit or loss:			
Current service cost	178.42	163.31	138.60
Past service cost			
Interest cost (income)	93.97	79.49	54.36
	1,550.86	1,242.73	872.41
Remeasurements recognised directly in other comprehensive income			
Remeasurement loss (gain) arising from:			
Demographic assumptions	(6.31)	-	64.56
Financial assumptions	(44.89)	51.64	104.00
Experience adjustment	(29.64)	31.24	(0.61)
	(80.84)	82.88	167.95
Other			
Contributions paid by the employer			
Benefits paid	(62.57)	(47.15)	(40.43)
Closing balance	1,407.45	1,278.46	999.93
Total	1,407.45	1,278.46	999.93

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

	Defined benefit obligation		
	31 March 2018	31 March 2017	1 April 2016
B. Defined benefit obligations			
i. Actuarial assumptions			
The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).			
Discount rate	7.80	7.35	7.95
Salary escalation rate	7.00	7.00	7.00
Mortality rate	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31 March 2018		31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(63.05)	68.33	43.70	46.77
Future salary growth (0.50% movement)	68.53	(63.79)	46.70	44.04
Attrition rate (0.50% movement)				

Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	31 March 2018	31 March 2017	1 April 2016
Net defined benefit asset		-	-
Total employee benefit asset	-	-	-
Net defined benefit liability			
Liability for Gratuity	1407.46	1,278.47	999.93
Liability for Compensated absences	457.19	398.17	311.52
Total employee benefit liabilities	1,864.65	1,676.64	1,311.45
Non-current:			
Gratuity	1,266.07	1,113.20	865.23
Compensated absences	387.30	329.77	256.35
Current:			
Gratuity	141.39	165.27	134.70
Compensated absences	69.89	68.40	55.17

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

29 Finance costs

	For the year ended 31 March 2018	For the year ended 31 March 2017
Finance cost on finance lease obligations	205.49	240.16
Interest expense on packing credit	160.88	156.81
Other finance costs	79.03	128.63
Net loss on foreign currency transactions and translation*	75.28	-
	520.68	525.60

*To the extent considered as an adjustment to finance cost

30 Depreciation and amortization expense

	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation of property, plant and equipment (refer note 4)	1,514.62	1,204.80
Amortisation of intangible assets (refer note 5)	55.48	59.20
	567.68	481.87

31 Other expenses

	For the year ended 31 March 2018	For the year ended 31 March 2017
Rent	1,514.62	1,204.80
Repairs and maintenance	308.81	296.82
Rates and taxes	144.77	219.32
Travelling and conveyance	5,462.40	4,404.37
Legal and professional fees	1,846.20	1,378.72
Payment to auditors*	61.18	35.00
Electricity and water	329.93	307.78
Advertising and sales promotion	358.19	435.77
Membership and subscription fee	505.67	375.20
Brokerage and commission	605.53	483.41
Communication costs	365.95	324.12
Software and license maintenance	305.58	370.35
Expenditure on corporate social responsibility	107.31	105.09
Donation	32.00	28.20
Operation and maintenance	490.77	454.39
Printing and stationery	632.06	585.50
Loss on sale of property, plant and equipment	3.15	0.12
Property, plant and equipment written off	-	0.59
Loss allowance on trade receivables	462.52	1,353.40
Loss allowance on other financial assets	-	6.55
Security charges	200.79	156.24
Net foreign exchange fluctuation loss	1.95	189.47
Fair value changes of financial assets at FVTPL	-	5.57
Miscellaneous expenses	503.77	451.22
	14,243.15	13,172.00

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

	For the year ended 31 March 2018	For the year ended 31 March 2017
*Payment to Auditors#		
As auditor:		
- Statutory audit fee	40.00	34.00
- Limited review fee	7.50	-
- Others	11.43	-
- Reimbursement of expenses	2.25	1.00
	61.18	35.00

#Excludes fee paid to statutory auditor amounting to INR 82.67 Lakhs for IPO related services

32 Income Tax

	For the year ended 31 March 2018	For the year ended 31 March 2017
A. The major components of income tax (expense) / income are		
Recognised in profit or loss		
Tax expense	1,549.01	1,540.62
MAT credit entitlement	(86.97)	-
Tax expense for earlier years	64.50	126.24
Deferred tax (credit)	503.55	(133.89)
Total	2,030.10	1,532.97
Recognised in Other comprehensive income		
Tax impact on		
- Re-measurement on defined benefit plan	(43.73)	28.31
- Fair value of Debt instruments through other comprehensive income	0.16	(9.20)
Total	(43.57)	19.12

B. Reconciliation of effective tax rate

	31 March 2018		31 March 2017	
Profit before tax		9,093.18		6,325.36
Tax using the Company's tax rate	34.61%	3,049.64	34.61%	2,189.08
Effect of deduction under section 10AA of the Income tax Act, 1961	-11.57%	(1,052.22)	-13.76%	(870.20)
Effect of expenses permanently disallowed under the Income Tax Act, 1961	0.19%	16.89	2.73%	172.45
Effect of income exempt/ taxed on lower rate	-0.58%	(53.04)	-1.45%	(91.41)
Others	0.04%	3.36	0.12%	7.88
Income tax recognised in statement of profit and loss for the current year	21.62%	1,965.59	22.24%	1,406.73

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

C. Deferred tax assets (net)

Deferred tax relates to the following:

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deferred tax related to items recognised in OCI:				
Deferred tax assets (gross)				
Investments at fair value through OCI		-	-	1.17
Remeasurement of defined benefit liability (asset)		-	28.31	-
	(a)	-	28.31	1.17
Deferred tax liabilities				
Investments at fair value through OCI		7.87	8.03	-
Remeasurement of defined benefit liability (asset)		15.42	-	-
	(b)	23.29	8.03	-
Deferred tax related to items recognised in statement of profit and loss:				
Deferred tax liabilities (gross)				
Property, plant and equipment		251.36	314.72	300.22
Others		11.11	-	-
	(c)	262.47	314.72	300.22
Deferred tax assets (gross)				
Others		-	8.87	14.74
Loss allowance on other financial assets		42.63	42.64	42.73
Loss allowance on trade receivables		1,384.62	2,068.39	1,926.37
Derivative		-	-	46.00
Provision for employee benefits		667.62	530.78	472.45
	(d)	2,094.87	2,650.68	2,502.29
	(e) = (d) - (c)	1,832.40	2,335.96	2,202.07
Deferred tax assets (net)	(a) + (e) - (b)	1,809.12	2,356.24	2,203.24
MAT credit entitlement		86.97	-	89.02
Total Deferred tax assets (net)		1,896.09	2,356.24	2,292.26

D. Movement in temporary differences

31 March 2018

Particulars	Balance as at 1 April 2017	Recognised in profit or loss during FY 2017-18	Recognised in OCI during FY 2017-18	Balance as at 31 March 2018
Investments at fair value through OCI	(8.03)	-	(0.16)	(7.87)
Remeasurement of defined benefit liability (asset)	28.31	-	43.73	(15.42)
Property, plant and equipment	(314.72)	(63.36)	-	(251.36)
Loss allowance on other financial assets	42.64	0.01	-	42.63
Loss allowance on trade receivables	2,068.39	683.77	-	1,384.62
Provision for employee benefits	530.78	(136.84)	-	667.62
Others	8.87	19.97	-	(11.11)
Total	2,356.24	503.55	43.57	1,809.12

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

31 March 2017

Particulars	Balance as at 1 April 2016	Recognised in profit or loss during FY 2016-17	Recognised in OCI during FY 2016-17	Balance as at 31 March 2017
Investments at fair value through OCI	1.17	-	(9.20)	(8.03)
Remeasurement of defined benefit liability (asset)	-	-	28.31	28.31
Derivative	46.00	(46.00)	-	-
Property, plant and equipment	(300.22)	(14.50)	-	(314.72)
Loss allowance on other financial assets	42.73	(0.09)	-	42.64
Loss allowance on trade receivables	1,926.37	142.02	-	2,068.39
Provision for employee benefits	472.45	58.33	-	530.78
Others	14.74	(5.87)	-	8.87
Total	2,203.24	133.89	19.11	2,356.24

33 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

i. Profit attributable to Equity holders of the Company

	31 March 2018	31 March 2017
	INR	INR
Profit attributable to equity holders of the company	7,063.09	4,792.39
Profit attributable to equity holders of the company for basic and diluted earnings	7,063.09	4,792.39

ii. Weighted average number of ordinary shares

	31 March 2018	31 March 2017
	INR	INR
Opening balance of equity's shares	62,313,086	51,790,185
Conversion of convertible preference shares into equity shares	-	10,294,230
Effect of equity shares issued through initial public offer	658,652	-
Effect of share options exercised	739,355	28,037
Weighted average number of shares for basic EPS	63,711,093	62,112,452
Effect of dilution:		
Add: Equity shares held by Newgen ESOP Trust with respect to options not exercised by employees but outstanding	1,633,736	1,337,237
Weighted average number of shares for diluted EPS	65,344,829	63,449,689

Basic and Diluted earnings per share

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

	31 March 2018	31 March 2017
	INR	INR
Basic earnings per share	11.09	7.72
Diluted earnings per share	10.81	7.55

34 Share-based payment arrangements:

A. Description of share-based payment arrangements

i. Share option programmes (equity-settled)

The Company had established Employees Stock Option Plan-1999 (ESOP 1999) and Employees Stock Option Plan-2000 (ESOP 2000) in the year 1999-00 and 2000-01 respectively, administered through 'Newgen Employees Trust' (ESOP Trust) set-up for this purpose, for a total grant of 293,160 and 600,000 options respectively, at an Exercise Price of INR80 and INR 40 per option respectively, to the employees of the Company. Under the terms of the original plans, these options are vested on a graded vesting basis over a maximum period of Four (4) years from the date of grant and are to be exercised either in part(s) or full, within a maximum period of five and four years respectively from the date of last vesting. During the year ended 31 March 2000, 586,320 equity shares were issued to ESOP Trust as bonus shares in the ratio of 1:2. Further, 4,093,350 equity shares were also issued to ESOP Trust as bonus shares in the ratio of 1:5 during the year ended 31 March 2015.

The Board of Directors of the Company time to time extended the maximum exercise period for ESOP 1999 and ESOP 2000. During the year 2014-15, the Board of Directors of the Company in their meeting dated 24 December 2014 extended the maximum exercise period for ESOP 1999 and ESOP 2000 to five years and four year respectively from the last vesting date or 31 December 2018, whichever is later.

The Company established Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014) in the year 2014-15, administered through a new Trust 'Newgen ESOP Trust'. The maximum numbers of grants under this Scheme shall be limited to 3,783,800 option with underlying equity shares of the Company. Pursuant to the scheme, during the year 2014-15, the Company has granted 3,653,525 options at an exercise price of INR 63 per option, to the employees of the Company. Under the terms of the plans, these options are vested on a graded vesting basis over a maximum period of four years from the date of grant and are to be exercised either in part(s) or full, within a maximum period of five from the date of last vesting. Further, during the year 2017-18 grant of options 353,000, 130,000, and 79,250 through grant II, III and IV on 1 Jul 2017, 1 Sep 2017 and 1 Oct 2017 respectively under the same scheme and with same vesting conditions was made.

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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

Following table represents general terms of the grants for the ESOP outstanding as on 31 March 2018, during the previous year 2016-17 there were no grants made.

ESOP schemes	Grant Date	No. of Options Outstanding	Exercise Price	Weighted average remaining life	Vesting Period
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Jan-2015	1,702,708	INR 63.00	5.76	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Jul-2017	335,025	INR 63.00	8.23	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Sep-2017	130,000	INR 63.00	8.43	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Oct-2017	75,750	INR 63.00	8.51	4 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. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

The requirement that the employee has to remain in service in order to purchase shares under the share purchase plan has been incorporated into the fair value at grant date by applying a discount to the valuation obtained.

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 Employees Stock Option Scheme 2014 (Newgen ESOP 2014)
	Grant II, III and IV
	31 March 2018
Fair value of options at grant date	100.23
Share price at grant date	134.53
Exercise price	63.00
Expected volatility (weighted-average)	55.59%
Expected life (weighted-average)	9 years
Expected dividends	0.00%
Risk-free interest rate (based on government bonds)	6.78%

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

(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.

Employees Stock Option Plan-1999 (ESOP 1999)	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	31 March 2018	31 March 2018	31 March 2017	31 March 2017	1 April 2016	1 April 2016
Options outstanding as at the beginning of the year	52,600	INR 4.45	57,600	INR 4.45	57,600	INR 4.45
Add: Options granted during the year	-	-	-	-	-	-
Less: Options lapsed during the year	-	-	-	-	-	-
Less: Options exercised during the year	52,600	INR 4.45	5,000	INR 4.45	-	-
Options outstanding as at the year end	-	INR 4.45	52,600	INR 4.45	57,600	INR 4.45
Exercisable as at year end	-	-	52,600	-	57,600	-
Weighted - average contractual life	-	-	1.75 Years	-	2.75 Years	-

Employees Stock Option Plan-2000 (ESOP 2000)	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	31 March 2018	31 March 2018	31 March 2017	31 March 2017	1 April 2016	1 April 2016
Options outstanding as at the beginning of the year	386,700	INR 6.67	483,800	INR 6.67	678,180	INR 6.67
Add: Options granted during the year	-	-	-	-	-	-
Less: Options lapsed during the year	-	-	30,000	INR 6.67	9,600	INR 6.67
Less: Options exercised during the year	386,700	INR 6.67	67,100	INR 6.67	184,780	INR 6.67
Options outstanding as at the year end	-	INR 6.67	386,700	INR 6.67	483,800	INR 6.67
Exercisable as at year end	-	-	386,700	-	483,800	-
Weighted - average contractual life	-	-	2.09 years	-	3.11 years	-

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	31 March 2018	31 March 2018	31 March 2017	31 March 2017	1 April 2016	1 April 2016
Options outstanding as at the beginning of the year	3,061,209	INR 63.00	3,384,305	INR 63.00	3,653,525	INR 63.00
Add: Options granted during the year	562,550	INR 63.00	-	-	-	-
Less: Options lapsed during the year	126,096	INR 63.00	166,525	INR 63.00	213,175	INR 63.00
Less: Options exercised during the year	1,254,180	INR 63.00	156,571	INR 63.00	56,045	INR 63.00
Options outstanding as at the year end	2,243,483	INR 63.00	3,061,209	INR 63.00	3,384,305	INR 63.00
Exercisable as at year end	445,616		777,170		288,188	
Weighted - average contractual life	6.38 years		6.76 years		7.76 years	

C. Expense recognised in statement of profit and loss

For details on the employee benefits expense, refer note 28

35 Operating leases

A. Leases as lessee

- a) The Company has taken various cancellable and non-cancellable leases for office premises and residential accommodation for some of its employees. The amount recognised in profit and loss and future minimum lease payments and payment profile of non-cancellable operating leases are as under:

i. Future minimum lease payments

The future minimum lease payments under non-cancellable leases were receivable as follows.

	31 March 2018	31 March 2017	1 April 2016
Less than one year	1,150.13	1,024.35	934.97
Between one and five years	1,732.52	2,113.83	2,236.27
More than five years	-	-	-
	2,882.65	3,138.17	3,171.24

ii. Amounts recognised in profit or loss

	31 March 2018	31 March 2017
Lease expense	1,514.62	1,204.80
	1,514.62	1,204.80

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

36 Contingent liabilities and commitments (to the extent not provided for)

	31 March 2018	31 March 2017	1 April 2016
a. Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances, tangible assets	759.70	1,733.00	574.98
1. For other commitments - Non-cancellable operating, and finance leases, refer Note 35 and 18 respectively			
2. 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. Accordingly, the disclosure in respect of the amounts payable to such enterprises as on 28 February 2018 and 31 March 2017 has been made in the financial statements based on information received and available with the Company. Based on the information currently available with the Company, there are no dues payable to Micro and Small Suppliers as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

38 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. Dividends would attract corporate dividend tax when declared.

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Final dividend of INR 2.00 per share (31 March 2017: INR 1.5/-)	1,384.71	964.62
Corporate dividend tax	283.94	196.37

39 Utilization of CSR expenses

As per Section 135 of the Companies Act 2013, the following is the detail of corporate social responsibility expenses incurred by the Company: Gross amount to be spent by the Company during the year ended 31 March 2018 is INR 106.13 lakhs (previous year INR. 97.05 lakhs). Amount spent during the year ended 31 March 2018:

Particulars	Paid	Liability yet to be paid	Total
i) For purpose mentioned as under	104.31	3.00	107.31

The areas for CSR activities are promoting education, health care, sanitation, digital literacy and livelihood enhancement and participation on SOS Children's Village Projects in Faridabad. The funds were primarily utilized through the year on the following activities which are specified in Schedule VII of the Companies Act, 2013.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

- 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. Accordingly, the management believes that there has been no change in the nature of its international transactions with the associated enterprises during the year ended 31 March 2018 and 31 March 2017. Further, the management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.
- 41** During the year ended 31 March 2018, the Company completed the initial public offer (IPO), pursuant to which 17,331,483 equity shares of INR 10 each were allotted/allocated, at an issue price of INR 245 each, consisting of fresh issue of 3,877,551 equity shares and an offer for sale of 13,453,932 equity shares by selling shareholders. The equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) via ID NEWGEN and BSE Limited (BSE) via ID 540900 on 29 January 2018.
- 42** Expenses incurred by the Company aggregating to INR 2,627.44 Lakhs in connection with the IPO have been partly adjusted towards the securities premium account and partly recovered from the selling shareholders. The IPO expenses amounting to INR 1,646.71 (excluding certain expenses which are directly attributable to the Company such as legal counsel cost, auditor fee, listing fee, advertisement & marketing expenses and depository fees amounting to INR 980.73 Lakhs), have been allocated between the Company and each of the selling shareholders in proportion to the equity shares allotted to the public as fresh issue by the Company and under offer for sale by the existing shareholders and the total amount charged in securities premium is INR 1,349.15 Lakhs.
- 43** During the year ended 31 March 2018, the Company has completed the Initial Public offer, pursuant to which 17,331,483 equity shares having a face value of Rs. 10 each were allotted/allocated, at an issue price of Rs. 245 per equity share, consisting of fresh issue of 3,877,551 equity shares and an offer for sale of 13,453,932 equity shares by selling shareholders. The gross proceeds of fresh issue of equity shares from IPO amounts to Rs. 9,500.00 lakhs. The Company's share of fresh issue related expenses is Rs 1,349.15 lakhs, which has been adjusted against Securities Premium. As at 31 March 2018, the proceeds are unutilised and have been temporarily invested/ deposited in cash and cash equivalents including fixed deposits and bank account (Refer note 13).

44 Dividend remittances in foreign currency:

Particulars	For the year ended	For the year ended
	31 March 2018	31 March 2017
Year to which the dividend relates	2016-17	2015-16
Amount remitted during the year (INR in lakhs)	77.21	51.78
Number of non-resident shareholders	2	2
Number of shares on which dividend was due	5,147,340	5,147,340

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

45 Details of current Investments (refer note 11)

Particulars	Number of Units as at			Amount in Lakhs as at		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Investment in debt mutual funds						
Reliance Short Term Fund- Direct Growth Plan	634,842	-	-	213.85	-	-
ICICI Prudential Short Term Plan	860,077	-	-	322.56	-	-
IIFL Dynamic Bond Fund	1,442,783	-	-	200.83	-	-
Franklin Templeton MF	11,122	-	-	425.20	-	-
Aditya BSL MF	3,202,906	-	-	426.14	-	-
ICICI Prudential MF	2,185,596	-	-	425.63	-	-
UTI Income Opportunities Fund - Direct Plan-Growth	2,617,879	-	-	442.00	-	-
Kotak Income Opportunities Fund-Monthly Growth	2,194,751	-	-	440.56	-	-
L&T Income Opportunities Fund Direct Plan-Growth	2,157,674	-	-	439.81	-	-
Tata Short Term Fund	-	1,273,800	-	-	401.05	-
Reliance Short Term Fund	-	634,842	-	-	200.61	-
UTI Short Term Income Fund	-	1,974,451	-	-	401.27	-
ICICI Prudential Short Term Plan	-	860,077	-	-	301.29	-
UTI Income Opportunities Fund	-	3,748,856	-	-	420.28	-
Kotak Income Opportunities Fund	-	3,948,263	-	-	419.36	-
BNP Paribas Medium Term Income Fund	-	4,137,952	-	-	413.80	-
L&T Income Opportunities Fund Direct Plan	-	3,734,193	-	-	419.20	-
IIFL Cash Opportunities Fund	-	1,817,389	-	-	206.40	-
HSBC Income Fund - Short Term Plan	-	-	784,326	-	-	200.42
BNP Paribas Flexi Debt Fund	-	-	770,208	-	-	200.57

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

Particulars	Number of Units as at			Amount in Lakhs as at		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Birla Sun Life Dynamic Bond Fund	-	-	1,694,757	-	-	450.55
Reliance Regular Savings Fund	-	-	970,116	-	-	200.33
Kotak Bond Fund-Growth	-	-	465,943	-	-	200.46
UTI Bond Fund -Growth	-	-	441,319	-	-	200.60
IDFC Dynamic Bond Fund	-	-	1,366,352	-	-	250.88
Investment in arbitrage funds						
HDFC Balanced Fund	-	-	413,056	-	-	439.23
Tata Balanced Fund	-	-	259,035	-	-	423.85
DSP BR Balanced Fund	-	-	413,307	-	-	440.03
ICICI Prudential Equity Income Fund	-	-	3,417,969	-	-	355.13
ICICI Prudential Balanced Advantage Fund	-	-	1,374,705	-	-	352.47
JPMorgan India Equity Income Fund	-	-	3,285,737	-	-	356.43
Investment in government bonds						
8.40% Indian Railway Finance Corporation Limited	40,000	40,000	40,000	466.42	468.74	445.20
7.35% NHA 2031 (Int Pyt date 1Apr)	45,000	45,000		492.61	502.36	
Investment in Other Bonds						
IIFL SUB DEBT 9.25%	20			220.42		
IIFL Perpetual Debt Product		200			204.95	
11% Bank of India Perpetual Bond	10	10		99.83	104.62	
10.40% Vijaya Bank Perpetual Bond (int pyt date 31Mar)	40	40		406.21	402.12	
				5,022.07	4,866.04	4,516.14

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

46 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 2018	31 March 2017	1 April 2016
Newgen Software Inc.	United States of America	100%	100%	100%
Newgen Software Technologies Pte Ltd.	Singapore	100%	100%	100%
Newgen Software Canada Ltd.	Canada	100%	100%	100%
Newgen Software Technologies (UK) Ltd.	United Kingdom	100%	100%	-
Newgen Computers Technologies Limited	India	100%	100%	100%

The principal place of business of all the entities listed above is the same as the respective country of incorporation.

B. Transactions with Key Management Personnel

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

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

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

List of key management personnel and their relatives

Diwakar Nigam - Managing Director

T.S. Varadarajan - Whole Time Director

Priyadarshini Nigam - Whole Time Director

Arun Kumar Gupta - Chief Financial Officer

Virender Jeet - Senior Vice President (Sales and Marketing/Product)

Surender Jeet Raj - Senior Vice President (HR/Operations)

Tarun Nandwani - Vice President (Customer Relations/Delivery)

Usha Varadarajan - Relative of Whole Time Director - T.S. Varadarajan

Shubhi Nigam - Relative of Managing Director

Key management personnel compensation

	Transaction value		Balance payable		
	For the year ended 31 March 2018	For the year ended 31 March 2017	31 March 2018	31 March 2017	1 April 2016
Salaries, wages and bonus*	758.51	475.71	261.39	23.64	17.53
Diwakar Nigam	160.35	85.37	8.24	5.02	6.07
T.S. Varadarajan	76.32	42.33	4.53	2.37	2.82
Priyadarshini Nigam	39.28	30.64	2.79	1.79	2.16
Arun Kumar Gupta	75.88	53.46	26.93	2.20	0.54
Virender Jeet	150.19	91.01	82.59	4.39	2.78
Surender Jeet Raj	134.22	85.84	70.59	4.14	3.09
Tarun Nandwani	121.41	74.59	65.72	3.73	0.07
Shubhi Nigam	0.87	12.47	-	-	-

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

	Transaction value		Balance payable		
	For the year ended 31 March 2018	For the year ended 31 March 2017	31 March 2018	31 March 2017	1 April 2016
Dividend paid (excluding dividend distribution tax)	699.32	465.92	-	-	-
Diwakar Nigam	276.34	184.22	-	-	-
T.S. Varadarajan	225.14	150.09	-	-	-
Priyadarshini Nigam	119.53	79.69	-	-	-
Arun Kumar Gupta	0.66	0.37	-	-	-
Virender Jeet	3.24	2.16	-	-	-
Surender Jeet Raj	3.16	2.00	-	-	-
Tarun Nandwani	3.33	2.11	-	-	-
Usha Varadarajan	67.92	45.28	-	-	-
Share-based payments	50.46	3.67	-	-	-
Arun Kumar Gupta	7.51	1.43	-	-	-
Virender Jeet	16.33	-	-	-	-
Surender Jeet Raj	14.82	-	-	-	-
Tarun Nandwani	11.80	2.24	-	-	-

* excludes provision for gratuity and leave encashment, as these are determined on the basis of actuarial valuation for the Company as a whole.

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 2018 and 31 March 2017, 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 2018	For the year ended 31 March 2017	31 March 2018	31 March 2017	1 April 2016
Sale of products and services					
Subsidiaries					
Newgen Software Inc., USA	6,393.04	6,520.77	2,218.41	2,445.16	1,861.20
Newgen Singapore	843.77	114.90	165.90	111.87	54.91
Newgen Software Canada Ltd.	597.99	562.28	424.85	368.20	249.88
Newgen Software Technologies (UK) Ltd.	52.09	243.14	53.15	236.76	-
Rent expense					
Subsidiary					
Newgen Computers Technologies Limited	7.20	6.00	0.54	-	-
Paid on behalf of					

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

	Transaction value		Balance receivable		
	For the year ended 31 March 2018	For the year ended 31 March 2017	31 March 2018	31 March 2017	1 April 2016
Subsidiary					
Newgen Computers Technologies Limited	0.65	0.63	-	-	-
Recovered from Subsidiary					
Newgen Computers Technologies Limited	0.65	0.63	-	-	-
Investment in subsidiaries - share based payment					
Newgen Software Inc., USA	7.17	6.25	-	-	-
Newgen Singapore	2.15	0.24	-	-	-
Newgen Software Canada Ltd.	0.54	0.86	-	-	-
Newgen Software Technologies (UK) Ltd.	0.23	0.36	-	-	-

D. Investment in subsidiaries

Subsidiary Company	31 March 2018	31 March 2017	1 April 2016
Newgen Software Inc. USA	522.52	515.35	509.82
Newgen Software Technologies Canada, Ltd.	56.40	55.86	55.00
Newgen Software Technologies Pte. Ltd.	114.12	111.97	111.73
Newgen Computers Technologies Limited	46.50	46.50	46.50
Newgen Software Technologies (UK) Ltd.	178.65	178.43	-
	918.19	908.11	723.05

47 Financial instruments – Fair values and risk management

i. Accounting classification and fair values

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

31 March 2018	Note	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Financial assets measured at fair value									
Investments in debt mutual funds	11	3,336.58	-	-	3,336.58	3,336.58	-	-	3,336.58
Investments in bonds	11	-	1,685.49	-	1,685.49	1,685.49	-	-	1,685.49
Financial assets not measured at fair value									
Other non-current financial asset	8	-	-	548.53	548.53	-	-	-	-
Trade receivables	12	-	-	20,392.66	20,392.66	-	-	-	-
Cash and cash equivalents	13	-	-	13,520.79	13,520.79	-	-	-	-
Loans	7 and 14	-	-	582.06	582.06	-	-	-	-

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

31 March 2018	Note	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Other financial assets	15	-	-	5,177.19	5,177.19	-	-	-	-
		3,336.58	1,685.49	40,221.23	45,243.30	5,022.07	-	-	5,022.07

Financial liabilities

Financial liabilities not measured at fair value

Long-term maturities of finance lease obligations (secured)	19	-	-	1,316.66	1,316.66	-	1,316.66	-	1,316.66
Short term borrowings	21	-	-	4,946.27	4,946.27	-	4,946.27	-	4,946.27
Trade payables	22	-	-	2,143.75	2,143.75	-	-	-	-
Other financial liabilities	23	-	-	3,575.91	3,575.91	-	302.25	-	302.25
		-	-	11,982.59	11,982.59	-	6,565.18	-	6,565.18

31 March 2017	Note	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Financial assets measured at fair value									
Investments in debt mutual funds	11	3,183.25	-	-	3,183.25	3,183.25	-	-	3,183.25
Investments in bonds	11	-	1,682.79	-	1,682.79	1,682.79	-	-	1,682.79
Financial assets not measured at fair value									
Other non-current financial asset	8	-	-	227.71	227.71	-	-	-	-
Trade receivables	12	-	-	18,588.04	18,588.04	-	-	-	-
Cash and cash equivalents	13	-	-	2,818.68	2,818.68	-	-	-	-
Loans	7 and 14	-	-	295.75	295.75	-	-	-	-
Other financial assets	15	-	-	2,609.39	2,609.39	-	-	-	-
		3,183.25	1,682.79	24,539.57	29,405.61	4,866.04	-	-	4,866.04

31 March 2017	Note	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial liabilities									
Financial liabilities not measured at fair value									
Long-term maturities of finance lease obligations (secured)	18	-	-	1,617.99	1,617.99	-	1,617.99		1,617.99
Short term borrowings	21	-	-	5,226.18	5,226.18	-	5,226.18	-	5,226.18
Trade payables	22	-	-	1,714.52	1,714.52	-	-	-	-
Other financial liabilities	23	-	-	2,869.36	2,869.36	-	302.25	-	302.25
		-	-	11,428.05	11,428.05	-	7,146.42	-	7,146.42

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

1 April 2016		Carrying amount				Fair value			
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Financial assets measured at fair value									
Investments in debt mutual funds	11	1,703.81	-	-	1,703.81	1,703.81	-	-	1,703.81
Investments in arbitrage funds	11	2,367.13	-	-	2,367.13	2,367.13	-	-	2,367.13
Investments in bonds	11	-	445.20	-	445.20	445.20	-	-	445.20
Financial assets not measured at fair value									
Other Non-current financial asset				169.79	169.79	-	-	-	-
Trade receivables	12	-	-	15,575.18	15,575.18	-	-	-	-
Cash and cash equivalent	13	-	-	2,083.99	2,083.99	-	-	-	-
Loans	7 and 14	-	-	229.89	229.89	-	-	-	-
Other financial assets	15	-	-	2,419.49	2,419.49	-	-	-	-
		4,070.94	445.20	20,478.34	24,994.48	4,516.14	-	-	4,516.14
Financial liabilities									
Financial liabilities measured at fair value									
Derivative liability	19	136.00	-	-	136.00	-	-	136.00	136.00
Financial liabilities not measured at fair value									
Long-term maturities of finance lease obligations (secured)	18	-	-	1,917.45	1,917.45	-	1,917.45	-	1,917.45
Short term borrowings	21	-	-	5,883.19	5,883.19	-	5,883.19	-	5,883.19
Trade payables	22	-	-	1,405.47	1,405.47	-	-	-	-
Other financial liabilities	23	-	-	2,046.76	2,046.76	-	315.25	-	315.25
		136.00	-	11,252.88	11,388.88	-	8,115.89	136.00	8,251.89

The fair value of trade receivables, cash and cash equivalents, other bank balances, 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.

ii) 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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

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 debt mutual funds	Level 1	Market valuation technique: Investments traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house, quoted price of equity shares in the stock exchange etc.	Not applicable	Not applicable
Investments in arbitrage funds	Level 1			
Financial assets measured at FVTOCI				
Investments in bonds	Level 1	Market valuation technique: The fair value of bonds is based on direct and market observable inputs.	Not applicable	Not applicable
Derivative liability measured at fair value				
Derivative liability	Level 3	The fair valuation of embedded anti dilution derivative in CCPS as per Binomial option pricing model. The Binomial model is an extension of the Black Scholes model and incorporates an optimal decision making framework by backward induction.	- Forecast annual revenue growth rate - Forecast EBITDA margin - Risk adjusted discount rate	The estimated fair value would increase (decrease) if: - the annual revenue growth rate were higher (lower) - the EBITDA margin were higher (lower) - the risk adjusted discount rate were lower (higher)
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 2018, 31 March 2017 & 31 March 2016.				

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

C. Financial risk management

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

i. Risk management framework

The Company's board of directors has framed a Risk Management Policy and plan for enabling the company to identify elements of risk as contemplated by the provisions of the Section 134 of the Companies Act 2013. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

ii. Credit risk

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

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
Trade receivables	20,392.66	18,588.04	15,575.18
Loans	582.06	274.47	229.89
Cash and cash equivalents	13,520.79	2,818.68	2,083.99
	34,495.51	21,681.19	17,889.06

To cater to the credit risk for investments 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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

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		
	31 March 2018	31 March 2017	1 April 2016
India	7,994.27	6,692.89	4,778.97
USA	2,643.93	2,760.89	2,114.40
EMEA	7,946.49	7,591.20	7,081.34
APAC	1,807.97	1,543.06	1,600.47
	20,392.66	18,588.04	15,575.18

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 2018	Gross carrying amount	Weighted-average loss rate	Loss allowance	credit-impaired
0-3 months past due	16,452.48	4.11%	676.50	No
3-6 months past due	3,053.35	12.90%	393.77	No
6-9 months past due	1,197.55	21.62%	258.95	No
9-12 months past due	381.15	34.90%	133.02	No
12-15 months past due	389.65	42.90%	167.15	No
15-18 months past due	328.23	47.89%	157.20	No
18-21 months past due	170.55	52.45%	89.45	No
21-24 months past due	269.15	61.10%	164.46	No
above 24 months past due	2,151.41	91.12%	1,960.37	No
	24,393.53		4,000.87	

As at 31 March 2017	Gross carrying amount	Weighted-average loss rate	Loss allowance	Credit-impaired
0-3 months past due	15,545.40	3.74%	581.93	No
3-6 months past due	1,025.87	13.02%	133.55	No
6-9 months past due	864.78	22.11%	191.23	No
9-12 months past due	461.44	35.70%	164.75	No
12-15 months past due	1,720.62	45.82%	788.47	No
15-18 months past due	667.44	51.90%	346.40	No
18-21 months past due	229.94	56.46%	129.82	No
21-24 months past due	202.65	66.32%	134.40	No
above 24 months past due	3,846.55	91.15%	3,506.09	No
	24,564.68		5,976.64	

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

As at 1 April 2016	Gross carrying amount	Weighted-average loss rate	Loss allowance	Credit-impaired
0-3 months past due	11,312	4.50%	509.16	No
3-6 months past due	2,961	14.17%	419.62	No
6-9 months past due	639	22.75%	145.46	No
9-12 months past due	314	34.99%	109.70	No
12-15 months past due	1,547	44.60%	689.97	No
15-18 months past due	289	52.22%	151.09	No
18-21 months past due	277	56.23%	155.99	No
21-24 months past due	231	64.71%	149.77	No
above 24 months past due	3,570.65	90.61%	3,235.49	No
	21,141.44		5,566.26	

Movement in allowance for impairment in respect of trade receivables

	Impairment in trade receivables
Balance as at 1 April 2016	5,566.26
Impairment loss recognised	1,353.40
Amounts written off	943.02
Balance as at 31 March 2017	5,976.64
Impairment loss recognised	462.52
Amounts written off	2,438.29
Balance as at 31 March 2018	4,000.87

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 AA+ 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		
	31 March 2018	31 March 2017	1 April 2016
India	5,022.07	4,866.04	2,149.01
Other Regions	-	-	-
	5,022.07	4,866.04	2,149.01

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

Cash and cash equivalents

The Company held cash and cash equivalents of INR 13,520.79 at 31 March 2018 (31 March 2017: INR 2,818.68 lakhs 1 April 2016: INR 2,083.99 lakhs). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AA- to AA+, based on renowned rating agencies.

iii. Liquidity risk

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

The company's primary sources of liquidity include cash and bank balances, deposits, undrawn borrowings and cash flow from operating activities. As at 31 March 2018, the Company had a working capital of Rs. 29,265.58 (31 March 2017: 15,951.06 and 31 March 2016: 12,523.87) including cash and cash equivalent of INR 13,520.79 (31 March 2017: 2,818.68 and 31 March 2016: 2,083.99) and current investments of INR 5,014.54 (31 March 2017: 4,862.67 and 31 March 2016: 4,516.14).

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 2018	2,041.27		2,041.27			
As at 31 March 2017	1,773.82		1,773.82			
As at 1 April 2016	116.81		116.81			

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

31 March 2018	Contractual cash flows						
	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)	1,618.91	6,998.64	-	472.62	437.51	689.18	5,399.33
Employee related payables	2,983.39	2,983.39	2,983.39	-	-	-	-
Trade and other payables	2,143.75	2,143.75	2,143.75	-	-	-	-
Pre-shipment loans (secured)	4,946.27	4,946.27	-	4,946.27	-	-	-
Payable in respect of retention money	47.92	47.92	-	47.92	-	-	-
Earnest money deposits	1.00	1.00	-	1.00	-	-	-

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

31 March 2018	Contractual cash flows						
	Carrying amount	Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
Payable for capital assets	241.35	241.35	-	241.35	-	-	-
Total	11,982.58	17,362.31	5,127.14	5,709.16	437.51	689.18	5,399.33

31 March 2017	Contractual cash flows						
	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)	1,920.24	7,509.18	-	507.74	472.62	1,060.84	5,467.97
Employee related payables	2,411.84	2,411.84	2,411.84	-	-	-	-
Trade and other payables	1,714.52	1,714.51	1,714.51	-	-	-	-
Pre-shipment loans (secured)	5,226.18	5,226.18	304.94	4,921.24	-	-	-
Payable in respect of retention money	28.10	28.10	-	28.10	-	-	-
Earnest money deposits	0.50	0.50	-	0.50	-	-	-
Payable for capital assets	126.67	126.67	-	126.67	-	-	-
	11,428.05	17,016.98	4,431.29	5,584.25	472.62	1,060.84	5,467.97

1 April 2016	Contractual cash flows						
	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)	2,232.70	8,061.79	12.54	542.86	507.74	1,312.52	5,686.12
Employee related payables	1,702.40	1,702.40	1,702.40	-	-	-	-
Trade and other payables	1,405.47	1,405.46	1,405.46	-	-	-	-
Pre-shipment loans (secured)	5,883.19	5,883.19	771.60	5,111.60	-	-	-
Payable in respect of retention money	11.64	11.64	-	11.64	-	-	-
Payable for capital assets	17.47	17.47	-	17.47	-	-	-
	11,252.87	17,081.95	3,892.00	5,683.57	507.74	1,312.52	5,686.12

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

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.

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company is exposed to currency risk on account of its borrowings, receivables and other payables in foreign currency. The functional currency of the company is Indian Rupee. The foreign currency exchange management policy is to minimize economic and transactional exposures arising from currency movements against the US dollar, Euro, GBP, Canadian dollar, Abar Emirates Dhiram, Saudi Riyal, Singapore dollar and Japanese Yen. The company manages the risk by netting off naturally occurring opposite exposures wherever possible, and then dealing with any material residual foreign currency exchange risks if any."

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2017, March 31, 2017 and April 1, 2016 are as below:

PARTICULARS	Currency	31 March 2018		31 March 2017		1 April 2016	
		Amount in foreign currency (lakhs)	Amount in local currency (lakhs)	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	207.57	13,500.77	219.19	14,210.08	204.70	13,578.21
	AED	5.22	92.64	3.54	62.51	0.52	9.40
	CAD	8.41	424.85	7.56	368.19	4.90	249.88
	EUR	1.55	125.00	1.87	129.74	2.06	154.65
	GBP	0.69	63.71	3.71	300.34	1.56	148.15
	SAR	7.41	128.63	7.41	128.04	8.48	149.64
	SGD	3.34	165.90	2.41	111.86	1.12	54.91
Bank balance-Dubai	AED	6.28	111.39	2.07	36.69	2.28	41.11
Travelling Advance to employees	USD	2.12	136.97	1.58	104.65	0.53	34.03
	AED	1.45	25.75	0.61	10.98	0.11	2.89
	CAD	0.07	3.85	0.02	0.92	0.04	1.88
	GBP	0.02	2.13	-	-	0.01	0.74
	SGD	0.07	3.38	-	-	0.03	1.70
	EURO	0.10	8.53	0.03	1.98	0.04	3.24
Financial liabilities							
Trade and other payables							
	USD	(3.82)	(246.02)	(1.63)	(107.66)	(1.29)	(86.93)
	GBP	-	-	(0.03)	(2.45)	-	-
	EURO	(0.01)	(0.64)	(0.03)	(2.32)	-	-
Short term borrowings	USD	(76.05)	(4,946.27)	(80.60)	(5,226.18)	-	(5,883.23)

* gross of loss allowance

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollar, Euro, GBP, Canadian dollar, Abar Emirates Dhiram, Saudi Riyal, Singapore dollar and Japanese Yen 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 thousands of INR	For the year ended 31 March 2018		For the year ended 31 March 2017	
	Strengthening	Weakening	Strengthening	Weakening
1% movement				
USD	84.43	(84.43)	89.82	(89.82)
EUR1	1.32	(1.32)	1.29	(1.29)
GBP1	0.66	(0.66)	2.98	(2.98)
CAD1	4.28	(4.28)	3.68	(3.68)
SGD1	1.69	(1.69)	1.12	(1.12)
AED1	1.37	(1.37)	1.10	(1.10)
SAR1	1.29	(1.29)	1.28	(1.28)
	95.05	(95.05)	101.26	(101.26)

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 2018	31 March 2017	1 April 2016
Fixed-rate instruments			
Financial assets	10,607.50	2,684.62	638.11
Financial liabilities	(1,618.91)	(1,920.24)	(2,232.70)
	8,988.59	764.38	(1,594.59)
Variable-rate instruments			
Financial assets	-	-	-
Financial liabilities	(4,946.27)	(5,226.18)	(5,883.19)
	(4,946.27)	(5,226.18)	(5,883.19)
Total	4,042.32	(4,461.79)	(7,477.78)

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 12.27 lakhs after tax (31 March 2017: INR 17.53 lakhs)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

Cash flow sensitivity analysis for variable-rate instruments

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

	Profit or loss	
	100 bp increase	100 bp decrease
31 March 2018		
Variable-rate instruments	(63.72)	63.72
Cash flow sensitivity (net)	(63.72)	63.72
31 March 2017		
Variable-rate instruments	(52.26)	52.26
Cash flow sensitivity (net)	(52.26)	52.26

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 0.32 lakhs after tax (31 March, 2017: INR 21.96 lakhs). An equal change in the opposite direction would have decreased equity by INR 0.32 lakhs after tax (31 March, 2017: INR (21.96) lakhs)

For such investments classified at Fair value through profit or loss, the impact of a 2% increase in their fair value at the reporting date on profit or loss would have been an increase of INR 65.26 after tax (31 March, 2017: INR 41.63 lakhs). An equal change in the opposite direction would have decreased profit or loss by INR 65.26 after tax (31 March, 2017: INR (41.63) lakhs)

48 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 ordinary 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 2018, 31 March 2017 and 1 April 2016.

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

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

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Total liabilities	6,565.18	7,146.42	8,115.89
Less: Cash and cash equivalent	13,520.79	2,818.68	2,083.99
Adjusted net debt (a)	(6,955.61)	4,327.74	6,031.90
Total equity (b)	39,971.22	24,769.14	20,536.28
Total equity and net debt (a+b) = c	33,015.61	29,096.87	26,568.18
Capital gearing ratio (a/c)	-21.07%	14.87%	22.70%

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

49 Segment reporting

A. Basis for Segmentation

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

The Company's board of directors have been identified as the Chief Operating Decision Makers (CODM) since they are responsible for all major decisions in respect of allocation of resources and assessment of the performance on the basis of the internal reports/ information provided by functional heads. The board examines the performance of the Company based on such internal reports which are based on operations in various geographies and accordingly, have identified the following reportable segments:

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

B. Information about reportable segments

Year ended 31 March 2018					
Particulars	Reportable segments				
	India	EMEA	APAC	USA	Total Segment
Revenue					
External revenue	18,071.33	16,598.70	4,104.62	7,177.71	45,952.36
Inter-segment revenue	-	-	-	-	-
Total Segment Revenue	18,071.33	16,598.70	4,104.62	7,177.71	45,952.36
Segment profit before income tax	2,105.99	4,436.20	1,253.98	1,770.61	9,566.78
Segment assets	11,398.11	10,661.09	2,396.13	3,626.16	28,081.49
Segment liabilities	5,554.03	3,538.65	757.65	749.45	10,599.78
Capital expenditure during the year	1,217.66	-	-	-	1,217.66

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

Year ended 31 March 2017

Particulars	Reportable segments				
	India	EMEA	APAC	USA	Total Segment
Revenue					
External revenue	16,922.79	11,480.51	2,728.47	7,179.63	38,311.41
Inter-segment revenue	-	-	-	-	-
Total Segment Revenue	16,922.79	11,480.51	2,728.47	7,179.63	38,311.41
Segment profit before income tax	3,026.45	1,877.39	416.51	1,367.68	6,688.02
Segment assets	8,337.96	9,044.35	1,903.52	3,650.74	22,936.57
Segment liabilities	4,330.14	3,102.91	553.87	854.80	8,841.72
Capital expenditure during the year	279.28	-	-	-	279.28

C. Reconciliations of information on reportable segments to Ind AS

Particulars	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
(a) Revenue			
Total revenue for reportable segments		45,952.36	38,311.41
Elimination of inter-segment revenue		-	-
Total revenue		45,952.36	38,311.41
(b) Profit / (loss) before tax			
Total profit before tax for reportable segments		9,566.78	6,688.02
Unallocated amounts:			
- Unallocated income		758.20	826.63
- Other corporate expenses		1,231.79	1,189.28
Total profit before tax from operations		9,093.18	6,325.36
(c) Assets			
Total assets for reportable segments		28,081.49	22,936.57
Other unallocated amounts		30,665.35	18,503.66
Total assets		58,746.84	41,440.23
(d) Liabilities			
Total liabilities for reportable segments		10,599.78	8,841.72
Other unallocated amounts		8,175.84	7,829.37
Total liabilities		18,775.62	16,671.09

C. Information about major customers

No customer individually accounted for more than 10% of the revenues in the year ended 31 March 2018 and 31 March 2017.

50 First Time Adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the company's date of transition).

In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act ('previous GAAP' or 'Indian GAAP').

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

A Exemptions Applied:-

Ind AS 101 First-Time Adoption of Indian Accounting Standards allows first-time adopters certain exemptions from the retrospective application of certain Ind AS. The Company has applied the following exemptions:

I Property, plant and equipment

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

II Share- based payment transactions

Ind AS 101 gives an option to apply Ind AS 102 Share-based payment only on ESOP's that are unvested as on the transition date.

Accordingly, the Company has elected to apply Ind AS 102 i.e. fair value only those options that are unvested as on the date of transition.

III Investment in subsidiaries

Under previous GAAP, investment in subsidiaries were being carried in the balance sheet at cost. Ind AS 101 permits the Company to measure its investment in subsidiaries at its previous GAAP carrying amount as at the date of transition as deemed costs.

Accordingly, the Company has opted to measure its investment in subsidiary at the previous GAAP carrying amount as at the date of transition as deemed costs.

B The following mandatory exceptions have been applied:

I Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company has made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition and determination of discounted value of financial instrument carried at amortised cost as these were not required under previous GAAP.

II Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

III De-recognition of financial assets and liabilities

"As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The company has elected to apply derecognition principles of Ind AS 109 retrospectively as reliable information was available at the time of initially accounting for these transactions.

C Reconciliation of total equity as at 31 March 2017 and 1 April 2016

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

Particulars	Notes to first time adoption	Share capital	Retained earnings	Newgen ESOP reserve	Other comprehensive income	Securities Premium	Capital redemption reserve	Share options outstanding reserve	General reserve	Total
Balance as at 1 April 2016 as per previous GAAP		6,309.41	13,591.19	-	-	489.79	87.95	16.48	1,731.39	22,226.21
Derivative	D.1	-	(136.00)	-	-	-	-	-	-	(136.00)
Expected credit loss	D.2	-	(3,863.17)	-	-	-	-	-	-	(3,863.17)
Adjustment on account of consolidation of trust	D.3	(100.97)	-	175.75	-	(4.35)	-	-	-	70.43
Employee stock compensation expense	D.4	-	(235.97)	-	-	8.63	-	242.59	-	15.25
Gain/(loss) arising from fair valuation of investments	D.5	-	17.84	-	(3.37)	-	-	-	-	14.46
Gain on discounting of long term financial assets and liabilities, net	D.6	-	92.36	-	-	-	-	-	-	92.36
Measurement of security deposits at amortised costs	D.7	-	(7.63)	-	-	-	-	-	-	(7.63)
Adjustment for dividend	D.8	-	775.78	-	-	-	-	-	-	775.78
Deferred tax on above adjustments	D.10	-	1,347.41	-	1.17	-	-	-	-	1,348.58
Balance as at 1 April 2016 as per Ind AS		6,208.44	11,581.82	175.75	(2.21)	494.07	87.95	259.07	1,731.39	20,536.28
Balance as at 31 March 2017 as per previous GAAP		6,338.31	18,391.14	-	-	645.69	87.95	13.09	1,732.08	27,208.26
Expected credit loss	D.2	-	(3,938.27)	-	-	-	-	-	-	(3,938.27)
Adjustment on account of consolidation of trust	D.3	(107.01)	-	200.22	-	(78.57)	-	-	-	14.65
Employee stock compensation expense	D.4	-	(355.37)	-	-	32.75	-	346.27	(0.69)	22.97
Gain/(loss) arising from fair valuation of investments	D.5	-	18.54	-	23.21	-	-	-	-	41.75
Gain on discounting of long term financial assets and liabilities, net	D.6	-	85.59	-	-	-	-	-	-	85.59
Measurement of security deposits at amortised costs	D.7	-	(9.52)	-	-	-	-	-	-	(9.52)
Remeasurements of gain/(loss) on defined benefit obligations	D.9	-	82.88	-	(82.88)	-	-	-	-	-
Deferred tax on above adjustments	D.10	-	1,323.44	-	20.28	-	-	-	-	1,343.72
Balance as at 31 March 2018 as per Ind AS		6,231.30	15,598.43	200.22	(39.39)	599.87	87.95	359.37	1,731.39	24,769.14

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

D Notes to first time adoption

D.1 Measurement of financial liabilities at amortised cost

The Company had issued certain compulsory convertible preference shares. Under previous GAAP these were being classified under Equity. Under Ind AS, the embedded derivative liability on initial recognition has been separated from the underlying equity instrument and recorded at fair value. The difference between the fair value of the combined CCPS instrument and the fair value of the embedded derivative liability has been recorded as the value of the equity host contract. The embedded derivative has been fair valued through profit or loss at each balance sheet date. Upon conversion of CCPS into equity shares the resultant gain/loss on the down-round derivative is recognised in profit or loss. The original equity component remains as equity. The impact arising from the change is summarised below:

Standalone statement of profit and loss		For the year ended 31 March 2017
Reversal of derivative liability		136.00
Adjustment before income tax		136.00
Standalone balance sheet		
	As at 31 March 2017	As at 1 April 2016
Derivative liability	-	136.00
Adjustment to retained earnings	-	136.00

D.2 Expected credit loss

As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts. The impact arising from the change is summarised below:

Standalone statement of profit and loss		For the year ended 31 March 2017
Loss allowance on trade receivables		75.10
Adjustment before income tax		75.10
Standalone balance sheet		
	As at 31 March 2017	As at 1 April 2016
Trade receivables	(3,938.27)	(3,863.17)
Adjustment to retained earnings	(3,938.27)	(3,863.17)

D.3 Newgen ESOP Trust consolidation

In previous GAAP, the Newgen ESOP Trust has been considered as a separate legal entity and loan given to trust has been disclosed as a reduction from share capital and securities premium. However under Ind AS, the 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 and liabilities of the trust are accounted 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. The impact arising from the change is summarised below:

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

Standalone balance sheet	As at 31 March 2017	As at 1 April 2016
Cash and cash equivalents	17.01	74.03
Loans	(2.00)	(2.00)
Current financial assets	0.56	-
Trade payables	0.17	0.25
Share capital	(107.01)	(100.97)
Newgen ESOP reserve	200.22	175.75
Securities premium	(78.57)	(4.36)
Other current liabilities	0.77	1.35
Adjustment to retained earnings	-	-

D.4 Share - based payments measurement

Under the previous GAAP, the cost of equity-settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date. The impact arising from the change is summarised below:

Standalone statement of profit and loss	For the year ended 31 March 2017
Share based payment - equity settled	119.40
Adjustment before income tax	119.40

Standalone balance sheet	As at 31 March 2017	As at 1 April 2016
Share options outstanding reserve	346.27	242.59
Securities premium	32.75	8.63
General reserve	(0.69)	-
Investment in subsidiary	22.97	15.25
Adjustment to retained earnings	355.37	235.97

D.5 Fair valuation of investments

Under the previous GAAP, investments in government bonds and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31 March 2017. The impact arising from the change is summarised below:

Standalone statement of profit and loss	For the year ended 31 March 2017
Fair value changes of financial assets at FVTPL - other expenses	(0.71)
Adjustment before income tax	(0.71)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

Standalone other comprehensive income		For the year ended 31 March 2017
Fair value changes of financial assets at FVOCI		26.59
Adjustment before income tax		26.59
Standalone balance sheet		
	As at 31 March 2017	As at 1 April 2016
Current investment	41.75	14.46
Adjustment to retained earnings	41.75	14.46

D.6 Finance lease

Under the previous GAAP, leasehold land is capitalized at the amount of upfront premium paid and annual rentals paid are charged to profit or loss.

Under Ind AS, the finance lease obligations are required to be measured at amortised costs. Accordingly, the Company has recorded its lease obligations (premium and rentals) at amortised costs. The impact arising from the change is summarised below:

Standalone statement of profit and loss		For the year ended 31 March 2017
Interest expense		64.57
Depreciation on leasehold land		8.07
Rent expenses		(65.85)
Adjustment before income tax		6.80
Standalone balance sheet		
	As at 31 March 2017	As at 1 April 2016
Leasehold liability	593.73	600.54
Leasehold land	679.61	700.14
Prepayments	(32.92)	(32.92)
Interest accrued but not due	(32.69)	(25.69)
Adjustment to retained earnings	85.59	92.36

D.7 Measurement of security deposits at amortised costs

Under the previous GAAP, interest free lease security deposits are recorded at their transaction value.

Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits through amortised costs under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent. The impact arising from the change is summarised below:

Standalone statement of profit and loss		For the year ended 31 March 2017
Interest income		24.16
Rent expenses		25.91
Adjustment before income tax		(1.75)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

Standalone balance sheet	As at 31 March 2017	As at 1 April 2016
Loans	(89.49)	(69.71)
Prepayments	80.48	62.07
Adjustment to retained earnings	(9.52)	(7.63)

D.8 Proposed dividend

“Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend (along with related dividend distribution tax) was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. The impact arising from the change is summarised below: “

Standalone Balance sheet	As at 31 March 2017	As at 1 April 2016
Short term provision		(775.78)
Adjustment to retained earnings		775.78

D.9 Remeasurements of post-employment benefit obligations

Under Ind AS, re-measurements i.e. actuarial gains and losses are directly recognized in equity through other comprehensive income. Under the previous GAAP such gains and losses were recognized in profit or loss. As a result of this change, the profit for the year ended 31 March 2017 has increased by INR 82.88 lakhs. There is no impact on the total equity.

Standalone statement of profit and loss	For the year ended 31 March 2017
Employee benefit expenses	(82.88)
Adjustment before income tax	(82.88)

Standalone Other Comprehensive Income	For the year ended 31 March 2017
Re-measurement gain/(loss) on defined benefit obligations	82.88
Adjustment before income tax	82.88

Standalone balance sheet	As at 31 March 2017	As at 1 April 2016
Other comprehensive income	82.88	-
Adjustment to retained earnings	82.88	-

D.10 Deferred tax adjustment

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 Income Taxes requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The impact arising from the change is summarised below:

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

Standalone statement of profit and loss

	For the year ended 31 March 2017
Deferred tax charge	24.05
Adjustment before income tax	24.05

Standalone Other Comprehensive Income

	For the year ended 31 March 2017
Tax impact	(19.12)
Adjustment before income tax	(19.12)

Standalone balance sheet

	As at 31 March 2017	As at 1 April 2016
Deferred tax assets	1,343.72	1,348.58
Adjustment to retained earnings	1,343.72	1,348.58

Reconciliation of Equity as at 1 April 2016

	Note	As at 31 March 2016 (IGAAP)	Adjustment	As at 1 April 2016 (IND AS)
ASSETS				
Non-current assets				
Property, plant and equipment	D.6	5,528.98	700.14	6,229.12
Capital work-in-progress		604.61	-	604.61
Intangible assets		103.01	-	103.01
Investment in subsidiaries	D.4	707.80	15.25	723.05
Financial assets				
Loans	D.7 & D.3	266.56	(71.71)	194.85
Other financial assets		169.79	-	169.79
Deferred tax assets (net)	D.10	943.67	1,348.58	2,292.25
Income tax assets (net)		808.69	-	808.69
Other non-current assets	D.7	-	46.07	46.07
Total non-current assets		9,133.11	2,038.33	11,171.45
Current assets				
Financial assets				
Investments	D.5	4,501.68	14.46	4,516.14
Trade receivables	D.2	19,438.35	(3,863.17)	15,575.18
Cash and cash equivalents	D.3	2,009.96	74.03	2,083.99
Loans		35.04	-	35.04
Others		2,419.49	-	2,419.49
Other current assets	D.6 & D.7	458.29	(16.92)	441.37
Total current assets		28,862.81	(3,791.59)	25,071.21
TOTAL ASSETS		37,995.92	(1,753.26)	36,242.66
EQUITY AND LIABILITIES				
Equity				
Equity share capital	50C	6,309.41	(100.97)	6,208.44
Other equity				
Securities premium	50C	489.79	4.28	494.07
Retained earnings	50C	13,591.19	(2,009.37)	11,581.82

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

	Note	As at 31 March 2016 (IGAAP)	Adjustment	As at 1 April 2016 (IND AS)
Others (including items of other comprehensive income)	50C	1,835.82	416.13	2,251.95
Total Equity attributable to the owners of the Company		22,226.21	(1,689.93)	20,536.28
Non-current Liabilities				
Financial liabilities				
Borrowings	D.6	1,316.91	600.54	1,917.45
Derivative	D.1	-	136.00	136.00
Long-Term Provisions		1,121.59	-	1,121.59
Total non-current liabilities		2,438.50	736.54	3,175.04
Current liabilities				
Financial liabilities				
Borrowings		5,883.19	-	5,883.19
Trade payables	D.3	1,405.22	0.25	1,405.47
Other financial liabilities	D.6	2,072.45	(25.69)	2,046.76
Deferred Income		2,594.28	-	2,594.28
Other current liabilities	D.3	410.42	1.35	411.77
Short term Provisions	D.8	965.65	(775.78)	189.87
Total current liabilities		13,331.21	(799.87)	12,531.34
Total Liabilities		15,769.71	(63.33)	15,706.38
TOTAL EQUITY AND LIABILITIES		37,995.92	(1,753.26)	36,242.66

Reconciliation of Equity as at 31 March 2017

	Note	As at 31 March 2017 (IGAAP)	Adjustments	As at 31 March 2017 (IND AS)
ASSETS				
Non-current assets				
Property, plant and equipment	D.6	5,364.54	679.61	6,044.15
Capital work-in-progress		1,108.29	-	1,108.29
Intangible assets		70.43	-	70.43
Investment in subsidiaries	D.4	885.14	22.97	908.11
Loans	D.7 & D.3	322.64	(116.21)	206.43
Other financial assets		227.71	-	227.71
Deferred tax assets (net)	D.10	1,012.52	1,343.72	2,356.24
Income tax assets (net)		852.26	-	852.26
Other non-current assets	D.7	24.91	80.48	105.39
Total non-current assets		9,868.44	2,010.56	11,879.01
Current assets				
Financial assets				
Investments	D.5	4,824.29	41.75	4,866.04
Trade receivables	D.2	22,526.31	(3,938.27)	18,588.04

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

	Note	As at 31 March 2017 (IGAAP)	Adjustments	As at 31 March 2017 (IND AS)
Cash and cash equivalents	D.3	2,801.67	17.01	2,818.68
Loans	D.7 & D.3	43.32	24.72	68.04
Others		2,609.39	-	2,609.39
Other current assets	D.6	643.96	(32.92)	611.03
Total current assets		33,448.94	(3,887.70)	29,561.22
TOTAL ASSETS		43,317.38	(1,877.14)	41,440.23
EQUITY AND LIABILITIES				
Equity				
Equity share capital	50C	6,338.31	(107.01)	6,231.30
Other equity				
Securities premium	50C	645.69	(45.82)	599.87
Retained earnings	50C	18,391.14	(2,792.71)	15,598.43
Others (including items of other comprehensive income)	50C	1,833.12	506.42	2,339.54
Total equity attributable to the owners of the Company		27,208.26	(2,439.12)	24,769.14
Non-current Liabilities				
Financial liabilities				
Borrowings	D.6	1,024.26	593.73	1,617.99
Provisions		1,442.97	-	1,442.97
Total non-current liabilities		2,467.23	593.73	3,060.96
Current liabilities				
Financial liabilities				
Borrowings		5,226.18	-	5,226.18
Trade payables	D.3	1,714.35	0.17	1,714.52
Other financial liabilities	D.6	2,902.05	(32.69)	2,869.36
Deferred Income		3,038.66	-	3,038.66
Other current liabilities	D.3	526.97	0.77	527.74
Short term Provisions		233.67	-	233.67
Total current liabilities		13,641.88	(31.75)	13,610.13
Total Liabilities		16,109.11	561.98	16,671.09
TOTAL EQUITY AND LIABILITIES		43,317.38	(1,877.14)	41,440.23

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

Reconciliation of Total Comprehensive Income for the year ended 31 March 2017

Particulars	Note	For the year ended 31 March 2017 (IGAAP)	Adjustment	For the year ended 31 March 2017 (IND AS)
Income				
Revenue from operations		38,311.41	-	38,311.41
Other income	D.7 & D.1	666.45	160.16	826.61
Total income		38,977.86	160.16	39,138.02
Expenses				
Employee benefits expense	D.4 & D.9	18,596.66	36.53	18,633.19
Finance costs	D.6	461.02	64.58	525.60
Depreciation and amortisation expense	D.6	473.80	8.07	481.87
Other expenses	D.2 D.5 D.6 D.7	13,137.50	34.50	13,172.00
Total expenses		32,668.99	143.68	32,812.66
Profit before tax		6,308.87	16.48	6,325.36
Tax expense				
Current tax		1,540.62	-	1,540.62
Deferred tax	D.10	(157.94)	24.05	(133.89)
Tax expense for earlier years		126.24	-	126.24
		1,508.92	24.05	1,532.97
Profit for the year		4,799.95	(7.57)	4,792.39
Prior period item				
Profit after tax and prior period item				
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit liability (asset)	D.9	-	(82.88)	(82.88)
Income tax relating to items that will not be reclassified to profit or loss	D.10	-	28.31	28.31
Items that will be reclassified subsequently to profit or loss				
Debt instruments through other comprehensive income - net change in fair value	D.9	-	26.59	26.59
Income tax relating to items that will be reclassified to profit or loss	D.10	-	(9.20)	(9.20)
Other comprehensive income/(loss), net of tax		-	(37.18)	(37.18)
Total comprehensive income/(loss) for the year		4,799.95	(44.76)	4,755.22
Profit attributable to:				
Owners of the company		4,799.95	(7.57)	4,792.39
Profit for the year		4,799.95	(7.57)	4,792.39

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

Particulars	Note	For the year ended 31 March 2017 (IGAAP)	Adjustment	For the year ended 31 March 2017 (IND AS)
Other comprehensive income attributable to:				
Owners of the company		-	(37.18)	(37.18)
Other comprehensive income/(loss) for the year		-	(37.18)	(37.18)
Total comprehensive income attributable to:				
Owners of the company		4,799.95	(44.76)	4,755.21
Total comprehensive income/(loss) for the year		4,799.95	(44.76)	4,755.21

51 Standards issued but not yet effective

A Amendment to Ind AS 21:

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the standalone financial statements and the impact is not material.

B Amendment to Ind AS 115:

Ind AS 115- Revenue from Contracts with Customers: On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Moreover, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:

- Retrospective approach-Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8-Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. While, the Company is in the process of implementing Ind AS 115 on financial statement, it is of the view that the accounting policy for certain streams of revenue and related expenses may undergo a change primarily on account of estimating and recognizing extended warranty and unspecified free upgrades in certain contracts and adjusting cost of acquisition of customer.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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

52 Disclosure on Specified Bank Notes

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made since the requirement does not pertain to financial year ended 31 March 2018. Corresponding amounts as appearing in the audited financial statements for the year ended 31 March 2017 have been disclosed as given below;

Particulars	Specified Bank Notes*	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	3.96	1.25	5.21
Add: Withdrawal from bank account	-	3.80	3.80
Add: Permitted receipts transactions	-	1.24	1.24
Less: Permitted payments transactions	-	3.60	3.60
Less: Amount deposited in banks accounts	3.96	-	3.96
Closing cash in hand as on 30 December 2016	-	2.69	2.69

For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8th November 2016.

53 As at 31 March 2018, the Company has gross foreign currency receivables amounting to Rs. 15,310.75 lakhs (previous year Rs.14,344.84 lakhs). Out of these receivables, Rs.4,253.83 lakhs (previous year Rs.3,754.91 lakhs) is outstanding for more than 9 months. As per Foreign Exchange Management (Current Account) Rules, 2000 read with Master Circular No. 14/ 2014-15 dated 1 July 2014, receipt for export goods should be realized within a period of 9 months from the date of export. In case of receivables not being realised within 15 months from the date of export, prior approval from Reserve Bank of India (RBI) is required. As per the requirements of Foreign Exchange Management Act, in one calendar year, the Company is allowed to seek extension for an amount equivalent to 10% of the average collection of the last 3 years only and pursuant to the same, the Company has filed the extension for foreign currency receivables amounting to Rs. 1,414.58 lakhs during the year. For remaining receivables, the Company is in the process of applying for approval to seek extension of time beyond 9 months from export date. The management is of the view that the Company will be able to obtain approvals from the authorities for realising such funds beyond the stipulated timeline without levy of any penalties as it had bonafide reasons that caused the delays in realization.

As per our report of even date attached

For **B S R & Associates LLP**

Chartered Accountants

Firm Registration No.:

116231W / W-100024

Rakesh Dewan

Partner

Membership No.: 092212

Place: Gurugram
Date: 17 May 2018

For and on behalf of the Board of Directors of

Newgen Software Technologies Limited

Diwakar Nigam

Managing Director

DIN: 00263222

Place: New Delhi
Date: 17 May 2018

T. S. Varadarajan

Whole Time Director

DIN: 00263115

Place: New Delhi
Date: 17 May 2018

Arun Kumar Gupta

Chief Financial Officer

Place: New Delhi
Date: 17 May 2018

Aman Mourya

Company Secretary

Membership No: 27299

Place: New Delhi
Date: 17 May 2018

Independent Auditor's Report

**To
the Members of Newgen Software Technologies
Limited**

Report on the Audit of Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Newgen Software Technologies Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement, for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated profit (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial

statements by the Directors of the Holding Company, as aforesaid.

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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 1 (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2018, and their consolidated profit (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Other Matters

1. (a) We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of INR 1,520 lakhs and net assets of Rs. 559.13 lakhs as at 31 March 2018, total revenues of INR 2,418 lakhs and net cash inflows amounting to INR 300 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid

subsidiaries is based solely on the reports of the other auditors.

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

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of subsidiaries, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group company incorporated in India is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to

us and based on the consideration of the report of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

- i. There were no pending litigations as at 31 March 2018 which would impact the consolidated financial position of the Group;
- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2018;
- iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India during the year ended 31 March 2018; and
- iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited consolidated financial statements for the period ended 31 March 2017 have been disclosed.

For **B S R & Associates LLP**

Chartered Accountants

Firm Registration No.:

116231W/ W-100024

Rakesh Dewan

Partner

Membership No.: 092212

Place: Gurugram
Date: 17 May 2018

Annexure A

Annexure A referred in paragraph 6(i)(f) of the Independent Auditor's Report of even date on the Consolidated Financial Statements of Newgen Software Technologies Limited for the year ended 31 March 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ending 31 March 2018, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding Company and its subsidiary company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's and its subsidiary company's incorporated in India, internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and audit evidence obtained by other auditor in terms of their report referred to in Other Matters Paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and subsidiary company incorporated in India, internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary company incorporated in India, has in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as

at 31 March 2018, based on the internal control with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting, issued by the ICAI.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to Newgen Computer Technologies Limited (subsidiary company incorporated in India) is based on the corresponding report of the auditor of the subsidiary.

For **B S R & Associates LLP**

Chartered Accountants

Firm Registration No.:

116231W/ W-100024

Rakesh Dewan

Partner

Place: Gurugram

Date: 17 May 2018

Membership No.: 092212

Consolidated Balance Sheet

as at March 31, 2018

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

	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
ASSETS				
Non-current assets				
Property, plant and equipment	4	6,757.93	6,103.12	6,292.96
Capital work-in-progress	4	1,659.48	1,108.29	604.61
Intangible assets	5	89.56	70.43	103.01
Financial assets				
Loans	6	295.70	226.68	210.99
Other financial assets	7	554.77	233.46	174.36
Deferred tax assets (net)	32	1,893.13	2,370.39	2,380.31
Income tax assets (net)	8	1,281.29	852.41	808.71
Other non-current assets	9	356.23	105.39	62.07
Total non-current assets		12,888.09	11,070.17	10,637.02
Current assets				
Financial assets				
Investments	10	5,022.07	4,866.04	4,516.14
Trade receivables	11	22,201.67	19,957.12	16,435.80
Cash and cash equivalents	12	14,548.34	3,491.88	2,431.78
Loans	13	317.27	72.70	81.31
Other financial assets	14	5,177.19	2,541.04	2,451.06
Other current assets	15	747.53	746.19	520.89
Total current assets		48,014.07	31,674.97	26,436.98
TOTAL ASSETS		60,902.16	42,745.14	37,074.00
EQUITY AND LIABILITIES				
Equity				
Share capital	16	6,788.41	6,231.30	6,208.44
Other equity				
Securities premium		9,196.49	599.87	494.07
Retained earnings		22,055.71	15,928.02	11,570.79
Others (including items of other comprehensive income)		2,481.65	2,235.19	2,252.15
Total equity		40,522.26	24,994.38	20,525.45
Non-current Liabilities				
Financial liabilities				
Borrowings	17	1,316.66	1,617.99	1,917.45
Derivative	18	-	-	136.00
Deferred tax liabilities	32	11.28	15.19	24.64
Provisions	19	1,653.37	1,442.97	1,121.58
Total non-current liabilities		2,981.31	3,076.15	3,199.67
Current liabilities				
Financial liabilities				
Borrowings	20	4,946.27	5,226.18	5,883.19
Trade payables	21	2,292.10	1,804.95	1,473.16
Other financial liabilities	22	3,624.48	2,903.21	2,058.16
Deferred income	23	4,943.04	3,865.50	3,271.60
Other current liabilities	24	1,372.04	546.00	414.53
Provisions	25	220.66	328.77	248.24
Total current liabilities		17,398.59	14,674.61	13,348.88
Total Liabilities		20,379.90	17,750.76	16,548.55
TOTAL EQUITY AND LIABILITIES		60,902.16	42,745.14	37,074.00
Summary of significant accounting policies	3			

The accompanying notes are an integral part of the Consolidated Financial Statements
As per our report of even date attached

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

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

Rakesh Dewan
Partner
Membership No.: 092212

Diwakar Nigam
Managing Director
DIN: 00263222

T. S. Varadarajan
Whole Time Director
DIN: 00263115

Arun Kumar Gupta
Chief Financial Officer

Aman Mourya
Company Secretary
Membership No: 27299

Place: Gurugram
Date: 17 May 2018

Place: New Delhi
Date: 17 May 2018

Place: New Delhi
Date: 17 May 2018

Place: New Delhi
Date: 17 May 2018

Place: New Delhi
Date: 17 May 2018

Consolidated Statement of Profit and Loss

for the year ended March 31, 2018

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

	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
Income			
Revenue from operations	26	51,242.78	42,709.80
Other income	27	760.98	826.78
Total income		52,003.76	43,536.58
Expenses			
Employee benefits expense	28	24,887.78	21,004.64
Finance costs	29	520.68	525.60
Depreciation and amortisation expense	30	580.67	491.82
Other expenses	31	16,601.38	14,682.49
Total expenses		42,590.51	36,704.55
Profit before tax		9,413.25	6,832.03
Tax expense	32		
Current tax		1,630.40	1,641.82
Less: MAT entitlement		(86.97)	-
Tax expense for earlier years		64.50	126.63
Deferred tax (credit)		516.64	(69.43)
Income tax expense		2,124.57	1,699.02
Profit for the year		7,288.68	5,133.01
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability (asset)		126.35	(82.88)
Income tax relating to items that will not be reclassified to profit or loss		(43.73)	28.31
Net other comprehensive income/(loss) not to be reclassified subsequently to profit or loss		82.62	(54.57)
Items that will be reclassified subsequently to profit or loss			
Debt instruments through other comprehensive income - net change in fair value		(0.47)	26.59
Income tax relating to items that will be reclassified to profit or loss		0.16	(9.20)
Net other comprehensive (loss)/income to be reclassified subsequently to profit or loss		(0.31)	17.39
Other comprehensive income/(loss) for the year, net of income tax		82.31	(37.18)
Total comprehensive income for the year		7,370.99	5,095.83
Profit attributable to:			
Owners of the company		7,288.68	5,133.01
Profit for the year		7,288.68	5,133.01
Other comprehensive income/(loss) attributable to:			
Owners of the company		82.31	(37.18)
Other comprehensive income/(loss) for the year		82.31	(37.18)
Total comprehensive income attributable to:			
Owners of the company		7,370.99	5,095.83
Total comprehensive income for the year		7,370.99	5,095.83
Earnings per equity share			
Nominal value of share INR 10 (31 March 2017: INR 10, 1 April 2016: INR 10)			
Basic earning per share	33	11.44	8.26
Diluted earning per share	33	11.15	8.09
Summary of significant accounting policies	3		

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

As per our report of even date attached

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

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

Rakesh Dewan
Partner
Membership No.: 092212

Diwakar Nigam
Managing Director
DIN: 00263222

T. S. Varadarajan
Whole Time Director
DIN: 00263115

Arun Kumar Gupta
Chief Financial Officer
Place: New Delhi
Date: 17 May 2018

Aman Mourya
Company Secretary
Membership No.: 27299
Place: New Delhi
Date: 17 May 2018

Place: Gurugram
Date: 17 May 2018

Place: New Delhi
Date: 17 May 2018

Place: New Delhi
Date: 17 May 2018

Consolidated Statement of Changes in Equity

as at 31 March 2018

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

a. Share capital

Particulars	Equity share capital		Equity share capital with differential voting right		Preference share capital		Total share capital	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Balance as at 31 March 2016	54,013,800	5,401.38	120	0.01	10,294,230	1,029.42		6,430.81
Less: Shares held by trust	2,223,735	222.37	-	-	-	-		222.37
Total Share capital as at 31 March 2016	51,790,065	5,179.01	120	0.01	10,294,230	1,029.42		6,208.44
Balance as at 1 April 2016	54,013,800	5,401.38	120	0.01	10,294,230	1,029.42		6,430.81
Changes in equity share capital during the year on account of conversion of compulsory convertible preference shares	10,294,230	1,029.42			(10,294,230)	(1,029.42)		-
Balance as at 31 March 2017	64,308,030	6,430.80	120	0.01	-	-		6,430.81
Less: Shares held by trust	1,995,064	199.51	-	-	-	-		199.51
Total Share capital as at 31 March 2017	62,312,966	6,231.29	120	0.01	-	-		6,231.30
Balance as at 31 March 2017	64,308,030	6,430.80	120	0.01	-	-		6,430.81
Add: Equity shares with differential voting rights reclassified to equity shares during the year	120	0.01	(120)	(0.01)	-	-		-
Add: Fresh issue during the year	3,877,551	387.76	-	-	-	-		387.76
Add: Issued during the year to Newgen ESOP Trust	1,050,000	105.00	-	-	-	-		105.00
Balance as at 31 March 2018	69,235,701	6,923.57	-	-	-	-		6,923.57
Less: Shares held by trust	1,351,584	135.16	-	-	-	-		135.16
Total Share capital as at 31 March 2018	67,884,117	6,788.41	-	-	-	-		6,788.41

b. Other equity

Particulars	Securities premium* earnings	Others				Items of Other comprehensive income			Total attributable to owners of the Company
		Capital redemption reserve	General reserve	Capital reserve	Foreign currency translation reserve*	Newgen ESOP Trust reserve*	Share options outstanding reserve*	Remeasurement of defined benefit liability through OCI	
Balance as at 31 March 2016	1,141.87	87.95	1,731.39	0.21	-	175.75	259.07	-	14,964.82
Less: Securities premium on shares held by trust	(647.80)							(2.21)	(647.80)
Total Balance as at 31 March 2016	494.07	87.95	1,731.39	0.21	-	175.75	259.07	-	14,317.02
Balance as at 1 April 2016	1,141.87	87.95	1,731.39	0.21	-	175.75	259.07	-	14,964.82
Total comprehensive income for the year ended 31 March 2017									
Profit for the year	-	-	-	-	-	-	-	-	5,133.01
Foreign currency translation reserve	-	-	-	-	(104.54)	-	-	-	(104.54)
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	17.38	(37.19)
Transactions with owners, recorded directly in equity									
Addition to Newgen ESOP Trust reserve	-	-	-	-	-	24.47	-	-	24.47
Contributions by and distributions to owners									
Dividend on equity shares	-	-	-	-	-	-	-	-	(540.14)
Dividend distribution tax on dividend on equity shares	-	-	-	-	-	-	-	-	(110.59)
Dividend on preference shares	-	-	-	-	-	-	-	-	(103.80)
Dividend distribution tax on dividend on preference shares	-	-	-	-	-	-	-	-	(21.25)
Dividend received on equity shares held by trust	-	-	-	-	-	-	-	-	-
Employee stock compensation expense	-	-	-	-	-	-	127.11	-	127.11
Transferred to securities premium account on exercise of stock options	26.82	-	-	-	-	-	(26.82)	-	-
Balance as at 31 March 2017	1,168.69	87.95	1,731.39	0.21	(104.54)	200.22	359.36	(54.57)	19,331.90
Less: Securities premium on shares held by trust	(568.82)								(568.82)
Total Balance as at 31 March 2017	599.87	87.95	1,731.39	0.21	(104.54)	200.22	359.36	(54.57)	18,763.08
Balance as at 1 April 2017	1,168.69	87.95	1,731.39	0.21	(104.54)	200.22	359.36	(54.57)	19,331.90
Total comprehensive income for the year ended 31 March 2018									
Profit for the year	-	-	-	-	-	-	-	-	7,288.68
Foreign currency translation reserve	-	-	-	-	100.20	-	-	-	100.20

Particulars	Securities premium* earnings	Others				Items of Other comprehensive income			Total attributable to owners of the Company
		Capital redemption reserve	General reserve	Capital reserve	Foreign currency translation reserve*	Newgen ESOP Trust reserve*	Share options outstanding reserve*	Remeasurement of defined benefit liability	
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	-	-	82.62 (0.31)	82.31
Securities premium on issue of shares to Newgen ESOP Trust	556.50	-	-	-	-	-	-	-	556.50
Securities premium on shares issued through initial public offer	9,112.24	-	-	-	-	-	-	-	9,112.24
Utilized for share issue expenses	(1,349.15)	-	-	-	-	-	-	-	(1,349.15)
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-
Addition to Newgen ESOP Trust reserve	-	-	-	-	-	31.43	-	-	31.43
Contributions by and distributions to owners	-	-	-	-	-	-	-	-	-
Dividend on equity shares	- (964.62)	-	-	-	-	-	-	-	(964.62)
Dividend distribution tax on dividend on equity shares	- (196.37)	-	-	-	-	-	-	-	(196.37)
Employee stock compensation expense	-	-	-	-	-	-	225.73	-	225.73
Transferred to securities premium account on exercise of stock options	193.21	-	-	-	-	-	(193.21)	-	-
Balance as at 31 March 2018	9,681.50	87.95	1,731.39	0.21	(4.34)	231.65	391.88	28.05	34,218.85
Less: Securities premium on shares held by trust	(485.00)	-	-	-	-	-	-	-	(485.00)
Balance as at 31 March 2018	9,196.49	87.95	1,731.39	0.21	(4.34)	231.65	391.88	28.05	33,733.85
* Refer Note 16 D									
Summary of significant accounting policies	Note 3								
The accompanying notes are an integral part of the Consolidated Financial Statements									

As per our report of even date attached

For **B S R & Associates LLP** For and on behalf of the Board of directors of
Chartered Accountants
Firm Registration No.:
116231W / W-100024

Newgen Software Technologies Limited

Rakesh Dewan
Partner
Membership No.: 092212

Place: Gurugram
Date: 17 May 2018

Diwaker Nigam **T. S. Varadarajan** **Arun Kumar Gupta** **Aman Mourya**
Managing Director Whole Time Director Chief Financial Officer Company Secretary
DIN: 00263222 DIN: 00263115 Membership No: 27299

Place: New Delhi Place: New Delhi Place: New Delhi Place: New Delhi
Date: 17 May 2018 Date: 17 May 2018 Date: 17 May 2018 Date: 17 May 2018

Consolidated Statement of Cash Flows

for the year ended March 31, 2018

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

	For the year ended 31 March 2018	For the year ended 31 March 2017
A. Cash flows from operating activities		
Net profit before tax	9,413.25	6,832.03
Adjustments for:		
Depreciation and amortisation	580.67	491.82
Loss on sale of property, plant and equipment	3.15	0.12
Property, plant and equipment written off	-	0.59
Interest income on security deposits at amortised cost	(31.21)	(24.16)
Loss allowance on trade receivables	659.26	1,353.50
Loss allowance on other financial assets	-	6.55
Provision no longer required write back	(229.75)	-
Fair value changes of financial assets at FVTPL	(25.48)	5.57
Unrealised foreign exchange loss/(gain)	(49.10)	95.01
Share based payment - equity settled	225.73	127.12
Reversal of derivative liability	-	(136.00)
Finance costs	520.68	525.60
Dividend income from mutual funds at FVTPL	(87.86)	(1.75)
Interest income from government and other bonds at FVOCI	(131.56)	(35.11)
Profit on sale of mutual funds (net) at FVTPL	(60.73)	(589.89)
Interest income from bank deposits and others	(159.32)	(24.62)
Operating cash flow before working capital changes	10,627.73	8,626.38
Increase in trade receivables	(2,503.86)	(6,130.91)
Increase in loans	(278.74)	(20.42)
Increase in other financial assets	(2,627.21)	(163.06)
Increase in other assets	(33.32)	(83.35)
Increase in provisions	314.36	282.31
Increase in other financial liabilities	1,616.27	1,179.03
Increase in other liabilities	844.50	180.88
Increase in trade payables	270.37	1,403.47
Cash generated from operations	8,230.10	5,274.33
Income taxes paid (net)	(2,205.62)	(1,683.38)
Net cash generated from operating activities (A)	6,024.48	3,590.95
B. Cash flows from investing activities		
Purchase or construction of fixed assets (tangible and intangible fixed assets and capital work-in-progress) and capital advances	(1,914.11)	(700.58)
Proceeds from sale of fixed assets	6.96	(3.39)
Purchase of mutual funds and government bonds	(1,683.12)	(8,680.24)
Proceeds from sale of mutual funds	1,699.60	8,942.99
Interest income from government bonds	86.21	28.06
Interest received on Bank deposit	73.57	33.63
Investment in bank deposits (net)	(70.95)	22.90
Net cash used in investing activities (B)	(1,801.84)	(356.63)

Consolidated Cash Flow Statement

for the year ended March 31, 2018

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

	For the year ended 31 March 2018	For the year ended 31 March 2017
C. Cash flows from financing activities		
Repayment of short-term borrowings (net)	(259.79)	(657.01)
(Repayment of)/proceeds of Finance Lease Obligation	(301.33)	(299.46)
Proceed from fresh issue of share	9,500.00	-
Expenses paid for Initial Public Offer	(1,349.15)	-
Proceeds from issue of equity shares under ESOP scheme	169.35	22.87
Securities premium on issue of shared under ESOP scheme	640.31	78.98
Dividend paid (including corporate dividend distribution tax)	(1,140.21)	(628.63)
- Equity		
Dividend paid (including corporate dividend distribution tax)	-	(125.05)
- Preference		
Finance cost	(519.60)	(469.82)
Gain on transfer of equity shares by Newgen ESOP trust	10.64	2.37
Net cash generated / (used in) from financing activities (C)	6,750.22	(2,075.75)
Net increase in cash and cash equivalents (A + B + C)	10,972.86	1,158.57
Cash and cash equivalents at the beginning of the year	3,491.88	2,431.78
Effect of exchange differences on translation of foreign currency cash and cash equivalents	83.60	(98.47)
Cash and cash equivalents at the end of the year	14,548.34	3,491.88
Components of cash and cash equivalents:		
Cash in hand	4.52	6.26
Cheques and drafts on hand		
Balances with banks:		
- in current accounts	6,143.82	2,685.62
- on deposit accounts with original maturity upto 3 months	8,400.00	800.00
	14,548.34	3,491.88

Notes:

- The cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".
- Effective 1 April 2017, the Group adopted the amendment to Ind AS7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

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

As per our report of even date attached

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

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

Rakesh Dewan
Partner

Diwakar Nigam
Managing Director

T. S. Varadarajan
Whole Time Director

Arun Kumar Gupta
Chief Financial
Officer

Aman Mourya
Company Secretary

Membership No.: 092212

DIN: 00263222

DIN: 00263115

Membership No: 27299

Place: Gurugram
Date: 17 May 2018

Place: New Delhi
Date: 17 May 2018

Place: New Delhi
Date: 17 May 2018

Place: New Delhi
Date: 17 May 2018

Place: New Delhi
Date: 17 May 2018

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

NOTE 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 are 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.

NOTE 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. These consolidated financial statements for the year ended 31 March 2018 are the first consolidated financial statements that the group has prepared in accordance with Ind AS.

Accordingly, the group has followed the provisions of Ind AS 101, 'First Time Adoption of Indian Accounting Standards', in preparing its opening Ind AS Balance Sheet as of the date of transition, i.e. 1 April 2016. Certain of the Group's Ind AS accounting policies used in the opening balance sheet differed from its Indian GAAP policies applied as at 31 March 2016, and accordingly adjustments were made to restate the opening balances as per Ind AS. The resulting adjustments arose from events and transactions before the date of transition to Ind AS. Therefore,

as required by Ind AS 101, those adjustments were recognized directly through retained earnings as at 1 April 2016.

Refer note 50 for the effect of transition to Ind AS on the reported consolidated financial position, consolidated financial performance and consolidated cash flows of the Group.

The consolidated financial statements were authorised for issue by the Company's Board of Directors on 17 May 2018.

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 PTE Limited	Singapore	100
Newgen Software Technologies (UK) Limited	United Kingdom	100
Newgen Computer 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.

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

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:-

- Share capital and opening reserves and surplus are carried at historical cost.
- All assets and liabilities, both monetary and non-monetary, (excluding share capital, opening reserves and surplus) are translated using the year-end rates.
- 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.
- The resulting net exchange difference is credited or debited to the foreign currency translation reserve.

C. Functional and presentation currency

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

D. Basis of measurement

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

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

E. Use of estimates and 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 35 – lease classification: classification of leases under finance lease or operating lease;

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 2018 is included in the following notes:

- Note 3(c)(iii) –Estimation of Useful lives of intangible and depreciable assets
- 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 41 – Impairment of trade receivables and financial assets.

F. Current and non-current classification

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

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

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

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

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

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

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

Operating cycle

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

G. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-

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

Significant valuation issues are reported to the 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 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:

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

Note 34 – Share-based payment arrangements;
and

Note 41 – Financial instruments.

NOTE 3 Significant Accounting Policies

a. Foreign currency

i. Functional currency

The Group's 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 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 Group becomes a party to the contractual provisions of the instrument.

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

ii. Classification and subsequent measurement

Financial assets:

On initial recognition, a financial asset is classified as measured at

- Amortised cost;
- Fair value through Other Comprehensive Income (FVOCI) – debt investment;
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- FVTPL

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

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

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

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

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

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

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 derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

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

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

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

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial

asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

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

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

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

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

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

Financial assets at amortised cost

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

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

Equity investments at FVOCI

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii. Derecognition

Financial assets

The Group 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 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 derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group 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 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.

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

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 profit or loss.

ii. Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all its property, plant and equipment recognized as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

iii. 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.

iv. 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 fixed assets	Estimated useful life (Years)
Building	60
Plant and equipment	15
Leasehold Improvements*	3
Office equipment**	10
Furniture and Fixtures	10
Vehicles	8
Computer hardware	
-servers and networks	6
-Computers**	3-5

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

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

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

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

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

d. Intangible assets

Recognition and measurement

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

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits from

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

the specific asset to which it relates.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all its intangible assets recognized as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Amortisation

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

Gains or losses arising from 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 profit or loss when the asset is derecognized.

e. Impairment

i. Impairment of financial instruments

The Group recognises loss allowances for expected credit losses on:

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

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

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

Loss allowances for trade receivables are

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

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

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

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

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

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

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

Measurement of expected credit losses

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

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

Presentation of allowance for expected credit losses in the balance sheet

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

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

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the 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 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 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 is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense 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 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

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

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

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

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the

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

g. Provisions (other than for employee benefits)

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

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on technical evaluation, historical warranty data and a weighting of all possible outcomes by their associated probabilities.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

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**

Revenue is measured at the fair value of the consideration received or receivable and is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured and specific criteria as per the respective arrangements have been met.

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 recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date.

Software Development Services

The revenue from such fixed price contracts for software development is recognized

based on proportionate completion method based on hours expended, and foreseeable losses on the completion of contract, if any are recognized immediately.

The Group is also involved in time and material contracts and recognizes revenue on a man month basis.

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 on a pro rata basis over the period in which such product up gradation and services are rendered.

iii. **Sale of right to use software**

Software-as-a-service, that is, a right to use software functionality in a cloud-based-infrastructure provided by the Group. Revenue is recognized monthly/periodically based on the number of users right given to customers.

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, each deliverable that is considered to be a separate unit of account is accounted for separately. The

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

allocation of consideration from a revenue arrangement to its separate units of account is based on the relative fair value of each unit. If the fair value of the delivered item is not reliably measurable, then revenue is allocated based on the difference between the total arrangement consideration and the fair value of the undelivered item.

j. Recognition of dividend income, interest income or expense

Dividend income is recognised in 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

i. Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or

on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

ii. Assets held under leases

Leases of property, plant and equipment that transfer to the Group substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Group substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Group's Balance Sheet.

iii. Lease payments

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

produce a constant periodic rate of interest on the remaining balance of the liability.

longer probable respectively that the related tax benefit will be realized.

m. Income tax

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

i. Current tax

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

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

ii. Deferred tax

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

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

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

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 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 Group by the weighted average number of equity shares outstanding during the year.

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

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.

Compulsorily convertible preference shares

The embedded derivative liability on initial recognition has been separated from the underlying equity instrument and recorded at fair value. The difference between the fair value of the combined CCPS instrument and the fair value of the embedded derivative liability has been recorded as the value of the equity host contract. The embedded derivative has been fair valued through profit or loss at each balance sheet date.

Upon conversion of CCPS into equity shares the resultant gain/loss on the down-round derivative is recognised in profit or loss. The original equity component remains as equity/is transferred within 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. Segment

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

s. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

4	Property, plant and equipment and Capital work in progress										
	Freehold land	Leasehold land*	Buildings	Plant and machinery	Leasehold improvements	Vehicles	Office equipment	Furniture and fixtures	Computer and servers	Total	Capital work in progress#
Cost (refer note 50)											
Deemed cost as at 1 April 2016	4.71	3,523.68	1,091.73	233.60	5.99	135.91	332.02	248.23	717.09	6,292.96	604.61
Additions during the year	-	-	33.98	18.93	-	-	16.95	10.16	165.24	245.26	503.68
Less: Disposals during the year	-	-	-	0.53	-	-	0.10	-	5.74	6.37	-
Balance as at 31 March 2017	4.71	3,523.68	1,125.71	252.00	5.99	135.91	348.87	258.39	876.59	6,531.85	1,108.29
Additions during the year	-	-	602.25	69.86	-	14.58	85.97	113.48	302.61	1,188.75	685.80
Less: Disposals during the year	-	-	-	9.77	-	-	17.07	8.78	-	35.62	134.61
Balance as at 31 March 2018	4.71	3,523.68	1,727.96	312.09	5.99	150.49	417.77	363.09	1,179.20	7,684.98	1,659.48
Accumulated Depreciation (refer note 50)											
Balance as at 1 April 2016	-	-	-	-	-	-	-	-	-	-	-
Charge for the year (refer note 30)	-	39.74	20.98	30.41	5.98	20.73	45.32	35.74	233.70	432.61	-
Less: Disposals during the year	-	-	-	-	-	-	-	-	3.87	3.87	-
Balance as at 31 March 2017	-	39.74	20.98	30.41	5.98	20.73	45.32	35.74	229.83	428.74	-
Charge for the year (refer note 30)	-	39.46	21.70	39.78	-	24.05	67.25	48.39	283.20	523.83	
Less: Disposals during the year	-	-	-	3.30	-	-	16.75	5.46	-	25.51	
Balance as at 31 March 2018	-	79.20	42.68	66.89	5.98	44.78	95.82	78.67	513.03	927.06	-
Carrying amount (net)											
Balance as at 1 April 2016	4.71	3,523.68	1,091.73	233.60	5.99	135.91	332.02	248.23	717.09	6,292.96	604.61
Balance as at 31 March 2017	4.71	3,483.94	1,104.73	221.59	0.01	115.18	303.55	222.65	646.76	6,103.12	1,108.29
Balance as at 31 March 2018	4.71	3,444.48	1,685.28	245.20	0.01	105.71	321.95	284.42	666.17	6,757.93	1,659.48

As at 31 March 2018 properties with a carrying amount of INR 472.93 lakhs (31 March 2017: INR 483.20 lakhs, 1 April 2016: INR 493.59 lakhs) are subject to first charge to working capital loans from banks.

*Represents land at Chennai and Noida location taken on finance lease for a term of 99 and 90 years respectively.

Capital work in progress represents construction of new office, cost incurred upto 31 March 2018 totaled to INR 1,659.48 Lakhs

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

5 Intangibles

	Computer software
Cost (refer note 50)	
Deemed cost as at 1 April 2016	103.01
Additions during the year	26.62
Balance as at 31 March 2017	129.63
Additions during the year	74.61
Balance as at 31 March 2018	204.24
Accumulated Amortisation	
Balance as at 1 April 2016	-
Amortisation (refer note 30)	59.20
Balance as at 31 March 2017	59.20
Amortisation (refer note 30)	55.48
Balance as at 31 March 2018	114.68
Carrying amount (net)	
Balance as at 1 April 2016	103.01
Balance as at 31 March 2017	70.43
Balance as at 31 March 2018	89.56

6 Loans (unsecured, considered good, unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Security deposits	295.70	226.68	210.99
	295.70	226.68	210.99

7 Non-current financial assets - others

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Bank deposits			
- pledged with tax authorities	2.25	2.25	2.25
- held as margin money*	208.24	137.29	160.19
Interest accrued on deposits	107.68	21.44	-
Earnest money deposits			
Unsecured, considered good	236.60	72.48	11.92
Unsecured, considered doubtful	123.21	123.21	123.46
Less: Loss allowance for deposits	(123.21)	(123.21)	(123.46)
	554.77	233.46	174.36

*Balances with bank held as margin money INR 202.49 lakhs (31 March 2017: INR 131.54 lakhs, 1 April 2016: INR 155.62 lakhs) represents the margin money on account of guarantees issued to government customers.

Information about Group's exposure to credit and market risks and fair value measurement is included in Note 47.

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

8 Income tax assets

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance income tax	1,281.29	852.41	808.71
	1,281.29	852.41	808.71

9 Other non-current assets

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Prepaid expenses	120.50	105.39	62.07
Capital advances	235.73	-	-
	356.23	105.39	62.07

10 Investments

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investments in bonds (unquoted)			
Bonds at FVOCI			
Investment in government bonds	959.03	971.10	445.20
Investment in other bonds	726.46	711.69	-
	1,685.49	1,682.79	445.20
Investments in mutual funds (unquoted)			
Mutual Funds at FVTPL			
Investment in arbitrage funds	-	-	2,367.13
Investment in debt mutual funds	3,336.58	3,183.25	1,703.81
	3,336.58	3,183.25	4,070.94
	5,022.07	4,866.04	4,516.14
Aggregate book value of unquoted investments	5,022.07	4,866.04	4,516.14
Aggregate market value of unquoted investments	5,022.07	4,866.04	4,516.14

Investments in bonds measured at FVOCI have stated interest rates of 7.35% to 10.40%. Information about Group's exposure to credit and market risks and fair value measurement is included in Note 47

11 Trade receivables

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured			
- Considered good	22,201.67	19,957.12	16,435.80
- Considered doubtful	4,139.83	6,325.98	5,933.12
	26,341.50	26,283.10	22,368.92
Less: Loss allowance for trade receivables			
- unsecured, considered doubtful	(4,139.83)	(6,325.98)	(5,933.12)
	22,201.67	19,957.12	16,435.80

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

The Group's exposure to credit and currency risks and loss allowances related to trade receivables are discussed in note 47.

12 Cash and cash equivalents

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Cash on hand	4.52	6.26	13.66
Balances with banks			
- in current accounts*#	6,143.82	2,685.62	2,418.12
Balances with scheduled banks in deposit accounts with original maturity of less than 3 months#	8,400.00	800.00	-
	14,548.34	3,491.88	2,431.78

*Current account balances with banks include INR 112.24 lakhs (31 March 2017: INR 36.69 lakhs, 1 April 2016: INR 41.11 lakhs) held at a foreign branch.

Balance with banks and deposits includes INR 58.80 lakhs and INR 8,400 lakhs respectively as unutilized amounts of the IPO proceeds.

13 Current financial assets - Loans

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Loans to employees*	20.03	26.64	35.04
Security deposits	297.24	46.06	46.27
	317.27	72.70	81.31

*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 2018	As at 31 March 2017	As at 1 April 2016
(unsecured considered good, unless otherwise stated)			
Interest accrued on deposits	0.67	0.95	31.18
Interest accrued but not due on government bonds	84.53	39.18	32.13
Unbilled revenue*	-	-	-
- other than related parties	5,079.43	2,500.35	2,373.45
- related parties	12.56	0.00	0.00
Earnest money deposits	-	-	14.30
Receivable from employees for issue of shares	-	0.56	-
	5,177.19	2,541.04	2,451.06

*Unbilled revenue pertains to consideration receivable in respect of initial sale of software and services.

15 Other current assets

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advances to vendors	41.14	40.80	20.47
Balances with government authorities*	153.05	226.08	180.13
Advance to employees	221.39	137.51	38.27
Prepaid expenses	331.95	341.80	282.02
	747.53	746.19	520.89

*Balances with government authorities comprises of Goods and Service tax/ service tax / vat credit receivable.

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

16 Share capital

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Authorised share capital						
Equity shares of INR 10 each	98,000,000	9,800.00	64,400,000	6,440.00	63,050,000	6,305.00
Equity share capital with differential voting rights of INR 10 each	200	0.02	200	0.02	200	0.02
0.01% Compulsory convertible preference shares of INR 10 each	11,999,800	1,199.98	11,999,800	1,199.98	11,999,800	1,199.98
	110,000,000	11,000.00	76,400,000	7,640.00	75,050,000	7,505

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Issued, subscribed and paid up						
Equity share capital of INR 10 each, fully paid up	67,884,117	6,788.41	62,312,966	6,231.29	51,790,065	5,179.01
Equity share capital with differential voting rights (DVR) of INR 10 each, fully paid up	-	-	120	0.01	120	0.01
0.01% Compulsory convertible preference shares of Rs. 10 each, fully paid up	-	-	-	-	10,294,230	1,029.42
Total Share capital	67,884,117	6,788.41	62,313,086	6,231.30	62,084,415	6,208.44

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

	As at 31 March 2018		As at 31 March 2017	
	Number of shares	Amount	Number of shares	Amount
Equity share capital of INR 10 each, fully paid up				
At the beginning of the year	64,308,030	6,430.80	54,013,800	5,401.38
Add: Shares issued on conversion of preference shares	-	-	10,294,230	1,029.42
Add: Equity shares with differential voting rights reclassified to equity shares during the year	120	0.01	120	0.01
Add: Equity shares issued during the year through initial public offer	3,877,551	387.76	-	-
Add: Issued during the year to Newgen ESOP Trust	1,050,000	105.00	-	-
At the end of the year	69,235,701	6,923.57	64,308,150	6,430.81
Less: Shares held by trust	1,351,584	135.16	1,995,064	199.51
Total equity share capital	67,884,117	6,788.41	62,313,086	6,231.30

During the year ended 31 March 2018, the Company has completed the initial public offer (IPO), pursuant to which 17,331,483 equity shares of INR 10 each were allotted/allocated, at an issue price of INR 245 each, consisting of fresh issue of 3,877,551 equity shares and an offer for sale of 13,453,932 equity shares by selling shareholders. The equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) via ID

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

NEWGEN and BSE Limited (BSE) via ID 540900 on 29 January 2018.

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.

	As at 31 March 2018		As at 31 March 2017	
	Number of shares	Amount	Number of shares	Amount
Equity share capital with differential voting rights (DVR) of INR 10 each, fully paid up				
At the beginning of the year	120	0.01	120	0.01
Less: Reclassification to equity shares during the year	(120)	(0.01)	-	-
At the end of the year	-	-	120	0.01

Equity shares with differential voting rights :

Each of the shareholder with differential voting rights shall, at all times up to the conversion of Compulsory convertible preference shares into equity shares thereof, were entitled to a fixed preferential and cumulative dividend of one-hundredth percent (0.01%) of the investment amount and resolved to be so distributed as such dividend in respect of each financial year or other accounting period of the Company, in accordance with applicable law. In addition, the Ascent DVR and the IDGVI DVR shall be entitled to participate in any distribution of the profits of the Company (including, as regards any dividends declared) on a pro-rata share and as-if-converted basis vis-à-vis the other shareholders.

Expiration of differential rights:

Pursuant to the shareholder subscription agreement dated 31 October 2013, each Ascent DVR and an IDGVI DVR shall be compulsorily converted at no cost to the Investors, into equity shares in the ratio of 1:1 at any time as may be determined by the investors in their sole discretion. Upon conversion of the Ascent DVR and the IDGVI DVR, such differential voting and dividend rights, as mentioned above, on the shares held by each of the investors have automatically expired. During the year ended 31 March 2018 each equity share with DVR has been re-classified into equity shares.

	As at 31 March 2018		As at 31 March 2017	
	Number of shares	Amount	Number of shares	Amount
0.01% Compulsory convertible preference shares of Rs. 10 each, fully paid up				
At the beginning of the year	-	-	10,294,230	1,029.42
Less: Preference shares conversion to equity shares during the year	-	-	10,294,230	1,029.42
At the end of the year	-	-	-	-

Terms/rights attached to preference shares

During the years ended 31 March 2008 and 31 March 2009, the Company had issued 1,014,785 compulsorily convertible preference shares (hereinafter referred to as "CCPS") of Rs. 10 each fully paid up to HAV2 (Mauritius) Limited and 360,250 CCPS of Rs. 10 each fully paid up to SAPV (Mauritius). During the financial year 2013-14, HAV2 (Mauritius) Limited, exited from the Company and two new investors namely Unit Trust of India Investment Advisory Services Limited, A/C Ascent India Fund II ("Ascent") and IDG Ventures India Fund II LLC ("IDGVI") made investment in the Company. During the year ended 31 March 2014, all the CCPS held by HAV2 (Mauritius) Limited, were acquired by Ascent (670,790 CCPS) and IDGVI (343,995 CCPS). Further, during the

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

year ended 2014-15, the Company has also allotted 225,192 number of CCPS to Ascent and 115,478 number of CCPS to IDGVI.

Pursuant to Shareholders agreement executed on 31 October 2013, between Newgen Software Technologies Ltd and Ascent, IDGVI, SAPV (Mauritius) (individually referred as investor and together referred to as investor group), Newgen Employees Trust and Mr. Diwakar Nigam, Mr. T.S. Varadarajan, Mrs. Priyadarshini Nigam and Mrs. Usha Varadarajan, and Share purchase cum Subscription agreement dated 31 October 2013, between Newgen Software Technologies Ltd, Ascent, IDGVI, SAPV (Mauritius), Mr. Diwakar Nigam, Mr. T.S. Varadarajan, Mrs. Priyadarshini Nigam and Mrs. Usha Varadarajan, the investor group were entitled to receive dividends in preference to any dividends on the equity shares of the Company at the rate of 0.01% (Zero point Zero One Per cent) per annum on the investors subscription consideration, pro rata on a fully diluted basis. However, all the preferential dividend and differential voting rights have already been expired due to conversion of CCPS into Equity.

During the year 2014-15, IDGVI transferred 606,540 shares (adjusted for bonus issue) to Pandara Trust Scheme - I

Each CCPS shall be compulsorily converted at no cost to the Investor, into Equity Shares in the ratio of 1:1 at any time as may be determined by the Investor at their sole discretion. Subject to applicable Law, the conversion of the Shares and the HAV2 (Mauritius) Limited Sale of Shares will take place within the maximum time period prescribed under applicable Law for such conversion.

Conversion of Compulsory convertible preference shares into equity

Pursuant to the Shareholders Agreement, during the year ended 31 March 2017, all issued 10,294,230 CCPS of Rs.10/- each have been converted into 10,294,230 equity shares of Rs.10/- each in the ratio of 1:1, at no cost to the investors. Equity shares of the Company allotted upon conversion of the CCPS, rank pari passu in all respects including as to dividend, voting rights, with the existing fully paid up equity shares of face value of Re. 10/- each of the Company.

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

Equity shares of INR10 each, fully paid up held by:

	As at 31 March 2018		31 March 2017		1 April 2016	
	Number	% Holding	Number	% Holding	Number	% Holding
- Mr. Diwakar Nigam	18,422,406	28.65%	18,422,406	28.65%	18,422,406	34.11%
- Mr. T.S. Varadarajan	15,009,306	23.34%	15,009,306	23.34%	15,009,306	27.79%
- Mrs. Priyadarshini Nigam	7,968,906	12.39%	7,968,906	12.39%	7,968,906	14.75%
- Mrs. Usha Varadarajan	4,528,320	7.04%	4,528,320	7.04%	4,528,320	8.38%
- Unit Trust of India Investment Advisory Services Limited, A/C Ascent India Fund III	-	-	7,464,510	11.61%	-	-

Equity shares with Differential voting Rights of INR 10 each, fully paid up held by:

	As at 31 March 2018		31 March 2017		1 April 2016	
	Number	% Holding	Number	% Holding	Number	% Holding
Unit Trust of India Investment Advisory Services Limited, A/C Ascent India Fund III	-	-	60	50.00%	60	50.00%
IDG Ventures India Fund II LLC	-	-	60	50.00%	60	50.00%

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

0.01% Compulsory Convertible Preference Shares of Rs.10 each, fully paid up held by:

	As at 31 March 2018		31 March 2017		1 April 2016	
	Number	% Holding	Number	% Holding	Number*	% Holding
SAPV (Mauritius)	-	-	-	-	2,161,500	21.00%
Unit Trust of India Investment Advisory Services Limited, A/C Ascent India Fund III	-	-	-	-	5,375,892	52.22%
IDG Ventures India Fund II LLC	-	-	-	-	2,150,334	20.89%
Pandara Trust Scheme- 1	-	-	-	-	606,504	5.89%

*Adjusted for bonus issue, refer note 17 C

16 B Shares reserved for issue under Employee stock option plan

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

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

A. Bonus shares have been issued for which no cash has been received. The bonus shares has been issued out of security premium

	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014
Equity shares of INR 10 each	-	-	-	439,74,000	-
Equity share capital with differential voting rights of INR 10 each	-	-	-	100	-
0.01% Compulsory convertible preference shares of INR 10 each	-	-	-	85,78,525	-

B. 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 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014
Equity shares of INR 10 each	1,050,000	-	-	1,245,000	-

16 D Securities premium

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.

Foreign currency translation reserve

These comprises of all exchange differences arising from translation of financial information of foreign subsidiaries into presentation currency.

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

Newgen ESOP Trust reserve

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 by 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.

Share options outstanding reserve

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.

17 Non-current financial liabilities - Borrowings

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non-current maturities of finance lease obligations (secured)*	1,316.66	1,617.99	1,917.45
	1,316.66	1,617.99	1,917.45

* Finance lease obligations

This Group had obtained leasehold land from 'Yamuna Expressway Industrial Development Authority (YEIDA)' during the year ended 31 March 2016. The lease term of leasehold land is 90 years with equated monthly payment beginning from the month subsequent to the commencement of lease.

Finance lease obligations are payable as follows:

Particulars	As at 1 April 2016		
	Future minimum lease payments	Interest	Present value of minimum lease payments
Less than one year	315.25	240.16	555.40
Between one and five years	1,204.62	615.64	1,820.26
More than five years	712.83	4,973.29	5,686.12

Particulars	As at 31 March 2017		
	Future minimum lease payments	Interest	Present value of minimum lease payments
Less than one year	302.25	205.49	507.74
Between one and five years	1,051.96	481.51	1,533.47
More than five years	566.03	4,901.93	5,467.97

Particulars	As at 31 March 2018		
	Future minimum lease payments	Interest	Present value of minimum lease payments
Less than one year	302.25	170.37	472.62
Between one and five years	684.42	442.27	1,126.69
More than five years	566.40	4,832.93	5,399.33

Effective interest rate on above borrowings is 11.68%.

18 Derivative

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Derivative liability	-	-	136.00
	-	-	136.00

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

19 Non-current provisions

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for employee benefits (refer note 27)			
- provision for gratuity	1,266.07	1,113.20	865.23
- provision for compensated absences	387.30	329.77	256.35
	1,653.37	1,442.97	1,121.58

20 Current financial liabilities - Borrowings

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Loans from banks			
Pre-shipment loans (secured)*	4,946.27	5,226.18	5,883.19
	4,946.27	5,226.18	5,883.19

*Pre-shipment loans carry interest rate @ LIBOR plus margin which varied from 2.13% to 4.45% per annum. These are secured by first pari passu charge over all future and present stock, book debts and equitable mortgage of land and building with carrying amount of INR 472.93 lakhs (31 March 2017: INR 483.20 lakhs, 1 April 2016: INR 493.59) and are repayable within 180 days from the date of disbursement.

21 Trade payables

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
- Total outstanding dues to creditors other than micro and small enterprises	2,292.10	1,804.95	1,473.16
	2,292.10	1,804.95	1,473.16

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

- Refer note 37 for Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)
- The Group's exposure to currency and liquidity risks related to trade payables is disclosed in note 47

22 Current financial liabilities - Others

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current maturities of finance lease obligations	302.25	302.25	315.25
Employee related payables	3,031.96	2,445.69	1,713.80
Payable in respect of retention money	47.92	28.10	11.64
Earnest money deposits	1.00	0.50	-
Payable for capital assets	241.35	126.67	17.47
	3,624.48	2,903.21	2,058.16

23 Deferred income

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance billing	4,917.82	3,856.11	3,264.09
Advance from customers	25.22	9.39	7.51
	4,943.04	3,865.50	3,271.60

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

24 Other current liabilities

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Statutory dues payable	1,365.28	545.23	413.18
Advance from employees for share options	6.76	0.77	1.35
	1,372.04	546.00	414.53

25 Current provisions

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for employee benefits (refer note 28)			
- provision for gratuity	141.39	165.27	134.70
- provision for compensated absences	69.89	68.40	55.17
Other provisions			
Income taxes payable	9.38	95.10	58.37
	220.66	328.77	248.24

26 Revenue from operations

	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of products - softwares	13,695.06	11,681.54
Sale of services		
- Implementation	13,504.14	12,259.06
- Scanning	1,950.01	1,698.67
- AMC/ATS	8,471.52	7,369.03
- Support	12,486.87	9,417.13
- SaaS revenue	1,135.18	284.37
	51,242.78	42,709.80

27 Other income

	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest income under the effective interest rate method:		
- on security deposits at amortised cost	31.21	24.16
- government and other bonds at FVOCI	131.56	35.11
Interest income on fixed deposits	159.32	22.16
Other interest income	1.10	2.46
Profit on sale of mutual funds (net) at FVTPL	60.73	589.89
Dividend income from mutual funds at FVTPL	87.86	1.75
Fair value changes of financial assets at FVTPL	25.48	-
Provision no longer required write back	229.75	-
Reversal of derivative liability	-	136.00
Miscellaneous income	33.97	15.25
	760.98	826.78

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

28 Employee benefits expense

	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries, wages and bonus	23,026.60	19,274.47
Contribution to provident and other funds (refer note i below)	672.31	759.04
Expenses related to compensated absences (refer note ii below)	244.17	228.20
Share based payment - equity settled	225.72	127.12
Expense related to post employment defined benefit plan (refer note iii below)	272.39	242.81
Staff welfare expenses	446.59	373.00
	24,887.78	21,004.64

(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 672.31 lakhs (31 March 2017: INR 609.44 lakhs).

(ii) Compensated absences:

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

	31 March 2018	31 March 2017	1 April 2016
Discounting rate (p.a.)	7.80%	7.35%	7.95%
Future salary increase (p.a.)	7.00%	7.00%	7.00%

(iii) Defined Benefit Plan:

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

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

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

Gratuity payable to employee in case (i) and (ii), as mentioned above, is computed as per the Payment of Gratuity Act, 1972 except the Company does not have any limit on gratuity amount. The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components

	Defined benefit obligation		
	31 March 2018	31 March 2017	1 April 2016
Expense recognised in profit or loss			
Opening balance	1278.47	999.93	679.45
Included in profit or loss:			
Current service cost	178.42	163.31	138.60
Past service cost			
Interest cost (income)	93.97	79.49	54.36
	1,550.86	1,242.73	872.41
Remeasurements recognised directly in other comprehensive income			

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

	Defined benefit obligation		
	31 March 2018	31 March 2017	1 April 2016
Remeasurement loss (gain) arising from:			
Demographic assumptions	(6.31)	-	64.56
Financial assumptions	(44.89)	51.64	104.00
Experience adjustment	(29.64)	31.24	(0.61)
	(80.84)	82.88	167.95
Other			
Contributions paid by the employer			
Benefits paid	(62.57)	(47.15)	(40.43)
Closing balance	1,407.44	1,278.47	999.93
Total	1,407.44	1,278.47	999.93
B. Defined benefit obligations			
i. Actuarial assumptions			
The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).			
Discount rate	7.80	7.35	7.95
Salary escalation rate	7.00	7.00	7.00
Mortality rate	100% of IALM (2006 - 08)	"100% of IALM (2006 - 08)"	100% of IALM (2006 - 08)

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31 March 2018		31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(63.05)	68.33	43.70	46.77
Future salary growth (0.50% movement)	68.53	(63.79)	46.70	44.04
Attrition rate (0.50% movement)				

Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	31 March 2018	31 March 2017	1 April 2016
Net defined benefit asset		-	-
Total employee benefit asset	-	-	-
Net defined benefit liability			
Liability for Gratuity	1407.46	1,278.47	999.93
Liability for Compensated absences	457.19	398.17	311.52
Total employee benefit liabilities	1,864.65	1,676.64	1,311.45
Non-current:			
Gratuity	1,266.07	1,113.20	865.23
Compensated absences	387.30	329.77	256.35
Current:			
Gratuity	141.39	165.27	134.70
Compensated absences	69.89	68.40	55.17

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

29 Finance costs

	For the year ended 31 March 2018	For the year ended 31 March 2017
Finance cost on finance lease obligations	205.49	240.16
Interest expense on packing credit	160.88	156.81
Other finance costs	79.03	128.63
Net loss on foreign currency transactions and translation*	75.28	-
	520.68	525.60

*To the extent considered as an adjustment to finance cost

30 Depreciation and amortization expense

	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation of property, plant and equipment (refer note 4)	525.19	432.62
Amortisation of intangible assets (refer note 5)	55.48	59.20
	580.67	491.82

31 Other expenses

	For the year ended 31 March 2018	For the year ended 31 March 2017
Rent	1,704.41	1,386.32
Repairs and maintenance	313.59	296.82
Rates and taxes	195.94	266.88
Travelling and conveyance	5,960.98	4,774.77
Legal and professional fees	2,261.20	1,589.48
Payment to auditors*	98.15	43.27
Electricity and water	329.93	307.78
Advertising and sales promotion	520.68	470.63
Membership and subscription fee	619.72	585.66
Brokerage and commission	749.68	495.87
Communication costs	456.81	402.57
Software and license maintenance	305.58	370.35
Expenditure on corporate social responsibility	107.31	105.09
Donation	32.00	28.20
Operation and maintenance	490.77	454.39
Printing and stationery	671.05	627.35
Loss on sale of property, plant and equipment	3.15	0.12
Property, plant and equipment written off	-	0.59
Loss allowance on trade receivables	659.26	1,353.50
Loss allowance on other financial assets	-	6.55
Security charges	200.79	156.24
Net foreign exchange fluctuation loss	35.81	199.35
Fair value changes of financial assets at FVTPL	-	5.57

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

	For the year ended 31 March 2018	For the year ended 31 March 2017
Miscellaneous expenses	884.57	755.14
	16,601.38	14,682.49
*Payment to Auditors#		
As auditor:		
- Statutory audit fee	40.00	34.00
- Limited review fee	7.50	-
- Others	11.43	-
- Reimbursement of expenses	2.25	1.00
	61.18	35.00

#Excludes fee paid to statutory auditor amounting to INR 82.67 Lakhs for IPO related services

32 Income Tax

	For the year ended 31 March 2018	For the year ended 31 March 2017
A. The major components of income tax (expense) / income are		
Recognised in profit or loss		
Tax expense	1,630.40	1,641.82
MAT credit entitlement	(86.97)	-
Tax expense for earlier years	64.50	126.63
Deferred tax (credit)	516.64	(69.43)
Total	2,124.57	1,699.02
Recognised in Other comprehensive income		
Tax impact on		
- Re-measurement on defined benefit plan	(43.73)	28.31
- Fair value of Debt instruments through other comprehensive income	0.16	(9.20)
Total	(43.57)	19.11

B. Reconciliation of effective tax rate

	31 March 2018		31 March 2017	
Profit before tax		9,413.25		6,832.03
Tax using the Company's tax rate	34.61%	3,257.74	34.61%	2,364.43
Impact of different rate in each jurisdiction	-1.20%	(112.66)	-0.16%	(10.76)
Effect of deduction under section 10A of the Income tax Act, 1961	-11.18%	(1,052.22)	-12.74%	(870.20)
Effect of expenses permanently disallowed under the Income Tax Act, 1961	0.18%	16.89	2.52%	172.45
Effect of income exempt/ taxed on lower rate	-0.56%	(53.04)	-1.34%	(91.41)
Others	0.04%	3.36	0.12%	7.88

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

Income tax recognised in statement of profit and loss	21.88%	2,060.06	23.01%	1,572.39
---	--------	----------	--------	----------

C. Deferred tax assets (net)

Deferred tax relates to the following:

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deferred tax related to items recognised in OCI:				
Deferred tax assets (gross)				
Investments at fair value through OCI		-	-	1.17
Remeasurement of defined benefit liability (asset)		-	28.31	-
	(a)	-	28.31	1.17
Deferred tax liabilities				
Investments at fair value through OCI		7.87	8.03	-
Remeasurement of defined benefit liability (asset)		15.42	-	-
	(b)	23.29	8.03	-
Deferred tax related to items recognised in statement of profit and loss:				
Deferred tax liabilities (gross)				
Property, plant and equipment		251.36	314.72	300.22
Others		11.11	-	-
	(c)	262.47	314.72	300.22
Deferred tax assets (gross)				
Others		-	8.87	14.74
Loss allowance on other financial assets		42.64	42.64	42.73
Loss allowance on trade receivables		1,381.66	2,082.54	2,014.44
Derivative		-	-	46.00
Provision for employee benefits		667.62	530.78	472.45
	(d)	2,091.92	2,664.83	2,590.36
	(e) = (d) - (c)	1,829.45	2,350.11	2,290.14
Deferred tax assets (net)	(a) - (b) + (e)	1,806.16	2,370.39	2,291.29
MAT credit entitlement		86.97	-	89.02
Total Deferred tax assets (net)		1,893.13	2,370.39	2,380.31

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

D. Deferred tax liability (net)

Deferred tax relates to the following:

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deferred tax liabilities (gross)			
Property, plant and equipment	11.28	15.19	24.64
Total Deferred tax liability (net)	11.28	15.19	24.64

E. Movement in temporary differences

31 March 2018

Particulars	Balance as at 1 April 2017	Recognised in profit or loss during FY 2017-18	Recognised in OCI during FY 2017-18	Balance as at 31 March 2018
Deferred tax liabilities (net)				
Property, plant and equipment	(15.19)	3.91	-	(11.28)
Total	(15.19)	3.91	-	(11.28)
Deferred tax assets (net)				
Investments at fair value through OCI	(8.03)	-	0.16	(7.87)
Remeasurement of defined benefit liability (asset)	28.31	-	(43.73)	(15.42)
Property, plant and equipment	(314.72)	63.36	-	(251.36)
Loss allowance on other financial assets	42.64	-	-	42.64
Loss allowance on trade receivables	2,082.54	(700.87)	-	1,381.66
Provision for employee benefits	530.78	136.84	-	667.62
Others	8.87	(19.88)	-	(11.11)
Total	2,340.01	(512.72)	(43.57)	1,783.60

31 March 2017

Particulars	Balance as at 1 April 2016	Recognised in profit or loss during FY 2016-17	Recognised in OCI during FY 2016-17	Balance as at 31 March 2017
Deferred tax liabilities (net)				
Property, plant and equipment	(24.64)	9.45	-	(15.19)
Total	(24.64)	9.45	-	(15.19)
Deferred tax assets (net)				
Investments at fair value through OCI	1.17	-	(9.20)	(8.03)
Remeasurement of defined benefit liability (asset)	-	-	28.31	28.31
Property, plant and equipment	(300.22)	(14.50)	-	(314.72)
Derivative liability	46.00	(46.00)	-	-

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

Loss allowance on other financial assets	42.73	(0.09)	-	42.64
Loss allowance on trade receivables	2,014.44	68.10	-	2,082.54
Provision for employee benefits	472.45	58.34	-	530.78
Others	14.74	(5.87)	-	8.87
Total	2,266.66	69.44	19.11	2,355.19

33 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 (after adjusting for interest on the convertible instruments) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

i. Profit attributable to Equity holders of the Company

	31 March 2018	31 March 2017
	INR	INR
Profit attributable to equity holders of the Group	7,288.68	5,133.01
Profit attributable to equity holders of the Group for basic earnings	7,288.68	5,133.01

ii. Weighted average number of ordinary shares

	31 March 2018	31 March 2017
	INR	INR
Opening balance of equity shares	62,313,086	51,790,185
Conversion of convertible preference shares into equity shares	-	10,294,230
Effect of equity shares issued through initial public offer	658,652	-
Effect of share options exercised	739,355	28,037
Weighted average number of shares for basic EPS	63,711,093	62,112,452
Effect of dilution:		
Add: Equity shares held by ESOP Trust with respect to options not exercised by employees but outstanding	1,633,736	1,337,237
Weighted average number of shares for diluted EPS	65,344,829	63,449,689

Basic and Diluted earnings per share

	31 March 2018	31 March 2017
	INR	INR
Basic earnings per share	11.44	8.26
Diluted earnings per share	11.15	8.09

34 Share-based payment arrangements:

A. Description of share-based payment arrangements

i. Share option programmes (equity-settled)

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

The Group had established Employees Stock Option Plan-1999 (ESOP 1999) and Employees Stock Option Plan-2000 (ESOP 2000) in the year 1999-00 and 2000-01 respectively, administered through 'Newgen Employees Trust' (ESOP Trust) set-up for this purpose, for a total grant of 293,160 and 600,000 options respectively, at an Exercise Price of INR80 and INR 40 per option respectively, to the employees of the Group. Under the terms of the original plans, these options are vested on a graded vesting basis over a maximum period of Four (4) years from the date of grant and are to be exercised either in part(s) or full, within a maximum period of five and four years respectively from the date of last vesting. During the year ended 31 March 2000, 586,320 equity shares were issued to ESOP Trust as bonus shares in the ratio of 1:2. Further, 4,093,350 equity shares were also issued to ESOP Trust as bonus shares in the ratio of 1:5 during the year ended 31 March 2015.

The Board of Directors of the Company time to time extended the maximum exercise period for ESOP 1999 and ESOP 2000. During the year 2014-15, the Board of Directors of the Company in their meeting dated 24 December 2014 extended the maximum exercise period for ESOP 1999 and ESOP 2000 to five years and four year respectively from the last vesting date or 31 December 2018, whichever is later.

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 grants under this Scheme shall be limited to 3,783,800 option with underlying equity shares of the Company. Pursuant to the scheme, during the year 2014-15, the Company has granted 3,653,525 options at an exercise price of Rs. 63 per option, to the employees of the Group. Under the terms of the plans, these options are vested on a graded vesting basis over a maximum period of four years from the date of grant and are to be exercised either in part(s) or full, within a maximum period of five from the date of last vesting. Further, during the year 2017-18 grant of options 353,000, 130,000, and 79,250 through grant II, III and IV on 1-Jul-2017, 1 Sep 2017 and 1-Oct 2017 respectively under the same scheme and with same vesting conditions was made.

The 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.

Following table represents general terms of the grants for the ESOP outstanding as on 31 March 2018, during the previous year 2016-17 there were no grants made

ESOP schemes	Grant Date	No. of Options Outstanding	Exercise Price	Weighted average remaining life	Vesting Period
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Jan-2015	1,702,708	63.00	5.76	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Jul-2017	335,025	63.00	8.23	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Sep-2017	130,000	63.00	8.43	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Oct-2017	75,750	63.00	8.51	4 years

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

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. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

The requirement that the employee has to remain in service in order to purchase shares under the share purchase plan has been incorporated into the fair value at grant date by applying a discount to the valuation obtained.

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 Employees Stock Option Scheme 2014 (Newgen ESOP 2014)
	Grant II, III and IV 31 March 2018
Fair value of options at grant date	100.23
Share price at grant date	134.53
Exercise price	63.00
Expected volatility (weighted-average)	55.59%
Expected life (weighted-average)	9 years
Expected dividends	0.00%
Risk-free interest rate (based on government bonds)	6.78%

C. Reconciliation of outstanding share options

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

Employees Stock Option Plan-1999 (ESOP 1999)	Number of options 31 March 2018	Weighted average exercise price 31 March 2018	Number of options 31 March 2017	Weighted average exercise price 31 March 2017	Number of options 1 April 2016	Weighted average exercise price 1 April 2016
Options outstanding as at the beginning of the year	52,600	INR 4.45	57,600	INR 4.45	57,600	INR 4.45
Add: Options granted during the year	-	-	-	-	-	-
Less: Options lapsed during the year	-	-	-	-	-	-
Less: Options exercised during the year	52,600	INR 4.45	5,000	INR 4.45	-	INR 4.45
Options outstanding as at the year end	-	INR 4.45	52,600	INR 4.45	57,600	INR 4.45
Exercisable as at year end	-	-	52,600	-	57,600	-
Weighted - average contractual life	-	-	1.75 Years	-	2.75 Years	-

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

Employees Stock Option Plan-2000 (ESOP 2000)	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	31 March 2018	31 March 2018	31 March 2017	31 March 2017	1 April 2016	1 April 2016
Options outstanding as at the beginning of the year	386,700	INR 6.67	483,800	INR 6.67	678,180	INR 6.67
Add: Options granted during the year	-	-	-	-	-	-
Less: Options lapsed during the year	-	-	30,000	INR 6.67	9,600	INR 6.67
Less: Options exercised during the year	386,700	INR 6.67	67,100	INR 6.67	184,780	INR 6.67
Options outstanding as at the year end	-	INR 6.67	386,700	INR 6.67	483,800	INR 6.67
Exercisable as at year end	-	-	386,700	-	483,800	-
Weighted - average contractual life	-	-	2.09 years	-	3.11 years	-

Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	31 March 2018	31 March 2018	31 March 2017	31 March 2017	1 April 2016	1 April 2016
Options outstanding as at the beginning of the year	3,061,209	INR 63.00	3,384,305	INR 63.00	3,653,525	INR 63.00
Add: Options granted during the year	562,550	INR 63.00	-	-	-	-
Less: Options lapsed during the year	126,096	INR 63.00	166,525	INR 63.00	213,175	INR 63.00
Less: Options exercised during the year	1,254,180	INR 63.00	156,571	INR 63.00	56,045	INR 63.00
Options outstanding as at the year end	2,243,483	INR 63.00	3,061,209	INR 63.00	3,384,305	INR 63.00
Exercisable as at year end	445,616	-	777,170	-	288,188	-
Weighted - average contractual life	6.38 years	-	6.76 years	-	7.76 years	-

C. Expense recognised in statement of profit and loss

For details on the employee benefits expense, refer note 28

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

35 Operating leases

A. Leases as lessee

- a) The Group has taken various cancellable and non-cancellable leases for office premises and residential accommodation for some of its employees. The amount recognised in profit and loss and future minimum lease payments and payment profile of non-cancellable operating leases are as under:

i. Future minimum lease payments

At 31 March 2018, the future minimum lease payments under non-cancellable leases were receivable as follows.

	31 March 2018	31 March 2017	1 April 2016
Less than one year	1,334.90	1,024.35	934.97
Between one and five years	2,152.94	2,113.83	2,236.27
More than five years	-	-	-
	3,487.84	3,138.18	3,171.24

ii. Amounts recognised in profit or loss

	31 March 2018	31 March 2017
Lease expense	1,704.41	1,386.32
	1,704.41	1,386.32

36 Contingent liabilities and commitments (to the extent not provided for)

	31 March 2018	31 March 2017	1 April 2016
a. Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances, tangible assets	759.70	1,733.00	574.98

1. For other commitments - Non-cancellable operating, and finance leases, refer Note 35 and 17 respectively

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. Accordingly, the disclosure in respect of the amounts payable to such enterprises as on 28 February 2018 and 31 March 2017 has been made in the financial statements based on information received and available with the Company. Based on the information currently available with the Company, there are no dues payable to Micro and Small Suppliers as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

- 38 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. Dividends would attract corporate dividend tax when declared.

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Final dividend of INR 2.00 per share (31 March 2017: INR 1.5/-)	1,384.71	964.62
Corporate dividend tax	283.94	196.37

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

39 Utilization of CSR expenses

As per Section 135 of the Companies Act 2013, the following is the detail of Corporate social responsibility expenses incurred by the Company: Gross amount to be spent by the Company during the year ended 31 March 2018 is INR 106.13 lakhs (previous year INR. 97.05 lakhs). Amount spent during the year ended 31 March 2018:

Particulars	Paid	Liability yet to be paid	Total
i) For purpose mentioned as under	104.31	3.00	107.31

The areas for CSR activities are promoting education, health care, sanitation, digital literacy and livelihood enhancement and participation on SOS Children's Village Projects in Faridabad. The funds were primarily utilized through the year on the following activities which are specified in Schedule VII of the Companies Act, 2013.

40 The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company has got the updated documentation for the international transactions entered into with the associated enterprises during the financial year. Accordingly, the management believes that there has been no change in the nature of its international transactions with the associated enterprises during the year ended 31 March 2018 and 31 March 2017. Further, the management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

41 During the year ended 31 March 2018, the Company completed the initial public offer (IPO), pursuant to which 17,331,483 equity shares of INR 10 each were allotted/allocated, at an issue price of INR 245 each, consisting of fresh issue of 3,877,551 equity shares and an offer for sale of 13,453,932 equity shares by selling shareholders. The equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) via ID NEWGEN and BSE Limited (BSE) via ID 540900 on 29 January 2018.

42 Expenses incurred by the Company aggregating to INR 2,627.44 Lakhs in connection with the IPO have been partly adjusted towards the securities premium account and partly recovered from the selling shareholders. The IPO expenses amounting to INR 1,646.71 (excluding certain expenses which are directly attributable to the Company such as legal counsel cost, auditor fee, listing fee, advertisement & marketing expenses and depository fees amounting to INR 980.73 Lakhs), have been allocated between the Company and each of the selling shareholders in proportion to the equity shares allotted to the public as fresh issue by the Company and under offer for sale by the existing shareholders and the total amount charged in securities premium is INR 1,349.15 Lakhs.

43 During the year ended 31 March 2018, the Company has completed the Initial Public offer, pursuant to which 17,331,483 equity shares having a face value of Rs. 10 each were allotted/allocated, at an issue price of Rs. 245 per equity share, consisting of fresh issue of 3,877,551 equity shares and an offer for sale of 13,453,932 equity shares by selling shareholders. The gross proceeds of fresh issue of equity shares from IPO amounts to Rs. 9,500.00 lakhs. The Company's share of fresh issue related expenses is Rs 1,349.15 lakhs, which has been adjusted against Securities Premium. As at 31 March 2018, the proceeds are unutilised and have been temporarily invested/ deposited in cash and cash equivalents including fixed deposits and bank account (Refer note 12).

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

44 Dividend remittances in foreign currency:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Year to which the dividend relates	2016-17	2015-16
Amount remitted during the year (INR in lakhs)	77.21	51.78
Number of non-resident shareholders	2	2
Number of shares on which dividend was due	5,147,340	5,147,340

45 Details of current Investments (refer note 10)

Particulars	Number of Units as at			Amount in Lakhs as at		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Investment in debt mutual funds						
Reliance Short Term Fund- Direct Growth Plan	634,842	-	-	213.85	-	-
ICICI Prudential Short Term Plan	860,077	-	-	322.56	-	-
IIFL Dynamic Bond Fund	1,442,783	-	-	200.83	-	-
Franklin Templeton MF	11,122	-	-	425.20	-	-
Aditya BSL MF	3,202,906	-	-	426.14	-	-
ICICI Prudential MF	2,185,596	-	-	425.63	-	-
UTI Income Opportunities Fund - Direct Plan-Growth	2,617,879	-	-	442.00	-	-
Kotak Income Opportunities Fund-Monthly Growth	2,194,751	-	-	440.56	-	-
L&T Income Opportunities Fund Direct Plan-Growth	2,157,674	-	-	439.81	-	-
Tata Short Term Fund	-	1,273,800	-	-	401.05	-
Reliance Short Term Fund	-	634,842	-	-	200.61	-
UTI Short Term Income Fund	-	1,974,451	-	-	401.27	-
ICICI Prudential Short Term Plan	-	860,077	-	-	301.29	-
UTI Income Opportunities Fund	-	3,748,856	-	-	420.28	-
Kotak Income Opportunities Fund	-	3,948,263	-	-	419.36	-
BNP Paribas Medium Term Income Fund	-	4,137,952	-	-	413.80	-

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

Particulars	Number of Units as at			Amount in Lakhs as at		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
L&T Income Opportunities Fund Direct Plan	-	3,734,193	-	-	419.20	-
IIFL Cash Opportunities Fund	-	1,817,389	-	-	206.40	-
HSBC Income Fund - Short Term Plan	-	-	784,326	-	-	200.42
BNP Paribas Flexi Debt Fund	-	-	770,208	-	-	200.57
Birla Sun Life Dynamic Bond Fund	-	-	1,694,757	-	-	450.55
Reliance Regular Savings Fund	-	-	970,116	-	-	200.33
Kotak Bond Fund- Growth	-	-	465,943	-	-	200.46
UTI Bond Fund -Growth	-	-	441,319	-	-	200.60
IDFC Dynamic Bond Fund	-	-	1,366,352	-	-	250.88
Investment in arbitrage funds						
HDFC Balanced Fund	-	-	413,056	-	-	439.23
Tata Balanced Fund	-	-	259,035	-	-	423.85
DSP BR Balanced Fund	-	-	413,307	-	-	440.03
ICICI Prudential Equity Income Fund	-	-	3,417,969	-	-	355.13
ICICI Prudential Balanced Advantage Fund	-	-	1,374,705	-	-	352.47
JPMorgan India Equity Income Fund	-	-	3,285,737	-	-	356.43
Investment in government bonds						
8.40% Indian Railway Finance Corporation Limited	40,000	40,000	40,000	466.42	468.74	445.20
7.35% NHAI 2031 (Int Pyt date 1Apr)	45,000	45,000		492.61	502.36	
Investment in Other Bonds						
IIFL SUB DEBT 9.25%	20			220.42		
IIFL Perpetual Debt Product		200			204.95	
11% Bank of India Perpetual Bond	10	10		99.83	104.62	
10.40% Vijaya Bank Perpetual Bond (int pyt date 31Mar)	40	40		406.21	402.12	
				5,022.07	4,866.05	4,516.15

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

46 Related party transactions

A. 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 27)

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

List of key management personnel and their relatives

Diwakar Nigam - Managing Director
T.S. Varadarajan - Whole Time Director
Priyadarshini Nigam - Whole Time Director
Arun Kumar Gupta - Chief Financial Officer
Virender Jeet - Senior Vice President (Sales and Marketing/Product)
Surender Jeet Raj - Senior Vice President (HR/Operations)
Tarun Nandwani - Vice President (Customer Relations/Delivery)
Usha Varadarajan - Relative of Whole Time Director - T.S. Varadarajan
Shubhi Nigam - Relative of Managing Director

Key management personnel compensation

	Transaction value		Balance payable		
	For the year ended 31 March 2018	For the year ended 31 March 2017	31 March 2018	31 March 2017	1 April 2016
Salaries, wages and bonus*	885.28	565.74	42.50	11.38	11.59
Diwakar Nigam	160.35	85.37	8.24	5.02	6.07
T.S. Varadarajan	76.32	42.33	4.53	2.37	2.82
Priyadarshini Nigam	39.28	30.64	2.79	1.79	2.16
Arun Kumar Gupta	75.88	53.46	26.93	2.20	0.54
Virender Jeet	150.19	91.01	82.59	4.39	2.78
Surender Jeet Raj	134.22	85.84	70.59	4.14	3.09
Tarun Nandwani	121.41	74.59	65.72	3.73	0.07
Shubhi Nigam	59.38	12.47	-	-	-
Sonali Nigam	68.26	90.02	-	-	-
Dividend paid (excluding dividend distribution tax)	699.32	465.92	-	-	-
Diwakar Nigam	276.34	184.22	-	-	-
T.S. Varadarajan	225.14	150.09	-	-	-
Priyadarshini Nigam	119.53	79.69	-	-	-
Arun Kumar Gupta	0.66	0.37	-	-	-
Virender Jeet	3.24	2.16	-	-	-
Surender Jeet Raj	3.16	2.00	-	-	-
Tarun Nandwani	3.33	2.11	-	-	-
Usha Varadarajan	67.92	45.28	-	-	-
Share-based payments	50.46	3.67	-	-	-
Arun Kumar Gupta	7.51	1.43	-	-	-
Virender Jeet	16.33	-	-	-	-
Surender Jeet Raj	14.82	-	-	-	-
Tarun Nandwani	11.80	2.24	-	-	-

* excludes provision for gratuity and leave encashment, as these are determined on the basis of actuarial valuation for the Group as a whole.

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

47 Financial instruments – Fair values and risk management

i. Accounting classification and fair values

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

31 March 2018	Note	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Financial assets measured at fair value									
Investments in debt mutual funds	10	3,336.58	-	-	3,336.58	3,336.58	-	-	3,336.58
Investments in bonds	10	-	1,685.49	-	1,685.49	1,685.49	-	-	1,685.49
Financial assets not measured at fair value									
Other non-current financial asset	7	-	-	554.77	554.77	-	-	-	-
Trade receivables	11	-	-	22,201.67	22,201.67	-	-	-	-
Cash and cash equivalents	12	-	-	14,548.34	14,548.34	-	-	-	-
Loans	6 and 13	-	-	612.97	612.97	-	-	-	-
Other financial assets	14	-	-	5,177.19	5,177.19	-	-	-	-
		3,336.58	1,685.49	43,094.94	48,117.00	5,022.07	-	-	5,022.07
Financial liabilities									
Long-term maturities of finance lease obligations (secured)	17	-	-	1,316.66	1,316.66	-	1,316.66	-	1,316.66
Short term borrowings	20	-	-	4,946.27	4,946.27	-	4,946.27	-	4,946.27
Trade and other payables	21	-	-	2,292.10	2,292.10	-	-	-	-
Other financial liabilities	22	-	-	3,624.48	3,624.48	-	302.25	-	302.25
		-	-	12,179.51	12,179.51	-	6,565.18	-	6,565.18

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

		Carrying amount				Fair value			
31 March 2017	Note	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial liabilities									
Financial liabilities not measured at fair value									
Long-term maturities of finance lease obligations (secured)	17	-	-	1,617.99	1,617.99	-	1,617.99	-	1,617.99
Short term borrowings	20	-	-	5,226.18	5,226.18	-	5,226.18	-	5,226.18
Trade and other payables	21	-	-	1,804.95	1,804.95	-	-	-	-
Other financial liabilities	22	-	-	2,903.21	2,903.21	-	302.25	-	302.25
		-	-	11,552.33	11,552.33	-	7,146.42	-	7,146.42
		Carrying amount				Fair value			
1 April 2016		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	1,703.81	-	-	1,703.81	1,703.81	-	-	1,703.81
Investments in arbitrage funds	10	2,367.13	-	-	2,367.13	2,367.13	-	-	2,367.13
Investments in bonds	10	-	445.20	-	445.20	445.20	-	-	445.20
Financial assets not measured at fair value									
Other Non-current financial asset	7	-	-	174.36	174.36	-	-	-	-
Trade receivables	11	-	-	16,435.80	16,435.80	-	-	-	-
Cash and cash equivalent	12	-	-	2,431.78	2,431.78	-	-	-	-
Loans	6 and 13	-	-	255.67	255.67	-	-	-	-
Other financial assets	14	-	-	2,451.06	2,451.06	-	-	-	-
		4,070.94	445.20	21,748.68	26,264.82	4,516.14	-	-	4,516.14
Financial liabilities									
Financial liabilities measured at fair value									
Derivative liability	19	136.00	-	-	136.00	-	-	136.00	136.00
Financial liabilities									
Financial liabilities not measured at fair value									
Long-term maturities of finance lease obligations (secured)	17	-	-	1,917.45	1,917.45	-	1,917.45	-	1,917.45
Short term borrowings	20	-	-	5,883.19	5,883.19	-	5,883.19	-	5,883.19
Trade and other payables	21	-	-	1,473.16	1,473.16	-	-	-	-
Other financial liabilities	22	-	-	2,058.16	2,058.16	-	315.25	-	315.25
		-	-	11,331.96	11,331.96	-	8,115.89	-	8,115.89

The fair value of trade receivables, cash and cash equivalents, other bank balances, 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.

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

ii) 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 debt mutual funds	Level 1	Market valuation technique: Investments traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house, quoted price of equity shares in the stock exchange etc.	Not applicable	Not applicable
Investments in arbitrage funds	Level 1			
Financial assets measured at FVTOCI				
Investments in bonds	Level 1	Market valuation technique: The fair value of bonds is based on direct and market observable inputs.	Not applicable	Not applicable
Derivative liability measured at fair value				
Derivative liability	Level 3	The fair valuation of embedded anti dilution derivative in CCPS as per Binomial option pricing model. The Binomial model is an extension of the Black Scholes model and incorporates an optimal decision making framework by backward induction.	<ul style="list-style-type: none"> - Forecast annual revenue growth rate - Forecast EBITDA margin - Risk adjusted discount rate 	The estimated fair value would increase (decrease) if: <ul style="list-style-type: none"> - the annual revenue growth rate were higher (lower) - the EBITDA margin were higher (lower) - the risk adjusted discount rate were lower (higher)

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

Particulars	Fair value hierarchy	Valuation technique	Significant unobservable inputs	Inter-relationship between unobservable inputs and fair value measurement
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 valuation under Level 2. Further, there have been no transfers in either direction for the years ended 31 March 2018, 31 March 2017 & 31 March 2016.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

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 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 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 Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises partially from the Company's receivables from customers, loan 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 2018	As at 31 March 2017	As at 31 March 2016
Trade receivables	22,201.67	19,957.12	16,435.80
Loans	612.97	299.38	292.29
Cash and cash equivalents	14,548.34	3,491.88	2,431.78
	37,362.98	23,748.38	19,159.87

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

To cater to the credit risk for investments 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 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 Group 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 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		
	31 March 2018	31 March 2017	1 April 2016
India	7,994.27	6,692.89	4,778.97
USA	4,219.37	3,994.73	2,844.12
EMEA	7,967.17	7,626.81	7,081.34
APAC	2,020.86	1,642.69	1,731.37
	22,201.67	19,957.12	16,435.80

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 2018	Gross carrying amount	Weighted-average loss rate	Loss allowance	credit-impaired
0-3 months past due	17,111.83	4.03%	690.01	No
3-6 months past due	3,555.53	11.37%	404.32	No
6-9 months past due	1,300.53	20.34%	264.53	No
9-12 months past due	444.07	31.38%	139.34	No
12-15 months past due	534.59	35.89%	191.85	No
15-18 months past due	427.32	41.70%	178.19	No
18-21 months past due	238.08	44.49%	105.93	No
21-24 months past due	306.07	57.04%	174.59	No
above 24 months past due	2,423.47	82.16%	1,991.07	No
	26,341.49		4,139.83	

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

As at 31 March 2017	Gross carrying amount	Weighted-average loss rate	Loss allowance	Credit-impaired
0-3 months past due	15,600.31	3.81%	593.93	No
3-6 months past due	1,554.49	9.49%	147.50	No
6-9 months past due	1,058.60	19.30%	204.30	No
9-12 months past due	518.92	33.56%	174.13	No
12-15 months past due	1,822.43	45.42%	827.82	No
15-18 months past due	683.62	51.18%	349.87	No
18-21 months past due	240.07	55.12%	132.32	No
21-24 months past due	319.04	67.09%	214.04	No
above 24 months past due	4,485.61	82.09%	3,682.07	No
	26,283.09		6,325.98	

As at 1 April 2016	Gross carrying amount	Weighted-average loss rate	Loss allowance	Credit-impaired
0-3 months past due	11,310.79	4.79%	542.23	No
3-6 months past due	3,326.87	13.13%	436.95	No
6-9 months past due	789.72	19.42%	153.34	No
9-12 months past due	498.58	24.93%	124.29	No
12-15 months past due	1,647.64	42.55%	701.01	No
15-18 months past due	289.34	52.22%	151.09	No
18-21 months past due	315.48	51.76%	163.29	No
21-24 months past due	242.69	62.71%	152.20	No
above 24 months past due	3,947.83	88.88%	3,508.73	No
	22,368.94		5,933.13	

Movement in allowance for impairment in respect of trade receivables

	Impairment in trade receivables
Balance as at 1 April 2016	5,933.12
Impairment loss recognised	1,353.50
Amounts written off	960.64
Balance as at 31 March 2017	6,325.98
Impairment loss recognised	659.26
Amounts written off	2,845.41
Balance as at 31 March 2018	4,139.83

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 Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

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 AA+ 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		
	31 March 2018	31 March 2017	1 April 2016
India	5,022.07	4,866.04	2,149.01
Other Regions	-	-	-
	5,022.07	4,866.04	2,149.01

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

Cash and cash equivalents

The Group held cash and cash equivalents of INR 14,548.34 at 31 March 2018 (31 March 2017: INR 3,491.88 lakhs 1 April 2016: INR 2,431.78 lakhs). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AA- to AA+, based on renowned rating agencies.

iii. Liquidity risk

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

"The Group's primary sources of liquidity include cash and bank balances, deposits, undrawn borrowings and cash flow from operating activities. As at 31 March 2018, the Group had a working capital of Rs. 30,615.47 (31 March 2017: 17,000.36 and 31 March 2016: 13,088.09) including cash and cash equivalent of INR 14,548.34 (31 March 2017: 3,491.88 and 31 March 2016: 2,431.78) and current investments of INR 5,022.07 (31 March 2017: 4,866.04 and 31 March 2016: 4,516.14). 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 2018	2,041.27		2,041.27	-	-	-
As at 31 March 2017	1,773.82		1,773.82	-	-	-
As at 1 April 2016	116.81		116.81	-	-	-

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.

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

31 March 2018	Contractual cash flows						
	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)	1,618.91	6,998.64	-	472.62	437.51	689.18	5,399.33
Employee related payables	3,020.61	3,020.61	3,020.61	-	-	-	-
Trade and other payables	2,292.10	2,292.10	2,292.10	-	-	-	-
Pre-shipment loans (secured)	4,946.27	4,946.27	-	4,946.27	-	-	-
Payable in respect of retention money	47.92	47.92	-	47.92	-	-	-
Earnest money deposits	1.00	1.00	-	1.00	-	-	-
Payable for capital assets	241.35	241.35	-	241.35	-	-	-
Total	12,168.16	17,547.89	5,312.71	5,709.16	437.51	689.18	5,399.33

31 March 2017	Contractual cash flows						
	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)	1,920.24	7,506.39	-	507.74	472.62	1,060.84	5,465.18
Employee related payables	2,445.69	2,411.84	2,411.84	-	-	-	-
Trade and other payables	1,804.95	1,714.51	1,714.51	-	-	-	-
Pre-shipment loans (secured)	5,226.18	5,226.18	304.94	4,921.24	-	-	-
Payable in respect of retention money	28.10	28.10	-	28.10	-	-	-
Earnest money deposits	0.50	0.50	-	0.50	-	-	-
Payable for capital assets	126.67	126.67	-	126.67	-	-	-
Total	11,552.33	17,014.19	4,431.29	5,584.25	472.62	1,060.84	5,465.18

1 April 2016	Contractual cash flows						
	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)	2,232.70	8,061.79	12.54	542.86	507.74	1,312.52	5,686.12
Employee related payables	1,713.80	1,702.40	1,702.40	-	-	-	-
Trade and other payables	1,473.16	1,405.46	1,405.46	-	-	-	-
Pre-shipment loans (secured)	5,883.19	5,883.19	771.60	5,111.60	-	-	-
Payable in respect of retention money	11.64	11.64	-	11.64	-	-	-
Payable for capital assets	17.47	17.47	-	17.47	-	-	-
Total	11,331.96	17,081.95	3,892.00	5,683.57	507.74	1,312.52	5,686.12

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

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

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.

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 company is Indian Rupee. The foreign currency exchange management policy is to minimize economic and transactional exposures arising from currency movements against the US dollar, Euro, GBP, Canadian dollar, Abar Emirates Dhiram, Saudi Riyal, Singapore dollar and Japanese Yen. The company manages the risk by netting off naturally occurring opposite exposures wherever possible, and then dealing with any material residual foreign currency exchange risks if any.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2017, March 31, 2017 and April 1, 2016 are as below:

PARTICULARS	Currency	31 March 2018		31 March 2017		1 April 2016	
		Amount in foreign currency (lakhs)	Amount in local currency (lakhs)	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	207.57	13,500.77	219.19	14,210.08	204.70	13,578.21
	AED	5.22	92.64	3.54	62.51	0.52	9.40
	CAD	8.41	424.85	7.56	368.19	4.90	249.88
	EUR	1.55	125.00	1.87	129.74	2.06	154.65
	GBP	0.69	63.71	3.71	300.34	1.56	148.15
	SAR	7.41	128.63	7.41	128.04	8.48	149.64
	SGD	3.34	165.90	2.41	111.86	1.12	54.91
Bank balance-Dubai	AED	6.28	111.39	2.07	36.69	2.28	41.11
Travelling Advance to employees	USD	2.12	136.97	1.58	104.65	0.53	34.03
	AED	1.45	25.75	0.61	10.98	0.11	2.89
	CAD	0.07	3.85	0.02	0.92	0.04	1.88
	GBP	0.02	2.13	-	-	0.01	0.74
	SGD	0.07	3.38	-	-	0.03	1.70
	EURO	0.10	8.53	0.03	1.98	0.04	3.24
Financial liabilities							
Trade and other payables							
	USD	(3.82)	(246.02)	(1.63)	(107.66)	(1.29)	(86.93)
	GBP	-	-	(0.03)	(2.45)	-	-
	EURO	(0.01)	(0.64)	(0.03)	(2.32)	-	-
Short term borrowings	USD	(76.05)	(4,946.27)	(80.60)	(5,226.18)	-	(5,883.23)

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

* gross of loss allowance

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollar, Euro, GBP, Canadian dollar, Abar Emirates Dhiram, Saudi Riyal, Singapore dollar and Japanese Yen 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 thousands of INR	For the year ended 31 March 2018		For the year ended 31 March 2017	
	Strengthening	Weakening	Strengthening	Weakening
1% movement				
USD	84.43	(84.43)	89.82	(89.82)
EUR1	1.32	(1.32)	1.29	(1.29)
GBP1	0.66	(0.66)	2.98	(2.98)
CAD1	4.28	(4.28)	3.68	(3.68)
SGD1	1.69	(1.69)	1.12	(1.12)
AED1	1.37	(1.37)	1.10	(1.10)
SAR1	1.29	(1.29)	1.28	(1.28)
	95.05	(95.05)	101.26	(101.26)

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 2018	31 March 2017	1 April 2016
Fixed-rate instruments			
Financial assets	10,613.25	2,695.03	688.95
Financial liabilities	(1,618.91)	(1,920.24)	(2,232.70)
	8,994.34	774.79	(1,543.75)
Variable-rate instruments			
Financial assets	-	-	-
Financial liabilities	(4,946.27)	(5,226.18)	(5,883.19)
	(4,946.27)	(5,226.18)	(5,883.19)
Total	4,048.07	(4,451.39)	(7,426.94)

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.

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity by INR 12.27 lakhs after tax (31 March 2017: INR 17.53 lakhs)

Cash flow sensitivity analysis for variable-rate instruments

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

	Profit or loss	
	100 bp increase	100 bp decrease
31 March 2018		
Variable-rate instruments	(63.72)	63.72
Cash flow sensitivity (net)	(63.72)	63.72
31 March 2017		
Variable-rate instruments	(52.26)	52.26
Cash flow sensitivity (net)	(52.26)	52.26

Market price risk

a) Exposure

The Group'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 Group.

b) Sensitivity analysis

The group is having investment in mutual funds, government bonds and other bonds

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 0.32 lakhs after tax (31 March, 2017: INR 21.96 lakhs). An equal change in the opposite direction would have decreased equity by INR 0.32 lakhs after tax (31 March, 2017: INR (21.96) lakhs)

For such investments classified at Fair value through profit or loss, the impact of a 2% increase in their fair value at the reporting date on profit or loss would have been an increase of INR 65.26 after tax (31 March, 2017: INR 41.63 lakhs). An equal change in the opposite direction would have decreased profit or loss by INR 65.26 after tax (31 March, 2017: INR (41.63) lakhs)

48 Capital Management

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

The Group manages its capital structure and makes adjustments to it as and when required. To maintain or adjust the capital structure, the 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 2018, 31 March 2017 and 1 April 2016.

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

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Total liabilities	6,565.18	7,146.42	8,115.89
Less: Cash and cash equivalent	14,548.34	3,491.88	2,431.78
Adjusted net debt (a)	(7,983.16)	3,654.54	5,684.11
Total equity (b)	40,522.26	24,994.38	20,525.45
Total equity and net debt (a+b) = c	32,539.10	28,648.92	26,209.55
Capital gearing ratio (a/c)	-24.53%	12.76%	21.69%

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

49 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 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 Group based on such internal reports which are based on operations in various geographies and accordingly, have identified the following reportable segments:

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

B. Information about reportable segments

Year ended 31 March 2018					
Particulars	Reportable segments				
	India	EMEA	APAC	USA	Total Segment
Revenue					
External revenue	18,071.33	16,840.19	4,431.09	11,900.17	51,242.78
Inter-segment revenue	-	-	-	-	-
Total Segment Revenue	18,071.33	16,840.19	4,431.09	11,900.17	51,242.78
Segment profit / (loss) before income tax	2,104.27	4,430.81	1,259.56	2,089.39	9,884.03
Segment assets	11,411.31	10,690.11	2,697.44	5,437.93	30,236.79
Segment liabilities	5,555.87	3,674.85	945.07	2,027.94	12,203.73
Capital expenditure during the year	1,217.66	-	-	44.97	1,262.63
Year ended 31 March 2017					
Particulars	Reportable segments				
	India	EMEA	APAC	USA	Total Segment
Revenue					
External revenue	16,922.79	11,651.41	3,007.50	11,128.10	42,709.80
Inter-segment revenue	-	-	-	-	-
Total Segment Revenue	16,922.79	11,651.41	3,007.50	11,128.10	42,709.80
Segment profit / (loss) before income tax	3,024.73	1,901.69	438.72	1,830.87	7,196.01
Segment assets	8,346.85	9,010.01	2,049.85	4,834.77	24,241.48
Segment liabilities	4,331.83	3,129.52	644.95	1,813.54	9,919.84
Capital expenditure during the year	279.28	1.33	0.78	3.03	284.42

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

C. Reconciliations of information on reportable segments to Ind AS

Particulars	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
(a) Revenue			
Total revenue for reportable segments		51,242.78	42,709.80
Elimination of inter-segment revenue			-
Total revenue		51,242.78	42,709.80
(b) Profit / (loss) before tax			
Total profit before tax for reportable segments		9,884.03	7,196.01
Unallocated amounts:			
- Unallocated income		760.98	826.78
- Other corporate expenses		1,231.76	1,190.76
Total profit before tax from operations		9,413.25	6,832.03
(c) Assets			
Total assets for reportable segments		30,236.79	24,241.48
Other unallocated amounts		30,665.37	18,503.66
Total assets		60,902.16	42,745.14
(d) Liabilities			
Total liabilities for reportable segments		12,203.73	9,919.84
Other unallocated amounts		8,176.17	7,830.92
Total liabilities		20,379.90	17,750.76

C. Information about major customers

No customer individually accounted for more than 10% of the revenues in the year ended 31 March 2018 and 31 March 2017.

50 First Time Adoption of Ind AS

These are the group's first consolidated statements prepared in accordance with Ind AS. The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the company's date of transition).

In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act ('previous GAAP' or 'Indian GAAP').

An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

A Exemptions Applied:-

Ind AS 101 First-Time Adoption of Indian Accounting Standards allows first-time adopters certain exemptions from the retrospective application of certain Ind AS. The Group has applied the following exemptions:

I Property, plant and equipment

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities

This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value."

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

II Share- based payment transactions

Ind AS 101 gives an option to apply Ind AS 102 Share-based payment only on ESOP's that are unvested as on the transition date.

Accordingly, the Group has elected to apply Ind AS 102 i.e. fair value only those options that are unvested as on the date of transition.

III Cumulative translation differences

As per Ind AS 101, an entity may deem that the cumulative translation differences for all foreign operations to be zero as at the date of transition by transferring any such cumulative differences to retained earnings. Accordingly, the group has opted to avail the above exemption.

B The following mandatory exceptions have been applied:

I Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition and determination of discounted value of financial instrument carried at amortised cost as these were not required under previous GAAP.

II Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

III De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

C Reconciliation of total equity as at 31 March 2017 and 1 April 2016

Particulars	Notes to first time adoption	Share capital	Retained earnings	Foreign currency translation reserve	Newgen ESOP reserve	Other comprehensive income	Securities Premium	Capital redemption reserve	Share options outstanding reserve	General reserve	Total
Balance as at 1 April 2016 as per previous GAAP		6,309.41	13,411.45	327.34	0.21	-	489.79	87.95	16.48	1,731.39	22,374.02
Derivative	D.1	-	(136.00)	-	-	-	-	-	-	-	(136.00)
Expected Credit loss	D.2	-	(4,114.79)	-	-	-	-	-	-	-	(4,114.79)
Adjustment on account of consolidation of trust	D.3	(100.97)	-	-	175.75	-	(4.35)	-	-	-	70.43
Employee stock compensation expense	D.4	-	(251.22)	-	-	-	8.63	-	242.59	-	-
Gain/(loss) arising from fair valuation of investments	D.5	-	17.84	-	-	(3.37)	-	-	-	-	14.46
Gain on discounting of long term financial assets and liabilities, net	D.6	-	92.36	-	-	-	-	-	-	-	92.36
Measurement of security deposits at amortised costs	D.7	-	(7.63)	-	-	-	-	-	-	-	(7.63)
Adjustment for dividend	D.8	-	775.78	-	-	-	-	-	-	-	775.78
Lease equalisation reserve	D.10	-	19.25	-	-	-	-	-	-	-	19.25
Reclassification of currency translation differences	D.11	-	327.34	(327.34)	-	-	-	-	-	-	-
Deferred tax on above adjustments	D.12	-	1,436.41	-	-	117	-	-	-	-	1,437.58
Balance as at 1 April 2016 as per Ind AS		6,208.44	11,570.79	-	0.21	175.75	494.07	87.95	259.07	1,731.39	20,525.45
Balance as at 31 March 2017 as per previous GAAP		6,338.31	18,432.15	222.80	0.21	-	645.69	87.95	13.09	1,732.08	27,472.28
Expected Credit loss	D.2	-	(3,978.71)	-	-	-	-	-	-	-	(3,978.71)
Adjustment on account of consolidation of trust	D.3	(107.01)	-	-	200.22	-	(78.57)	-	-	-	14.65
Employee stock compensation expense	D.4	-	(377.64)	-	-	-	32.75	-	346.27	(0.69)	0.69
Gain/(loss) arising from fair valuation of investments	D.5	-	18.55	-	-	23.21	-	-	-	-	41.76
Gain on discounting of long term financial assets and liabilities, net	D.6	-	85.59	-	-	-	-	-	-	-	85.59
Measurement of security deposits at amortised costs	D.7	-	(9.52)	-	-	-	-	-	-	-	(9.52)
Remeasurements of post-employment benefit obligations	D.9	-	82.88	-	-	(82.88)	-	-	-	-	-
Lease equalisation reserve	D.10	-	10.39	-	-	-	-	-	-	-	10.39
Reclassification of currency translation differences	D.11	-	327.34	(327.34)	-	-	-	-	-	-	-
Deferred tax on above adjustments	D.12	-	1,336.97	-	-	20.28	-	-	-	-	1,357.25
Balance as at 31 March 2018 as per Ind AS		6,231.30	15,928.02	(104.54)	0.21	200.22	599.87	87.95	359.36	1,731.39	24,994.38

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

D Notes to first time adoption

D.1 Measurement of financial liabilities at amortised cost

The Company had issued certain compulsory convertible preference shares. Under previous GAAP these were being classified under Equity. Under Ind AS, The embedded derivative liability on initial recognition has been separated from the underlying equity instrument and recorded at fair value. The difference between the fair value of the combined CCPS instrument and the fair value of the embedded derivative liability has been recorded as the value of the equity host contract. The embedded derivative has been fair valued through profit or loss at each balance sheet date. Upon conversion of CCPS into equity shares the resultant gain/loss on the down-round derivative is recognised in profit or loss. The original equity component remains as equity. The impact arising from the change is summarised below:

Consolidated statement of profit and loss		For the year ended 31 March 2017
Reversal of derivative liability		136.00
Adjustment before income tax		136.00
Consolidated Balance sheet		
	As at 31 March 2017	As at 1 April 2016
Derivative liability	-	136.00
Adjustment to retained earnings	-	136.00

D.2 Expected credit loss

As per Ind AS 109, the Group is required to apply expected credit loss model for recognising the allowance for doubtful debts. The impact arising from the change is summarised below:

Consolidated balance sheet		For the year ended 31 March 2017
Loss allowance on trade receivables		(136.08)
Adjustment before income tax		(136.08)
Consolidated balance sheet		
	As at 31 March 2017	As at 1 April 2016
Trade receivables	(3,978.71)	(4,114.79)
Adjustment to retained earnings	(3,978.71)	(4,114.79)

D.3 ESOP Trust consolidation

In previous GAAP, the ESOP Trust has been considered as a separate legal entity and loan given to trust has been disclosed as a reduction from share capital and securities premium. However under Ind AS, 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, liabilities, income and expenses of the Company, except for profit / loss on issue of shares to the employees and dividend received by trust on shares held which are directly adjusted in the ESOP Trust reserve. The impact arising from the change is summarised below:

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

Consolidated balance sheet	As at 31 March 2017	As at 1 April 2016
Cash and cash equivalents	17.01	74.03
Loans - financial assets	(2.00)	(2.00)
Current financial assets - Others	0.56	-
Trade payables	0.17	0.25
Share capital	(107.00)	(100.97)
Capital reserve	200.22	175.75
Securities premium	(78.57)	(4.35)
Other current liabilities	0.77	1.35
Adjustment to retained earnings	-	-

D.4 Fair valuation of ESOP's

Under the previous GAAP, the cost of equity-settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date. The impact arising from the change is summarised below:

Consolidated statement of profit and loss	For the year ended 31 March 2017
Share based payment - equity settled	127.05
Adjustment before income tax	127.05

Consolidated balance sheet	As at 31 March 2017	As at 1 April 2016
Share options outstanding reserve	346.27	242.59
Securities Premium	32.75	8.63
General reserve	(0.69)	-
Adjustment to retained earnings	377.64	251.22

D.5 Fair valuation of Investments

Under the previous GAAP, investments in government bonds and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31 March 2017. The impact arising from the change is summarised below:

Consolidated statement of profit and loss	For the year ended 31 March 2017
Fair value changes of financial assets at FVTPL - other expenses	(0.71)
Adjustment before income tax	(0.71)

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

Consolidated Other Comprehensive Income		For the year ended 31 March 2017
Fair value changes of financial assets at FVOCI		26.59
Adjustment before income tax		26.59
Consolidated balance sheet		
	As at 31 March 2017	As at 1 April 2016
Current investment	41.76	14.46
Adjustment to retained earnings	41.76	14.46

D.6 Finance lease

Under the previous GAAP, leasehold land is capitalized at the amount of upfront premium paid and annual rentals paid are charged to profit or loss.

Under Ind AS the finance lease obligations are required to be measured at amortised costs. Accordingly, the Group has recorded its lease obligations (premium and rentals) at amortised costs. The impact arising from the change is summarised below:

Consolidated statement of profit and loss		For the year ended 31 March 2017
Interest expense		64.57
Depreciation on leasehold land		8.07
Rent expenses		(65.85)
Adjustment before income tax		6.80
Consolidated balance sheet		
	As at 31 March 2017	As at 1 April 2016
Leasehold liability	593.73	600.54
Leasehold land	679.61	700.14
Prepayments	(32.92)	(32.92)
Interest accrued but not due	(32.69)	(25.69)
Adjustment to retained earnings	85.57	92.36

D.7 Measurement of security deposits at amortised costs

Under the previous GAAP, interest free lease security deposits are recorded at their transaction value.

Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent. The impact arising from the change is summarised below:

Consolidated statement of profit and loss		For the year ended 31 March 2017
Interest income		24.16
Rent expenses		25.91
Adjustment before income tax		(1.75)

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

Consolidated balance sheet	As at 31 March 2017	As at 1 April 2016
Loans	(89.49)	(69.71)
Prepayments	80.48	62.07
Adjustment to retained earnings	(9.52)	(7.63)

D.8 Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend (along with related dividend distribution tax) was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. The impact arising from the change is summarised below:

Consolidated balance sheet	As at 31 March 2017	As at 1 April 2016
Short term provision		(775.78)
Adjustment to retained earnings		775.78

D.9 Remeasurements of post-employment benefit obligations

Under Ind AS, re-measurements i.e. actuarial gains and losses are directly recognized in equity through other comprehensive income. Under the previous GAAP such gains and losses were recognized in profit or loss. The impact arising from the change is summarised below:

Consolidated statement of profit and loss		For the year ended 31 March 2017	
Employee benefit expenses		(82.88)	
Adjustment before income tax		(82.88)	
Consolidated Other Comprehensive Income		For the year ended 31 March 2017	
Re-measurement gain/(loss) on defined benefit obligations		82.88	
Adjustment before income tax		82.88	
Consolidated balance sheet		As at 31 March 2017	As at 1 April 2016
Other comprehensive income		82.88	-
Adjustment to retained earnings		82.88	-

D.10 Lease equalisation reserve

Under previous GAAP the Group equalise the escalation impact over the lease term. However under Ind AS, if the escalation on lease rentals is line with inflation the straight lining of escalation impact is not required. The impact arising from the change is summarised below:

Consolidated statement of profit and loss	For the year ended 31 March 2017
Rent expenses	8.88
Adjustment before income tax	8.88

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

Consolidated balance sheet	As at 31 March 2017	As at 1 April 2016
Other current liabilities	(10.39)	(19.25)
Adjustment to retained earnings	(10.39)	(19.25)

D.11 Currency translation differences

As per Ind AS 101, an entity may deem that the cumulative translation differences for all foreign operations to be zero as at the date of transition by transferring any such cumulative differences to retained earnings. Accordingly, the group has opted to avail the above exemption. The impact arising from the change is summarised below:

Consolidated balance sheet	As at 31 March 2017	As at 1 April 2016
Foreign currency translation reserve	-	(327.34)
Adjustment to retained earnings	-	327.34

D.12 Deferred tax adjustment

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 Income Taxes requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The impact arising from the change is summarised below:

Consolidated statement of profit and loss	For the year ended 31 March 2017
Deferred tax expense	98.94
Adjustment before income tax	98.94

Consolidated other comprehensive income	For the year ended 31 March 2017
Tax impact	(19.11)
Adjustment before income tax	(19.11)

Consolidated balance sheet	As at 31 March 2017	As at 1 April 2016
Deferred tax assets	1,357.25	1,437.58
Adjustment to retained earnings	1,357.25	1,437.58

Reconciliation of Equity as at 1 April 2016

	Note	As at 31 March 2016 (IGAAP)	Adjustment	As at 1 April 2016 (IND AS)
ASSETS				
Non-current assets				
Property, plant and equipment	D.6	5,592.82	700.14	6,292.96
Capital work-in-progress		604.61	-	604.61
Intangible assets		103.01	-	103.01
Financial assets				
Loans	D.7 & D.3	282.68	(71.71)	210.99

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

	Note	As at 31 March 2016 (IGAAP)	Adjustment	As at 1 April 2016 (IND AS)
Other financial assets		174.36	-	174.36
Deferred tax assets (net)	D.12	942.73	1,437.58	2,380.31
Income tax assets (net)		808.71	-	808.71
Other non-current assets	D.7	16.00	46.07	62.07
Total non-current assets		8,524.92	2,112.08	10,637.02
Current assets				
Financial assets				
Investments	D.5	4,501.68	14.46	4,516.14
Trade receivables	D.2	20,550.59	(4,114.79)	16,435.80
Cash and cash equivalents	D.3	2,357.75	74.03	2,431.78
Loans		81.31	-	81.31
Others		2,451.06	-	2,451.06
Other current assets	D.6 & D.7	537.81	(16.92)	520.89
Total current assets		30,480.20	(4,043.22)	26,436.98
TOTAL ASSETS		39,005.12	(1,931.15)	37,074.00
EQUITY AND LIABILITIES				
Equity				
Equity share capital	50C	6,309.41	(100.97)	6,208.44
Other equity				
Securities premium	50C	489.80	4.28	494.07
Retained earnings	50C	13,411.41	(1,840.62)	11,570.79
Others (including items of other comprehensive income)	50C	2,163.41	88.74	2,252.15
Total Equity attributable to the owners of the Company		22,374.03	(1,848.57)	20,525.45
Non-current Liabilities				
Financial liabilities				
Borrowings	D.6	1,316.91	600.54	1,917.45
Derivative	D.1	-	136.00	136.00
Deferred tax liabilities (net)		24.64	-	24.64
Long-Term Provisions		1,121.58	-	1,121.58
Total non-current liabilities		2,463.13	736.54	3,199.67
Current liabilities				
Financial liabilities				
Borrowings		5,883.19	-	5,883.19
Trade payables	D.3	1,472.91	0.25	1,473.16
Other financial liabilities	D.6 & D.10	2,103.06	(44.94)	2,058.16
Deferred Income		3,271.60	-	3,271.60
Other current liabilities	D.3	413.18	1.35	414.53
Short term Provisions	D.8	1,024.02	(775.78)	248.24
Total current liabilities		14,167.96	(819.12)	13,348.88
Total Liabilities		16,631.09	(82.58)	16,548.55
TOTAL EQUITY AND LIABILITIES		39,005.12	(1,931.15)	37,074.00

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

Reconciliation of Equity as at 31 March 2017

	Note	As at 31 March 2017 (IGAAP)	Adjustments	As at 31 March 2017 (IND AS)
ASSETS				
Non-current assets				
Property, plant and equipment	D.6	5,423.52	679.61	6,103.12
Capital work-in-progress		1,108.29	-	1,108.29
Intangible assets		70.43	-	70.43
Financial assets				
Loans	D.7 & D.3	342.90	(116.21)	226.68
Other financial assets		233.46	-	233.46
Deferred tax assets (net)	D.12	1,013.15	1,357.25	2,370.39
Income tax assets (net)		852.41	-	852.41
Other non-current assets	D.7	24.91	80.48	105.39
Total non-current assets		9,069.07	2,001.12	11,070.17
Current assets				
Financial assets				
Investments	D.5	4,824.28	41.76	4,866.04
Trade receivables	D.2	23,935.82	(3,978.71)	19,957.12
Cash and cash equivalents	D.3	3,474.87	17.01	3,491.88
Loans		47.98	24.72	72.70
Others		2,541.04	-	2,541.04
Other current assets	D.6 & D.7	778.56	(32.36)	746.19
Total current assets		35,602.55	(3,927.58)	31,674.97
TOTAL ASSETS		44,671.62	(1,926.46)	42,745.14
EQUITY AND LIABILITIES				
Equity				
Equity share capital	50C	6,338.31	(107.01)	6,231.30
Other equity				
Securities premium	50C	645.70	(45.82)	599.87
Retained earnings	50C	18,432.16	(2,504.14)	15,928.02
Others (including items of other comprehensive income)	50C	2,056.12	179.07	2,235.19
Total equity attributable to the owners of the Company		27,472.29	(2,477.90)	24,994.38
Non-current Liabilities				
Financial liabilities				
Borrowings	D.6	1,024.26	593.73	1,617.99
Deferred tax liabilities (net)		15.19	-	15.19
Provisions		1,442.97	-	1,442.97
Total non-current liabilities		2,482.42	593.73	3,076.15
Current liabilities				
Financial liabilities				
Borrowings		5,226.18	-	5,226.18
Trade payables	D.3	1,804.78	0.17	1,804.95
Other current financial liabilities	D.6 & D.10	2,946.45	(43.22)	2,903.21
Deferred Income		3,865.50	-	3,865.50
Other current liabilities	D.3	545.23	0.77	546.00
Short term Provisions		328.77	-	328.77
Total current liabilities		14,716.90	(42.28)	14,674.61
Total Liabilities		17,199.33	551.45	17,750.76
TOTAL EQUITY AND LIABILITIES		44,671.62	(1,926.45)	42,745.14

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

Reconciliation of Total Comprehensive Income for the year ended 31 March 2017

Particulars	Note	For the year ended 31 March 2017 (IGAAP)	Adjustment	For the year ended 31 March 2017 (IND AS)
Income				
Revenue from operations		42,709.80	-	42,709.80
Other income	D.7 & D.1	666.62	160.16	826.78
Total income		43,376.42	160.16	43,536.58
Expenses				
Employee benefits expense	D.4 & D.9	20,960.47	44.17	21,004.64
Finance costs	D.6	461.03	64.57	525.60
Depreciation and amortisation expense	D.6	483.75	8.07	491.82
Other expenses	D.2 D.5 D.6 D.7 & D.10	14,849.35	(167.85)	14,682.49
Total expenses		36,754.60	(51.04)	36,704.55
Profit before tax		6,621.82	211.20	6,832.03
Tax expense				
Current tax		1,641.82	-	1,641.82
Tax expense for earlier years	D.12	126.63	-	126.63
Deferred tax		(167.37)	98.94	(69.43)
		1,601.08	98.94	1,699.02
Profit for the year		5,020.74	112.26	5,133.01
Prior period item				
Profit after tax and prior period item				
Other comprehensive income/(loss)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit liability (asset)	D.9	-	(82.88)	(82.88)
Income tax relating to items that will not be reclassified to profit or loss	D.12	-	28.31	28.31
Items that will be reclassified subsequently to profit or loss				
Debt instruments through other comprehensive income - net change in fair value	D.9	-	26.59	26.59
Income tax relating to items that will be reclassified to profit or loss	D.12	-	(9.20)	(9.20)
Other comprehensive income/(loss), net of tax		-	17.39	17.39
Total comprehensive income/(loss) for the year		5,020.74	75.08	5,095.83
Profit attributable to:				
Owners of the company		5,020.74	112.26	5,133.01
Profit for the year		5,020.74	112.26	5,133.01

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

Particulars	Note	For the year ended 31 March 2017 (IGAAP)	Adjustment	For the year ended 31 March 2017 (IND AS)
Other comprehensive income/(loss) attributable to:				
Owners of the company		-	17.39	17.39
Other comprehensive income/(loss) for the year		-	17.39	17.39
Total comprehensive income attributable to:				
Owners of the company		5,020.74	75.08	5,095.83
Total comprehensive income for the year		5,020.74	75.08	5,095.83

51 Standards issued but not yet effective

A Amendment to Ind AS 21:

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment will come into force from April 1, 2018. The Group has valued the effect of this on the consolidated financial statements and the impact is not material.

B Amendment to Ind AS 115:

"Ind AS 115- Revenue from Contracts with Customers: On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Moreover, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:

- Retrospective approach-Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8-Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Group will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. While, the Group is in the process of implementing Ind AS 115 on financial statement, it is of the view that the accounting policy for certain streams of revenue and related expenses may undergo a change primarily on account of estimating and recognizing extended warranty and unspecified free upgrades in certain contracts and adjusting cost of acquisition of customer.

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

52 Disclosure on Specified Bank Notes

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made since the requirement does not pertain to financial year ended 31 March 2018. Corresponding amounts as appearing in the audited financial statements for the year ended 31 March 2017 have been disclosed as given below;

Particulars	Specified Bank Notes*	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	3.96	1.25	5.21
Add: Withdrawal from bank account	-	3.80	3.80
Add: Permitted receipts transactions	-	1.24	1.24
Less: Permitted payments transactions	-	3.60	3.60
Less: Amount deposited in banks accounts	3.96	-	3.96
Closing cash in hand as on 30 December 2016	-	2.69	2.69

For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8th November 2016.

- 53** As at 31 March 2018, the Company has gross foreign currency receivables amounting to Rs. 15,310.75 lakhs (previous year Rs.14,344.84 lakhs). Out of these receivables, Rs.4,253.83 lakhs (previous year Rs.3,754.91 lakhs) is outstanding for more than 9 months. As per Foreign Exchange Management (Current Account) Rules, 2000 read with Master Circular No. 14/ 2014-15 dated 1 July 2014, receipt for export goods should be realized within a period of 9 months from the date of export. In case of receivables not being realised within 15 months from the date of export, prior approval from Reserve Bank of India (RBI) is required. As per the requirements of Foreign Exchange Management Act, in one calendar year, the Company is allowed to seek extension for an amount equivalent to 10% of the average collection of the last 3 years only and pursuant to the same, the Company has filed the extension for foreign currency receivables amounting to Rs. 1,414.58 lakhs during the year. For remaining receivables, the Company is in the process of applying for approval to seek extension of time beyond 9 months from export date. The management is of the view that the Company will be able to obtain approvals from the authorities for realising such funds beyond the stipulated timeline without levy of any penalties as it had bonafide reasons that caused the delays in realization.

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

	31 March 2018		31 March 2017		31 March 2016	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent						
Newgen Software Technologies Limited	98.64%	39,971.22	99.10%	24,769.14	100.05%	20,536.28
Indian Subsidiary						
Newgen Computers Technologies Limited	0.14%	57.91	0.21%	53.68	0.24%	50.27

Notes to the consolidated financial statements

for the year ended 31st March, 2018

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

	31 March 2018		31 March 2017		31 March 2016	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Foreign Subsidiaries						
Newgen Software Inc. USA.	2.11%	856.68	2.69%	671.20	1.65%	338.93
Newgen Software Technologies UK Ltd.	0.48%	192.69	0.68%	170.48	-	-
Newgen Software Technologies Canada Ltd.	0.25%	103.13	0.32%	80.41	0.42%	86.15
Newgen Software technologies PTE Ltd	0.51%	205.41	0.67%	167.24	0.72%	147.51
Adjustment arising out of consolidation	-2.13%	(864.77)	-3.67%	(917.78)	-3.09%	(633.70)
Total	100%	40,522.26	100%	24,994.38	100%	20,525.45

Name of the enterprise	Share in profit and loss after tax			
	31 March 2018		31 March 2017	
	As % of consolidated profit and loss	Amount	As % of consolidated profit and loss	Amount
Parent				
Newgen Software Technologies Limited	98.03%	7,145.40	94.04%	4,755.21
Indian Subsidiary				
Newgen Computers Technologies Limited	0.06%	4.22	0.07%	3.41
Foreign Subsidiaries				
Newgen Software Inc. USA.	2.09%	151.98	2.24%	113.11
Newgen Software Technologies UK Ltd.	-0.07%	(4.99)	0.19%	9.83
Newgen Software Technologies Canada Ltd.	0.24%	17.13	0.30%	15.16
Newgen Software technologies PTE Ltd	0.06%	4.50	0.39%	19.83
Adjustment arising out of consolidation	-0.41%	(29.57)	2.77%	140.22
Total	100%	7,288.68	100%	5,056.76

As per our report of even date attached

For **B S R & Associates LLP**

Chartered Accountants
Firm Registration No.:
116231W / W-100024

Rakesh Dewan
Partner
Membership No.: 092212

Place: Gurugram
Date: 17 May 2018

For and on behalf of the Board of Directors of

Newgen Software Technologies Limited

Diwakar Nigam
Managing Director
DIN: 00263222

Place: New Delhi
Date: 17 May 2018

T. S. Varadarajan
Whole Time Director
DIN: 00263115

Place: New Delhi
Date: 17 May 2018

Arun Kumar Gupta
Chief Financial Officer

Place: New Delhi
Date: 17 May 2018

Aman Mourya
Company Secretary
Membership No: 27299

Place: New Delhi
Date: 17 May 2018

[illegible]

[illegible]

This image shows a single page of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



NEWGEN

Newgen Software Technologies Limited
<https://newgensoft.com>