NEWGEN

Newgen Software Technologies Limited
CIN: L72200DL1992PLC049074
E-44/13, Okhla Phase-II, New Delhi-110 020, INDIA
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Email: corpmktg@newgensoft.com URL: https://newgensoft.com

Date: 10th July, 2019

To, **BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	**To,** **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)

Sub.: Notice of 27th Annual General Meeting and Annual Report for the Financial Year 2018-19

Dear Sir/ Ma'am,

This is to inform you that the 27th Annual General Meeting ('AGM') of the Company will be held on Wednesday, 7th August, 2019 at 11:00 a.m. at NCUI Auditorium & Convention Centre, 3, Siri Institutional Area, August Kranti Marg, Hauz Khas, New Delhi – 110016, to transact the business stated in the Notice of the AGM.

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Notice of the AGM along with Annual Report of the Company for the financial year 2018-19 which is being dispatched/ sent to the members. The date of commencement of dispatch of Notice of the AGM along with Annual Report of the Company for the financial year 2018-19 is 10th July, 2019. The AGM Notice and Annual Report are available on the Company's website, at https://newgensoft.com.

This is for your kind information and record.

Thanking you.

For Newgen Software Technologies Limited

Aman Maurya

Aman Mourya
Company Secretary & Compliance Officer

Newgen Software Technologies Limited

Encl.: a/a

NEWGEN

NEWGEN SOFTWARE TECHNOLOGIES LIMITED

(CIN: L72200DL1992PLC049074)
Regd. Office: A-6, Satsang Vihar Marg, Qutab Institutional Area, New Delhi - 110 067
Tel.: (+91)-11-40770100, 2696 3571, 2696 4733, Fax: (+91)-11-2685 6936
Email: investors@newgensoft.com URL: https://newgensoft.com

NOTICE OF 27th ANNUAL GENERAL MEETING

Notice is hereby given that the 27th Annual General Meeting ("AGM") of Newgen Software Technologies Limited ('the Company') will be held on Wednesday, the 7th day of August 2019, at 11.00 AM at NCUI Auditorium & Convention Centre, 3, Siri Institutional Area, August Kranti Marg, Hauz Khas, New Delhi - 110016 to transact the following items of business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited standalone and consolidated Financial Statements of the Company for the Financial Year ended 31st March 2019 and the Reports of the Board of Directors and Auditors thereon.

2. To declare a Dividend of Rs. 3/- per Equity Share having Face value of Rs. 10/- each of the Company for the Financial Year ended 31st March 2019.

3. To appoint a Director in place of Mr. Diwakar Nigam (DIN: 00263222), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **Approval of charges for service of documents on the members**

   To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 20 of the Companies Act, 2013 and relevant rules framed thereunder and other applicable provisions, if any, whereby, a document may be served on any member by the Company by sending it to him/her by post, by registered post or by speed post or by courier services or by electronic mode, or by any other modes as may be prescribed, the consent of the members be and is hereby accorded to charge from the member(s) such charges in advance equivalent to the estimated actual expenses of delivery of the documents pursuant to any request made by such member for delivery of such documents to him/her, through a particular mode of service mentioned above provided that such request along with requisite fee has been duly received by the Company at least 7 working days in advance of the dispatch of documents by the Company.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of the Board of Directors or Director(s) or Officer(s) of the Company to give effect to the aforesaid resolution."

5. **Payment of Commission to Non-Executive Directors**

   To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

   "RESOLVED THAT, pursuant to the provisions of Section 197 and any other applicable provisions, if any of the Companies Act, 2013 (the "Act"), its rules made thereunder and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force, the approval of the Members be and is hereby accorded to pay such remuneration by way of commission to the Non-Executive Directors (including Independent Directors) of the Company subject to ceiling of 1% (one percent) per annum of the net profits of the Company, in aggregate, (in addition to the sitting fees and other reimbursement of expenses for attending the Board, Committee and other meetings) calculated in accordance with the provisions of Section 198 and other provisions, if any, of the Act, for a period of five years from the financial year ending 31st March 2020 onwards, with the authority to the Board to determine the manner and the proportion in which the amount be distributed amongst the Non-Executive Directors (including Independent Directors) from time to time, within the aforesaid ceiling limit.

   RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things and to take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto".

6. **Re-appointment of Mr. Diwakar Nigam as the Chairman & Managing Director of the Company for a period of five (5) years**

   To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, its rules made thereunder read with Schedule V of the Companies

Act 2013, and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Diwakar Nigam (DIN: 00263222) be and is hereby re-appointed as the Chairman & Managing Director of the Company for a period of five (5) years with effect from 1st June 2019 to 31st May, 2024 on the terms and conditions of appointment and remuneration as contained in the agreement, material terms of which are set out hereunder and which have been approved by the Board of Directors of the Company on the recommendation of the Nomination & Remuneration Committee.

Salary, Perquisites and Allowances, Commission on net profits

Basic Salary	INR 2,09,06,500/- Per Annum
Perquisites and Allowances	INR 6,00,000/- Per Annum

The perquisites and allowances, as aforesaid, shall include medical assistance/ insurance, and Club membership fee for self and spouse. The said perquisites and allowances shall be valued, wherever applicable, as per the provisions of the Income Tax Act, 1961 or any rules thereunder; in the absence of any such provision, rules, perquisites and allowances shall be valued at actual cost.

Reimbursement of Expenses:

The given limit of perquisite shall not apply to those components which he is entitled as per the Company's Policy(s) in force from time to time and are reimbursable at actuals including but not limited to expenses incurred for travelling, boarding, lodging and other incidental expenses during business trips and provision of car(s) for use on Company's business and communication expenses thereof. Mr. Nigam shall also be entitled for telephone/ mobile, internet facilities including at home, provision for use of chauffer driven car(s)/ leased car(s) and all the expenses for maintenance and running of such car(s).

Commission on profits:

In addition to the above salary and perquisites payable, Mr. Diwakar Nigam will also be eligible for Commission on Net Profits of the Company as computed in the manner as specified under Section 198 of the Companies Act, 2013, as may be decided by the Board of Directors on the recommendation of the Nomination & Remuneration Committee for each financial year, subject to the overall ceiling stipulated in Section 197 read with Schedule V of the Companies Act, 2013.

Sitting Fee:

No sitting fees shall be paid to the Managing Director for attending the meetings of the Board of Directors and Committees thereof.

Annual Increments:

After three years of appointment i.e with effect from 1st June 2022, Mr. Diwakar Nigam shall also be eligible for annual increment subject to the limit of increment upto 10% in a year over the existing Basic salary, perquisite and allowances subject to the overall ceiling stipulated in Section 197 read with Schedule V of the Companies Act, 2013.

Provided that the Board of Directors shall approve such increment within the aforesaid prescribed limit with the recommendation of the Nomination & Remuneration Committee on the basis of performance evaluation of Mr. Diwakar Nigam.

RESOLVED FURTHER THAT Diwakar Nigam's office as the Chairman & Managing Director shall not suffer any break if he retires as a Director under Section 152(6) of the Companies Act, 2013 and is re-elected as a Director in the same meeting.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, Mr. Diwakar Nigam as the Chairman & Managing Director may be paid remuneration by way of salary, perquisites and other allowances not exceeding the prescribed ceiling limit under Section II of Part II of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors and the Nomination & Remuneration Committee of the Board be and are hereby severally authorized to take such steps as may be necessary or expedient in their entire discretion, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto."

7. **Re-appointment of Mrs. Priyadarshini Nigam as Whole-time Director of the Company for a period of five (5) years**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, its rules made thereunder read with Schedule V of the Companies Act 2013, and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Priyadarshini Nigam (DIN: 00267100) be and is hereby re-appointed as Whole-time Director for a period of five (5) years with effect from 1st June 2019 to 31st May, 2024 on the terms and conditions of appointment and remuneration as contained in the agreement, material terms of which are set out hereunder and which have been approved by the Board of Directors of the Company on the recommendation of the Nomination & Remuneration Committee.

Basic Salary	INR 48,52,800/- Per Annum

Mrs. Priyadarshini Nigam shall also be entitled for telephone/ mobile, internet facilities including at home, provision for use of chauffer driven car(s)/ Leased Car(s) and all the expenses for maintenance and running of such car(s). She is also entitled for all the component as per Company's Policy(s) in force from time to time and are reimbursable at actuals including but not limited to expenses incurred for travelling, boarding, lodging and other incidental expenses during business trips and provision of car(s) for use on Company's business and communication expenses thereof.

Commission on profits:

In addition to the above salary, Mrs. Priyadarshini Nigam will also be eligible for commission on Net Profits of the Company as computed in the manner as specified under Section 198 of the Companies Act, 2013, as may be decided by the Board of Directors on the recommendation of the Nomination & Remuneration Committee for each financial year, subject to the overall ceiling stipulated in Section 197 read with Schedule V of the Companies Act, 2013.

Sitting Fee:

No sitting fees shall be paid to the Whole-time Director for attending the meetings of the Board of Directors and Committees thereof.

Annual Increments:

After three years of appointment i.e with effect from 1st June 2022, Mrs. Priyadarshini Nigam shall also be eligible for annual increment subject to the limit of increment upto 10% in a year over the existing Basic salary subject to the overall ceiling stipulated in Section 197 read with Schedule V of the Companies Act, 2013.

Provided that the Board of Directors shall approve such increment within the aforesaid prescribed limit with the recommendation of the Nomination & Remuneration Committee on the basis of performance evaluation of the Whole-time Director.

RESOLVED FURTHER THAT Whole-time Director's office as Whole-time Director shall not suffer any break if she retires as a Director under Section 152(6) of the Companies Act, 2013 and is re-elected as a Director in the same meeting.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, Mrs. Priyadarshini Nigam as Whole-time Director may be paid remuneration by way of salary, perquisites and other allowances not exceeding the prescribed ceiling limit under Section II of Part II of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors and the Nomination & Remuneration Committee of the Board be and are hereby severally authorized to take such steps as may be necessary or expedient in their entire discretion, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto."

8. Re-appointment of Mr. T. S. Varadarajan as Whole-time Director of the Company for a period of five (5) years

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, its rules made thereunder read with Schedule V of the Companies Act 2013, and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. T.S. Varadarajan (DIN: 00263115) be and is hereby re-appointed as Whole-time Director for a period of five (5) years with effect from 1st June 2019 to 31st May, 2024 on the terms and conditions of appointment and remuneration as contained in the agreement, material terms of which are set out hereunder and which have been approved by the Board of Directors of the Company on the recommendation of the Nomination & Remuneration Committee.

Salary, Perquisites and Allowances, Commission on net profits

Basic Salary	INR 98,74,900/- Per Annum
Perquisites and Allowances	INR 6,00,000/- Per Annum

The perquisites and allowances, as aforesaid, shall include medical assistance/ insurance, and Club membership for self and spouse. The said perquisites and allowances shall be valued, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder, in the absence of any such rules, perquisites and allowances shall be valued at actual cost.

Reimbursement of Expenses:

The given limit of perquisite shall not apply to those components which he is entitled as per Company's Policy(s) in force from time to time and are reimbursable at actuals including but not limited to expenses incurred for travelling, boarding, lodging and other incidental expenses during business trips and provision of car(s) for use on Company's business and communication expenses thereof. Mr. Varadarajan shall also be entitled for telephone/ mobile, internet facilities including at home, provision for use of chauffer driven car(s)/ Leased Car(s) and all the expenses for maintenance and running of such car(s).

Commission on profits:

In addition to the above salary and perquisites payable, Mr. T. S. Varadarajan will also be eligible for commission on Net Profits of the Company as computed in the manner as specified under Section 198 of the Companies Act, 2013, as may be decided by the Board of Directors on the recommendation of Nomination

& Remuneration Committee for each financial year, subject to the overall ceiling stipulated in Section 197 read with Schedule V of the Companies Act, 2013.

Sitting Fee:

No sitting fees shall be paid to the Whole-time Director for attending the meetings of the Board of Directors and Committees thereof.

Annual Increments:

After three years of appointment i.e with effect from 1st June 2022, Mr. T. S. Varadarajan shall also be eligible for annual increment subject to the limit of increment upto 10% in a year over the existing Basic salary, perquisite and allowances subject to the overall ceiling stipulated in Section 197 read with Schedule V of the Companies Act, 2013.

Provided that the Board of Directors shall approve such increment within the aforesaid prescribed limit with the recommendation of the Nomination & Remuneration Committee on the basis of performance evaluation of the Whole-time Director.

RESOLVED FURTHER THAT Whole-time Director's office as Whole-time Director shall not suffer any break if he retires as a Director under Section 152(6) of the Companies Act, 2013 and is re-elected as a Director in the same meeting.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, Mr. T.S. Varadarajan as Whole-time Director may be paid remuneration by way of salary, perquisites and other allowances not exceeding the prescribed ceiling limit under Section II of Part II of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT, since, Mr. T. S. Varadarajan shall be attaining the age of 70 (seventy) years on 5th May 2022 during the term of this re-appointment, the approval of the members, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013, be and is hereby accorded for the continuation of holding office by Mr. T. S. Varadaraajan as Whole-time Director of the Company even after attaining the age of 70 (seventy) years during his tenure, on such approved terms of the re-appointment.

RESOLVED FURTHER THAT the Board of Directors and the Nomination & Remuneration Committee of the Board be and are hereby severally authorized to take such steps as may be necessary or expedient in their entire discretion, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto."

By order of the Board
For Newgen Software Technologies Ltd

Sd/-
Aman Mourya
Company Secretary
M.No.:- FCS 9975

Date: 25th June, 2019
Place: New Delhi

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details of material facts relating to the Special business to be transacted at the AGM, is annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANY OTHER PERSON AS A PROXY TO ATTEND AND VOTE AT THE MEETING ON HIS BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

   Members are requested to take note that pursuant to Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company casting voting rights. The instrument appointing the Proxy, duly completed and signed, should reach the Registered Office of the Company, not less than 48 (forty eight) hours before the commencement of the AGM. Proxies submitted on behalf of the bodies corporate, societies etc. must be supported by an appropriate resolution/authority, as applicable. The attendance slips and a proxy form with clear instructions for filing, stamping, signing and/or depositing the proxy form are enclosed.

   Corporate members intending to send their authorized representatives to attend the AGM are requested to send to the Company or Karvy Fintech Private Limited (formerly known as Karvy Computershare Private Limited), Company's Registrar and Share Transfer Agent ('Registrar'), in advance, a duly certified copy of the relevant board resolution/letter of authority/power of attorney, together with the respective specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the meeting.

3. Pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 3rd August, 2019 to Wednesday, 7th August, 2019 (both days inclusive) for determining the names of members eligible for dividend on Equity shares, if declared at the AGM of the Company.

4. The Final Dividend of Rs. 3/- per equity share, i.e.@ 30% on the paid-up equity share capital, for the year ended 31st March 2019, as recommended by the Board of Directors, if declared at the meeting, will be paid within a period of 30 days from the date of declaration, to the members whose names appear:

   a) As beneficial owners of the shares as per list to be furnished by the depositories in respect of the shares held in demat form on the closing hours of the business on 2nd August, 2019; and

   b) to all Members in respect of shares held in physical form, after giving effect to all the valid transfers in respect of transfer, if allowed under the applicable law & regulations, requests lodged with the Company/Registrar and Transfer Agent as of the close of business hours on 2nd August 2019.

5. Members holding shares in electronic form are informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend(s). The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the respective depository participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend(s) are requested to write to the Registrar of the company.

6. The details of unpaid and unclaimed amounts lying with the Company has been published on the Company's website: https://newgensoft.com. Concern Members are requested to claim dividend, if any, remaining unclaimed or unpaid.

7. Route map and details of prominent land mark of the venue of meeting is annexed with this Notice.

8. Members may utilize the facility extended by the Registrar for redressal of their queries including change of address, if any, by visiting at https://karisma.karvy.com and clicking on 'Investors' section for query registration through free identity registration process. Members may also write at einward.ris@karvy.com and investors@newgensoft.com, clearly mentioning their DP ID/ Client ID.

9. In terms of Section 152 of the Companies Act 2013, Mr. Diwakar Nigam, Director of the Company, retires by rotation at the AGM and being eligible, offers himself for re-appointment. The Nomination & Remuneration Committee and Board of Directors of the Company recommend his re-appointment.

10. Details of Directors seeking appointment/re-appointment in the AGM pursuant to Secretarial Standard on General Meetings (SS-2) and Regulation 26(4) and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are attached with this Notice of AGM as "Annexure-1".

11. The tenure of the Statutory Auditors of the Company B S R & Associates, LLP, Chartered Accountants, having Firm Registration number 116231W/W-100024 is upto five years with effect from conclusion of 24^{th} AGM held on 22nd August 2016 till the conclusion of 29^{th} AGM. With the applicability of the Companies (Amendment) Act 2017, the requirement of ratification of the appointment as aforesaid has been omitted with effect from 7^{th} May 2018. Therefore, ratification of the members for continuance of their appointment at this AGM is not being sought. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors of the Company.

12. The Auditor's Certificate certifying that the ESOP Scheme of the Company is being implemented in accordance with the Regulation 13 of SEBI (Share Based Employee Benefit) Regulations, 2014 and Newgen Employees Stock Option Scheme - 2014 of the Company are being implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 and in accordance with the resolution(s) of the members of the Company, will be placed before the Shareholders at the AGM.

13. Members desiring any information/clarification on the financial statements or any of the resolution as detailed in the Notice are requested to write to the Company at least seven days in advance to enable the management to keep information ready at the AGM.

14. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act 2013, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act, will be available for inspection at the AGM.

15. In respect of the physical shareholding, in order to prevent fraudulent transactions, members are advised to exercise due diligence and notify the Registrar of any change in their address, telephone number, e-mail id, nominees or joint holders, bank details for the payment of dividend, as the case may be.

16. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Registrar of the Company.

17. To prevent fraudulent transactions, members are advised to exercise due diligence and notify to their Depositories Participants (DPs) in respect of their electronic share accounts and to the Registrar of any change in address or demise of any member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

18. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can only be transferred in dematerialised form with effect from 1st April, 2019. In view of the above, members are advised to dematerialise shares held by them in physical form. Members can write to the Company's Registrar in this regard.

19. Notice of the AGM, Annual Report 2018-19, proxy forms and attendance slip are being sent via electronic mode to the members whose email addresses are registered with the Company/ Registrar or the Depository Participants, unless the members have registered their requests for the hard copy. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at investors@newgensoft.com or may write to the Company at A-6, Satsang Vihar Marg, Qutab Institutional Area, New Delhi- 110067, for the attention of Mr. Aman Mourya, Company Secretary of the Company.

20. Physical copy of the AGM Notice along with proxy forms and attendance slip and a Hard copy of Statement containing the salient features of all the documents, as prescribed in Section 136 of Companies Act, 2013 and rules made thereunder are sent to those Shareholders who have not registered their email addresses with the Company/ Registrar or Depository Participants.

21. Members who have received the Notice, Annual Report and attendance slip in electronic mode are requested to print the attendance slip and submit a duly filled in attendance slip at the registration counter at the AGM.

22. Members of the Company who have registered their email addresses are also entitled to receive such communication in physical form upon making a request for the same, by any permissible mode, free of cost. For any communication, the members may also send requests to the Company at investors@newgensoft.com.

23. Members may also note that the Notice of the 27th AGM along with the proxy form & attendance slip and the Annual Report for 2018-19 are also available on the Company's website https://newgensoft.com

24. The Annual Report along with the Notice of AGM is being sent to the members, whose names appear in the register of members/depositories as at closing hours of business on 5th July 2019

25. Inspection: All documents referred to in the accompanying Notice of the AGM and the Explanatory Statement shall be open for inspection without any fee at the Registered Office of the Company on all working days (except Saturdays & Sundays and public holidays) from 09:30 a.m. to 05:00 p.m. A member can inspect the proxies lodged at any time during the business hours of the Company from the period beginning from 24 hours before the time fixed for the commencement of the AGM and ending with the conclusion of the said meeting, provided he has given to the Company, a Notice in writing, of his intention to inspect not less than three days before the commencement of the said meeting.

26. Pursuant to the provisions of Section 72 of the Companies Act, 2013, the members holding shares in physical form may nominate, in the prescribed Form SH-13, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Members holding shares in demat form may contact their respective DP for availing this facility.

27. In case of joint holders attending the meeting, the Members whose name appears as the first holders in the order of names as per the register of Members of the Company will be entitled to vote. Guidelines for attending and voting at 27th AGM are as follows:

27.1 Entry to the auditorium/hall

a) Entry to the auditorium/hall will be strictly against entry card available at the counters at the venue of the meeting and against the exchange of duly filled in, signed and valid attendance slip.

b) Members are requested to bring their copy of the Annual Report to the meeting.

27.2 Cut-off Date:

a) The Company has fixed 2nd August, 2019 as the "Cut- off Date" for remote e-voting.

b) The remote e-voting/voting rights of the Shareholders/beneficial owners shall be reckoned on the equity shares held by them as at close of business hours on the Cut-off Date i.e. 2nd August, 2019 only.

c) A person who is not a member as on the Cut-off Date should treat this Notice for information purposes only.

27.3 Voting through electronic means/Remote e-voting:

In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the ICSI, the Company is pleased to provide the facility of voting by electronic means viz. 'remote e-voting' (e-voting from a place other than venue of the AGM) through Karvy Fintech Private Limited, formerly known as Karvy Computershare Private Limited, (Karvy), for all the members of the Company to enable them to cast their votes electronically, on the Resolutions mentioned in the Notice of the 27th AGM of the Company.

a) The remote e-voting period begins on Sunday, 4th August 2019 at 9:00 a.m. (IST) and ends on Tuesday, 6th August, 2019 at 5:00 p.m. (IST). During this period Shareholders of the Company, as on the Cut-Off Date i.e. 2nd August, 2019, may cast their votes electronically. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently. In case of voting by both the modes, vote casted through remote e-voting will be considered final and voting through polling paper will not be considered.

b) The remote e-voting module shall be disabled by Karvy for voting after 5:00 p.m (IST) on Tuesday, 6th August, 2019.

c) The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

27.4 The details of the process and manner for remote e-voting are explained herein below:

i. Open your web browser during the voting period by typing the URL: https://evoting.karvy.com

ii. Enter the login credentials (i.e. User ID and password mentioned in the email forwarding the Notice of AGM or mentioned on the attendance sheet accompanying the Notice of AGM in case email id is not registered and physical copy of the Annual Report is being received by you. The said login credentials shall be valid only in case you continue to hold the shares on the cut-off date). Your Folio No./DP ID Client ID will be your User ID. However, if you hold shares in demat form and you are already registered with Karvy for remote e-voting, you shall use your existing User ID and password for casting your vote.

iii. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the Notice of AGM and holding shares as on the cut- off date i.e. 2nd August, 2019, may obtain the User id and password in the manner as mentioned below:

   a) If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: MYEPWD <space> Event number + Folio No. or DP ID Client ID to 9212993399

      Example for NSDL : MYEPWD <SPACE> IN12345612345678

      Example for CDSL : MYEPWD <SPACE> 1402345612345678

      Example for Physical : MYEPWD <SPACE> XXXX1234567

   b) If e-mail id or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.karvy.com, the member may click "forgot password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

   c) Members may call Karvy's toll free number 1-800-3454-001.

   d) Members may send an e-mail request to evoting@karvy.com

   If the member is already registered with Karvy for remote e-voting, he can use his existing User ID and password for casting the vote without any need for obtaining any new User ID and password.

iv. After entering these details appropriately, click on "LOGIN".

v. You will now reach at the password changing Menu, wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You will also be required to enter a secret question and answer of your choice to enable you to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

vi. You need to login again with the new credentials.

vii. On successful login, the system will prompt you to select the Event Number for *NEWGEN SOFTWARE TECHNOLOGIES LIMITED*.

viii. On the voting page you will see the Resolution Description and the Options "FOR/AGAINST/ ABSTAIN" for voting. Enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date, as mentioned above. You may also choose the option "ABSTAIN" in case you do not want to cast vote.

ix. You may then cast your vote by selecting an appropriate option and click on "Submit".

x. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xi. Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.

28. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail id: investors@newgensoft.com with a copy to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."

29. In case of any query pertaining to e-voting, please contact Karvy`s toll free no. 1-800-34-54-001 or visit the FAQ's section available at Karvy's website https://evoting.karvy.com.

30. In case of any grievances connected to the remote e-voting, please contact Mr. Anandan K, Manager at Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad–500032 at email id anandan.k@karvy.com contact no. - 040-67161591 or the Company has designated Mr. Aman Mourya, Company Secretary & Compliance Officer to address the grievances connected with the voting by electronic means, the investors can reach Company official at A-6, Satsang Vihar Marg, Qutab Institutional Area, New Delhi- 110067, contact no. 011-46533200, Email Id: investors@newgensoft.com.

31. Any person who acquires shares of the Company and becomes member of the Company post-dispatch of Notice along with the Annual Report before the Cut-Off Date may obtain the login ID and password by sending a request at evoting@karvy.com with a copy to investors@newgensoft.com

32. Members are also advised to visit Help & FAQ section available at Karvy's website https://evoting.karvy.com for clarity on the e-voting process.

33. The voting rights of the members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the Cut-off Date.

34. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories, as on the cut-off date, only shall be entitled to avail the facility of remote e-voting or voting at the AGM through ballot paper.

35. Mr. Sanjay Grover (holding CP No.: 3850), Managing Partner failing him, Ms. Priyanka (holding CP No.: 16187), Partner of M/s Sanjay Grover & Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

36. The Chairman shall, at the AGM, at the end of discussion on the Resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of ballot papers for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

37. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 (forty eight) hours from the conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favour or against, invalid votes if any and whether the resolution has been carried or not, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the results of the voting forthwith.

38. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company https://newgensoft.com and on the website of Karvy Fintech Private Limited (formerly known as Karvy Computershare Private Limited) https://evoting.karvy.com immediately after the declaration of Results by the Chairman or a person authorized by him in writing. The Results shall also be immediately forwarded to the BSE and National Stock Exchange of India ("NSE").

39. In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, application for : (i) Deletion of name of the deceased Shareholder(s) where the shares are held in the name of two or more Shareholders (ii) Transmission of shares to the legal heir(s)/representative(s), where deceased Shareholder was the sole holder of shares (iii) Transposition of shares – when there is a change in the order of names in which physical shares are held jointly in the names of two or more Shareholders has to be accompanied with a self-attested copy of their Income Tax PAN Cards along with the other required documents to the RTA irrespective of the value of the transaction. Members are requested to bear in mind the aforesaid requirements while communicating with the Company or RTA for any of the purposes stated above.

By order of the Board
For Newgen Software Technologies Ltd

Sd/-
Aman Mourya
Company Secretary
M.No.:- FCS 9975

Date: 25th June, 2019
Place: New Delhi

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("THE ACT")

The following Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 sets out all material facts relating to the business mentioned at Item Nos. 4 to 8 of the accompanying Notice of 27th AGM of the Company.

Item No. 4

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by registered post or by speed post or by courier service or by electronic mode, or any other modes as may be prescribed. Further, it is provided a member may request the delivery of any document through a particular mode by paying such fees as may be determined by the members in the Annual General Meeting. It is proposed to charge the members actual expenses likely to be incurred by the Company for dispatch of the documents through a particular mode requested by the member concerned.

Accordingly, the Board recommends the passing of the Ordinary Resolution stated at Item No. 4 of the accompanying Notice for members approval.

None of the Directors and the Key Managerial Personnel of the Company and their respective relatives are concerned or interested in the passing of the above resolution, except to the extent of their respective shareholdings in the Company.

Item No. 5

Section 197 of the Companies Act, 2013 provides that Directors who are neither Managing Directors nor a Whole-time Directors may be paid remuneration by way of Commission upto 1 (one) percent of the net profits of the Company, for all the Non-Executive Directors taken together, computed in the manner referred to in Section 198 of the Companies Act 2013.

The involvement of the Non-executive Directors including Independent Directors (hereinafter referred as "Non-Executive Directors) in the Company has increased over the years and they contribute significantly to the growth of the Company as well as sound Corporate Governance practices by bringing with them professional expertise, varied and wide experience.

The Board of Directors is of the view that in order to remunerate the Non-Executive Directors of the Company for the responsibilities entrusted to them under various laws, as applicable on the Company, particularly under the Companies Act 2013, the SEBI Regulations and considering the current trends, the time devoted and the contributions made by them, remuneration by way of Commission in terms of Section 197 of the Companies Act, 2013 be paid to the Non-Executive Directors of the Company in addition to the sitting fees being paid by the Company to the Non-Executive Directors for attending the Board, Committee and other meetings.

The Board of Directors have recommended payment of Commission to Non-Executive Directors (including Independent Directors) of the Company within the overall ceiling of 1 (one) percent of the net profits of the Company, to be determined by the Board of Directors for each Non-Executive Director for each financial year, over a period of five years from the financial year ending 31st March 2020 onwards. This remuneration will be distributed amongst the Non-Executive Directors (including Independent Directors) in accordance with the directions given by the Board of Directors and subject to any other applicable requirements under the Companies Act, 2013. This remuneration shall be in addition to fees payable to the Directors for attending the meetings of the Board or Committee thereof as may be decided by the Board and reimbursement of expenses for participation in the Board and other meetings.

Section 197 of the Companies Act, 2013 requires approval of the members of the Company in the General meeting, for payment of remuneration by way of commission to the Non-Executive Directors.

Accordingly, the Board recommends the passing of the Ordinary Resolution stated at Item No. 5 of the accompanying Notice for members approval.

Directors other than the Managing Director and the Whole-time Directors of the Company may be deemed to be concerned or interested in the resolution set out at Item No. 5 of the Notice to the extent of the remuneration that may be received by them.

None of the Key Managerial Personnel of the Company and their respective relatives are concerned or interested in the passing of the above resolution.

This statement may also be regarded as an appropriate disclosure under the SEBI Listing Regulations.

Item No. 6

With the recommendation of the Nomination & Remuneration Committee of the Board, the Board of Directors of the Company ("the Board") at its meeting held on 15th May 2019 has, subject to the approval of members, reappointed Mr. Diwakar Nigam, (DIN: 00263222) as the Chairman & Managing Director of the Company for a period of five (5) years from the expiry of his present term, i.e. from 1st June 2019, on terms and conditions as contained in the draft agreement, material terms of which are set out in the resolution in the item no. 6.

Considering the valuable contribution, commitment, guidance and services being rendered by Mr. Diwakar Nigam for the sustained growth of the Company, it is proposed to seek members' approval for the re-appointment of and payment of remuneration to Mr. Diwakar Nigam as Chairman & Managing Director of the Company.

Mr. Diwakar Nigam satisfies all the other conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Companies Act, 2013 for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act 2013.

In terms of the provisions of the Section 197 of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 the revised remuneration of Mr. Diwakar Nigam is hereby confirmed that it is well within the prescribed limit mentioned in the said section. The given resolution along with Explanatory statement may also be treated as a revised written memorandum setting out the terms of Mr. Diwakar Nigam as Chairman & Managing Director, pursuant to Section 190 of the Companies Act, 2013 until the approval of members is obtained.

Details of Mr. Diwakar Nigam have been provided in the "Annexure-1" to the Notice pursuant to the provisions of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India. This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Regulation 36 of the Listing Regulations.

Mr. Diwakar Nigam and Mrs. Priyadarshini Nigam are interested in the resolution. The relatives of Mr. Diwakar Nigam may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Director / Key Managerial Personnel of the Company / their relatives are, interested, financially or otherwise, in the resolution.

The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the members.

Item No. 7

With the recommendation of the Nomination & Remuneration Committee of the Board, the Board of Directors of the Company ("the Board") at its meeting held on 15th May 2019 has, subject to the approval of members, reappointed Mrs. Priyadarshini Nigam, (DIN: 00267100) as the Whole-time Director of the Company for a period of five (5) years from 1st June 2019, on terms and conditions as contained in the draft agreement, material terms of which are set out in the resolution in the item no. 7.

In view of contribution, commitment, and services being rendered by Mrs. Priyadarshini Nigam, it is proposed to seek members' approval for the re-appointment of and payment of remuneration to Mrs. Priyadarshini Nigam as Whole-time Director of the Company.

Mrs. Priyadarshini Nigam satisfies all the other conditions set out in Part-I of Schedule V to the Companies Act, 2013, as also conditions set out under sub-section (3) of Section 196 of the Companies Act, 2013 for being eligible for her re-appointment. She is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act 2013.

In terms of the provisions of the Section 197 of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 the revised remuneration of Mrs. Priyadarshini Nigam is hereby confirmed that it is well within the prescribed limit mentioned in the said section. The given resolution along with Explanatory statement may also be treated as a revised written memorandum setting out the terms of Mrs. Priyadarshini Nigam as Whole-time Director pursuant to Section 190 of the Companies Act, 2013 until the approval of members is obtained.

Details of Mrs. Priyadarshini Nigam have been provided in the "Annexure-1" to the Notice pursuant to the provisions of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India. This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Regulation 36 of the Listing Regulations.

Mrs. Priyadarshini Nigam and Mr. Diwakar Nigam are interested in the resolution. The relatives of Mrs. Priyadarshini Nigam may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Director / Key Managerial Personnel of the Company / their relatives are, interested, financially or otherwise, in the resolution.

The Board commends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the members.

Item No. 8

With the recommendation of the Nomination & Remuneration Committee of the Board, the Board of

Directors of the Company ("the Board") at its meeting held on 15th May 2019 has, subject to the approval of members, reappointed Mr. T. S. Varadarajan, (DIN: 00263115) as the Whole-time Director of the Company for a period of five (5) years from 1st June 2019, on terms and conditions as contained in the draft agreement, material terms of which are set out in the resolution in the item no. 8

At present his age is sixty seven years. Mr. T. S. Varadarajan will attain the age of seventy years during the tenure of his proposed re-appointment period. Accordingly, in terms of Section 196 of the Companies Act 2013, the approval of the members is being sought by way of passing a Special Resolution.

Mr. Varadarajan has rich and varied experience in the industry and has been involved in the operations of the Company since its incorporation. It would be in the interest of the Company to continue to avail of his expert services by re-appointing him as a Whole-time Director of the Company for a further period of five years with effect from 1st June 2019.

Save and except as provided in the foregoing paragraph, Mr. T. S. Varadarajan satisfies all the other conditions set out in Part-I of Schedule V of the Companies Act, 2013 as also conditions set out under sub-section (3) of Section 196 of the Companies Act, 2013 for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act 2013.

In terms of the provisions of the Section 197 of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 the revised remuneration of Mr. T. S. Varadarajan is hereby confirmed that it is well within the prescribed limit mentioned in the said section. The given resolution along with Explanatory statement may also be treated as a revised written memorandum setting out the terms of Mr. T. S. Varadarajan as Whole-time Director pursuant to Section 190 of the Companies Act, 2013 until the approval of members is obtained.

Details of Mr. T. S. Varadarajan, whose re-appointment is proposed are provided in the "Annexure-1" to the Notice pursuant to the provisions of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India. This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Regulation 36 of the Listing Regulations.

Mr. T. S. Varadarajan is interested in the resolutions set out at Item No. 8 of the Notice with regard to his re-appointment. The relatives of Mr. T. S. Varadarajan may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Director / Key Managerial Personnel of the Company / their relatives are, interested, financially or otherwise, in the resolutions.

The Board commends the Special Resolution set out at Item No. 8 of the Notice for approval by the members.

By order of the Board
For Newgen Software Technologies Ltd

Sd/-
Aman Mourya
Company Secretary
M.No.:- FCS 9975

Date: 25th June, 2019
Place: New Delhi

Annexure - 1

DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT AT THE 27th ANNUAL GENERAL MEETING

[In pursuance of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2)]

Name of Director	Diwakar Nigam (DIN: 00263222)
Item No.	6
Date of Birth **Age**	12th October 1954 65 years
Nationality	Indian
Qualification	Bachelor's degree in Science from the University of Allahabad; Master's degree in Science (Mathematics) from the Indian Institute of Technology, Delhi and a Master's degree in Technology (Computer Science) from the Indian Institute of Technology, Madras
Experience	He was one of the founding members of National Association of Software and Services Company ("NASSCOM"). He was also a member of the anti-piracy task force of NASSCOM. Prior to joining the Company, he promoted a company, Softek Private Limited and had been associated with the company for a period of 12 years. He has been on our Board since 1st April 1993 and has more than 35 years of experience in the IT industry.
Terms & Conditions for Appointment/ Re-appointment	As stated in the resolution set out in item number 6 of the Notice.
Details of Remuneration sought to be paid	As stated in the resolution set out in item number 6 of the Notice
Last Remuneration Drawn	INR 1,74,90,000/-
Date of first appointment on the Board	1st April 1993
No. of shares held in the Company	1,84,22,406 equity shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mrs. Priyadarshini Nigam, Whole-time Director is the spouse of Mr. Diwakar Nigam.
No. of Board Meetings attended/ held during Financial Year (2018-19)	Number of Board meetings held: 6 Number of Board meetings attended: 6
Directorships held in other companies	**Indian Companies**
	Newgen Computers Technologies Limited
	Overseas Companies
	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 Software Technologies Pty. Ltd (Australia)
Chairman/ Member of the Committee of the Board of Directors of our Company	1) Stakeholder Relationship Committee (Member) 2) Finance & Operations Committee (Member)
Committee position held in other listed companies **a. Audit Committee** **b. Nomination & Remuneration Committee** **c. Stakeholder Relationship Committee** **d. Corporate Social Responsibility Committee**	NIL

Name of Director	Mrs. Priyadarshini Nigam (DIN: 00267100)
Item No.	7
Date of Birth **Age**	26th March 1957 62 years
Nationality	Indian
Qualification	She holds a Bachelor's and Master's degree in Economics.
Experience	She has been on our Board since 20th September 1997. She has previously been a freelance journalist and has published articles in South-North News Service and Depthnews Press Foundation Asia. She has more than 10 years of experience in the field of journalism.
Terms & Conditions for Appointment / Re-appointment	As stated in the resolution set out in item number 7 of the Notice
Details of Remuneration sought to be paid	As stated in the resolution set out in item number 7 of the Notice
Last Remuneration Drawn	INR 40,83,600/-
Date of first appointment on the Board	20th September 1997
No. of shares held in the Company	79,68,906 equity shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mr. Diwakar Nigam, Chairman and Managing Director is the spouse of Mrs. Priyadarshini Nigam.
No. of Board Meetings attended/ held during Financial Year (2018-19)	Number of Board meeting held: 6 Number of Board meeting attended: 6
Directorships held in other companies	**Indian Companies**
	Newgen Computers Technologies Limited
	Overseas Companies
	Nil
Chairman/ Member of the Committee of the Board of Directors of our Company	1) Corporate Social Responsibility Committee (Chairperson) 2) Finance & Operations Committee (Member)
Committee position held in other listed companies **e. Audit Committee** **f. Nomination & Remuneration Committee** **Stakeholder Relationship Committee** **g. Stakeholder Relationship Committee**	NIL
h. Corporate Social Responsibility Committee	

Name of Director	Mr. T.S. Varadarajan (DIN: 00263115)
Item No.	8
Date of Birth **Age**	5th May 1952 67 years
Nationality	Indian
Qualification	Bachelor's degree in Science from Bangalore University. Bachelor's degree in Engineering (Electrical Engineering) from IIT- Bengaluru and a Master's degree in Technology (Computer Science) from IIT- Madras.
Experience	Mr. T.S. Varadarajan has been on the Board of the Company since the incorporation. He has more than 35 years of experience in the field of software designing and development. Prior to joining the Company, he promoted a company, Softek Private Limited and had been associated with the company for a period of 12 years.
Terms & Conditions for Appointment/ Re-appointment	As stated in the resolution set out in item number 8 of the Notice
Details of Remuneration sought to be paid	As stated in the resolution set out in item number 8 of the Notice
Last Remuneration Drawn	INR 83,70,198/-
Date of first appointment on the Board	Since Incorporation
No. of shares held in the Company	1,50,09,306 equity shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	NIL
No. of Board Meetings attended/ held during Financial Year (2018-19)	Number of Board meeting held: 6 Number of Board meeting attended: 5
Directorships held in other companies	**Indian Companies** 1. Newgen Computers Technologies Limited 2. Jnanaadri Technovations Private Limited 3. Sosaley Technologies Private Limited **Overseas Companies** 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 Software Technologies Pty. Ltd (Australia)
Chairman/ Member of the Committee of the Board of Directors of our Company	1. Finance & Operations Committee (Chairman) 2. Corporate Social Responsibility Committee (Member) 3. Stakeholder Relationship Committee (Member)

NEWGEN

NEWGEN SOFTWARE TECHNOLOGIES LIMITED

(CIN: L72200DL1992PLC049074)
Regd. Office: A-6, Satsang Vihar Marg, Qutab Institutional Area, New Delhi - 110 067
Tel.: (+91)-11-40770100, 2696 3571, 2696 4733, Fax: (+91)-11-2685 6936
Email: investors@newgensoft.com URL: https://newgensoft.com

27th Annual General Meeting

ATTENDANCE SLIP

Registered Folio No./DP ID/Client ID:	
No. of Equity Shares held:	

I/We hereby record my/ our presence at the 27th Annual General Meeting of the Company held on Wednesday, the day of 7th August 2019, at 11:00 a.m. at NCUI Auditorium & Convention Centre, 3, Siri Institutional Area, August Kranti Marg, Hauz Khas, New Delhi – 110016.

Shareholder's Name: ____________________

Proxy's Name: __________________________

____
Shareholder's/ Proxy's Signature

Note:

1) Please fill this attendance slip and hand it over at the entrance of the Hall.
2) Members/Proxy Holders/Authorized Representatives are requested to show their Photo ID Proof for attending the Meeting.
3) Authorized Representatives of Corporate members shall produce proper authorization issued in their favor.

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NEWGEN

NEWGEN SOFTWARE TECHNOLOGIES LIMITED

(CIN: L72200DL1992PLC049074)
Regd. Office: A-6, Satsang Vihar Marg, Qutab Institutional Area, New Delhi - 110 067
Tel.: (+91)-11-40770100, 2696 3571, 2696 4733, Fax: (+91)-11-2685 6936
Email: investors@newgensoft.com URL: https://newgensoft.com

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the shareholder(s):	
Registered address :	
E-mail Id:	
Folio No/ Client Id :	
DP ID :	

I/We, being the shareholder(s) of .... shares of the above named company, hereby appoint

1. Name: ....
   Address:...
   E-mail Id:..Signature: ...., or failing him
2. Name: ....
   Address:...
   E-mail Id:..Signature: ...., or failing him
3. Name: ....
   Address:...
   E-mail Id:..Signature: ...., or failing him

as my/our proxy to attend and vote on a poll for me/us and on my/our behalf at the 27th Annual General Meeting of the Company, to be held on 7th August 2019 and at any adjournment, if any, thereof in respect of the following Resolutions as are indicated below:

Resolution		Vote*	
		For	Against
Ordinary Business:			
1.	To receive, consider and adopt the audited standalone and consolidated Financial Statements of the Company for the Financial Year ended 31st March 2019 and the Reports of the Board of Directors and Auditors thereon.		
2.	To declare a Dividend of Rs. 3/- per Equity Share having Face value of Rs. 10/- each of the Company for the Financial Year ended 31st March 2019.		
3.	To appoint a Director in place of Mr. Diwakar Nigam (DIN: 00263222), who retires by rotation and being eligible, offers himself for re-appointment.		
Special Business:			
4.	Approval of charges for service of documents on the members.		
5.	Payment of Commission to Non-Executive Directors.		
6.	Re-appointment of Mr. Diwakar Nigam as the Chairman & Managing Director of the Company for a period of five (5) years.		
7.	Re-appointment of Mrs. Priyadarshini Nigam as Whole-time Director of the Company for a period of five (5) years.		
8.	Re-appointment of Mr. T. S. Varadarajan as Whole-time Director of the Company for a period of five (5) years.		

Signed this...........day of......... 2019

AFFIX
REVENUE
STAMP

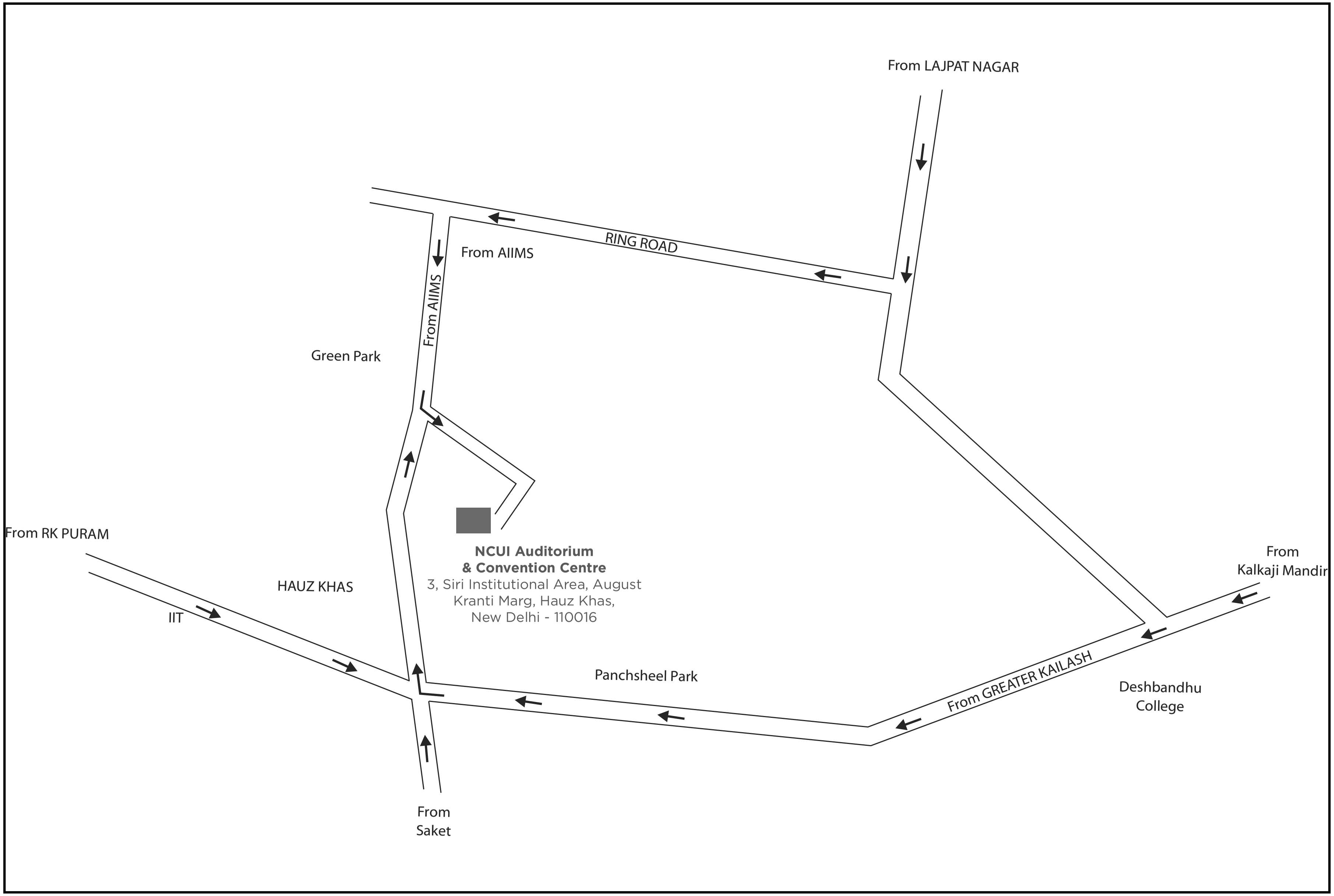
Signature of shareholder

Signature of Proxy holder(s)

Note:

1. This form should be signed across the stamp as per specimen signature registered with the Company.
2. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting. A proxy need not be a member of the Company.
3. *It is optional to put a "√" in the appropriate column against the Resolutions indicated in the Box. If you leave the "For" or "Against" column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he / she may think appropriate.

AGM ROUTE MAP



NEWGEN SOFTWARE TECHNOLOGIES LIMITED

(CIN: L72200DL1992PLC049074)
Regd. Office: A-6, Satsang Vihar Marg, Qutab Institutional Area, New Delhi - 110 067
Tel.: (+91)-11-40770100, 2696 3571, 2696 4733, Fax: (+91)-11-2685 6936
Email: investors@newgensoft.com URL: https://newgensoft.com

Folio/ DP & Client ID No. :

Name of the Sole /First named Member :

Registered Address :

Name(s) of the joint Member(s), if any :

No. of Shares held :

Dear Member,

Sub.: Voting through electronic means

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Newgen Software Technologies Limited ("the Company") is offering remote e-voting facility to its members in respect of the businesses to be transacted at the 27th Annual General Meeting scheduled to be held on 7th August, 2019 at NCUI Auditorium & Convention Centre, 3, Siri Institutional Area, August Kranti Marg, Hauz Khas, New Delhi – 110016 at 11:00 a.m. The Company has engaged the services of Karvy Fintech Private Limited (formerly known as Karvy Computershare Private Limited) ("Karvy") as the Authorised Agency to provide remote e-voting facilities. The remote e-voting particulars are set out below:

EVENT (e-voting event number)	USER ID	PASSWORD / PIN

The remote e-voting facility will be available during the following voting period:

Commencement of e-voting: **From 09:00 a.m. (IST) on 4th August, 2019** and **End of e-voting: Up to 05:00 p.m. (IST) on 6th August, 2019**.

This communication forms an integral part of the Notice dated 25th June, 2019 for the Twenty Seventh Annual General Meeting scheduled to be held on 7th August, 2019 which along with the full Annual Report of the Company for the Financial Year 2018-19 is enclosed herewith. Attention is invited to the statement on the accompanying Notice that the business of the meeting may be transacted through remote e-voting system and that the Company is providing facility for voting by electronic means.

Members may please go through the detailed E-Voting procedure which is provided in the Notice of the Meeting

Yours faithfully

For Newgen Software Technologies Limited

Aman Mourya
Company Secretary

INSTRUCTIONS FOR REMOTE EVOTING:

i. Open your web browser during the voting period by typing the URL: https://evoting.karvy.com

ii. Enter the login credentials (i.e. User ID and password mentioned in the email forwarding the Notice of AGM or mentioned on the attendance sheet accompanying the Notice of AGM in case email id is not registered and physical copy of the Annual Report is being received by you. The said login credentials shall be valid only in case you continue to hold the shares on the cut-off date). Your Folio No./DP ID Client ID will be your User ID. However, if you hold shares in demat form and you are already registered with Karvy for remote e-voting, you shall use your existing User ID and password for casting your vote.

iii. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the Notice of AGM and holding shares as on the cut- off date i.e. 2nd August, 2019, may obtain the User id and password in the manner as mentioned below:

a) If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: MYEPWD <space> Event number + Folio No. or DP ID Client ID to 9212993399

Example for NSDL : MYEPWD <SPACE> IN12345612345678

Example for CDSL : MYEPWD <SPACE> 1402345612345678

Example for Physical : MYEPWD <SPACE> XXXX1234567

b) If e-mail id or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.karvy.com, the member may click "forgot password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

c) Members may call Karvy's toll free number 1-800-3454-001.

d) Members may send an e-mail request to evoting@karvy.com

e) If the member is already registered with Karvy for remote e-voting, he can use his existing User ID and password for casting the vote without any need for obtaining any new User ID and password.

iv. After entering these details appropriately, click on "LOGIN".

v. You will now reach at the password changing Menu, wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You will also be required to enter a secret question and answer of your choice to enable you to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

vi. You need to login again with the new credentials.

vii. On successful login, the system will prompt you to select the Event Number for NEWGEN SOFTWARE TECHNOLOGIES LIMITED.

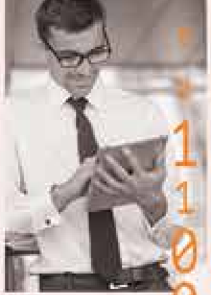
viii. On the voting page you will see the Resolution Description and the Options "FOR/AGAINST/ABSTAIN" for voting. Enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date, as mentioned above. You may also choose the option "ABSTAIN" in case you do not want to cast vote.

ix. You may then cast your vote by selecting an appropriate option and click on "Submit".

x. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xi. Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.

NEWGEN



Connected Enterprises. Transformed Experiences.

Annual Report 2018-19

Contents

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

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.

At Newgen, we have crafted our strategic approach

to drive agility, efficiency, responsiveness and customer-centricity in organisations by seamlessly integrating the various facets of an enterprise – people, processes, systems and things. We help in creating a truly digital and **Connected Enterprise** that delivers **Transformed Experiences.**

We have, through 27 years of working with industry-leading customers, built the expertise needed to help clients transform their businesses into more customer-oriented and value accretive enterprises.

Many leading banks, insurance majors, healthcare giants and government organisations are using our solutions to overcome the challenges of their industry to deliver faster and better services to their customers.

Newgen Today

540+
Active Customers
81 new logos added in FY19

₹6,206mn
Revenue
21% YOY Growth

₹1,277mn
EBIDTA
31% YOY Growth

₹1,022mn
Profit After Tax
40% YOY Growth

44
Patent Filings*
6 patents granted in FY19

26.7%
Return on Average Capital Employed

66
Countries

2,800+
Personnel

5
Core Verticals
Strong growth in Healthcare & Insurance verticals

** 44 Patent Filings, of which 11 patents are granted in India and 23 patent applications are under processing in India and the USA*

Connecting Enterprises Globally with Our Transformative Platforms

Our Product Platforms

DIGITISE

OmniDocs

Enterprise Content Management

Deliver contextual content for smarter decision-making and improved collaboration

PROCESS & ADAPT

OmniFlow iBPS

Business Process & Case Management

Create smarter processes, empower knowledge workers and build responsive business

COMMUNICATE

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

Our comprehensive and flexible low code product portfolio seamlessly integrates systems, processes, people and things, to transform the experiences of businesses as they work towards addressing their strategic needs through powerful applications.

Streamlining Customer Journey Across Touch Points

Newgen with its multi vertical industry expertise is helping customers transform business experiences with its innovative solutions in 17 diverse verticals. We have strategically identified five core verticals as our focus area to harness the lucrative opportunities in these segments more efficaciously.

Our ability to build domain-rich solution frameworks and to develop fit-to-purpose applications empowers us to adapt quickly and efficiently to the transforming needs of customers across sectors. While extending multiple benefits to our customers with the help of our innovative applications, our specialised centre of excellence teams guide and train them, as well as our implementation partners, on best practices to facilitate quick and effective implementation of our ground-breaking solutions.

Solution Accelerators

BANKING

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

GOVERNMENT / PSU

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

INSURANCE

- New Business Underwriting
- Claims Processing
- Policy Servicing

BPO/IT

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

HEALTHCARE

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

Leading the Transformation Across Platforms

FORRESTER
Wave™

A **"Strong Performer"** in Digital Process Automation for Wide Deployments Wave™ Report, Q1 2019
Rob Koplowitz and John Rymes et al.

D&B

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

ICRA

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

Gartner

- A **Niche Player** in Gartner Magic Quadrant for Intelligent Business Process Management Suites, 2019, 30 January 2019, Rob Dunie et al.
- A **Challenger** in Gartner Magic Quadrant for Content Services Platforms, 2018, 25 October 2018, Karen Hobert et al.
- **Named on all 5 use-cases in Critical Capabilities** for Content Services Platform, 25 October 2018, Karen Hobert et al.

Key Awards

- **Dun & Bradstreet – RBL Bank SME Business Excellence Awards 2018** in the mid-corporate segment for Excellence in IT & IT Enabled Services
- **Gold Stevie for Asia Pacific Stevie Awards** for "The Innovative Use of Technology in Customer Service", 2018, together with one of the world's largest banking and financial services organisations
- **The Asian Banker Award for "Best Retail Payment Initiative, Application or Programme in the Middle East"**, 2018, together with Bank Muscat, Sultanate of Oman
- **FE CFO of the Year Award 2019** in the Medium Enterprises - Service Industry category

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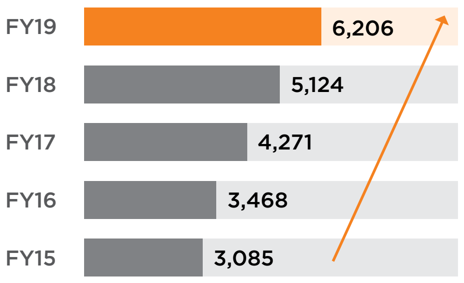
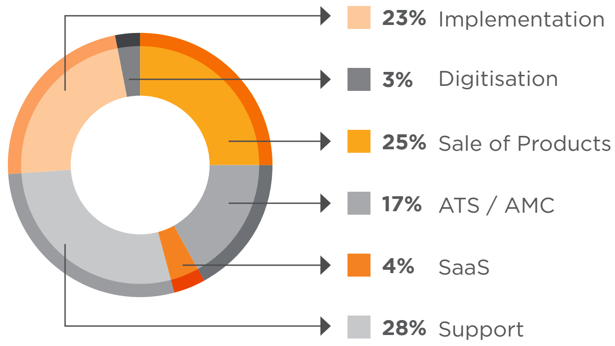
Financial Performance

Revenue
(₹ in Million)

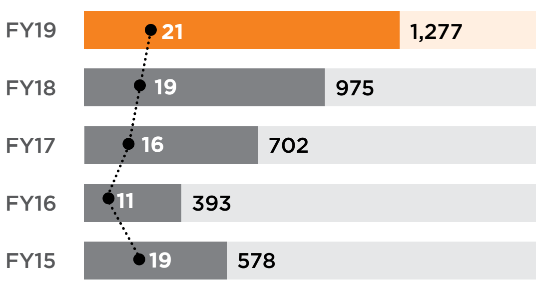


FY19 Revenue Streams
(%)

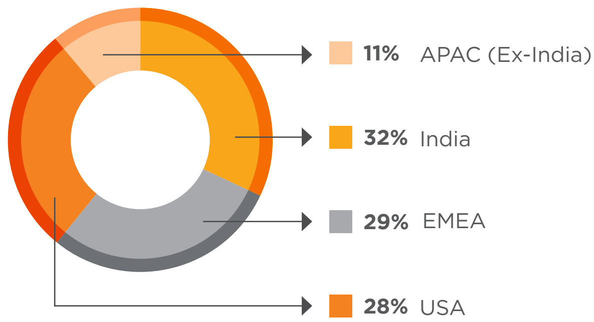


EBITDA
adjusted for other income

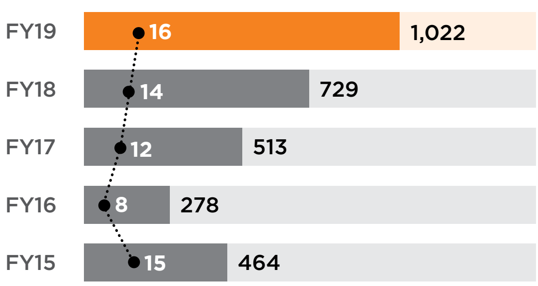
(₹ in Million)
Margins (%)



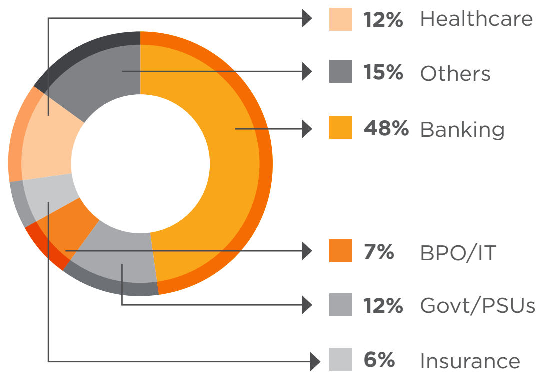
FY19 Revenue Concentration by Geography
(%)



PAT
(₹ in Million)
Margins (%)



FY19 Revenue Split by Vertical
(%)



FY15 and FY16 financials are Restated Consolidated Financials as per Indian GAAP Accounting Standards
FY17, FY18 and FY19 financials are Consolidated Financials as per Ind AS Accounting Standards

Chairman's Message

Dear Shareholders,

FY'9 has been an eventful year for the Company. We have built new product capabilities to address changing technology landscape and needs of our customers. We have expanded our market reach to include more geographies. We have augmented our management team. These are the building blocks for a more robust and futuristic organisation. Building upon our journey of digital transformation, we continued to drive enterprise-wide connectivity to give a more seamless and transformative experience to our customers.

Our unified digital platforms help organisations with the three core aspects of a connected enterprise - Orchestration of Processes, Contextualisation of Data and Engagement within organisation as well as outside organisation. While Business Process Management capabilities elevate orchestration, i.e. create smarter processes, empower knowledge workers and build responsive business, the Enterprise Content Management capabilities provide context to the transactions i.e. deliver contextual content for smarter decision-making and improved collaboration. Customer Communication Management capabilities help in engaging, i.e. create, personalise and deliver consistent communications across all mediums, to enhance customer experience.

Together, these platforms enable us to build specialised and powerful applications designed to help customers resolve complex business problems. What makes these applications truly powerful is that they are scalable, secure, cloud-ready, device-agnostic and easily accessible. Many of our customers are using these platforms all across Enterprise with thousands of users.

During the year, we continued with our strong growth, profitability and cash generation momentum. We had a well-diversified and de-risked presence across geographies, customers and verticals. On a consolidated basis, we reported revenues of ₹ 6,206 million in FY19, which is a 21% growth YoY, compared to the previous year's revenues of ₹ 5,124 million. We also witnessed smoother seasonal variations across the quarters. APAC and USA proved to be two strong growth centres for us this year. India contributed 32% of our revenues, EMEA 29%, USA 28% and APAC (excluding India) 11%.

During the year under review, the Banking & Financial Services vertical continued to be strong for us, with newer verticals like Healthcare and Insurance also showing good traction.

Propelled by a number of focussed initiatives, the Company witnessed substantial improvements in its operational performance, as reflected in 31% increase in EBITDA, which grew to ₹ 1,277 million in FY19 as against ₹ 975 million in FY18. PAT improved by 40%, increasing from ₹ 729 million in FY18 to ₹ 1,022 million in FY19. Our net cash from operations increased to ₹ 1,022 million from ₹ 602 million in FY18. We continue to strike a fine balance between investing in our future growth and managing our margins.

81 New
logo wins

US & APAC market
growth of 46%
and 55%

SaaS revenues
up 111%

Improving the annuity revenues has been a key focus area for us and it accounted for 49% of our revenues in FY19 compared to 43% in FY18. We are also strategically focussed on scaling our Cloud/Saas business by increasing penetration and strengthening the platforms to meet all compliances/regulatory requirements. As a result of this concerted focus, SaaS revenues witnessed robust growth of 111% and it is now 4% of revenue from operations. This would help in reducing the seasonality in business even further.

Our diversified global customer base, with long-standing relationships, has emerged as a major pivot of our growth strategy. FY19 saw the addition of 81 new logos, taking our active customer base to 540+ clients, running their businesses and critical operations on our platforms in 66 countries. As part of our strategic focus, we are constantly working on increasing our average ticket size per customer and lowering the implementation periods. Among our major license deals during the year were agreements with a government authority based in Oman for records management, an order from a large government defence organisation in India, a bank in the Philippines, a key government organisation in Singapore, a bank in Greece, as well as digital transformation initiatives under Smart City projects in India.

During the year, we also received some large orders from our existing customers - two large healthcare clients in Americas region and two Banking & Financial Services clients for license sales and implementation in APAC & EMEA region. In India, we have executed an agreement with a global technology player for supply of software licenses and related services.

Led by increased investments in sales and marketing as well as partner channels, the Company expanded its global footprint in several new geographies during the year, including the Canada region, where for the first time a large NBFC has chosen our Commercial Loan Origination Solution (CLOS) to enhance their commercial lending experience for customers. Our Customer Conference in June 2018 in Orlando, US, was a huge success and brought together industry leaders, influencers and analysts from leading organisations across the US, Canada, Caribbean and South America. We are also expanding in Australia to tap the significant opportunities in that market.

While growing our direct presence in several countries around the world, we have strategically focussed on augmenting our partner network, which has played a pivotal role in expanding our outreach. We have entered into global strategic alliances to further expand, connect and grow the partner network. We will continue to leverage our association with partners to accelerate business growth.

In terms of product diversity, it has been our constant endeavour to strengthen our horizontal product platform with vertical service accelerators to enhance the overall portfolio. Our multi-vertical industry expertise enables us to target a broad spectrum of customers. This has helped us build solution frameworks that are enriched with domain knowledge and subject matter expertise from industries. We constantly focus on Research & Development initiatives and were granted six new patents during the year, taking the total to 11 patent grants as of March 2019.

We continued to strengthen our product leadership during the year and attracted various recognitions from leading advisory and research firms in the industry including Forrester and Gartner. We believe that these recognitions have been made possible due to the hard work 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 industry-best talent. We are constantly strengthening our team including the management. We now have 320+ employees in the R&D team and 300+ employees in the sales and marketing team. Our people are our most important asset and we remain committed to providing them an empowering workplace that fosters innovation, collaboration and satisfaction.

I would like to thank our team, our customers and all our stakeholders. I look forward to their continued support in our journey. With their cooperation, I am confident we shall continue to ensure that we stay a step ahead in all aspects - products, markets, people, partners and customers, as we move forward in the constantly changing market place.

With Best Regards,
Diwakar Nigam

Transforming Customer Experiences

American National Bank of Texas selects Newgen to Deliver Superior Lending Services

American National Bank of Texas (ANBTX), one of the oldest and largest independently-owned banks in Texas, selected Newgen's consumer loan origination solution to digitise and automate its retail lending process. This will enable ANBTX to offer a more proactive and comprehensive end-to-end solution while delivering an enhanced customer experience.

ANBTX will leverage the solution to optimise its consumer loan processes - from pre-screening and application processing to underwriting, closing, and funding - across a range of loan products.

Credit Union of Colorado selects Newgen for Transforming Customer-Centric Processes

Credit Union of Colorado, with more than 80 years of experience and currently serving more than 1,00,000 members, selected Newgen's Account Opening and Loan Origination solutions on Cloud, to streamline critical banking processes and offer personalised and enhanced services to its customers.

Credit Union of Colorado is implementing Newgen's Online and In-Branch Account Opening solutions aimed at consumer and business deposit accounts. It is leveraging the Loan Origination Solution, online as well as in-branch, for consumer and small business loans. These solutions are being provided through a cloud delivery model.

NIC Bank selects Newgen to drive Digital Transformation and Enhance Customer Experience

NIC Bank Kenya PLC has successfully transformed multiple banking processes, using Newgen's Business Process Management based banking solutions. With its focus on innovation and customer service excellence, the bank has streamlined its processes, leading to increase in productivity, reduction in turnaround time and reduction in operational costs.

Leveraging Newgen's solutions, NIC Bank was able to successfully transform its account opening, business and personal banking, credit card, loan origination, asset finance and credit scoring.

National Records and Archives Authority, Oman, to Revolutionise Records Management across 18 agencies with Bahwan IT and Newgen

The National Records and Archives Authority (NRAA) of the Sultanate of Oman has selected Newgen and its front-end partner Bahwan IT LLC to deploy solutions which will modernise electronic document and records management system at NRAA and 17 other government agencies. Newgen Solutions will enable the government agencies of Oman to fully manage their official records electronically, and help NRAA preserve records of national importance, reducing their dependency on paper.

Leveraging Innovation to Transform Customer Experience

320+

R&D Employees

44

Patents Filings[1]

(with 11 Patents Granted)

As of March 2019, the Company has to its credit 44 Patent Filings, of which 11 patents have been granted in India and 23 patent applications are under processing in India and the US. These patents will help us expand the reach of our products while maintaining exclusivity.

Transforming the experience of customers requires innovative products and unique solutions, crafted to meet their mission critical needs. Keeping pace with the rapidly evolving technological trends, we continue to invest in our R&D function and now have a strong team of 320+ employees working on a common goal of creating-world class solutions.

Amid the digital disruptions that are creating new market opportunities, we are continuously expanding our product portfolio with focus on elements like Digital Sensing, Robotic Process Automation, Enterprise Mobility, Analytics and Cloud.

Our products are designed to simplify and connect people, processes, systems and things within organisations, facilitating them to manage more complex and diverse tasks in less time, with greater ease. Our innovative solutions help our customers develop low code applications that allow them to be more productive, agile, flexible, innovative, reduce costs and extend rich customer experience.

Development of Cloud and SaaS delivery models is high on our innovation agenda, which has emerged as a key driver of our growth strategy. Certified for various vital security and industry compliances, our Cloud-based-infrastructure is witnessing strong traction in mature markets, including the US. Cloud revenues witnessed 111% growth during the year and comprised 4% of our revenues.

Key Patents Issued in FY19

- "A Method and System for Automatic Data Extraction", empowering organisations to extract handwritten information from documents
- "Automated Identification of Nature of a User in a Network Based System" enabling organisations to automatically identify whether a user visiting their website is a robot or a human, with the help of a video captcha or an animated captcha
- "Integrated and Automatic Generation of Carbon Credits", a carbon credit analyser, coupled with the process management unit, which helps organisations automatically estimate costs and savings associated with the processing of documents

Product Pipeline

- Content and Process Analytics
- Content Services Platform
- Corrus
- Digital Sensing
- Low Code Application Dev Platform
- RPA with Digital Process Automation

Strengthening Go-To-Market Strategy to Build Customer Relationships

At Newgen, we believe strong and sustainable customer relationships to be a powerful engine of our collective growth.

Our go-to-market strategy is mapped by multiple channels to enable faster customer acquisition and overall market development. The strategy comprises direct sales, supplemented by sales through our channel partners and system integrators.

The direct sales are handled by the Company through its headquarters in India and its subsidiaries and branch office located in US, UK, Singapore, Dubai and Canada. We have recently opened a new subsidiary in Australia. Our 300+ strong sales and marketing team focusses on building customer relations through increased market awareness and enhanced brand reputation. We conduct as well as actively participate in various trade shows, conferences, industry events, customer conferences, media, social media and advertising programmes globally, to continuously strengthen this channel.

At the same time, we remain focussed on strengthening our worldwide partner network, which now consists of over 300 partners across 66 countries. To keep our partners aligned with our vision, values and goals, we are regularly investing in new initiatives related to partner management. Workshops, webinars, certification courses, trainings etc. are held on a regular basis, and we provide continuous support to our partners through architectural reviews, providing solutions, trouble shooting etc.

We continue to invest in augmenting our team and their expertise, while concurrently expanding the sales network.

A differentiated approach

As part of our differentiated 'land and expand' model, we provide our customers with the complete set of modules and functionality of our platform with their initial purchase/ subscription, which facilitates the seamless creation of new applications. Our relationship with a customer often begins with a single application and eventually grows to encompass the development of dozens of applications on our platform. Every additional application that an organisation creates on our platform increases the value of our platform for them, as it further integrates people, process and data across the organisation and facilitates knowledge sharing.

CSR - Making an Impact

Newgen's CSR mission is to actively contribute to the social and economic development of the communities in which it operates. In Newgen's belief, Corporate Social Responsibility (CSR) is not mere donations but a way of doing business while creating shared values. The core philosophy behind Newgen's CSR initiatives is to empower the members of the economically backward, neglected and weaker sections of the society across the country through an integrated and holistic approach, so that they are able to realise their full potential and enjoy good quality of life.

In today's world, information and knowledge have become the cornerstones of a society's development, and are the key factors behind promoting and sustaining the implementation of all the Sustainable Development Goals (SDGs). Contributing to the SDGs and national priorities for promotion of education through its CSR initiatives, Newgen is also contributing to the thematic areas of eradication of hunger and poverty, care of abandoned children and promotion of girl child education.

Newgen's CSR Flagship Programme

Newgen Digital Discovery Paathshala (NDDP)

Revolving around the 'Digital India Campaign' and 'Beti Bachao, Beti Padhao Andolan', Newgen's Corporate Social Responsibility intervention 'Newgen Digital Discovery Paathshala' (NDDP) focusses on providing essential skills to the girl child belonging to the age group of 10-14 years and enrolled in Delhi's government schools, to navigate through the era called 'digital age' and the unimpeded world of Internet. NDDP is a unique concept through which we impart digital education, hence empowering the girl child by using digital tools such as i-Pads, audio-visuals, presentations etc.

The use of digital technology equips the girl students with the skill-set needed to seek knowledge and discover new horizons, while enabling them to be independent, self-reliant and confident. Thus, this initiative is contributing towards achieving Sustainable Development Goals 4 and 5 of 'Quality Education' and 'Gender Equality'.

NDDP footprints have been spread across three schools after the adoption of the Government Girls Sr. Sec. School, Tekhand. In 2018-19, 3,000+ students of class 6th, 7th and 8th were benefited through the NDDP programme in the project locations of Harkesh Nagar, Tekhand and Soami Nagar.

Mentioned below is the status update about the programme.

Name of the School	No. of Years	Skill-Based I-pad assessment@	%age of beneficiaries digitally literate* (FY 2018-19)
Govt. Girls Sr. Sec. School, Harkesh Nagar	3	Proficiency 2	63.93%
Govt. Girls Sr. Sec. School, Tekhand	1	Proficiency 1	83.42%
Soami Nagar Model School	2	Proficiency 2	Proficiency I - 100% Proficiency II - 67%

* Digital literacy rate - The digital literacy is measured with class 8th students only who have been enrolled with the programme for more than 1 year

@ Proficiency Level 1 - Students under proficiency level 1 are 100% proficient with basic operations of the I-pad
Proficiency Level 2 - Students under proficiency level 2 can use digital media for research-oriented activities

During FY 2018-19, Newgen initiated a reward mechanism for students performing exceptionally well during the year. These students are bestowed with appreciation certificates to encourage them to work hard in the future. The mechanism is followed in all the schools for every class.

Mid-Day Meal Programme

Adequate nutritional content is a decisive factor complementing the growth and well-being of children in their formative years and in this regard, Newgen is supporting the mid-day meals of 3,600+ students in partnership with The Akshaya Patra Foundation in government schools in the backward areas of Vrindavan, Uttar Pradesh and Jhalawar, Rajasthan. This initiative contributes towards attaining SDG 2 of 'Zero Hunger'.

Family-Based Care Programme

In pursuance with the CSR vision, Newgen collaborated with SOS Children's Villages of India in the year 2014 to ensure holistic development of the associated children and their SOS mothers. Under this initiative, currently one family home in the SOS Children's Village, Greenfields, Faridabad and three family homes in SOS Children's Village, Bhopal are being supported by Newgen.

Newgen became the first corporate to support SOS facility in Bhopal, a non-metro city.

Personality Development Sessions

To contribute towards the holistic development of the underserved children, a personality development programme has been prepared, wherein children from the economically weak background and SOS Youth hostel participate in PD sessions. These sessions help such children grow in self-confidence, develop soft skills, besides providing career and personal guidance to the children. The session is held on second Saturday of every month by an organisation called I-AM. In FY 2018-19, Newgen catered to around 100+ students through its PD sessions.

A large number of children attending these sessions are also part of Sadbhavna, a philanthropic initiative of the promoters of Newgen. This initiative commenced in 2006, with the employee volunteers hand-holding the underserved children and guiding them to come at par with their other peers. Through the years, we have seen many success stories of the students attending the personality development sessions.

CSR Highlights of FY 2018-19

Under the NDDP programme, we have doubled the head count from 1,500+ beneficiaries in March 2018 to 3,000+ beneficiaries in March 2019.

Set up state-of-the-art Digital Laboratory in all the adopted schools under the NDDP Programme.

Increase in the beneficiaries count from 1,053 students to 3,600+ students in FY 2018-2019, under the Mid-Day Meal programme.

New Initiatives

Community-Based Interventions

Since for every social intervention, active participation of community is essential, NDDP has initiated activities connecting the mothers of beneficiaries with the programme. Mothers, being an integral part of the community, have to be empowered to amplify the magnitude of change. Thus, Newgen is helping them with digital media, disseminating information and generating awareness regarding different thematic areas of life. Sessions have been held on the thematic topics of menstrual hygiene and financial literacy in the Government Schools of Harkesh Nagar and Tekhand.

Empowering Female Students by their Engagement in NDDP

This is one of the newly added activities of the programme. For the pilot, one of Newgen's intern was provided with a platform to conduct a well-defined internship programme for the slow learners to bring them at par with their peers. The outcome of the activity was very well received. 70% of the targeted students enrolled in the pilot sessions became digitally sound. This initiative has become part of the programme and during the project period, students from various prestigious colleges will be able to do internship under the NDDP programme and add value to the programme.

Formation of Alumni Club in the Adopted Schools

To strengthen the programme and to go that extra mile, a new initiative is currently in its planning stage. This new initiative will focus on bringing together the students of all the adopted schools, who have exited the regular programme and are now in senior classes. Under this initiative, the following thematic areas - career counselling, governmental schemes and scholarship information and an advanced level of digital education - will be covered, which will help them with their future prospects. The initiative is in its preliminary stage wherein the enrolment of students is being done at Harkesh Nagar and Tekhand schools.

Augmenting the Enterprise-Wide People Connect

Our customer-centric focus necessitates a strong connect spanning the entire spectrum of our employees, across all functions of our enterprise. Thus, at Newgen, we see our People, who are the DNA of our innovation strategy, as an asset which we remain committed to nurturing and strengthening through myriad initiatives and programmes.

We have strategically chosen to prioritise investments in the empowerment of our people with next-generation skills, rolling out programmes for the continuous improvement of happiness index of our workforce.

Powering Values & Culture

At Newgen, we promote and celebrate collaboration. Deeply aligned with Newgen's Leadership Code, our People uphold the organisation's core values in all their endeavours. Providing challenging and creative growth opportunities that support innovation further strengthens our excellence DNA. Entrusted with higher responsibilities at the early stages of their career, our People are encouraged to work with top customers, consultants and analysts, leading to the nurturance of their confidence.

Open and supportive work environment helps us grow together, and also continuously improve our offerings. Open-door and free flow of two-way communication through various formal and informal channels is part of the Newgen Culture. Care, humility and respect for all is Newgen's key mantra, supporting and motivating our People to perform with pride and passion.

Building on Capacity Management

Realising the critical importance of human capital management in ensuring smooth and effective enterprise connectivity, we remain focussed on building on capacity management through various measures, that include:

- Attracting and retaining the brightest people in the industry through Talent Acquisition, Internal Job Postings, and Employee Referrals
- With 300+ innovators in Product R&D Team supported by about 1,900+ people in Delivery Excellence, Newgen continues to expand its frontiers to strengthen its position as a market leader
- With an employee base of 2,700+ across the developmental centres in Noida, Gurugram, New Delhi, Mumbai and Chennai, Newgen continues to attract the best talent in the industry

Steering Capability Management

Working proactively to drive an integrated approach towards competency development in the dynamically evolving marketplace of today, we remain focussed on enhancing employee and client satisfaction levels to achieve our business objectives. People are given the freedom to script their own success with an accelerated learning curve and growth opportunities quite early in their career. Our key efforts in this direction include:

- Making the on-boarding process smoother for new Newgenites through structured programmes such as Newgen Broad Spectrum Orientation, Product Training and Elaborate On-the-Job-Training (OJT) as well as special mentorship programmes for all new joinees
- Special emphasis on career planning for various roles with clearly defined growth path
- Regular in-house training and certifications for skill upgradation under iLearn, iEvolve and weLearn initiatives. These include behavioural and technical training, such as Newgen Certified Implementation Professional (NCIP) for Engineers and Newgen B1 certification for Business Analysts
- Thrust on strengthening leadership excellence with 360-degree feedback assessments for leadership team, Newgen Emerge Leadership Development programme for mid-level leaders and Soul of Leading Teams for first time managers, to name a few
- Role-based goal assessment system to help align individual's goals with Company's mission and vision
- e-Library and various other online forums for continued education and knowledge enhancement

Towards greater Engagement and Empowerment

Our ability to excel and lead clients on their digital transformation journey is driven by the collective excellence of our People. With special focus on leadership development and improving employee experience, we have undertaken the following key initiatives:

- Town Hall meetings with the senior management support in aligning all Newgenites with a shared vision. Regular Open House meetings organised to communicate a uniform strategy and showcase the role of each Newgenite in achieving this vision
- Strategic HR programmes to ensure Newgen continues to be a thriving workplace. Inputs are received from our People, based on Annual Employee Engagement Survey and Service Satisfaction Surveys
- Employee Recognitions for their outstanding contributions, through a well-thought-out Reward & Recognition (R&R) Programme, coupled with incentives for performance excellence
- Platforms such as Newgen Women's Forum and Newgen Employee Welfare Society (NEWS) to give Newgenites a forum to engage in collaborative discussions, activities and celebrations
- Celebration of project success and team spirit, with proud moments being shared with all members of Newgen family through a well-integrated system of internal communication
- Cross-functional collaborations, brainstorming through quality circles and platforms such as Accomplish Collective Excellence (ACE) for providing opportunities to people to contribute in continuous improvement of matters that affect them
- ESOPs (Employee Stock Options) granted from time to time for employees' concurrent growth with the Company

Committed to Ethics and Compliance

Our responsible business mantra is rooted in our unwavering commitment to integrity and ethical practices , and we have in place various measures and initiatives to ensure compliance to these values.

- Articulation of our ethical focus by sharing and enforcing Newgen's Code of Ethics and Business Conduct
- Focussed awareness campaigns, robust complaint redressal mechanisms
- Gender neutral internal policies 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 by engaging a third-party ombudsman

Board of Directors

Diwakar Nigam
Chairman and Managing Director

Diwakar co-founded Newgen in 1992. 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 in 1992. He has been on our Board since its incorporation. Prior to promoting Newgen, he promoted Softek 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 is a qualified chartered accountant, company secretary and cost accountant, he 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 has 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. He has authored ‘Handbook of Independent Directors’ (2 edition), co-authored ‘Corporate Governance: Myth to Reality’ and ‘India Means Business: How the Elephant Earned Its Stripes’.

Saurabh Srivastava
Independent Director

Saurabh is an alumnus of the Indian Institute of Technology, Kanpur, and Harvard University, USA. He has also been awarded Padma Shri by the Government of India. Saurabh 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 to our human resource strategy. Before joining Newgen, he worked with Eicher Goodearth, SRF Nippondenso, PCS Data Products and Semiconductor Complex Limited. He holds a master's degree in Arts with specialisation in Social Work from 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 over the various patents in India and US.

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

Tarun Nandwani
Senior Vice President, Business Management – Existing Customers & Commercials

Tarun has been with us for over 26 years. He is responsible for driving business from existing customers, customer relationship management, commercial activities, contract management and new solution / application development. He holds a bachelor's degree in Engineering from the University of Delhi.

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 about 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.

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
Non-executive Independent Director

Mr. Saurabh Srivastava
Non-executive Independent Director

Mr. Subramaniam Ramnath Iyer
Non-executive 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
Senior Vice President
(Business Managemeng - Existing Customers & Commercials)

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

Statutory Reports

Directors' Report

Dear Shareholder,

Your Directors are pleased to present the 27th 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 Statements for the Financial Year ended 31st March 2019.

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 66 countries with large, mission-critical solutions deployed at Banks, Governments, BPO's & IT Companies, Insurance firms and Healthcare Organizations. For over two decades organizations 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:

(₹ in Lakhs)

	Standalone		Consolidated	
	2018-19	**2017-18**	**2018-19**	**2017-18**
Net Sales	55,204.05	45,952.36	62,064.15	51,242.78
Other Income	2,022.86	758.19	2,037.97	760.98
Total Income	**57,226.91**	**46,710.55**	**64,102.12**	**52,003.76**
Total Expenditure	43,293.73	36,529.01	49,292.07	41,489.15
EBIDTA	13,933.18	10,181.54	14,810.05	10,514.61
Less: Finance Cost	841.12	520.68	853.87	520.68
Less: Depreciation and amortisation expense	580.17	567.68	597.99	580.67
Profit before Tax	12,511.89	9,093.18	13,358.19	9,413.25
Less: Provision for Current Tax	2,792.96	1,613.51	2,993.99	2,060.06
Less: Provision for deferred tax (credit)/charge	135.85	416.58	143.31	64.50
Profit after Tax	9,583.08	7,063.09	10,220.89	7,288.68
Add: Balance brought forward from previous year	21,500.53	15,598.43	22,055.71	15,928.02
Less: Dividend and Dividend Distribution tax paid during the year for the previous financial year	1,669.34	1,160.99	1,669.34	1,160.99
Profit available for Appropriation	29,414.27	21,500.53	30,607.26	22,055.71
Balance carried to Balance Sheet	29,414.27	21,500.53	30,607.26	22,055.71

During the year, the Company delivered strong results with broad based growth across geographies through expanding the sales distribution, both direct and indirect, with an emphasis on expanding the recurring revenues, profitability and operating cash flows. On a consolidated basis, the Company's revenue from operations stood at ₹ 62,064.15 Lakhs reflecting an increase of 21% in FY2019 as against ₹ 51,242.78 Lakhs in FY2018. Over last 6 Financial Years, the Company has been able to maintain over 20% compounded annualised growth in its revenues. The Company witnessed substantial improvements in the operational performance, which reflect in the 31% increase in EBITDA (adjusted for other income). The Company reported the EBITDA (adjusted for other income) of ₹ 12,772.07 Lakhs in FY2019 as against ₹ 9,753.63 Lakhs in FY2018. Profit after Tax improved by 40% from ₹ 7,288.68 Lakhs in FY2018 to touch ₹ 10,220.89 Lakhs in FY2019. Newgen continues to strike a fine balance between investing for the future growth and managing margins. For more information, kindly refer the Management Discussion and Analysis report highlighting the important aspects of the business of the Company as annexed with this Report.

Credit Rating And Liquidity:

ICRA has reaffirmed the short-term rating of [ICRA] A2+ (pronounced ICRA A two plus) assigned earlier to the ₹ 80.50 Crores 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 ₹ 14.50 Crores non fund based facilities.

The Company follows a conservative investment policy and invests in high quality debt instruments and bonds. As on 31st March 2019, on Standalone basis, cash and cash equivalents were ₹ 13,355.94 Lakhs and in addition to that ₹ 5,165.86 Lakhs was invested in mutual funds & bonds and ₹ 2,139.40 Lakhs in non-current fixed deposits. As on 31st March 2019, on Consolidated basis, cash and cash equivalents were ₹ 15,775.13 Lakhs and in addition to that ₹ 5,165.86 Lakhs was invested in mutual funds & bonds and ₹ 2,139.40 Lakhs in non-current fixed deposits.

Dividend:

Considering the Company's financial performance, your Directors are pleased to recommend a dividend @ 30 % i.e. ₹ 3 per equity share of the face value of ₹ 10 each of the Company for the Financial Year ended 31st March 2019 (dividend declared in previous year was @ 20 % i.e. ₹ 2 per share). The total outgo for the such dividend will amount to ₹ 2,516.78 Lakhs, including dividend distribution tax of ₹ 429.20 Lakhs as against ₹ 1,669.34 Lakhs including dividend distribution tax of ₹ 284.63 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 2018-19.

Share Capital:

During the Financial Year 2018-19, 3,50,000 Equity shares of ₹ 10/- each, fully paid up were issued and allotted to Newgen ESOP Trust under Newgen ESOP Scheme 2014 at price of ₹ 63/- per share. Pursuant to the above allotment, the issued and paid up equity share capital of the Company increased to & stood, as on 31st March 2019 at ₹ 69,58,57,010 divided into 6,95,85,701 equity shares of ₹ 10/- each.

The fresh shares allotted as aforesaid have been duly listed on both the Stock Exchanges (BSE & NSE).

During the year under review, the Authorised Share Capital of the Company remains unchanged.

Utilisation of IPO Proceeds:

The Company filed its prospectus dated 19th January 2018 ("Prospectus") with the Registrar of Companies, National Capital Territory of Delhi and Haryana, in connection with its initial public offering ("Offer") of its equity shares of ₹ 10 each ("Equity Shares") and the Equity Shares are presently listed on the BSE Limited and the National Stock Exchange of India Limited (together, the "Stock Exchanges"). The net proceeds of the Fresh Issue, as stated in the Prospectus amounted to ₹ 845.88 million. The objects of the Fresh Issue comprised: (i) purchase and furnishing of office premises near Noida-Greater Noida Expressway, Uttar Pradesh; and (ii) general corporate purposes. Estimated schedule of implementation and deployment of funds set out in the prospectus is as below:

(₹ in million)

S. No.	Particulars	Amount	Estimated utilisation in fiscal 2018	Estimated utilisation in fiscal 2019	Estimated utilisation in fiscal 2020	Estimated utilisation in fiscal 2021
1.	Purchase and furnishing of office premises near Noida-Greater Noida Expressway, Uttar Pradesh	843.44	-	692.60	100.00	50.84
2.	General corporate purposes	2.44	-	2.44	-	-
	Total	**845.88**	**-**	**695.04**	**100.00**	**50.84**

A statement of deviations or variations in the use of proceeds of the fresh issue portion of initial public issue of the company ("fresh issue"), as compared with the objects or projected utilization ("statement of deviations");

(₹ in million)

Particulars	Amount proposed to be utilised in terms of the Prospectus until 31st March 2019	Actual utilisation of proceeds from Fresh Issue until 31st March 2019
Purchase and furnishing of office premises near Noida - Greater Noida Expressway, Uttar Pradesh.	692.60	514.50
General corporate purposes	2.44	2.44
Total	**695.04**	**516.94**

The statement of category wise variation between projected utilisation of funds made by it in its offer document or explanatory statement to the notice for the general meeting, as applicable and the actual utilisation of funds:

(₹ in million)

Category wise variation	Estimated cost (as per the Prospectus)	Actual cost
Purchase consideration for office space measuring 120,000 sq. ft.	612.00	490.00 (Purchase consideration for office space measuring 138,668 sq. ft.)
Stamp duty	30.60	24.50
Furnishing of the office premises	50.00	Nil
Total	**692.60**	**514.50**

The Company has purchased an unfurnished office premises measuring approximately 1,38,668 sq. ft. pursuant to a Transfer Deed Cum Sale Deed dated 28th February 2019, (₹ 514.45 million including stamp duty has been utilised in fiscal 2019 towards such purchase) while in terms of the Prospectus, the Company had proposed to utilise the Fresh Issue Proceeds towards the purchase of an unfurnished office measuring 1,20,000 sq. ft. and such purchase was proposed to be completed by September 2018. The delay in the purchase of the property was due to the time taken for completion of due diligence required to be undertaken with respect to such property, which caused further delay in starting the work of furnishing of premises.

As at 31st March 2019, a portion of the proceeds of the Fresh Issue (amounting to ₹ 178.10 million) remain unutilised and have been temporarily invested/ deposited in fixed deposits with scheduled commercial banks in addition to the amount (₹ 150.84 million) proposed to be utilised in Fiscal 2020 & Fiscal 2021 as permitted under the applicable law and as disclosed under the section entitled "**Objects of the Offer - Interim Use of Funds**" on page 96 of the Prospectus.

With the recommendation of the Audit Committee, the Board of Directors of the Company in its meeting held on 15th May 2019, consented to seek the approval of shareholders through Postal Ballot for variation/deviation in the utilisation of un-utilised portion of IPO proceeds.

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 a significant milestone during the year. Newgen's Quality and Information Security system journey has been a steady and with full conviction starting from 1997. The same is evident from the implementation of industry standards namely ISO 9001:2015, 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 optimise 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 in 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 milestone as well as at the organizational level on an annual basis by a third party to get independent feedback from its customer.

Subsidiary Companies:

As on the date of this report, the Company has six 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 the wholly owned subsidiaries are as below:

1. Newgen Software Inc. USA,
2. Newgen Software Technologies Pte. Limited, (Singapore)
3. Newgen Software Technologies Canada Limited,
4. Newgen Software Technologies (UK) Limited
5. Newgen Computers Technologies Limited
6. Newgen Software Technologies Pty Limited (Incorporated in Australia on 30th April 2019)

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 statements 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 22nd August 2016 till the conclusion of 29th Annual General Meeting.

Auditors' Report:

The Statutory Auditors' Report for the Financial Year 2018-19 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 31st March 2019 is enclosed herewith as "Annexure-2". The Secretarial Audit Report for the Financial Year 2018-19 does not contain any qualification, reservation or adverse remarks.

Employee Stock Options Scheme:

As on 31st March 2019, the Company has in place Newgen Employees Stock Options 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 2018-19 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 are enclosed herewith as "Annexure-3".

Web Address for Annual Return:

In line with the requirement of the Companies (Amendment) Act, 2017, effective from 31st July 2018, the extract of annual return, is no longer required to be part of the Board's Report. However, for the compliance of conditions of Section 92 and Section 134, copy of the Annual Return for the financial year ended 31st March 2019 shall be placed on the Company's website at: https://newgensoft.com

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–4".

Directors and Key Managerial Personnel:

A) Changes in Directors and Key Managerial Personnel:

The current term of Executive Directors viz. Mr. Diwakar Nigam, Chairman & Managing Director, Mr. T.S. Varadarajan, Whole-time Director and Mrs. Priyadarshini Nigam, Whole-time Director would be expiring on 31st May 2019, accordingly, on the recommendation of the Nomination & Remuneration Committee, the Board has, subject to the approval of the shareholders in the ensuing Annual General Meeting, approved the re-appointment of the aforesaid Executive Directors for a further period of five years i.e with effect from 1st June 2019 to 31st May 2024.

The first term of Mr. Kaushik Dutta, Non-executive Independent Director of the Company would be expiring on 8th July 2019. Accordingly, on the recommendation of the Nomination & Remuneration Committee, the Board of Directors in its meeting held on 15th May 2019 has approved to seek the approval of shareholders of the Company, through Postal Ballot, for the re-appointment of Mr. Kaushik Dutta as Non-executive Independent Director for second term of five years with effect from 9th July 2019 to 8th July 2024.

As per the provisions of the Companies Act, 2013, Mr. Diwakar Nigam, who has been longest in the office, retires by rotation at the ensuing Annual General Meeting and, being eligible, seeks re-appointment. The Board recommends his appointment.

As on 31st March 2019, KMPs and Senior Management Personnel of the Company are as below:

1. Mr. Diwakar Nigam – Chairman & Managing Director
2. Mr. T.S. Varadarajan – Whole-time Director
3. Mrs. 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 – Sr. Vice President (Business Management)
7. Mr. Arun Kumar Gupta – Chief Financial Officer
8. Mr. Aman Mourya - Company Secretary

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

The Independent Directors have submitted required declarations that they fulfil 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 16th May 2018 during Financial Year 2018-19. The Independent Directors have also complied with the Code for Independent Directors prescribed in Schedule IV of the Act.

C) Board Annual Evaluation:

The details of training and familiarisation programme and Annual Board Evaluation process for Directors have been provided under the Corporate Governance Report.

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–5".

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. The Company hereby affirm that it has not denied access to any person to the Audit Committee and that it has mechanism to provide protection to the Whistle Blower as per the Whistle Blower Policy of the Company.

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

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-6" 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 laid down a Risk Management Policy, defining Risk profiles involving Strategic, Technological, Operational, Financial, Organizational, Legal and Regulatory risks within a well defined framework. The Risk Management Policy acts as an enabler of growth for the Company by helping its businesses to identify the inherent risks, assess, evaluate and monitor these risks continuously and undertake effective steps to manage these risks.

More details on Risk Management including identification of risk and their mitigation are covered in Management Discussion & Analysis section, which forms part of this report.

Internal Control Systems and Their Adequacy:

Your Company has in place adequate Internal Financial Controls. The Company conducts its business with integrity, high standards of ethical behaviour and in compliance with all applicable laws and regulations that govern its 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 Newgen's 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, various Standard Operating Procedures (SOPs), Vigil Mechanism, audit mechanism (through Internal Audit, Secretarial Audit and Statutory Audit) are already in place.

The Audit Committee of the Board of Directors reviews the internal control systems on a regular basis to improve their effectiveness besides verifying statutory compliances. The Audit Committee meets periodically to discuss findings of the M/s Grant Thornton, Internal Auditors. Their audit is based on an internal audit plan, which is reviewed each year by the Audit Committee along with the remedial actions that have been recorded or have been taken by the management to address weaknesses of the system, if any. The Management of the Company on quarterly basis presents before the Audit Committee the status of compliances in the form of compliance matrix to ensure timely compliances with Companies Act, GST, Income tax Act, SEBI Regulations and other Acts and laws as applicable on the Company. Newgen also undergoes periodic audit by specialised third party consultants and professional for business specific compliances such as quality management, Information Security Management, etc. 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.

Corporate Governance:

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–7". The requisite certificate from Independent Company Secretary 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-8" 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:

There are no material related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other which may have a potential conflict with the interest of the Company at large. Accordingly, the disclosure of related party transactions, as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable to the Company.

The pricing of the transactions with wholly owned subsidiaries are based on the Independent Transfer Pricing Report given by Price Waterhouse & Co., Chartered Accountants which determined the arms-length pricing and are under ordinary course of business. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee. All transactions with related parties were reviewed and approved by the Audit Committee. A statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors on a quarterly basis. The policy on Related Party Transactions as approved by the Board is uploaded on the website of the Company https://newgensoft.com

None of the Directors and KMPs has any material pecuniary relationships or transactions vis-a-vis the Company except remuneration as per terms of their respective appointments.

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's 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 2018, 2017 and 2016, the Company spent 8.67%, 8.55% and 7.92% (as a proportion of our total expenditure) respectively on research and development. For fiscal 2019 under review the Company had spent 9.23% (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 believe 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 realises the importance of innovation and constant improvement in key areas of business. We are focused on driving innovation and adopting solutions in line with rapidly evolving technological trends. Our inherent culture of innovation has enabled us to develop a track record of product innovation, expand the range of our offerings and improve the delivery of our products and services. We have a dedicated team of skilled individuals with technical background and domain expertise in each of our industry verticals with a focus on evolving technologies. These teams follow a structured innovation and solutions development process and work with delivery functions to identify the key concerns of our customers and generate solutions, ideas and concepts to address such concerns.

d) Foreign Exchange Earnings and Outgo:

(₹ in Lakhs)

Particulars	31st March 2019	31st March 2018
Foreign Exchange Earnings	35,190.52	27,885.83
Foreign Exchange Outgo	8,253.02	5,116.78

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 had been followed along with proper explanation relating to material departures.

II. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit or loss of the Company for the year under review.

III. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

IV. The Directors had prepared the annual accounts on a going concern basis.

V. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

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

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during Financial Year 2018-19.

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:

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

The details related with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 have been provided under the Corporate Governance Report.

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 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 Directors also express their gratitude to the shareholders, investors, customers, business partners, bankers and other stakeholders for their confidence and continued support during the year.

For **and on behalf of Board of Directors**

Diwakar Nigam
Chairman & Managing Director
DIN: 00263222

Date: 15th May 2019
Place: New Delhi

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 ₹)

1.

Sr. No.	1	2	3	4	5	6
Name of the subsidiary	Newgen Computers Technologies Ltd	Newgen Software Technologies (UK) Limited	Newgen Software Inc. USA,	Newgen Software Technologies Canada Ltd	Newgen Software Technologies Pte. Ltd	Newgen Software Technologies Pty Limited
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 @ 90.48	USD @ 69.17	CAD @ 51.93	SGD @ 50.71	-
Share capital	21,00,000.00	1,80,96,000.00	8,30,04,000.00	51,93,000.00	1,26,77,500.00	-
Reserves & surplus	41,52,627.99	26,53,931.87	5,14,22,983.93	93,63,493.95	2,33,94,187.90	-
Total assets	65,25,514.98	8,53,96,804.65	59,47,12,385.29	5,49,16,909.74	15,05,33,604.58	-
Total Liabilities	2,72,887.17	6,46,46,872.78	46,02,85,332.19	4,03,60,151.79	11,44,61,916.67	-
Investments	-	-	-	-	-	-
Turnover	-	10,77,91,750.12	1,63,25,30,650.90	11,53,41,717.81	25,50,16,795.37	-
Profit before taxation	6,36,020.00	23,60,137.88	5,84,25,478.05	51,98,859.70	1,72,55,075.98	-
Provision for taxation	1,73,977.46	5,03,068.80	1,51,06,036.30	13,81,716.16	21,50,506.55	-
Profit after taxation	4,62,042.54	18,57,069.08	4,33,19,441.75	38,17,143.54	1,51,04,569.43	-
Proposed Dividend	-	-	-	-	-	-
% of shareholding	-	-	-	-	-	-

2. **Names of subsidiaries which are yet to commence operations**
   Newgen Software Technologies Pty Limited (Incorporated in the country of Australia on 30th April, 2019).

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 **- NOT APPLICABLE**

1. Latest audited Balance Sheet Date **- NOT APPLICABLE**
2. Shares of Associate/Joint Ventures held by the company on the year end **- NOT APPLICABLE**
3. Description of how there is significant influence **- NOT APPLICABLE**
4. Reason why the associate/joint venture is not consolidated **- NOT APPLICABLE**
5. Networth attributable to Shareholding as per latest audited Balance Sheet **- NOT APPLICABLE**
6. Profit / Loss for the year
   i. Considered in Consolidation **- NOT APPLICABLE**
   ii. Not Considered in Consolidation **- NOT APPLICABLE**

   1. Names of associates or joint ventures which are yet to commence operations **- NOT APPLICABLE**
   2. Names of associates or joint ventures which have been liquidated or sold during the year. **- NOT APPLICABLE**

For **Newgen Software Technologies Limited**

	Diwakar Nigam	**T.S. Vardarajan**	**Arun Kumar Gupta**	**Aman Mourya**
Date: 15th May 2019	Chairman & Managing Director	Whole-Time Director	Chief Financial Officer	Company Secretary
Place: New Delhi	DIN: 00263222	DIN: 00263115	PAN: ADTPG6017D	FCS: 9975

Annexure- 2

SECRETARIAL AUDIT REPORT

(For the financial year ended 31.03.2019)

[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 us opinion, subject to Annexure 'A' to this report, thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit and on the basis of the written representations/explanations received from the management, we hereby report that in our opinion the company has, during the audit period covering the Financial Year ended March 31, 2019 ('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 31.03.2019. 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;

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;

(i) 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.

- 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 decision at Board Meetings and Committee Meetings are carried our 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 based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no specific events/actions having a major bearing on Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards, etc.

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

Place: New Delhi
Date: 2nd May 2019

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 : 2nd May 2019

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 Scheme:

As on 31st March 2019, 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 also available on 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 34 – Share Based Payment, of Notes to the Standalone Financial Statements forming part of the Annual Report.

B. Diluted EPS on issue of shares pursuant to 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:

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: 14.08 Diluted: 13.82

C. Other Details relating to Newgen ESOP 2014

Sr. No.	Particulars	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015
i.	a) Date of shareholders' approval	As on 31st March 2019, the Company has in place the Newgen Employee Stock Option Scheme – 2014 ("**NEWGEN ESOP 2014**"), as approved by the shareholders on 13th November 2014, which was further amended and modified on 28th July 2017 by the shareholders of the Company, to be compliant with the SEBI (Share Based Employee Benefits) Regulations, 2014 during IPO procedure. Post initial public offer of the Company, the shareholders ratified the Newgen ESOP 2014 on 9th August 2018, as required under SEBI (Share Based Employee Benefits) Regulations, 2014.				
	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	NIL	562,550	NIL	NIL	36,53,525
	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.				

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).

Sr. No.	Particulars	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015
	g) Source of shares (primary, secondary or combination)	Company uses Trust Route for implementing this Scheme. Source of Share to the Trust as on 31st March 2019 is Primary. For more information please refer details related to Newgen ESOP Trust as provided in this disclosure.				
	h) Variation in terms of options	NIL				
ii	Method used to account for NEWGEN ESOP 2014	Fair Value Method using Black-Scholes Model				
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 2018-19 Company followed fair value accounting of stock options.				
iv	**Option movement during Financial Year 2018-19**					
	a) Number of options outstanding at the beginning of the year					22,43,483
	b) Number of options granted during the year					NIL
	c) Number of options forfeited / lapsed during the year					1,12,466
	d) Number of options vested during the year					12,68,724
	e) Number of options exercised during the year					5,73,493
	f) Number of shares arising as a result of exercise of options					5,73,493
	g) Money realised by exercise of options (₹), if scheme is implemented directly by the company					3,61,30,059
	h) Loan repaid by the Trust during the year from exercise price received					1,48,05,000
	i) Number of options outstanding at the end of the year					15,57,524
	j) Number of options exercisable at the end of the year					11,22,797
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.			• Weighted-average exercise prices: ₹ 63/- • Weighted-average fair values of options granted during the year: NA		
vi	**Employee wise details of the options granted during Financial Year 2018-19:**					
	a) Option granted to Senior Managerial Personnel & KMPs during the year	NIL				
	b) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	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:**	NA				

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Fiscal 2019</th><th>Fiscal 2018</th><th>Fiscal 2017</th><th>Fiscal 2016</th><th>Fiscal 2015</th></tr>
<tr><td></td><td>a) the weighted-average values of share price</td><td colspan="5">NA</td></tr>
<tr><td></td><td>b) weighted average exercise price</td><td colspan="5">NA</td></tr>
<tr><td></td><td>c) Expected volatility</td><td colspan="5">NA</td></tr>
<tr><td></td><td>d) Expected option life</td><td colspan="5">
<table>
<tr><th>Grant Name</th><th>Grant Date</th><th>Number of options outstanding</th><th>Exercise Period</th><th>Remaining Life (In Years)</th></tr>
<tr><td>ESOP 2014/ Grant I</td><td>01-01-2015</td><td>11,00,564</td><td>31-12-2023</td><td>4.76</td></tr>
<tr><td>ESOP 2014/ Grant II</td><td>01-07-2017</td><td>2,76,235</td><td>30-06-2026</td><td>7.25</td></tr>
<tr><td>ESOP 2014/ Grant III</td><td>01-09-2017</td><td>1,26,500</td><td>31-08-2026</td><td>7.42</td></tr>
<tr><td>ESOP 2014/ Grant IV</td><td>01-10-2017</td><td>54,225</td><td>30-09-2026</td><td>7.51</td></tr>
</table>
</td></tr>
<tr><td></td><td>e) Expected dividends</td><td colspan="5">NA</td></tr>
<tr><td></td><td>f) Risk-free interest rate and any other inputs to the model</td><td colspan="5">NA</td></tr>
<tr><td></td><td>g) The method used and the assumptions made to incorporate the effects of expected early exercise;</td><td colspan="5">NA</td></tr>
<tr><td></td><td>h) How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and</td><td colspan="5">NA</td></tr>
<tr><td></td><td>i) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition</td><td colspan="5">NA</td></tr>
</table>

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 utilise the shares already held by it and will acquire the shares of the company either through fresh allotment from the company or by way of secondary acquisition, if any.

(i) Details:

Sr. No.	Particulars	Newgen ESOP Trust (For Newgen ESOP 2014)
1.	Name of the Trust	Newgen ESOP Trust
2.	Details of the Trustee (s)	Mr. Amarendra Kishore Sharan Mr. Arvind Kaul
3.	Amount of Loan disbursed by the Company/ any company in the Group during the year	NIL
4.	Amount of loan outstanding (repayable to Company/ any company in the Group) as at the end of the year*	3,25,49,731
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
6.	Any other Contribution made to the Trust during the year	NIL

**Including Interest of ₹ 82,31,731/- on Loan payable by Newgen ESOP Trust.*

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

Sr. No.	Particulars	Newgen ESOP Trust (For Newgen ESOP 2014)
1.	Number of shares held at the beginning of the year	13,51,584
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: 3,50,000 (0.51% of paid up capital as at the end of the Previous Financial year 2017-18) Weighted average cost of primary acquisition: ₹ 63/-
3.	Number of shares transferred to the employees / sold along with the purpose thereof during the year	5,73,493
4.	Number of shares held at the end of the year.	11,28,091

***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:

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

For **and on behalf of Board of Directors**

Diwakar Nigam
Chairman & Managing Director
DIN: 00263222

Date: 15th May 2019
Place: New Delhi

Annexure- 4

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 and percentage increase in remuneration of each of the Director, Chief Financial Officer and Company Secretary during the Financial Year 2018-19:

(₹ In Lakhs)

Sr. No.	Name of the Person	Remuneration for Financial Year 2018-19	% increase in Remuneration in Financial Year 2018-19	Ratio of Remuneration of each Director to Median Remuneration of employees
1.	Mr. Diwakar Nigam	174.90	9.08	22.91
2.	Mr. T. S. Varadarajan	83.70	9.68	10.96
3.	Mrs. Priyadarshini Nigam	40.84	3.96	5.35
4.	Mr. Arun Kumar Gupta	116.13	39.27	NA
5.	Mr. Aman Mourya	13.88	37.97	NA

Non-Executive Directors are not getting any remuneration except sitting fee paid to them for attending the meetings of the Board and its Committees.

ii. The number of permanent employees on the rolls of the Company as on 31st March 2019 were 1909 and the median remuneration was ₹ 7,63,458 annually. The median remuneration of employees in Financial Year 2018-19 has increased by 7.15%.

iii. The average percentile increases already made in the salaries of employees other than managerial personnel in the last financial year was 15% and the average percentile increase in the remuneration of managerial personnel was 8.51%. The increase in salaries during the year are based on the remuneration policy/reward philosophy of the Company and due to annual appraisals of employees.

iv. The remuneration is in accordance with the Remuneration Policy of the Company which is available on the website of the Company at: https://newgensoft.com.

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 31st March 2019 (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 2018-19) and the name of every employee of the Company, who - if employed throughout the financial year 2018-19, was in receipt of remuneration which, in the aggregate, was not less than One Crores and Two Lakhs rupees:

(₹ In Lakhs)

Sr. No.	Name	Designation/	Nature of employment, whether contractual or otherwise	Remuneration Received	Age	Qualification	Experience in years	Last Employment	Date of Commencement of Employment
1.	Virender Jeet	Sr. Vice President, (Sales and Marketing/ Product),	Permanent	187.03	50	B.E	26	NIE - Jaipur	01-12-1992
2.	Tarun Nandwani	Sr. Vice President- Business Management	Permanent	176.18	47	B.E	26	NA	15-07-1993
3.	Diwakar Nigam	Chairman & Managing Director	Permanent	174.90	64	MSC, M. Tech	36	NA	He has been on the Board of the Company since 01-04-1993

(₹ In Lakhs)

Sr. No.	Name	Designation/	Nature of employment, whether contractual or otherwise	Remuneration Received	Age	Qualification	Experience in years	Last Employment	Date of Commencement of Employment
4.	Dushyant Kumar	Vice President-Software Development	Permanent	170.91	59	B.E	37	Softek Ltd.	16-11-1999
5.	Surender Jeet Raj	Sr. Vice President-HRD	Permanent	166.52	62	Ph.D.	39	PCS DG	16-08-1993
6.	R.Krishna Kumar	Vice President (ANZ)	Permanent	140.71	50	B.E	25	Wipro Infotech	01-08-2013
7.	Prashant Sahai*	Associate Vice President-Sales International	Permanent	118.10	44	MBA	21	Vicisoft Technologies Pvt.Ltd	15-06-1998
8.	Arun Kumar Gupta	Chief Financial Officer	Permanent	116.13	49	CA,CS, CMA	23	Interra Infotech	15-10-2010
9.	Ashish Vikram Singh	Vice President-Software Development	Permanent	115.50	50	M.E	23	Pitney Bowes	13-01-2014
10.	Ashok Kapoor	Vice President-Software Development	Permanent	100.65	54	PGDM	28	NIIT	06-04-2015
11.	Manojit Majumdar	Vice President-Channel Sales	Permanent	100.19	53	MBA	27	IBM	04-04-2011

**Prashant Sahai posted & working in Dubai. He is getting remuneration in AED and his remuneration as given above is converted and reported in ₹.*

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.

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 Lakhs and Fifty Thousand rupees per month. **Nil**

iii. Particulars of Employees posted and working in a country outside India, not being Director or their relatives, drawing more than sixty Lakhs rupees per financial year 2018-19 or five Lakhs rupees per month:

(₹ In Lakhs)

Sr. No.	Name	Designation/	Nature of employment, whether contractual or otherwise	Remuneration Received	Age	Qualification	Experience in years	Last Employment	Date of Commencement of Employment
1.	Glitty Paul	Sr.Business Development Manager	Permanent	86.72	36	MBA	11.7	Intertec System	23-02-2016
2.	R Balaji	Regional Sales Manager	Permanent	65.39	34	MBA	13.1	Newgen & Paripoorna Software Solutions	15-05-2017
3.	Vivek Kumar Gupta	Sr.Manager-Products & Solutions	Permanent	62.21	38	M.Tech	11.7	Governation Solutions Pvt Ltd	23-02-2006

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

Notes:

a) Above remunerations also include provisions for bonus, variable incentives and ESOP perquisites to the extent options exercised during the year and includes amount outstanding, if any, at the year end.

b) Except Mr. Diwakar Nigam, Chairman & Managing Director (holding 26.47% of equity shares himself and 11.45% of equity shares through his spouse), no other employees, as listed above, holding, by himself or herself along with his/her spouse and dependent children, 2% or more of equity shares of the Company.

c) Mrs. Priyadarshini Nigam, Whole-time Director is the spouse of Mr. Diwakar Nigam, Chairman & Managing Director of the Company.

iv. Details of employee if employed throughout the financial year 2018-19 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 Board of Directors**

Diwakar Nigam
Chairman & Managing Director
DIN: 00263222

Date: 15th May 2019
Place: New Delhi

Annexure- 5

NOMINATION & REMUNERATION POLICY

1. Introduction:

It is the endeavor of Newgen Software Technologies Limited ("Company" or "Newgen") that its Nomination & Remuneration Policy should represent the mode in which the Company carries out its business practices i.e. fair, transparent, inclusive and flexible. In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all the Directors, Key Managerial Personnel, Senior Managerial Personnel and other Employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013, ("Act") and SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015 ("LODR"), this policy has been approved by the Board of Directors on the recommendation of the Nomination & Remuneration Committee.

2. Constitution of Committee:

The Board of Directors of the Company ("the Board") shall constitute a Committee to be known as the Nomination & Remuneration Committee consisting of three or more non-executive Directors out of which not less than one-half shall be Independent Directors. The Chairman of the Committee shall be an Independent Director. However, the Chairperson of the Company (whether executive or non- executive) may be appointed as a member of the Nomination & Remuneration Committee but shall not chair such Committee.

3. Objective:

The objective of this policy is to lay down a framework in relation to remuneration of the Directors, KMP, Senior Management Personnel and other Employees. The key objectives and purposes of the Policy inter alia are:

(1) Formulating the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy/ framework relating to the remuneration of Directors, Key Managerial Personnel and Senior Management Personnel, and other employees.

(2) To provide guidance to the Board and the Committee in relation to appointment / removal of Directors, Key Managerial Personnel and Senior Management Personnel.

(3) Formulating the criteria for evaluation of performance of Chairperson, independent directors, non-Independent Directors and the Board of Directors as a whole.

(4) To devise a policy on diversity of board of directors and to build a Succession Plan for appointment to the Board of Directors, KMPs and Senior Management Personnel.

(5) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

4. Applicability:

This Policy shall apply to:

(a) Directors (Executive and Non-Executive);

(b) Key Managerial Personnel;

(c) Senior Management Personnel and

(d) Other Employees

5. Definitions:

"Act" or "Companies Act" means the Companies Act, 2013 and rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

"Key Managerial Personnel or KMPs" in relation to Company means –

i. Chief Executive Officer or Managing Director;

ii. Whole Time Director

iii. Chief Financial Officer;

iv. Company Secretary;

v. Such other officer, not more than one level below the Directors who is in whole-time employment, designated as Key Managerial Personnel by the Board.

"LODR" or "Listing Regulations" means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

"Newgen HR" means Human Resource Department of the Company.

"Other employees" means all the employees of the Company other than the Directors, KMPs and the Senior Management Personnel.

"Policy" or "This Policy" means, "Nomination & Remuneration Policy."

"Senior Management Personnel" pursuant to Regulation 16(1)(d) of LODR, Senior Management Personnel shall mean officers/ personnel of the Company who are members of its core management team excluding Board of Directors and normally this shall comprise all members of management one level below the Chief Executive Officer/ Managing Director/ Whole time Director (including Chief Executive Officer, in case they are not part of the Board) and shall specifically include Company Secretary and Chief Financial Officer.

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

6. Appointment Criteria and Qualifications:

6.1 The Committee shall identify and ascertain the integrity, behavior pattern, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board for such appointment.

6.2 The Company shall not appoint or continue the employment of any person as Whole- time Director or Managing Director 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 only on the basis of recommendation of the Committee.

6.3 The Company shall not appoint or continue the employment of any person as an Independent Director who has attained the age of seventy five years. Provided that that the term of the person holding this position may be extended beyond the age of seventy five 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 five years. Such extension shall be on the basis of recommendation of the Committee.

6.4 An Independent Director should comply with the eligibility criteria stipulated in the Articles of Association of the Company, Section 164 & 149(6) of the Act including its rules thereto and LODR. An Independent Director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; shall not have any conflict of interest; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the Company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the Company in implementing the best corporate governance practices.

6.5 For the appointment of Senior Managerial Personnel and KMPs (other than Managing Director / Whole time Director), a person should possess adequate qualification, expertise and experience for the position that person is considered for the appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

6.6 For the appointment of other employees, the person should possess the relevant qualifications, expertise and experience as required and in accordance with the Newgen HR policy for the concerned position.

6.7 A whole time KMP of the Company shall not hold office in more than one Company except in its subsidiary Company at the same time. However, a whole-time KMP can be appointed as a Director in any Company, with the permission of the Board of Directors of the Company.

6.8 As specified in Regulation 18 and Part C of Schedule II of LODR, Audit Committee of the Board of Directors shall approve the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.

6.9 The information on recruitment and remuneration of KMPs and Senior Management Personnel, including appointment or removal of Chief Financial Officer and the Company Secretary shall also be placed before the Board of Directors and Nomination & Remuneration Committee.

7. Recruitment Strategy and Procedure for Senior Management Personnel and Key Managerial Personnel Except Managing Director/ Whole Time Director:

The job description would be first put together based on the role the earlier incumbent is performing, as well as the future course of the Company. The shortlisting of candidates shall be undertaken by the Managing Director, Head of HR Department and Functional Head. Post selecting the potential candidates, the same shall be updated to the Nominations & Remuneration Committee for its consideration. Then offer is made to the selected candidate in line with the prevailing policies of Newgen HR both in terms of the compensation offered as well as the Level and Designation.

Every Whole-time KMPs of the Company shall be appointed by means of a Board Resolution containing the terms and conditions of the appointment including the remuneration.

8. Term / Tenure:

8.1 Managing Director/ Whole-time Director:

The Company shall appoint or re-appoint any person as the Executive Chairman, Managing Director or Whole-time Director / Executive Director for a term not exceeding five years at a time with the approval of shareholders, as specified in the Act and LODR. No re- appointment shall be made earlier than one year before the expiry of such term. Appointment and reappointment of such Directors shall be made with the recommendation of the Committee.

8.2 Independent Director:

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 re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. 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.

8.3 KMPs and Senior Management Personnel and Other Employees:

Terms of KMPs (excluding Managing Director/ Whole-time Director / Manager), Senior Management Personnel and other Employees shall be as per prevailing policies of Newgen HR subject to applicable laws and rules thereto, if any.

8.4 Removal

Due to reasons for any disqualifications mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations. The removal of Key Managerial Personnel and Senior Management Personnel shall also be governed by the prevailing Policies of Newgen HR.

8.5 Retirement

The Directors, KMPs and Senior Management Personnel shall retire as per the applicable provisions of the Act, laws and the prevailing policy of Newgen HR. Extension on the terms of appointment post attaining the retirement age can be considered by Newgen HR, if required for the benefit of the Company.

8.6 Independent Director who resigns or is removed from the board of directors of the Company shall be replaced by a new independent director at the earliest but not later than the immediate next meeting of the board of directors or three months from the date of such vacancy, whichever is later:

Provided that where Company fulfils the requirement of Independent Directors in its board of directors without filling the vacancy created by such resignation or removal, the requirement of replacement by a new Independent Director shall not apply.

9. Evaluation of Performance:

9.1 The Committee shall carry out evaluation of performance of every Director and of the Board of Directors as a whole at regular interval (yearly).

9.2 The performance of the Directors shall be evaluated in the context of the Company's performance from a business and compliance perspective. The criteria to be used in the evaluation of performance will be those duties and responsibilities that the Board and the Director mutually agreed upon. The Committee shall also carry out evaluation of performance of every Director with a view to increase effectiveness as a governing body as well as participation of the Directors on the Board or Committee of the Board's proceedings.

9.3 The Committee shall time to time determine a process for evaluating the performance of every Director, Committees of the Board and the Board on an annual basis. The Committee shall also review its own performance on an annual basis. The Committee may seek the support and guidance of external experts and agencies for this purpose, if required.

10. Policy for Remuneration:

10.1 Remuneration to Executive Director/ Managing Director/ Whole-Time Director:

The Remuneration/ Compensation etc. to be paid to Executive Directors/ Managing Directors/ Whole Time Directors etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force including SEBI Regulations. If any Executive Director or Managing Director or Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without obtaining requisite approvals where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by Law or by any competent judicial Court or Body.

10.2 Remuneration to Non-Executive Director/ Independent Director:

The Non-Executive Director / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.

All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination & Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

10.3 Remuneration to KMPs and Senior Management Personnel:

- The remuneration to KPMs and Senior Management Personnel shall consist of fixed pay and incentive pay in accordance with prevailing Newgen HR Policies. The remuneration, compensation, etc. to the KMPs, Senior Management Personnel will be determined after taking into account general market practice, performance of the Company and other relevant factors.
- The Committee shall recommend to the Board, all remuneration, in whatever form, payable to KMPs and Senior Management Personnel.
- The Committee of the Company shall determine the stock options and other share-based payments to be made to KMPs and Senior Management Personnel.

10.4 Remuneration to other Employees:

- Apart from the Directors, KMPs and Senior Management Personnel, the remuneration for rest of the employees is determined on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexity and market conditions.
- The various remuneration components, basic salary, allowances, perquisites etc. may be combined to ensure an appropriate and balanced remuneration package as per prevailing Newgen HR Policies as formulated time to time in this respect.
- The annual increments to the remuneration paid to other employees shall be determined based on the appraisal carried out by the respective HODs of various departments, as per Newgen HR Policies. Decision on Annual Increments shall be made on the basis of this appraisal.
- To meet an urgent and specific need of all types of employees, the Company may provide salary advances as per the Newgen HR Policy as may be formulated in this respect.

11. Insurance:

Where any insurance is taken by the Company on behalf of its Directors, KMPs, and Senior Management Personnel and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration. Provided that if such person is proved to be guilty, the premium paid on such insurance may be treated as part of the remuneration. The adequacy of this policy shall be reviewed and reassessed by the Committee or the Board of Directors at such intervals as deems appropriate and recommendations, if any, shall be made to the Board to update the same from time to time.

12. Nomination to the Board:

The duties of the Committee in relation to nomination matters, inter alia, include:

12.1 Determining the appropriate size, diversity and composition of the Board and setting a formal and transparent procedure for selecting new Directors for appointment to the Board;

12.2 Ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and reviewing its effectiveness;

12.3 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;

12.4 Identifying and recommending Directors who are to be put forward for retirement by rotation.

12.5 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;

12.6 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.

13. Remuneration Duties:

The duties of the Committee in relation to remuneration matters include:

13.1 to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board and recommend to the Board for approval.

13.2 to consider the remuneration of the Senior Management including Key Managerial Personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and recommend to the Board for approval.

13.3 to consider any other matters as may be requested by the Board;

14. Board Diversity

14.1 The Board shall consist of such number of Directors, including atleast one women Director and not less than fifty percent of the Board of Directors comprising non-executive Directors, as is necessary to effectively manage the Company of its size. When the Chairman of the Board is a non-executive Director, at least one-third of the Board shall comprise Independent Directors and in case the Company does not have a regular non-executive Chairman or in case the regular non-executive Chairman is a promoter of the Company, at least half of the Board shall comprise of Independent Directors.

14.2 The Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. The Board and the Committee may periodically review Board diversity to bring in expertise and experience in diverse areas and disciplines to improve the standards of corporate governance, transparency and operational efficiency and risk management, wherever required. The Committee will lead the process for Board appointments. All Board appointments are made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective. The Committee will discuss succession planning and Board diversity at the time of nominating Directors.

14.3 Additionally, the Committee and the Board may consider appointment of experts from various specialised fields such as information technology, corporate strategy, marketing and business development, international business, operations management, finance, law etc. so as to bring diversified skill sets on Board or succeed any outgoing Director with the same expertise.

15. Succession Plan for Appointment to the Board of Directors and Senior Management:

The Company recognises the importance of the process to Succession Planning to provide for continuity in the smooth functioning of the organization. There are certain positions in the Company that are key to its current and future growth. It is, therefore, important that these positions are assigned to duly skilled and best possible incumbents. It is critical to fill up such positions well in time to avoid any leadership gap. Pursuant to regulation 17 of LODR, the Committee has therefore put the following plan for orderly succession for appointment on the Board and Senior Management.

15.1 The Nomination & Remuneration Committee of the Company shall review the leadership needs of the Company from time to time.

15.2 The Nomination & Remuneration Committee of the Board, shall apply a due diligence process to determine the suitability of every person who is being considered for being appointed or re-appointed as a Director of the Company based on their educational qualification, experience & track record and every such person shall meet the 'fit and proper' criteria and accordingly any appointment or re-appointment of a Director shall be subject to prior approval / recommendation by Nomination & Remuneration Committee of the Company.

15.3 Newgen HR shall periodically review and consider the list of senior managerial personnel due for retirement/attrition within two year. The Nomination Committee and Newgen HR shall also consider the new vacancies that may arise because of business needs/up- gradation of Department(s). Considering the above, the Committee shall assess the availability of suitable candidates for the Company's future growth and development. Further, based on the recommendation of the Managing Director and the Newgen HR, the Nomination & Remuneration Committee: -

(i) Shall evaluate the incumbent after considering all relevant criteria like experience, age, leadership quality etc. and recommend to the Board whether the concerned individual be granted an extension in term/service or be replaced with an identified internal or external candidate.

(ii) Shall identify the competency requirements of Board/key positions, assess potential candidates and develop required competency through planned development and learning initiatives. The Committee may utilize the services of professional search firms to assist in identifying and evaluating potential candidates.

15.4 The Managing Director and Newgen HR shall from time to time identify high-potential employees who merit faster career progression to position of higher responsibility and formulate, administer, monitor & review the process of skill development and identify the training requirements. Every member of the senior management team shall always endeavor to add capability in-house and mentor officials with potential working under him to handle his responsibility in his absence by exposing him to all aspects of work being handled by him.

15.5 If a Director's /Senior Management's position suddenly becomes vacant by reason of death or other unanticipated occurrence, the Committee shall be convened a special meeting as early as possible to implement the process described herein, subject to the necessity involved.

16. Review and Amendement:

16.1 The Board of Directors on its own and / or as per the recommendations of Nomination & 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 & Remuneration Committee only.

16.2 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.

For **and on behalf of Board of Directors**

Diwakar Nigam
Chairman & Managing Director
DIN: 00263222

Date: 24th January, 2019
Place: New Delhi

Annexure- 6

Corporate Social Responsibility (CSR) Report pursuant tosection 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's CSR mission is to actively contribute to the social and economic development of the communities in which it operates. In Newgen's belief, Corporate Social Responsibility, is not mere donations but a way of doing business while creating shared values. The core philosophy behind Newgen's CSR initiatives is to empower the members of the economically backward, neglected and weaker sections of society across the country through an integrated and holistic approach so that they are able to realize their full potential and enjoy a good quality of life.

   Information & knowledge have become the cornerstones of a society's development and are the key factors behind promoting and sustaining the implementation of all the Sustainable Development Goals (SDGs). Contributing to the SDGs and national priorities of promotion of education through its CSR initiatives, Newgen is also contributing to the thematic area of eradication of Hunger and Poverty, care of abandoned children and promotion of girl child education.

   Newgen CSR Flagship Programmes

   Newgen Digital Discovery Paathshala (NDDP)

   Revolving around the *'Digital India Campaign'* and *'Beti Bachao, Beti Padhao Andolan',* Newgen's Corporate Social Responsibility intervention 'Newgen Digital Discovery Paathshala' focuses on providing essential skills to the girl child belonging to the age group of 10-14 years enrolled in Delhi's government schools to navigate through the era called 'digital age' and the unimpeded world of Internet. NDDP is a unique concept through which we impart digital education hence empowering the girl child by using digital tools such as I Pads, audio-visuals, presentations etc.

   The use of digital technology equips the girl students with a skill-set to seek knowledge, discover new horizons and enables them to be independent, self-reliant and confident. Thus, this initiative is contributing towards achieving of Sustainable Development Goal 4 and 5 being 'Quality Education' and 'Gender Equality'

   NDDP footprints have been spread across three schools after adopting Government Girls Sr. Sec. School, Tekhand. In 2018-19, 3000+ students of class 6^{th},7^{th} and 8^{th} were benefitted through the NDDP programme in the project locations of Harkesh Nagar, Tekhand and Soami Nagar.

   Mid Day Meal Programme

   Adequate nutritional content is a decisive factor complementing the growth and well-being of children in their formative years and in this regard Newgen is supporting the mid-day meals of 3600+ students in partnership with The AkshayaPatra Foundation at the government schools in the backward areas of Vrindavan, Uttar Pradesh and Jhalawar, Rajasthan . This initiative contributes towards attaining of the SDG 2 being 'Zero Hunger'.

   Family Based care Programme

   In pursuance with the CSR vision, Newgen collaborated with SOS Children's Villages of India in the year 2014 to ensure holistic development of the associated children and their SOS mothers. Under this initiative, currently one family home in the SOS Children's Village, Greenfields, Faridabad and three family homes in SOS Children's Village, Bhopal are being supported by Newgen.

   Newgen became the first corporate to support SOS facility in Bhopal, a non-metro city.

   Personality Development Sessions

   In accordance, to contribute towards the holistic development of the underserved children, a personality development programme was developed wherein children from the economically weak background and SOS Youth hostel participate in PD sessions. These sessions help these children to build in self confidence, develop soft skills and provide career and personal guidance to the children. The session is held on second Saturday of every month by an organization called I-AM. In 2018-19, Newgen catered to around 100+ students through its PD sessions.

A large number of children attending these sessions are also part of the Sadbhavna, a philanthropic initiative of Newgen. This initiative commenced in 2006 years ago with the employee volunteers hand holding the underserved children and guiding them to come at par with their other peers. Across the years we have seen many success stories of the students attending the personality development sessions.

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 Mrs. Priyadarshini Nigam, Whole –Time Director, Mr. T.S. Varadarajan, Whole time Director and Mr. Kaushik Dutta, Independent Director, Mrs. Priyadarshini Nigam is the Chairperson of the CSR Committee.

3. **Average net profit of the company for last three financial years:**
   ₹ 6,268.56 Lakhs

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):**
   ₹ 125.38 Lakhs

5. **Details of CSR spent during the financial year 2018-19:**
   (a) Total amount spent during the financial year: ₹ 125.64 Lakhs
   (b) Amount unspent, if any: Nil
   (c) Manner in which the amount spent during the financial year is detailed below.

(1) Sr. 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 was 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 up 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	₹ 11.25 Lakhs	₹ 11.25 Lakhs	₹ 11.25 Lakhs	Implementing Agency. Through SOS Children Village
2.	Adoption of SOS Village - Children Families	Promoting preventive healthcare & Education	Bhopal	₹ 33.75 Lakhs	₹ 33.75 Lakhs	₹ 33.75 Lakhs	Implementing Agency. Through SOS Children Village
3.	Newgen Digital Discovery Paathshala	Promoting Preventive Healthcare, Sanitation, Education & empowering Women	Delhi NCR	₹ 36.78 Lakhs	₹ 36.78 Lakhs	₹ 36.78 Lakhs	Direct
4.	Personality development, Training, education of children	Promoting Preventive Healthcare, Sanitation, Education & empowering Women	Delhi NCR	₹ 2.38Lakhs	₹ 2.38Lakhs	₹ 2.38Lakhs	Direct
5.	Akshaya Patra Foundation-Partnership	Promoting preventive healthcare & Education	Delhi NCR	₹ 39Lakhs	₹ 39Lakhs	₹ 39Lakhs	Implementing Agency. Through Akshaya Patra Foundation
6.	Expenditure on administrative overheads	N.A	N.A	N.A	₹ 2.48 Lakhs	₹ 2.48 Lakhs	N.A
	TOTAL				**₹ 125.64 Lakhs**	**₹ 125.64 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 Board of Directors**

Date: 15th May 2019	**Priyadarshini Nigam**	**Diwakar Nigam**
Place: New Delhi	Chairperson - CSR Committee	Chairman & Managing Director
	DIN: 00267100	DIN: 00263222

Annexure 7

REPORT ON CORPORATE GOVERNANCE

I. Introduction:

It has been a year since your Company listed its shares on both the Stock Exchanges *viz.* Bombay Stock Exchange (BSE) & National Stock Exchange of India (NSE). Company continues to lay great emphasis on the highest standards of Corporate Governance which forms an integral part of the Company's activities to ensure efficient conduct of the affairs of the Company, without compromising its core values. The cardinal principles such as transparency, accountability, reporting and independence serve as a means for implementing the Company's philosophy of Corporate Governance.

II. Corporate Governance Philosophy:

Your Company's philosophy on Corporate Governance envisages accomplishment of high level of transparency, integrity, honesty and accountability in the conduct of its businesses and puts due 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 Board of Directors, Management reviews, strong control procedures and a guiding culture for employees. Your Company always strives to adopt best practices in the Corporate Governance and remains up-to-date with the continuous development in the Corporate Governance Practices.

The Company believes in adopting and adhering to the best standards of corporate governance. Certain principles of our Corporate Governance Philosophy are:

- Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains;
- Transparency and independence in the functions of the Board. Availability of information to the members of the Board and Committees of the Board to enable them to discharge their fiduciary duties;
- Operating in a sound system of internal control and risk management with a thrust on integrity and accountability;
- Timely and adequate disclosure of all material information to all stakeholders;
- Compliance of applicable laws, rules, regulations and guidelines (including amendments from time-to-time);

III. Board Of Directors:

The composition of the Board is in conformity with the requirements of the Companies Act, 2013 (the "Act") including the rules framed thereunder and SEBI listing regulations. The composition of the Board represents an optimal mix of professionalism, knowledge, experience and enables the Board to discharge its responsibilities and provide effective leadership to the business. The Company is managed by the Board of Directors in co-ordination with the team of Senior Management Personnel.

i. As on 31st March 2019, 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 Directors are available on the Company's website: https://newgensoft.com.

ii. All the Directors on the Board hold Directorship(s), Committee Membership(s)/ Chairmanship(s) within respective limits prescribed under the Companies Act, 2013 and SEBI Listing Regulations. Necessary disclosures about their Directorship(s), Committee Membership(s)/Chairmanship(s) including any changes, if any, in their positions in other Public Companies (Listed or Unlisted) have been timely informed by the Directors.

iii. All the Independent Directors have confirmed that they meet the criteria of independence as laid down under the Companies Act, 2013 and SEBI listing Regulations. The Company has issued formal letters of appointment to Independent Directors, whenever required, in the manner as provided in the Companies Act, 2013.

iv. The Board of Directors hereby confirms that in its opinion, the Independent Directors of the Company fulfil all the conditions specified in the SEBI Listing Regulations and are independent of the management.

v. As on 31st March 2019 there are no institutional nominee director on the Board of the Company.

vi. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the financial year 2018-19 and at the last Annual General Meeting (AGM) and the number of Directorship(s) Committee Membership(s)/ Chairmanship(s) held by them in other public companies (Listed or Unlisted) as on 31st March 2019 are given herein below. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has alone been considered as per SEBI listing Regulations.

Name of the Director	Category of Director	Whether attended last AGM held on 9th August 2018	Number of Directorship(s) in other Companies#1	Number of Membership(s) of Committee(s) in other Companies.	Chairmanship(s) of Committee(s) in other Companies.
Mr. Diwakar Nigam	Promoter/ Executive/ Chairman and Managing Director	Yes	1	0	0
Mr. T. S. Varadarajan	Promoter/ Executive/ Whole - Time Director	Yes	1	0	0
Mrs. Priyadarshini Nigam	Promoter Group/ Executive/ Whole - Time Director	Yes	1	0	0
Mr. Kaushik Dutta	Non – Executive/ Independent Director	Yes	6	2	2
Mr. Saurabh Srivastava	Non – Executive/ Independent Director	Yes	6	3	1
Mr. Subramaniam Ramnath Iyer	Non – Executive/ Independent Director	Yes	0	0	0

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

vii. Details of Directorship(s) held by the Directors on the Board in other Listed Companies during the financial year 2018-19:

Name of Director	Mr. Diwakar Nigam	Mr. T.S. Varadarajan	Mrs. Priyadarshini Nigam	Mr. Kaushik Dutta	Mr. Saurabh Srivastava	Mr. Subramaniam Ramnath Iyer
No. of other Listed Companies	NA	NA	NA	2	2	NA
Category of Directorship(s) in other Listed Companies	NA	NA	NA	Non-Executive Independent Director	Non-Executive Independent Director	NA

viii. During the Financial Year 2018-19, total six Board meetings were held, the details of the Directors' attendance at the Board meetings are given below:

Name of the Director	Category of the Director	Date(s) of the Board Meetings					
		17.05.2018	04.06.2018	02.08.2018	29.10.2018	**24.01.2019**	**25.03.2019**
Mr. Diwakar Nigam	Promoter/ Executive/ Chairman and Managing Director	Yes	Yes	Yes	Yes	Yes	Yes

Mr. T.S. Varadarajan	Promoter/ Executive/ Whole - Time Director	Yes	No	Yes	Yes	Yes	Yes
Mrs. Priyadarshini Nigam	Promoter Group/ Executive/ Whole – Time Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Kaushik Dutta	Non – Executive/ Independent Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Saurabh Srivastava	Non – Executive/ Independent Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Subramaniam Ramnath Iyer	Non – Executive/ Independent Director	Yes	Yes	Yes	Yes	Yes	Yes

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

ix. Disclosure of relationship between Directors inter-se:

Mrs. Priyadarshini Nigam, Whole-time Director in the Company, is spouse of Mr. Diwakar Nigam, Chairman and Managing Director of the Company. No other Director is related to any other Director(s).

x. Details of Equity Shares of the Company held by the Directors as on 31st March 2019 are given below:

Name of the Director	Category of Director	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
Mrs. 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 31st March 2019, the Company does not have any outstanding convertible instruments.

xi. Separate Meeting of Independent Directors:

The Independent Directors met once during the financial year ended 2018-19 on 16th May 2018, without the presence of Non-Independent Directors or Management representatives. Independent Directors inter alia reviewed the performance of the Chairperson of the Company, non-independent Directors along with the Board as a whole. In addition, they also discussed the issues arising out of Committee Meetings and Board discussion including the quality, quantity and timely flow of information between the Company Management and the Board that is necessary for the Board members to effectively and reasonably perform their duties.

xii. The details of the familiarisation programme for Independent Directors are given below:

With a view to familiarise the Independent Directors, the Company arranged programs to familiarise 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 independent director and other initiatives to update the directors on a continuing basis.

Orientation Programme upon Induction of New Director:

During the Financial Year 2018-19 no new Director was appointed.

Other Initiatives to update the Directors on a continuing basis:

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

The details of familiarisation programme of the Independent Directors are available on the website of the Company: https://newgensoft.com.

xiii. Matrix setting out the skills/expertise/competencies of the Board of Directors:

Sr. No.	Name of the Director	Skill/ expertise/ competence
1.	Mr. Diwakar Nigam (Chairman & Managing Director)	Qualifications: Bachelor's degree in Science from the University of Allahabad; Master's degree in Science (Mathematics) from the IIT, Delhi and Master's degree in Technology (Computer Science) from the IIT, Madras. Mr. Diwakar Nigam is one of the Promoter of the Newgen Software Technologies Limited and has been on our Board since 1st April 1993 and over the years he has made significant contributions to the Company's growth and development over the years. Prior to joining Newgen, he founded Softek and was associated with it for about 12 years. He has more than 35 years of experience in the information technology industry.
2.	Mr. T.S. Varadarajan (Whole-time Director)	Qualifications: Bachelor's in Science from the Bangalore University and Engineering (Electrical Technology) from the Indian Institute of Science, Bengaluru. Master's degree in Technology (Computer Science) from IIT, Madras. Mr. T.S. Varadarajan is one of the Promoter of the Newgen Software Technologies Limited and he has been on our Board since its incorporation and over the years he has made significant contributions to the Company's growth and development. Prior to promoting Newgen, he promoted Softek Private Limited and was associated with it for about 12 years. He has more than 35 years of experience in the field of software designing and development.
3.	Mrs. Priyadarshini Nigam (Whole-time Director)	Qualifications: Holds Bachelor's and Master's degree in Economics. Mrs. Priyadarshini Nigam has been on our Board since 20th September 1997. She is also the Chairperson of CSR Committee of the Board. She has previously been a freelance journalist and has published articles in South- North News Service and Depthnews Press Foundation Asia. She has more than 10 years of experience in the field of journalism.
4.	Mr. Kaushik Dutta (Non-executive, Independent Director)	Qualifications: Graduated in Commerce from St. Xavier's College, University of Calcutta. Fellow Member of the Institute of Chartered Accountants of India. Mr. Dutta is a non-executive, Independent Director of the 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 Ministry of Corporate Affairs. He is the founder and co-director of Thought Arbitrage Research Institute. He has authored "Handbook of Independent Directors" (2 edition,) published by Lexis Nexis, co-authored 'Corporate Governance: Myth to Reality' published by Lexis-Nexis and a book on Indian business history titled 'India Means Business: How the Elephant Earned Its Stripes' has been published by Oxford University Press(2012). He writes regular columns in Financial Express and other newspapers and magazines.
5.	Mr. Saurabh Srivastava (Non-executive, Independent Director)	Qualifications: Mr. Saurabh Srivastava is an alumnus of the Indian Institute of Technology, Kanpur and the Harvard University, USA. Mr. Srivastava is a non-executive, Independent Director of the Company. He has also been awarded Padma Shri by the Government of India. Mr. Saurabh Srivastava has more than 40 years of experience in the field of Information Technology. Mr. Srivastava 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.
6.	Mr. Subramaniam Ramnath Iyer (Non-executive, Independent Director)	Qualifications: He is a qualified Chartered Accountant, Company Secretary and Cost Accountant and holds bachelor's degree in Commerce from Shri Ram College of Commerce University of Delhi. Mr. Subramaniam Ramnath Iyer is a non-executive, Independent Director of the Company. 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.

IV. Composition of Committees of the Board:

The Committees of the Board play an indispensable role in the governance structure of the Company. These Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board, as a part of good governance practice. The Chairman of each Committee briefs the Board on the important deliberations and decisions of the respective Committees. The minutes of the meetings of all Committees are placed before the Board for noting. Special invitees are invited to join the meetings of the Committee as considered appropriate by the Chairman of the Committee.

There are total five (5) Board Committees as on 31st March 2019 comprising four (4) mandatory/ statutory committees and one (1) non-statutory committee that have been constituted considering the best practices in Corporate Governance and in the best interest of the Company. These Committees review, discuss and monitor the activities falling within their terms of reference, the details of which are provided below:

1. Audit Committee:

The Audit Committee is entrusted with the responsibility to assists the Board in administration of the Company's financial reporting, internal & external audit functions, risk management and internal control system. The Committee acts as a link between the Management, Auditors and the Board of Directors. The Committee is constituted in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the SEBI Listing Regulations. All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation and business of the Company.

The Company hereby affirm that it has not denied access to any person to the Audit Committee and that it has mechanism to provide protection to the Whistle Blower as per the Whistle Blower Policy of the Company.

A. Terms of reference:

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

- **Powers of Audit Committee**

  The Audit Committee shall have powers, including the following:

  (1) To investigate any activity within its terms of reference;

  (2) To seek information from any employee;

  (3) To obtain outside legal or other professional advice; and

  (4) To secure attendance of outsiders with relevant expertise, if it considers necessary.

- **Role of Audit Committee**

  The role of the Audit Committee shall include the following:

  (1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

  (2) Recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;

  (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

  (4) Reviewing, the financial statements with respect to its unlisted Subsidiary(ies), in particular investments made by such subsidiary(ies) of the Company;

  (5) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

    a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the 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.

B. Composition of the Audit Committee during the Financial Year 2018-19:

Name of the Committee Member	Category & Designation	Chairman/ Member
Mr. Kaushik Dutta	Non-Executive, Independent Director	Chairman
Mr. Saurabh Srivastava	Non-Executive, Independent Director	Member
Mr. Subramaniam Ramnath Iyer	Non-Executive, Independent Director	Member

C. Attendance of the members at the Audit Committee meeting held during the Financial Year 2018-19:

During the Financial Year 2018-19 total five meetings of the Audit Committee were held. The attendances of the members of the Committee at the meetings are as below:

Name of the Committee Member	Category & Designation	Date(s) of the meeting and attendance				
		16.05.2018	02.08.2018	29.10.2018	**24.01.2019**	**25.03.2019**
Mr. Kaushik Dutta	Non-Executive, Independent Director	Yes	Yes	Yes	Yes	Yes
Mr. Saurabh Srivastava	Non-Executive, Independent Director	Yes	Yes	Yes	Yes	Yes
Mr. Subramaniam Ramnath Iyer	Non-Executive, Independent Director	Yes	Yes	Yes	Yes	Yes

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

2. Nomination & Remuneration Committee:

The Committee is constituted in accordance with the provisions of Section 178(3) of the Companies Act, 2013 and Regulation 19(4) read with Part D of Schedule-II of the SEBI Listing Regulations.

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

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

  - the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

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

B. Composition of the Nomination & Remuneration Committee during the Financial Year 2018-19:

Name of the Committee Member	Category & Designation	Chairman/ Member
Mr. Subramaniam Ramnath Iyer	Non-Executive, Independent Director	Chairman
Mr. Saurabh Srivastava	Non-Executive, Independent Director	Member
Mr. Kaushik Dutta	Non-Executive, Independent Director	Member

C. Meetings and attendance of the Nomination & Remuneration Committee meeting held during the Financial Year 2018-19.

During the Financial Year 2018-19 one meeting of Nomination & Remuneration Committee was held. The attendances of the members of the Committee at the meeting are as below:

Name of the Committee Member	Category & Designation	Date of the meeting/ Attendance
		16.05.2018
Mr. Subramaniam Ramnath Iyer	Non-Executive, Independent Director	Yes
Mr. Saurabh Srivastava	Non-Executive, Independent Director	Yes
Mr. Kaushik Dutta	Non-Executive, Independent Director	Yes

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

D. Board Annual Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Board of Directors in consultation with the Nomination & Remuneration Committee has carried out the annual performance evaluation of its own performance, Committees of the Board and Individual Director. The performance of the Board was evaluated by the Board itself after seeking 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 and 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 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 were no pecuniary transactions 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 Companies Act, 2013 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 meeting of the Board and of the Committees thereof which is within the limits prescribed under the provisions of the Companies Act, 2013.

(iii) Details of Remuneration paid during the FY 2018-19, for attending Board and other Committee meetings are as under:

- **Non-Executive Directors:**

Name	Sitting Fees (₹)	Other Expenses reimbursed, if any
Mr. Kaushik Dutta	14,00,000	Nil
Mr. Saurabh Srivastava	13,00,000	Nil
Mr. Subramaniam Ramnath Iyer	14,00,000	Nil

- **Executive Directors:** (in ₹)

PARTICULARS	NAME OF THE EXECUTIVE DIRECTORS		
	Diwakar Nigam	T.S. Varadarajan	Priyadarshini Nigam
Salary	1,74,22,080	82,29,120	40,44,000
Benefits, Perquisites & Allowances including car & drivers as per Newgen's policy	67,920	1,41,078	39,600
Commission			
Bonus	Nil	Nil	Nil
ESOPs	Nil	Nil	Nil
Total	1,74,90,000	83,70,198	40,83,600

3. Stakeholders' Relationship Committee:

The Stakeholder's Relationship Committee of the Board consider and resolves the grievances of Stakeholders of the Company including complaints related to transfer of shares, non-receipt of annual report or non- receipt of declared dividends, ensuring expeditious share transfer process, evaluating performance and service standards of the Registrar and Share Transfer Agent of the Company. The constitution of Committee and its composition is in compliance with the Companies Act, 2013 and SEBI Listing Regulations.

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

a. Considering and resolving grievances of security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

b. Building mechanism to redress various aspect of interest of security holders including complaints in respect of allotment of Shares, transfer of Shares, non-receipt of declared dividends, annual reports, balance sheets of the Company, etc.;

c. To Issue duplicate certificates and new certificates on split/consolidation/ renewal, etc.; and delegate other officers of the Company to issue duplicate share certificates as it deems fit.

d. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

e. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the Company.

f. Review of measures taken for effective exercise of voting rights by shareholders.

g. Allotment of shares.

h. Carrying out any other functions as may be required from time to time to be undertaken by the Stakeholder's Relationship Committee under applicable law and Board of Directors."

B. Composition of the Stakeholders' Relationship Committee during the Financial Year 2018-19:

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

C. Meetings and attendance of the Stakeholders' Relationship Committee meeting held during the Financial Year 2018-19:

During the Financial Year 2018-19 one Stakeholders' Relationship Committee meeting was held as below:

Name of the Committee Member	Category & Designation	Date of the meeting/ Attendance
		16.05.2018
Mr. Subramaniam Ramnath Iyer	Non-Executive, Independent Director	Yes
Mr. Diwakar Nigam	Chairman and Managing Director	Yes
Mr. T.S. Varadarajan	Whole-time Director	Yes

D. Details of Investor Complaints received and redressed during the year 2018-19 are as follows:

Mr. Aman Mourya, Company Secretary is the Compliance Officer of the Company. During the year 13 complaints were received from the Investors/Shareholders.

The number of pending share transfers and pending requests for dematerialisation as on 31st March 2019 were Nil.

Shareholders/Investors complaints and other correspondence are normally attended to within seven working days except where constrained by disputes or legal impediments, if any. All the complaints have been redressed to the satisfaction of the Investors/Shareholders and none of them were pending as on 31st March 2019.

Particulars	Complaints Received	Complaints Redressed
Non-receipt of Dividend	8	8
Unblock of amount (IPO)	1	1
Request for Documents	1	1
Non-receipt of Annual Report	2	2
SCORES- Annual General meeting	1	1

The above table includes Complaints received from SEBI SCORES by the Company.

4. Corporate Social Responsibility Committee (CSR):

The role of CSR Committee of the Board includes formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company, recommending the amount of expenditure to be incurred on CSR activities of the Company, reviewing the performance of Company in the area of CSR. The constitution of Corporate Social Responsibility Committee and its composition and terms of reference are in compliance with the provisions of Companies Act, 2013.

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

a. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act 2013;

b. To recommend the amount of expenditure to be incurred on activities referred in the law;

c. To monitor the Corporate Social Responsibility Policy of the Company from time to time;

d. 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 2018-19:

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

C. Meetings and attendance of the Corporate Social Responsibility Committee meeting held during the Financial Year 2018-19:

During the Financial Year 2018-19 one Corporate Social Responsibility Committee meeting was held as below:

Name of the Committee Member	Category & Designation	Date of the meeting/ Attendance
		16.05.2018
Mrs. Priyadarshini Nigam	Whole-time Director	Yes
Mr. Kaushik Dutta	Non-Executive, Independent Director	Yes
Mr. T.S. Varadarajan	Whole-time Director	Yes

5. Other Committees

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

5.1. Finance and Operations Committee:

The Finance and Operations committee has been constituted to oversee the Banking operations, delegation of operational powers, dealing with the statutory bodies and other finance and routine operations that arise in the normal course of the business. The Committee reports to the Board and the minutes of these meetings are placed before the Board for information.

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

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 2018-19:

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

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

No meeting of the Finance & Operation Committee was held during the Financial Year 2018-19.

V. General Meetings:

A. Annual General Meeting ("AGM"):

The details of the last three AGMs of the Company and the Special Resolutions passed thereat are tabulated below:

AGM	Date & Time of AGM	Venue	Details of Special resolutions
24th AGM	22.08.2016 at 4.30 PM	D-152, Okhla Phase-I, New Delhi - 110020	1. Modification in Articles of Association (AOA) by inserting new definition of "QIPO" 2. Modification in the Articles of Association ("AoA") of the Company by replacing existing clause no. 52 with the revised clause. 3. Modification in the Articles of Association ("AoA) of the company by replacing clause no. 58.6 with revised clause: 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 Mrs. Priyadarshini Nigam as Whole-time Director of the company. 7. To increase the borrowing powers/limits upto ₹ 125 Crores 8. SR under Section 180(1)(a) to increase the limit upto ₹ 125 Crores

AGM	Date & Time of AGM	Venue	Details of Special resolutions
25th AGM	28.07.2017 at 4.30 PM	D-152, Okhla Phase-I, New Delhi - 110020	1. Amendment to Newgen Employee Stock Option Scheme-2014: 2. Approval for extending benefits of Newgen Employee Stock Option Scheme-2014 to Employees of Subsidiary Company(s) 3. Authorisation to Newgen ESOP trust for Secondary Acquisition of Equity Shares. 4. To increase the Authorised Share Capital and consequent alteration of the Memorandum of Association. 5. Adoption of new set of AOA with requirements of Companies Act & SEBI Listing Regulation 6. Raising of Capital through IPO 7. Increase in FPI limit to 49% of paid up equity share capital of the Company. 8. Increase in NRI limit to 24% of paid up equity share capital. 9. Revision of remuneration of Mr. Diwakar Nigam, Managing Director. 10. Revision of remuneration of Mr. T.S. Varadarajan, Whole-time Director. 11. Revision of remuneration of Mrs. Priyadarshini Nigam, Whole-time Director. 12. Appointment of Ms. Shubhi Nigam to hold an office or place of profit. 13. To approve & take on record the expiration of Equity Shares with DVR.
26th AGM	09.08.2018 at 11:00 AM	NCUI Auditorium & Convention Centre, 3, Siri Institutional Area, August Karanti Marg, Hauz Khas, New Delhi - 110016	1. To Ratify the Newgen Employee Stock Option Scheme-2014. 2. To Ratify issuance of Options and extending benefits of Newgen Employee Stock Option Scheme-2014 to the Employees of the Subsidiary Company(s). 3. To Ratify Newgen ESOP Trust for secondary acquisition of Equity Shares.

No resolution of shareholders was passed through postal ballot during financial year 2018-19. Following two special resolutions are proposed to be passed through Postal Ballot as recommended by the Board of Directors in its meeting held on 15th May 2019.

1. Variation in the objects stated in the Prospectus of the Company dated 19th January, 2018.

2. Re-appointment of Mr. Kaushik Dutta, as Non-Executive Independent Director of the Company for a second term of five years effective from 8th July 2019.

Procedure for Postal ballot:

In compliance with Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules and SEBI Listing Regulations, the Company provides electronic voting facility to all its members, to enable them to cast their votes electronically.

The Company generally engages the services of Karvy Fintech Private Limited (Karvy) for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or through e-voting. The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the register of members /list of beneficiaries as on a cut-off date. The postal ballot notice is sent to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding)/the Company's registrar and share transfer agents (in case of physical shareholding). The Company also publishes a notice in the newspapers declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013 and applicable Rules. Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut off date. Members desiring to exercise their votes by physical postal ballot forms are required to return the forms duly completed and signed, to the scrutiniser on or before the close of voting period. Members desiring to exercise their votes by electronic mode are required to vote before close of business hours on the last date of e-voting. The scrutiniser submits his report to the Chairman, or any other person authorised by the Chairman, after the completion of scrutiny of the postal ballots (including remote e-voting). The results of the postal ballot (including remote e-voting) are announced by the Chairman or any other person authorised by the Chairman. The results are also displayed at the registered office and corporate office of the Company, intimated to Karvy and the Stock Exchanges where the Company's shares are listed and also displayed along with the Scrutiniser's report on the Company's website viz. https://newgensoft.com. The resolution, (if passed by requisite majority), shall be deemed to have been passed on the last date specified by the Company for receipt of duly completed postal ballot forms or e-voting.

VI. Means Of Communication:

During the financial year 2018-19, Company's quarterly/annual standalone & consolidated financial results are published in the Economics Times, Financial Express, Jansatta newspapers and are also displayed on the website of the Company: https://newgensoft.com.

The Investor Relations team also conducts conference call(s) with investors/analysts on the results published after Board meeting. The transcripts of the investors/analysts call and investors' presentation are displayed on the website of the Company: https://newgensoft.com. 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 stakeholders.

Comprehensive information about the Company, its business & operations, Press Releases, investor information and other informations as prescribed under the Companies Act, 2013 and the SEBI Listing Regulations, can be viewed at the Company's website: https://newgensoft.com.

VII. General Shareholder Information:

A. 27th Annual General Meeting:

The date, time and venue of the Twenty seventh (27th) Annual General Meeting of the Company is provided hereunder:

Day & Date	:	Wednesday 7th August 2019
Time	:	11:00 A.M.
Venue	:	NCUI Auditorium & Convention Centre, 3, Siri Institutional Area, August Karanti Marg, Hauz Khas, New Delhi - 110016

As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of Directors seeking appointment/re-appointment at the forthcoming AGM are given in the Notice of the AGM to be held on 7th August 2019.

B. Next Financial Year:

Financial year: 1st April 2019 to 31st March 2020.

C. Details related with Dividend:

Dividend on equity shares, if declared at the ensuing Annual General Meeting, will be credited/dispatched on or after 7th August 2019 as under:

i. the period of book closure is from 3rd August 2019 to 7th August 2019 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 2nd August 2019; and

iii. to all those shareholders holding shares in physical form, after giving effect to all the valid share transfers lodged, if allowed under applicable laws, with the Company/Registrar and Transfer Agent (i.e. Karvy Fintech Private Limited) on or before the closing of business hours on 2nd August 2019.

iv. To receive all communications and corporate actions promptly, please update your address with the Company or DP, as the case may be.

Unpaid/ Unclaimed Dividends:

In accordance with the provisions of Sections 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) dividends not encashed / claimed within seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund (IEPF) Authority. Further, the IEPF Rules mandate companies to transfer shares of Members whose dividends remain unpaid /

unclaimed for a continuous period of seven years to the Demat account of IEPF Authority. The Members whose dividend / shares, if any, are transferred to the Demat Account of IEPFA can be claimed back by the shareholders from IEPFA by following the procedure prescribed under the IEPF Rules.

During the Financial Year 2018-19, the Company has not transferred any amount to Investor Education and Protection Fund since there were no unpaid and unclaimed amounts lying with the Company for a continuous period of seven years. The details of unpaid and unclaimed amounts lying with the Company has been published on the Company's website: https://newgensoft.com.

D. Listing on Stock Exchanges:

The Equity Shares of face value of ₹ 10/- each of the Company are listed on the following Stock Exchanges with the ISIN INE619B01017:

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

The Company has paid the requisite annual listing fees to the Stock Exchanges for the financial year 2018-19 where its Equity shares are listed.

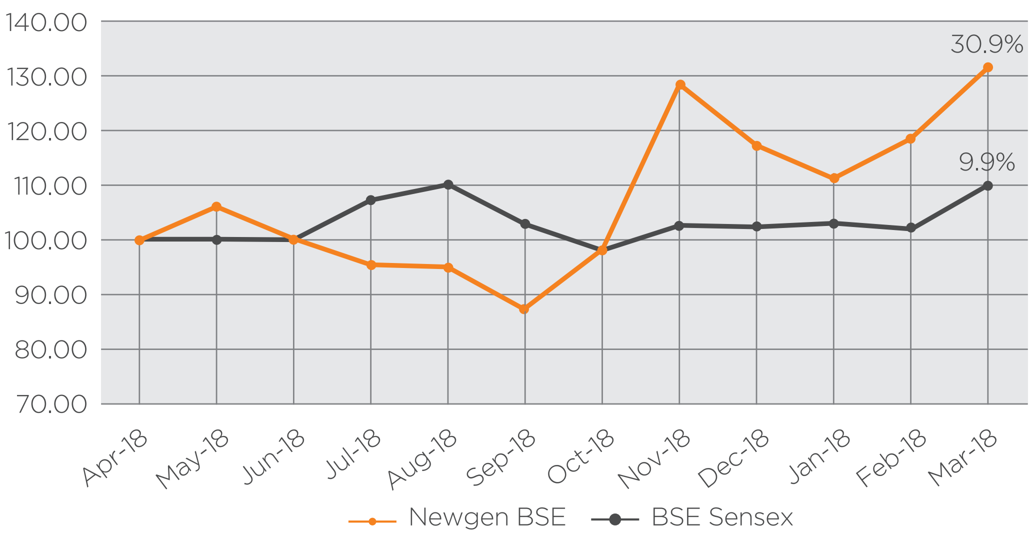
E. Market Price Data:

The monthly high and low prices and volumes of shares of the Company at BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) for the financial year ended 31st March 2019 are as under:

Month	BSE			NSE		
	High	Low	Volume (in shares)	High	Low	Volume (in shares)
April-18	260	230	1,84,071	260.8	229.6	13,05,886
May-18	271.95	240	2,75,811	272	244	24,59,456
June-18	271.5	232.1	1,18,101	272	234.3	10,10,996
July-18	253.15	232.5	68,057	257.95	233.6	4,35,645
August-18	253.4	223.3	1,08,484	254.8	225.1	17,87,564
September-18	245	215.5	46,011	245.05	216	7,05,096
October-18	261.2	205.25	64,463	263	201	6,40,540
November-18	349	235.25	5,34,890	349.9	236	43,93,673
December-18	338.9	286	2,75,622	339.9	285.25	17,83,619
January-19	313.7	276.1	59,578	314	275.15	8,42,134
February-19	309	266	32,969	309	242.2	4,68,202
March-19	340	290.1	1,43,435	340.5	285.6	16,64,481

Performance of Newgen's Share Price Vs BSE Sensex Price Movement*:

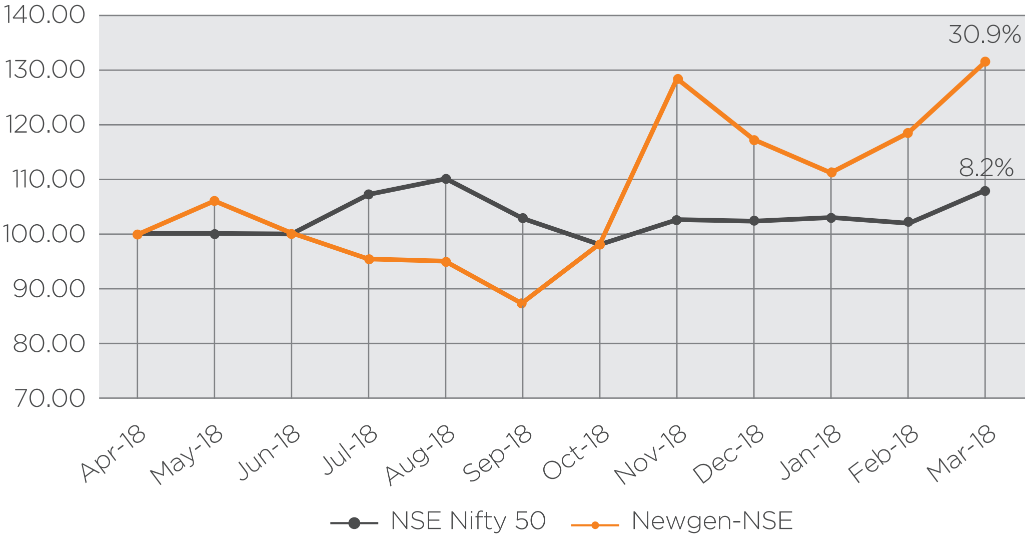
BSE Sensex - Indexed Price Performance



**Share price of Newgen and BSE Sensex index are rebased to 100 for closing price/value.*

Performance of Newgen's Share Price Vs NSE Nifty 50 Price Movement*:

Nifty 50 - Indexed Price Performance



**Share price and NSE Sensex index are rebased to 100 for closing price/value.*

F. Share Transfer System:

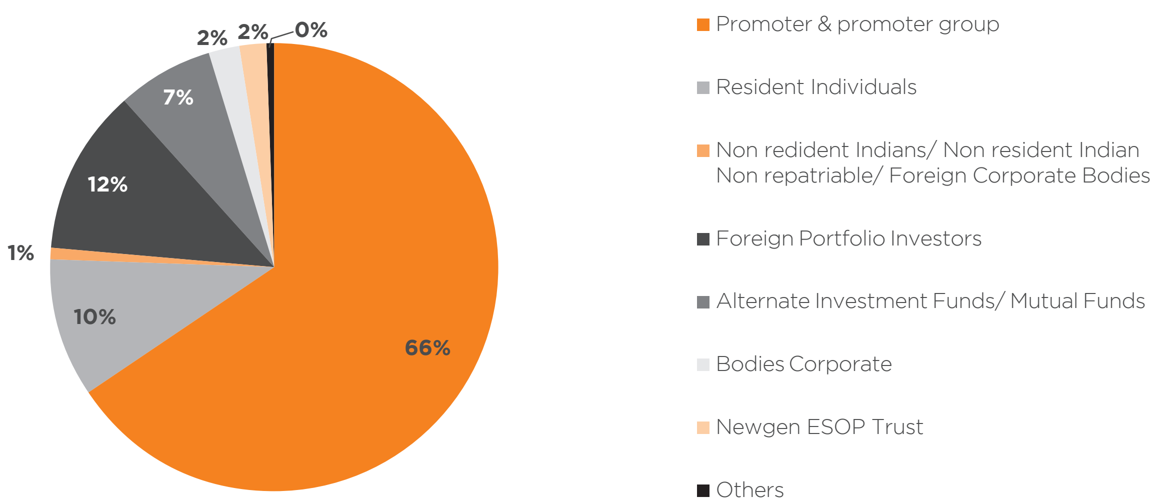
Requests for transfer of equity shares held in physical form, if any receive by the RTA/Company shall be registered within 21 days from the date of receipt, provided the documents are complete in all respects. As on 31st March 2019, the Company had only 16 shareholders who holds shares in physical form. During the year 2018-19, there were no requests received by the RTA/ Company for transfer of physical shares.

G. Distribution of Shareholding:

The below two tables provide details about the pattern of shareholding among various categories and number of shares held, as on 31st March 2019.

		31st March 2019
Categories	**Number of Shares**	**Percentage**
Promoter & promoter group	4,59,28,988	66.00%
Resident Individuals	72,34,276	10.40%
Non resident Indians/ Non resident Indian Non repatriable/ Foreign Corporate Bodies	4,49,627	0.65%
Foreign Portfolio Investors	83,05,436	11.94%
Alternate Investment Funds/ Mutual Funds	48,54,492	6.98%
Bodies Corporate	14,85,638	2.13%
Newgen ESOP Trust	11,28,091	1.62%
Others	1,99,153	0.29%
Total	**6,95,85,701**	**100.00%**

Distribution of Shareholding



Distribution Schedule - Consolidated As on 31-03-2019					
Category (Amount in ₹)	**No. of Shareholders**	**% of Shareholders**	**Total Number of Shares**	**Amount (in ₹)**	**% of Amount**
1 - 5,000	22,966	96.12	15,24,290	1,52,42,900	2.19
5,001 - 10,000	300	1.26	2,38,597	23,85,970	0.34
10,001 - 20,000	220	0.92	3,29,664	32,96,640	0.47
20,001 - 30,000	108	0.45	2,73,440	27,34,400	0.39
30,001 - 40,000	52	0.22	1,79,690	17,96,900	0.26
40,001 - 50,000	38	0.16	1,72,177	17,21,770	0.25
50,001 - 1,00,000	70	0.29	5,11,942	51,19,420	0.74
100001 & Above	138	0.58	6,63,55,901	66,35,59,010	95.36
Total	**23892**	**100**	**6,95,85,701**	**69,58,57,010**	**100**

H. Dematerialisation/ Rematerialisation of Shares and liquidity:

During the Financial Year 2018-19, five cases were received for re-materialisation of equity shares of the Company. During the financial year, the Company received total eleven dematerialisation cases out of which seven were processed and three were rejected due to signature mismatch.

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 31st March 2019 are given in the table below:

Category	**Total Shares**	**% to Equity**
Physical (A)	4,48,464	0.65
Dematerialised		
NSDL	6,78,55,095	97.51
CDSL	12,82,142	1.84
Sub-total (B)	**6,91,37,237**	**99.36**
Total (A+B)	**6,95,85,701**	**100**

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

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

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

Detailed information in this regard is provided in the "Management Discussion and Analysis Report" which forms part of this Annual report.

K. Address for Correspondence:

M/s Karvy Fintech Private Limited (earlier known as Karvy Computershare Private Limited), Registrar & Share Transfer Agent (RTA) renders services on matters of Share transfer/ Dematerialisation/ Rematerialisation/ Transmission and other activities thereto for both electronic and physical shareholdings. Shareholders/ Investors are requested to forward share transfer documents, dematerialisation/ rematerialisation requests and other related correspondence directly to the RTA of the Company.

The Company's dedicated e-mail address for Investors' Complaints and other communications is investors@newgensoft.com.

Registrar and Share Transfer Agent - Karvy Fintech Private Limited (earlier known as Karvy Computershare Private Limited)	**Details of Compliance Officer/ Investors' complaints**
Karvy Selenium Tower B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500032, India, **Tel:** +91 40 67162222 **Facsimile:** +91 40 23431551 **Toll Free No.:** 1800-345-4001 **Email:** einward.ris@karvy.com	Newgen Software Technologies Limited E-44/13, Okhla Phase - II, New Delhi - 110020 **Contact person:** Mr. Aman Mourya, Company Secretary & Compliance Officer, **Tel:** 91-11 46533200 **E-mail:** investors@newgensoft.com

L. Details of Credit ratings obtained by the Company:

Detailed information in this regard is provided in the "Directors' Report" which forms part of this Annual report.

VIII. Other Disclosures:

A. Related Party Transactions:

No transactions of a material nature have been entered into by the Company with its promoters, Directors, or the management or relatives etc. that may have potential conflict of interest of the Company. However, the management furnishes the details of related party transactions on quarterly basis before the Audit Committee / Board of Directors meetings, which are in conformity with the Ind-AS. The particulars of transactions between the Company and the related parties for the year ended 31st March 2019, are disclosed in the notes to the accounts in this Annual Report. None of these transactions are likely to have any conflict with the Company's interest.

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

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 14th June 2017, adopted the Whistle Blower Policy & Vigil Mechanism and the same was revised by the Board in its meeting held on 29th October 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 blower from any kind of discrimination, harassment, victimisation or any other unfair employment practice. The Whistle Blower policy have been appropriately communicated within the Company. The said Policy is available on the Company's website at https://newgensoft.com.

The Company affirms that no employee has been denied access to the Audit Committee.

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

The Board has laid down a Code of Conduct for the Board members and Senior Management Personnel of the Company. The Code is available on the website of the Company at 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 SEBI Listing Regulations, Senior Management Personnel of the Company has made disclosure to the Board. None of the officials have any personal interest in any of the financial or commercial transactions with the Company.

F. Compliance of Mandatory and Non-Mandatory requirements:

- **Mandatory:**

  The Company has complied with all mandatory requirements of the SEBI Listing Regulations and there was no non-compliance in respect of Corporate Governance Report as stated under sub-paras (2) to (10) of section (C) of Schedule V to the SEBI Listing Regulations. The status of compliance with the non-mandatory requirements, as stated under Part E of Schedule-II to the SEBI Listing Regulations is as under:

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

  ii. **Modified opinion(s) in audit report**: The Company confirms that its financial statements are with unmodified audit opinion.

iii. **Reporting of Internal Auditor**: The Internal Auditor reports directly to the Audit Committee.

G. Secretarial Standards:

The Company has complied with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India, from time to time.

H. Accounting Standards:

The Company has complied with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Company (Accounts) Rules, 2014, further amended by Companies (Accounting Standards) Amendment Rules, 2016, to the extent applicable.

I. Sexual Harassment policy:

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 provides protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment. The Company has a laid down policy on sexual harassment at work place and has communicated to all its employees about the same. Newgen has 'zero tolerance' towards sexual harassment and thus the Company's policy is further extended to be gender neutral. The Company has also constituted internal regional Internal Committees to address complaints about Sexual harassments at workplace and engaged an external member to ensure unbiased approach towards investigation of such cases. The Company believes in providing a safe and harassment-free work environment for all.

During the year under review, 3 complaints on sexual Harassment were reported and all three complaints have been resolved with appropriate action. At the end of financial year 2018-19, no complaint is pending under Sexual Harassment.

J. Subsidiary Companies:

As on 31st March 2019, 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 SEBI Listing Regulations is available 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 SEBI 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.

Total fees for all services paid by Company and its subsidiaries, on a consolidated basis, to B S R & Associates LLP and other firms in the network entity of which the statutory auditor is a part, as included in the consolidated financial statements of the Company for the year ended 31st March 2019, is as follows:

Particulars	Amount (₹ in Lakhs)
Fees for audit and related services paid to B S R & Associates LLP firms and to entities of the network of which the statutory auditor is a part	62.00
Other fees paid to B S R & Associates LLP and to entities of the network of which the statutory auditor is a part	3.40
Reimbursement of expenses	4.27
Total fees	**69.67**

IX. Confirmation Of Compliance With The Corporate Governance Requirements Specified Under Regulation 17 To 27 And Clauses (B) To (I) Of Sub-Regulation 2 Of Regulation 46 Of Sebi (Listing Obligations And Disclosure Requirements) Regulations, 2015:

The Company is in compliance with 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.

X. 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 Secretary regarding compliance with the provisions relating to corporate governance laid down in Part C(10)(i) and E of Schedule V to the SEBI Listing Regulations and the same are annexed to the Board's Report.

XI. CODE OF CONDUCT:

The Company has well defined policy framework which lays down procedures to be adhered to by all Board Members and Senior Management for ethical professional conduct. The Code outlines fundamental ethical considerations as well as specified considerations that need to be maintained for professional conduct. The Annual Report contains the declaration to this effect that the Code of Conduct has been complied by the Board Members and Senior Management. The Code of Conduct is also posted on the website of the company https://newgensoft.com.

Diwakar Nigam
Chairman & Managing Director
DIN: 00263222

Date: 15th May 2019
Place: New Delhi

DECLARATION TO COMPLIANCE OF CODE OF CONDUCT

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

I hereby declare 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 31st March 2019.

Date: 26th April 2019
Place: New Delhi

Diwakar Nigam
Chairman & Managing Director
DIN: 00263222

CERTIFICATE UNDER REGULATION 17 (8) OF THE SEBI (LODR) REGULATIONS, 2015

To
The Board of Directors
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 31st March, 2019 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 incompliance 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: 14th May 2019
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 31st March, 2019 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.

None of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

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

M. Aijaz
Practicing Company Secretary
CP No: 7040
M. No.: 6563

Place: New Delhi
Date: 15th May 2019

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Newgen Software Technologies Limited having CIN L72200DL1992PLC049074 and having registered office at A-6, Satsang Vihar Marg, Qutab Institutional Area, New Delhi-110067 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications including [Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of appointment in the Company
1.	Mr. Diwakar Nigam	00263222	1st April, 1993
2.	Mr. T.S. Varadarajan	00263115	5th June, 1992
3.	Mrs. Priyadarshini Nigam	00267100	20th September, 1997
4.	Mr. Kaushik Dutta	03328890	9th July, 2014
5.	Mr. Saurabh Srivastava	00380453	30th August, 2017
6.	Mr. Subramaniam Ramnath Iyer	00524187	22nd November, 2017

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based for our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Aijaz & Associates

M. Aijaz
Practicing Company Secretary
CP No: 7040
M. No.: 6563

Place: New Delhi
Date: 15th May 2019

Annexure 8

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. These include managing digital content, managing complex processes & workflows and managing outbound communication. The Company provides low-code and flexible platform that helps in rapidly building powerful applications for organisations to resolve complex business problems and reinvent their workplaces. By linking Systems, People and Process, it enriches customer facing processes.

The Company, with its best-in-class products and solutions, deep domain expertise and global experience, is well positioned in the market and is transforming businesses for 540+ customers across 66 countries through its enterprise solutions. It has clients across India, USA, Canada, UAE, Saudi Arabia, UK, Philippines, Indonesia, Singapore and many more countries. 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.

The Company made substantial customer wins during the year and added 81 new customers including some Fortune 500 companies. It is constantly working on increasing the average ticket size per customer and improving the implementation period.

Newgen makes continuous investments in R&D and has a strong team of 320+ employees which constantly focuses on various research & product development initiatives. During the year, it was granted 6 patents taking the total to 11 patent grants as of March 2019. The endeavour is to work on enhancing the product portfolio to meet the evolving industry and technological developments, changes in customer requirements and competitive products and features, so as to seamlessly deliver according to customer needs while reducing their total cost of ownership. In that direction, during the year, the Company released various product upgrades for customers in order to provide advanced features & functionality, enhanced user experience, improved information security and easier integration.

Its strong focus on product innovation makes it one of the few software products organizations which have attracted multiple recognitions from leading advisory and research firms from time to time. During the year, the Company has been named as a "Niche Player" in the Gartner Magic Quadrant for Intelligent Business Process Management Suites (iBPMS) 2019* and a "Challenger" in Magic Quadrant for Content Services Platforms**. The Company was also positioned as a 'Strong Performer' in The Forrester Wave™: Digital Process Automation for Wide Deployments, Q1 2019***

It continues to extend its reach globally by expanding the direct and indirect sales network. The Company's global sales organisation is highly focussed and comprises of 300+ employees in Sales & Marketing focussed on specific geographies, supported by a large network of channel partners and system integrators of 300+. The Company would continue to leverage the partner network for further market expansion.

The Company has witnessed success in new geographies including Canada where for the first time a large NBFC has chosen its Commercial Loan Origination Solution (CLOS) to enhance their commercial lending experience for customers. It has also had a successful customer conference in Orlando in 2018 which had a large participation. The Company is now making in-roads in the Australian market.

With the long term vision of growth, Newgen has strengthened its management team across geographies. It boasts of a strong team of professionals who uphold the organization's core values in all endeavours and work together for growth.

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

NOTES

**Rob Dunie, Derek Miers, Jason Wong, Marc"'Kerremans, Kimihiko Iijima and Paul Vincent, published on 30th January 2019.*
***Karen Hobert et al*
****Rob Koplowitz and John Rymer et al.*

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 further 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

(in ₹ Lakhs)

(All amounts in ₹ Lakhs, except per share data and unless otherwise stated)	FY 2019	FY 2018
Revenue		
Revenue from operations	62,064.15	51,242.78
Other income	2,037.97	760.98
Total revenue	**64,102.12**	**52,003.76**
Expenses		
Employee benefits	28,798.73	24,887.78
Finance costs	853.87	520.68
Depreciation and amortisation	597.99	580.67
Other expenses	20,493.34	16,601.38
Total expenses	**50,743.93**	**42,590.51**
Profit before tax	**13,358.19**	**9,413.25**
Profit after tax for the year	**10,220.89**	**7,288.68**
Other comprehensive income/(loss) for the year, net of income tax	27.85	82.31
Total comprehensive income for the year	**10,248.74**	**7,370.99**

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 licence, 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, the Company delivered strong results with broad based growth across geographies through expanding the sales distribution, both direct and indirect, with an emphasis on expanding the recurring revenues, profitability and operating cash flows. On a consolidated basis, the Company's revenue from operations stood at ₹ 62,064.15 lakhs reflecting an increase of 21% in FY2019 as against ₹ 51,242.78 lakhs in FY2018. Over last 6 Financial Years, the Company has been able to maintain over 20% compounded annualised growth in its revenues.

Segment-wise Performance

Revenue by geographical segment is the primary reporting segment for the Company. APAC and USA were two strong growth centres for Newgen. Geographically, India comprised 32% of the revenues, EMEA comprised 29%, USA comprised 28% and APAC (excluding India) comprised 11% of revenues.

Newgen's License revenues were ₹ 15,378.46 lakhs and witnessed a 12% growth YoY. The Company witnessed strong growth momentum in the annuity revenues which grew by 37% during the year to reach ₹ 30,299.99 lakhs. The SaaS revenues specifically (though on a smaller base) witnessed the fastest growth amongst segments and grew 111%.

It has made substantial customer wins during the year and added 81 new customers (including some Fortune 500 companies) and currently has an active customer base of 540+ clients.

Newgen continues to strengthen its horizontal product platform with vertical service accelerators to enhance the overall portfolio. During the year under review, 48% revenues came from the Banking & Financial Services vertical followed by contribution from Government/ PSU sector that comprised 12%. Strong growth was witnessed in the new verticals Healthcare and Insurance which contributed 12% and 6% respectively.

Profits and Margins

The Company witnessed substantial improvements in the operational performance, which reflect in the 31% increase in EBITDA (adjusted for other income). The Company reported the EBITDA (adjusted for other income) of ₹ 12,772.07 lakhs in FY2019 as against ₹ 9,753.63 lakhs in FY2018. Profit after Tax improved by 40% from ₹ 7,288.68 lakhs in FY2018 to touch ₹ 10,220.89 lakhs in FY2019. Newgen continues to strike a fine balance between investing for the future growth and managing margins.

Share Capital

Share Capital of the Company consists of Equity Share Capital. The equity share capital comprises of 68,457,610 shares of ₹ 10 each. Shares issued during the year to Newgen ESOP trust were 350,000 shares of ₹ 10 each. 1,128,091 shares are held by the Trust.

Other Equity

The total retained earnings as on 31st March 2019 was ₹ 30,607.26 lakhs. During the year, the Company earned net profit of ₹ 10,220.89 lakhs. Newgen has proposed a dividend of ₹ 3 per share.

Securities Premium account stands at ₹ 9,611.38 lakhs and witnessed additions during the year on account of 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 ₹ 2,606.26 lakhs

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

As at 31st March 2019, property, plant and equipment stands at ₹ 6,763.48 lakhs against ₹ 6,757.93 lakhs as on 31st March 2018. The Company has Capital Work in Progress of ₹ 8,321.36 lakhs as on 31st March 2019 largely on account of purchase of an office premise from the IPO proceeds.

The intangible assets of the Company are at ₹ 130.55 lakhs

Investments

Investments comprise of investments in unquoted bonds and mutual funds. The aggregate value of these investments is ₹ 5,165.86 lakhs. The cost of investments is ₹ 4855.52 lakhs.

Trade Receivables

The trade receivables (net of allowances) as on 31st March 2019 are ₹ 25,268.91 lakhs (allowances at ₹ 3,933.65 lakhs), against ₹ 22,201.67 lakhs (allowances at ₹ 4,139.83 lakhs) on 31st March 2018.
During the year, Debtor Days (net) stood at 148 days as compared to 158 days in FY2018.

Other Financial Assets (Current)

Other Financial Assets largely comprise of unbilled revenues pertaining to amount recognised based on services performed in advance of billing in accordance with contract terms to the extent of ₹ 6,020.46 lakhs

Current Liabilities

Current liabilities represent borrowings, trade payables, other financial liabilities, deferred income short-term provisions and other current liabilities. As on 31st March 2019, the Current liabilities are ₹ 21,621.17 lakhs (₹ 17,398.59 lakhs as on 31st March 2018). Out of these, the deferred revenue comprises of ₹ 6,736.52 lakhs.

Cash Flow

The net cash generated from operating activities were at ₹ 10,220.60 during the year ended 31st March 2019 compared to ₹ 6,024.48 during the year ended 31st March 2018.

Key Ratios

During the financial year, the Return on Average Net Worth was at 22.7% compared to 22.3% in the previous financial year. The Return on Average Capital Employed was at 26.7% similar to the previous year.

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 Newgen competes. The Company's success depends upon its ability to anticipate, design, develop, test, market, license and support new software products, services, and enhancements of current products and services on a timely basis in response to both competitive threats and evolving industry requirements. However its continuous investments in R&D and intellectual properties help the Company mitigate this risk.

Currency Risk: The Company derives about 68% 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 natural hedging through Export Packing Credit Limits. Further, export collections and payments are made through EEFC account to avoid currency fluctuations.

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 FY2013, the Company increased its presence across 66 countries in FY2019. Similarly, the Company now has 540+ active clients in FY2019, adding 81 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.

Attrition Risk: The Company's business depends largely upon its highly skilled technology professionals and its ability to hire, attract, motivate, retain and train these personnel. Any inability to maintain a skilled and motivated team of professionals can affect the business. As a Company, there is strong focus on nurturing the existing workforce and attracting new talent through Newgen's various HR policies and initiatives.

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 the 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 organizations. Newgen currently operates in 66 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. It has recently expanded in the Australian market as well. Through its direct and indirect sales channels, it plans to further grow the brand, presence and partner networks in these new markets.

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.

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 the customer base in USA, the Company has made infrastructure and operational investments in USA including hiring of senior-level professionals in sales and marketing for the USA market since fiscal 2016. Further, the Company is now making in-roads in the Australian market.

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. It aims to increase customer penetration in these segments based on its strong credentials.

To further strengthen and expand the portfolio, the Company 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 2018-19, Secretarial Audit and Statutory Audit). Newgen also undergoes periodic audit by specialised third party consultants and professionals 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 31st March 2019. B S R & Associates, LLP, Chartered Accountants, 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 as well as Internal Auditors to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the Board of directors informed of its major observations periodically. Based on its evaluation (as defined in section 177 of Companies Act 2013), the audit committee has concluded that, as of 31st March 2019, the internal financial controls were adequate and operating effectively.

Human Resources

The Company follows the philosophy of achieving mutually beneficial and all-inclusive growth and thus values its human resources as its biggest asset. The employees are provided a fair environment supported by transparent policies to foster their personal growth along with attainment of corporate objectives. It encourages all employees to strike a perfect 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 the Company's fundamentals and culture. Particular emphasis was placed on attracting, developing and retaining talent and fostering a unique performance culture. The HR function launched numerous initiatives to ensure a high-performing and engaged workforce.

As on 31st March 2019, the Company had 2,812 personnel (consolidated) comprising 2,603 employees of the Company and its subsidiaries and 209 temporary/contract/casual/third party workers. As a result of its visionary human resource policies, the Company has managed to attract and retain talent.

Outlook

Newgen's endeavour is to provide transformative experience to its customers through the Company's cutting edge products and solutions in order to change the way organisations work. 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.

Newgen is pursuing its long term growth strategies to expand its market share across key geographies and solutions. The Company believes that focusing on the digital transformation needs of organisations within key industry verticals can help drive adoption of its platform. It continues to invest in direct and indirect sales channels, professional services, customer support and channel partners 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 new projects. The product pipeline includes Content and Process Analytics, Content Services Platform, Corrus, Digital Sensing, Low Code Application Development Platform and Robotic Process Automation with Digital Process Automation. It also constantly works on strengthening its management team to meet the growing business needs.

With these measures, the Company would continue to work towards creating significant value for all its stakeholders moving forward.

Financial Statements

Standalone Financial

Independent Auditors' Report

To the Members of
Newgen Software Technologies Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **Newgen Software Technologies Limited** ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 2019, profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Description of Key Audit Matters

Revenue from operations

The key audit matter	How the matter was addressed in our audit
The Company has recognised revenue of INR 55,204.05 Lacs (PY : INR45,952.36 Lacs)	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:
• Revenue relating to implementation services from fixed price contracts is recognised based on percentage of completion method which is estimated by the Company basis the completion of milestones and activities agreed with the customers. Due to complexity and volume of transactions, significant judgements are required to estimate percentage of completion and determine timing of recognition of revenue.	• Evaluated the design and implementation of internal controls and tested the operating effectiveness of internal controls relating to identification of distinct performance obligations, determining percentage of completion, estimation of efforts required to complete the performance obligation and allocation of transaction price to performance obligations.
• Identification of distinct performance obligation and appropriateness of allocation of contract revenues to performance obligations.	• Involved specialists to test information technology systems controls relating to contracts and related information used in recording and disclosing revenue. • Selected a sample of continuing and new contracts using a mix of quantitative and qualitative criteria and performed the following procedures:

The key audit matter	How the matter was addressed in our audit
	– Inspecting key terms, including price, deliverables, timetable and milestones set out in the contract for selected sample of contracts and identified the distinct performance obligations. – Testing project management tool for budgeted efforts and related percentage completion milestones and establishing accuracy of milestones based on actualisation of efforts for delivered projects. – Testing the details of activities completed with those stated in the customer contract, details of activities completed as provided by the project manager and confirmation/ acceptance of completion of such activities by the customer. – Consider the terms of the contract, standard price list of products and services, and pricing approvals to determine the transaction price and allocation of transaction price to performance obligations. – Assess the appropriateness of management's revenue recognition across revenue streams for a sample of contracts.

Trade receivables

The key audit matter	How the matter was addressed in our audit
The Company has recorded trade receivables of INR 23,684.65 Lacs (PY INR 20,392.66 Lacs) • Significant management judgement in determining the recoverable amount of trade receivables as estimating the recoverable amount involves inherent uncertainty.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Obtain an understanding of and assess the design and implementation of management's key internal controls relating to debt collection and making provision for doubtful debts • Assess, on a sample basis, whether items in the receivables' ageing report were classified within the appropriate ageing bracket by comparing individual items in the report with underlying documentation, which included sales invoices, proof of delivery and customers sign offs • Assessing the assumptions and estimates made by the management for the provision for doubtful debts with reference to our understanding of the debtors' financial condition, the industry in which the debtors are operating, the ageing of overdue balances and historical and post year-end cash receipts from the debtors and by performing a retrospective review of the historical accuracy of these estimates. • Testing the accuracy and underlying data for "expected credit loss model" • Comparing, on a sample basis, cash receipts from customers subsequent to the financial year end relating to trade receivable balances with bank statements and relevant remittance documentation.

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

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

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the state of affairs, profit/loss and 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) specified 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

    (A) 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

    e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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".

    (B) With respect to the other matters to be included in the Auditors' 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 has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 37 to the standalone financial statements;

    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;

    iv. The disclosures in the standalone 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 in these financial statements since they do not pertain to the financial year ended31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):
In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Rakesh Dewan
Partner
Membership No. 092212

Place: Gurugram
Date: 15 May 2019

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 2019, 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 is 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 loans 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.

(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.

(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, Goods and Service tax, Duty of customs, 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 did not have any dues on account of Duty of excise, Sales tax, Service tax and Value added tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service tax, Duty of customs, Cess and other material statutory dues were in arrears as at 31 March 2019 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 in respect of Income tax, Goods and Service tax and Duty of customs which have not been deposited with the appropriate authorities on account of any dispute. As explained above, the Company did not have any dues on account of Duty of excise, Sales tax, Service tax and Value added tax.

(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 2019.

(ix) The Company has not raised any money by way of initial public offer during the year. However the Company had raised money by way of initial public offer during the year 2017-18.The proceeds from IPO were Rs. 8,150 Lacs(net of issue related expenses)

Details of utilization of IPO Proceeds is as follow:

Particulars	Net Proceeds (in Rs Lacs)	Utilized upto 31 March 2019 (in Rs Lacs)	Amount Unutilized upto March 31 2019 (in Rs Lacs)
Purchase and furnishing of office premises near Noida-Greater Noida Expressway, Uttar Pradesh and general corporate expenses	8,150.85	5169.40	2980.60
Total	**8,150.85**	**5169.40**	**2980.60**

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

(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, 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, 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, private placement of shares and fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable

(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's Registration No. 116231W/W-100024

Rakesh Dewan
Partner
Membership No. 092212

Place: Gurugram
Date: 15 May 2019

Annexure B

to the Independent Auditors' report on the standalone financial statements of Newgen Software Technologies Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Newgen Software Technologies Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

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 and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 were established and maintained and whether 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 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 such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to 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 controls 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.

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

Rakesh Dewan
Partner
Membership No. 092212

Place: Gurugram
Date: 15 May 2019

Standalone Balance Sheet

as at 31 March 2019

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

	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	4	6,676.59	6,664.89
Capital work-in-progress	4	8,321.36	1,659.47
Intangible assets	5	130.55	89.56
Investment in subsidiaries	6	922.39	918.19
Financial assets			
Loans	7	329.80	264.79
Other financial assets	8	316.69	548.53
Deferred tax assets (net)	33	1,790.62	1,896.09
Income tax assets (net)	9	995.21	1,277.88
Other non-current assets	10	144.65	356.23
Total non-current assets		**19,627.86**	**13,675.63**
Current assets			
Financial assets			
Investments	11	5,165.86	5,022.07
Trade receivables	12	23,684.65	20,392.66
Cash and cash equivalents	13	13,355.94	13,520.79
Other bank balances	13A	2,139.40	-
Loans	14	44.63	317.27
Other financial assets	15	6,275.55	5,177.19
Other current assets	16	624.80	641.23
Total current assets		**51,290.83**	**45,071.21**
TOTAL ASSETS		**70,918.69**	**58,746.84**
EQUITY AND LIABILITIES			
Equity			
Share capital	17	6,845.76	6,788.41
Other equity	18		
Securities premium		9,611.37	9,196.49
Retained earnings		29,414.27	21,500.53
Others (including items of other comprehensive income)		2,526.02	2,485.79
Total equity attributable to the owners of the Company		**48,397.42**	**39,971.22**
Non-current liabilities			
Financial liabilities			
Borrowings	19	1,028.56	1,316.66
Provisions	20	1,929.02	1,653.37
Total non-current liabilities		**2,957.58**	**2,970.03**
Current liabilities			
Financial liabilities			
Borrowings	21	6,772.64	4,946.27
Trade payables	22	2,461.48	2,143.75
Other financial liabilities	23	3,796.97	3,575.91
Deferred income	24	4,684.14	3,607.99
Other current liabilities	25	1,502.00	1,320.39
Provisions	26	346.46	211.28
Total current liabilities		**19,563.69**	**15,805.59**
Total liabilities		**22,521.27**	**18,775.62**
TOTAL EQUITY AND LIABILITIES		**70,918.69**	**58,746.84**
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

Rakesh Dewan
Partner
Membership No.: 092212

Place: Gurugram
Date: 15 May 2019

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

Diwakar Nigam
Managing Director
DIN: 00263222

Place: New Delhi
Date: 15 May 2019

T. S. Varadarajan
Whole Time Director
DIN: 00263115

Place: New Delhi
Date: 15 May 2019

Arun Kumar Gupta
Chief Financial Officer

Place: New Delhi
Date: 15 May 2019

Aman Mourya
Company Secretary
Membership No: 9975

Place: New Delhi
Date: 15 May 2019

Standalone Statement of Profit and Loss

for the year ended 31 March 2019

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

	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Income			
Revenue from operations	27	55,204.05	45,952.36
Other income	28	2,022.86	758.19
Total income		**57,226.91**	**46,710.55**
Expenses			
Employee benefits expense	29	24,873.40	22,285.86
Finance costs	30	841.12	520.68
Depreciation and amortisation	31	580.17	567.68
Other expenses	32	18,420.33	14,243.15
Total expenses		**44,715.02**	**37,617.37**
Profit before tax		**12,511.89**	**9,093.18**
Tax expense	33		
Current tax		2792.96	1,613.51
Deferred tax charge (includes MAT credit entitlement)		135.85	416.58
Income tax expense		**2,928.81**	**2,030.09**
Profit for the year		**9,583.08**	**7,063.09**
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability (asset)		(84.78)	126.35
Income tax relating to items that will not be reclassified to profit or loss		29.63	(43.73)
Net other comprehensive income/(loss) not to be reclassified subsequently to profit or loss		**(55.15)**	**82.62**
Items that will be reclassified subsequently to profit or loss			
Debt instruments through other comprehensive income - net change in fair value		(2.14)	(0.47)
Income tax relating to items that will be reclassified to profit or loss		0.75	0.16
Net other comprehensive (loss)/income to be reclassified subsequently to profit or loss		**(1.39)**	**(0.31)**
Other comprehensive income/(loss) for the year, net of income tax		**(56.54)**	**82.31**
Total comprehensive income for the year		**9,526.54**	**7,145.40**
Profit attributable to:			
Owners of the company		9,583.08	7,063.09
Profit for the year		**9,583.08**	**7,063.09**
Other comprehensive income/(loss) attributable to:			
Owners of the company		(56.54)	82.31
Other comprehensive income/(loss) for the year		**(56.54)**	**82.31**
Total comprehensive income attributable to:			
Owners of the company		9,526.54	7,145.40
Total comprehensive income for the year		**9,526.54**	**7,145.40**
Earnings per equity share	35		
Nominal value of share INR 10 (31 March 2018: INR 10)			
Basic earning per share (INR)		14.08	11.09
Diluted earning per share (INR)		13.82	10.81
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

Place: Gurugram
Date: 15 May 2019

Diwakar Nigam
Managing Director
DIN: 00263222

Place: New Delhi
Date: 15 May 2019

T. S. Varadarajan
Whole Time Director
DIN: 00263115

Place: New Delhi
Date: 15 May 2019

Arun Kumar Gupta
Chief Financial Officer

Place: New Delhi
Date: 15 May 2019

Aman Mourya
Company Secretary
Membership No: 9975

Place: New Delhi
Date: 15 May 2019

Standalone Statement of Changes in Equity

for the year ended 31 March 2019

(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		Total share captial
	Number	Amount			
Balance as at 31 March 2017	**64,308,030**	**6,430.80**	**120.00**	**0.01**	**6,430.81**
Add: Equity shares with differential voting rights reclassified to equity shares during the year	120	0.01	(120.00)	(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**
Balance as at 1 April 2018	**69,235,701**	**6,923.57**	-	-	**6,923.57**
Add: Issued during the year to Newgen ESOP Trust	350,000	35.00	-	-	35.00
Balance as at 31 March 2019	**69,585,701**	**6,958.57**	-	-	**6,958.57**
Less: Shares held by trust	1,128,091	112.81	-	-	**112.81**
Total Share capital as at 31 March 2019	**68,457,610**	**6,845.76**	-	-	**6,845.76**

b. Other equity

Particulars	Securities premium*	Retained earnings	Others				Items of Other comprehensive income		Total attributable to owners of the Company
			Capital redemption reserve	General reserve	Newgen ESOP Trust reserve*	Share options outstanding reserve*	Remeasurement of defined benefit liability	Debt instruments through OCI	
Balance as at 1 April 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)**
Transactions with owners, recorded directly in equity									
Addition to Newgen ESOP Trust reserve	-	-	-	-	31.43	-	-	-	**31.43**
Contributions by and distributions to owners									

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	
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 account on exercise of stock options	193.21	-	-	-	-	(193.21)	-	-	**-**
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**
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**
Profit for the year	-	9,583.08	-	-	-	-	-	-	**9,583.08**
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	-	(55.15)	(1.39)	**(56.54)**
Securities premium on issue of shares to Newgen ESOP Trust	185.50	-	-	-	-	-	-	-	**185.50**
Transactions with owners, recorded directly in equity									
Addition to Newgen ESOP Trust reserve	-	-	-	-	26.13	-	-	-	**26.13**
Contributions by and distributions to owners									
Dividend on equity shares	-	(1,384.71)	-	-	-	-	-	-	**(1,384.71)**
Dividend distribution tax on dividend on equity shares	-	(284.63)	-	-	-	-	-	-	**(284.63)**
Employee stock compensation expense	-	-	-	-	-	178.25	-	-	**178.25**
Loss on sale of debt instrument transferred to Profit & Loss	-	-	-	-	-	-	-	3.32	**3.32**
Transferred to securities premium account on exercise of stock options	110.93	-	-	-	-	(110.93)	-	-	**-**
Balance as at 31 March 2019	**9,977.92**	**29,414.27**	**87.95**	**1,731.39**	**257.78**	**459.20**	**(27.10)**	**16.80**	**41,918.21**
Less: Securities premium on shares held by trust	366.55								**366.55**
Balance as at 31 March 2019	**9,611.37**	**29,414.27**	**87.95**	**1,731.39**	**257.78**	**459.20**	**(27.10)**	**16.80**	**41,551.66**

*Refer Note 18

Summary of significant accounting policies Note 3

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

As per our report of even date

For **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
Place: Gurugram
Date: 15 May 2019

Diwakar Nigam
Managing Director
DIN: 00263222
Place: New Delhi
Date: 15 May 2019

T. S. Varadarajan
Whole Time Director
DIN: 00263115
Place: New Delhi
Date: 15 May 2019

Arun Kumar Gupta
Chief Financial Officer
Place: New Delhi
Date: 15 May 2019

Aman Mourya
Company Secretary
Membership No: 9975
Place: New Delhi
Date: 15 May 2019

Standalone Statement of Cash Flows

for the year ended 31 March 2019

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

	For the year ended 31 March 2019	For the year ended 31 March 2018
A. Cash flows from operating activities		
Net profit before tax	**12,511.89**	**9,093.18**
Adjustments for:		
Depreciation and amortisation	580.17	567.68
Loss on sale of property, plant and equipment	3.89	3.15
Loss allowance on trade receivables	1,573.26	462.52
Liabilities/ provision no longer required written back	(148.19)	(229.75)
Loss allowance on other financial assets	22.82	-
Unrealised foreign exchange gain	(92.08)	(49.10)
Share based payment - equity settled	174.05	215.64
Finance costs	788.90	520.68
Fair value changes of financial assets at FVTPL	(245.75)	(25.48)
Dividend income from mutual funds at FVTPL	-	(87.86)
Profit on sale of mutual funds (net) at FVTPL	-	(60.73)
Loss on sale of bonds at FVTOCI	5.07	-
Interest income on security deposits at amortised cost	(28.60)	(31.21)
Interest income from government and other bonds at FVTOCI	(127.46)	(131.56)
Interest income from bank deposits and others	(744.87)	(159.32)
Operating cash flow before working capital changes	**14,273.10**	**10,087.84**
Increase in trade receivables	(4,802.79)	(2,238.17)
Decrease / (increase) in loans	236.23	(276.38)
Increase in other financial assets	(766.29)	(2,686.55)
Decrease / (increase) in other assets	48.95	(45.31)
Increase in provisions	326.05	314.36
Increase in other financial liabilities	273.00	1,140.88
Increase in other liabilities	1,255.99	792.65
Increase in trade payables	465.91	659.00
Cash generated from operations	**11,310.15**	**7,748.32**
Income taxes paid (net)	(2,441.58)	(2,039.14)
Net cash generated from operating activities (A)	**8,868.57**	**5,709.18**
B. Cash flows from investing activities		
Acquisition or construction of property plant and equipment including intangible assets, capital work-in-progress and capital advances	(7,177.34)	(1,869.57)
Proceeds from sale of property plant and equipment	16.48	6.96
Purchase of mutual funds and bonds	-	(1,683.12)
Proceeds from sale of mutual funds and bonds	98.08	1,699.60
Interest income from bonds	74.65	86.21
Interest received on bank deposits and others	627.36	73.57
Investment in bank deposits (net)	(2,160.85)	(70.94)
Net cash used in investing activities (B)	**(8,521.62)**	**(1,757.29)**

	For the year ended 31 March 2019	For the year ended 31 March 2018
C. Cash flows from financing activities		
(Repayment of) / proceeds from short-term borrowings (net)	1,856.00	(259.79)
(Repayment of) / proceeds of Finance Lease Obligation	(298.76)	(301.33)
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	57.35	169.35
Securities premium on issue of shared under ESOP scheme	303.95	640.31
Dividend paid (including corporate dividend distribution tax) - Equity	(1,667.57)	(1,140.21)
fdf	(788.90)	(519.60)
Gain on transfer of equity shares by Newgen ESOP trust	26.13	10.64
Net cash used in / generated from financing activities (C)	**(511.80)**	**6,750.22**
Net (decrease) / increase in cash and cash equivalents (A + B + C)	**(164.85)**	**10,702.11**
Cash and cash equivalents at the beginning of the year	**13,520.79**	**2,818.68**
Cash and cash equivalents at the end of the year	**13,355.94**	**13,520.79**
Components of cash and cash equivalents: (refer note 13)		
Cash in hand	5.67	4.52
Balances with banks:		
- in current accounts	3,948.31	5,116.27
- balances with scheduled banks in deposit accounts with original maturity of less than 3 months	9,401.96	8,400.00
	13,355.94	**13,520.79**

Notes:

1. The cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows"
2. Effective 1 April 2017, the Company adopted the amendment to Ind AS 7, 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

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
Place: Gurugram
Date: 15 May 2019

Diwakar Nigam
Managing Director
DIN: 00263222
Place: New Delhi
Date: 15 May 2019

T. S. Varadarajan
Whole Time Director
DIN: 00263115
Place: New Delhi
Date: 15 May 2019

Arun Kumar Gupta
Chief Financial Officer
Place: New Delhi
Date: 15 May 2019

Aman Mourya
Company Secretary
Membership No: 9975
Place: New Delhi
Date: 15 May 2019

Notes

to the Standalone Financial Statements for the year ended 31 March 2019

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

1 I BACKGROUND

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

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

2 I BASIS OF PREPARATION

A. Statement of compliance

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

The financial statements were authorised for issue by the Company's Board of Directors on 15 May 2019.

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

B. Functional and presentation currency

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

C. Basis of measurement

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

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

D. Use of estimates and judgements

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

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

Judgements

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

- Note 27 – revenue recognition from fixed price contracts of software implementation services: percentage of completion method to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended.
- Note 36 – 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 2019 is included in the following notes:

Notes

to the Standalone Financial Statements for the year ended 31 March 2019

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

- Note 3(c)(iii) – Estimation of Useful lives of intangible and depreciable assets
- Note 29 – Measurement of defined benefit obligations: key actuarial assumptions;
- Note 33 – Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 35 – Fair value of share based payments
- Note 47(c)(ii) – 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

Notes

to the Standalone Financial Statements for the year ended 31 March 2019

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

fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

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

Note 35 – Share-based payment arrangements; and

Note 47 – Financial instruments.

3 I 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.

Notes

to the Standalone Financial Statements for the year ended 31 March 2019

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

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

Notes

to the Standalone Financial Statements for the year ended 31 March 2019

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

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. Subsequent expenditure

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

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and

Notes

to the Standalone Financial Statements for the year ended 31 March 2019

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

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.

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

Notes

to the Standalone Financial Statements for the year ended 31 March 2019

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

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

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

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

iii. Defined contribution plans

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

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

iv. Defined benefit plans

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

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

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

v. Other long-term employee benefits

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

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

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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

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

Revenue is measured at the fair value of the consideration we expect to receive in exchange for those products or services.

i. Sale of License

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

ii. Rendering of services

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

Software Implementation Services

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

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

Digitization services

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

Annual Technical services

Revenue from annual technical service and

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

maintenance contracts is recognised ratably over the term of the underlying maintenance arrangement.

iii. Sale of right to use software

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

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

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

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

iv. Multiple deliverable arrangements

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

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

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

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

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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,

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are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

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

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

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

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

n. Cash and Cash Equivalents

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

o. Earnings per share ("EPS")

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

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

p. Share Capital

Equity Shares

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

Dividends

The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividend are recorded as a liability on the date of declaration by the Company's Board of Directors.

q. 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.

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

4 I 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#
Balance as at 01 April 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**
Additions during the year	-	-	-	33.37	-	94.36	23.77	2.00	399.73	553.23	6,661.89
Adjustments during the year	(0.43)	-	0.43	-	-	-	(12.43)	-	12.43	-	-
Less: Disposals during the year	-	-	-	0.97	-	-	6.67	20.53	213.07	241.24	-
Balance as at 31 March 2019	**4.28**	**3,523.68**	**1,706.42**	**331.37**	**5.99**	**244.85**	**422.01**	**290.33**	**1,352.78**	**7,881.71**	**8,321.36**
Accumulated Depreciation											
Balance as at 01 April 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 31)	-	39.46	20.96	39.78	-	24.05	67.22	44.29	276.44	512.20	-
Adjustments during the year											
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**	-
Additions during the year	-	39.30	30.67	41.38	-	31.65	54.34	36.70	287.11	521.15	-
Less: Disposals during the year	-	-	-	0.93	-	-	4.52	19.80	195.61	220.86	-
Balance as at 31 March 2019	-	**118.50**	**71.87**	**106.80**	**5.99**	**76.43**	**145.49**	**88.11**	**591.93**	**1,205.12**	-
Carrying amount (net)											
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**
Balance as at 31 March 2019	**4.28**	**3,405.18**	**1,634.55**	**224.57**	-	**168.42**	**276.52**	**202.22**	**760.85**	**6,676.59**	**8,321.36**

As at 31 March 2019 properties with a carrying amount of INR 462.67 lakhs (31 March 2018 : INR 472.93 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 acquistion and further construction of office premises at Noida, Uttar Pradesh and Siruseri, Chennai wherein cost incurred upto 31 March 2019 amounting to INR 5,288.17 lakhs and INR 3,033.19 lakhs respectively.

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

5 I INTANGIBLES

	Computer software
Balance as at 01 April 2017	**129.63**
Additions during the year	74.61
Balance as at 31 March 2018	**204.24**
Additions during the year	100.01
Balance as at 31 March 2019	**304.25**
Accumulated Amortisation	
Balance as at 1 April 2017	**59.20**
Amortisation (refer note 31)	55.48
Balance as at 31 March 2018	**114.68**
Additions during the year	59.02
Balance as at 31 March 2019	**173.70**
Carrying amount (net)	
Balance as at 31 March 2018	**89.56**
Balance as at 31 March 2019	**130.55**

6 I INVESTMENT IN SUBSIDIARIES

	As at 31 March 2019	As at 31 March 2018
Investments in equity instruments - at cost (unquoted)		
6,000 (31 March 2018: 6,000) common stock of USD 200 each, fully paid up of Newgen Software Inc. USA.	524.71	522.52
1,000,000 (31 March 2018: 1,000,000) common shares of CAD 0.10 each, fully paid up of Newgen Software Technologies Canada, Limited.	56.52	56.40
250,000 (31 March 2018: 250,000) ordinary shares of SGD 1 each, fully paid up of Newgen Software Technologies Pte. Limited.	115.92	114.12
210,000 (31 March 2018: 210,000) equity shares of INR 10 each, fully paid up of Newgen Computers Technologies Limited.	46.50	46.50
20,000,000 (31 March 2018: 20,000,000) common stock of GBP 0.01 each, fully paid up of Newgen Software Technologies (UK) Ltd.	178.74	178.65
	922.39	**918.19**
Aggregate book value of unquoted investments	922.39	918.19

7 I LOANS

	As at 31 March 2019	As at 31 March 2018
(unsecured, considered good, unless otherwise stated)		
Security deposits	329.80	264.79
	329.80	**264.79**

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

8 I NON-CURRENT FINANCIAL ASSETS - OTHERS

	As at 31 March 2019	As at 31 March 2018
(unsecured, considered good, unless otherwise stated)		
Bank deposits		
- pledged with tax authorities	2.25	2.25
- held as margin money*	223.94	202.49
Interest accrued on deposits	38.90	107.19
Earnest money deposits		
Unsecured, considered good	51.60	236.60
Unsecured, considered doubtful	146.03	123.21
Less: Loss allowance for doubtful deposits	(146.03)	(123.21)
	316.69	**548.53**

*Balances with bank held as margin money INR 223.94 lakhs (31 March 2018: INR 202.49 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 C.

9 I INCOME TAX ASSETS (NET)

	As at 31 March 2019	As at 31 March 2018
Advance income tax (net of provision of INR 11,415.26 lakhs (31 March 2018: INR 8,622.29 lakhs) Interest accrued on deposits	995.21	1,277.88
	995.21	**1,277.88**

10 I OTHER NON-CURRENT ASSETS

	As at 31 March 2019	As at 31 March 2018
Prepaid expenses	87.99	120.50
Capital advances	56.66	235.73
	144.65	**356.23**

11 I INVESTMENTS

	As at 31 March 2019	As at 31 March 2018
Investments in bonds (unquoted)		
Bonds at FVOCI		
Investment in government bonds	938.28	959.03
Investment in other bonds	645.24	726.46
	1,583.52	**1,685.49**
Investments in mutual funds (unquoted)		
Mutual funds at FVTPL		
Investment in debt mutual funds	3,582.34	3,336.58
	3,582.34	**3,336.58**
	5,165.86	**5,022.07**
Aggregate book value of unquoted investments	5,165.86	5,022.07
Aggregate market value of unquoted investments	5,165.86	5,022.07

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 C.

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

12 I TRADE RECEIVABLES

	As at 31 March 2019	As at 31 March 2018
Unsecured*		
- Considered good	23,684.65	20,392.66
- Considered doubtful	3,621.55	4,000.87
	27,306.20	**24,393.53**
Less: Loss allowance for trade receivables		
- unsecured, considered doubtful	(3,621.55)	(4,000.87)
	23,684.65	**20,392.66**

*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 C.

13 I CASH AND CASH EQUIVALENTS

	As at 31 March 2019	As at 31 March 2018
Cash on hand	5.67	4.52
Balances with banks		
- in current accounts*#	3,948.31	5,116.27
Balances with scheduled banks in deposit accounts with original maturity of less than 3 months#	**9,401.96**	**8,400.00**
	13,355.94	**13,520.79**

*Current account balances with banks include INR 138.32 lakhs (31 March 2018: INR 112.24 lakhs) held at a foreign branch.

Balance with banks and deposits includes INR Nil and INR 3,289.4 Lakhs (31 March 2018: INR 58.80 lakhs and INR 8,400 lakhs) respectively as unutilized amounts of the IPO proceeds.

13A I OTHER BANK BALANCES

	As at 31 March 2019	As at 31 March 2018
Balances with scheduled banks in deposit accounts		
- Maturity with in 12 months	2,139.40	-
	2,139.40	**-**

14 I CURRENT FINANCIAL ASSETS - LOANS

	As at 31 March 2019	As at 31 March 2018
Loans to employees*	9.90	20.03
Security deposits	34.73	297.24
	44.63	**317.27**

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

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

15 I CURRENT FINANCIAL ASSETS - OTHERS

	As at 31 March 2019	As at 31 March 2018
(unsecured considered good, unless otherwise stated)		
Interest accrued on deposits	117.75	0.67
Interest accrued but not due on government bonds	137.34	84.53
Unbilled revenue*		
- other than related parties	6,020.46	5,079.43
- related parties	-	12.56
	6,275.55	**5,177.19**

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

During the year ended 31 March 2019, INR 1,980.10 lakhs of unbilled revenue as of 1 April 2018 has been reclassified to trade receivables upon billing to customers on completion of milestones.

16 I OTHER CURRENT ASSETS

	As at 31 March 2019	As at 31 March 2018
Advances to vendors	38.66	11.04
Balances with government authorities*	-	137.47
Deferred contract cost	77.37	-
Advance to employees	156.19	207.91
Prepaid expenses	335.44	284.81
Other current assets	17.14	-
	624.80	**641.23**

*Balances with government authorities comprises of Goods and Service tax/ service tax / vat credit receivable.

17 I SHARE CAPITAL

	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital				
Equity shares of INR 10 each	98,000,200	9,800.02	98,000,000	9,800.00
Equity share capital with differential voting rights of INR 10 each	-	-	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
	110,000,000	**11,000.00**	**110,000,000**	**11,000.00**

	As at 31 March 2019		As at 31 March 2018	
	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	69,235,701	6,923.57
Add: Issued during the year to Newgen ESOP Trust	350,000	35.00	-	-
Balance	69,585,701	6,958.57	69,235,701	6,923.57
Less : Shares held by Trust	1,128,091	112.81	1,351,584	135.16
Total Share capital	**68,457,610**	**6,845.76**	**67,884,117**	**6,788.41**

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

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

	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Equity share capital of INR 10 each, fully paid up				
At the beginning of the year	69,235,701	6,923.57	64,308,030	6,430.80
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	350,000	35.00	1,050,000	105.00
At the end of the year	**69,585,701**	**6,958.57**	**69,235,701**	**6,923.57**
Less: Shares held by trust	1,128,091	112.81	1,351,584	135.16
Total equity share capital	**68,457,610**	**6,845.76**	**67,884,117**	**6,788.41**

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.

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 2019		As at 31 March 2018	
	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
Less: Re-classification to equity shares during the year	-	-	(120)	(0.01)
At the end of the year	**-**	**-**	**-**	**-**

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-hundred 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.

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During the year ended 31 March 2018 each equity share with DVR has been re-classified into equity shares.

17A I 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 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
- Mr. Diwakar Nigam	18,422,406	26.47%	18,422,406	28.65%
- Mr. T.S. Varadarajan	15,009,306	21.57%	15,009,306	23.34%
- Mrs. Priyadarshini Nigam	7,968,906	11.45%	7,968,906	12.39%
- Mrs. Usha Varadarajan	4,528,320	6.51%	4,528,320	7.04%
- Malabar India Fund Limited	4,564,262	6.56%	-	-

17B I SHARES RESERVED FOR ISSUE UNDER EMPLOYEE STOCK OPTION PLAN

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

17C I 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 2019	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
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 2019	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
Equity shares of INR 10 each	350,000	1,050,000	-	-	1,245,000

18 I OTHER EQUITY

	As at 31 March 2019	As at 31 March 2018
Securities premium	9,611.37	9,196.49
Retained earnings	29,414.27	21,500.53
Capital redemption reserve	87.95	87.95
General reserve	1,731.39	1,731.39
Newgen ESOP Trust Reserve	257.78	231.65
Share options outstanding reserve	459.20	391.88
Other comprehensive income	(10.30)	42.92
	41,551.66	**33,182.81**

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

Securities Premium (refer note (i) below)

	As at 31 March 2019	As at 31 March 2018
Balance as at beginning of the year	9,681.49	1,168.69
Securities premium on issue of shares to Newgen ESOP Trust	185.50	556.50
Securities premium on shares issued through initial public offer	-	9,112.24
Utilized for share issue expenses	-	(1,349.15)
Transferred from share options outstanding reserve on exercise of stock options	110.93	193.21
Balance as at 31 March 2019	9,977.92	9,681.49
Less: Securities premium on shares held by trust	366.55	485.00
Balance as at end of the year	**9,611.37**	**9,196.49**

Retained earnings (refer note (ii) below)

	As at 31 March 2019	As at 31 March 2018
Balance as at beginning of the year	21,500.53	15,598.43
Profit for the year	9,583.08	7,063.09
Dividend on equity shares	(1,384.71)	(964.62)
Dividend distribution tax on dividend on equity shares	(284.63)	(196.37)
Balance as at end of the year	**29,414.27**	**21,500.53**

Capital redemption reserve

	As at 31 March 2019	As at 31 March 2018
Balance as at beginning of the year	87.95	87.95
Balance as at end of the year	**87.95**	**87.95**

General reserve

	As at 31 March 2019	As at 31 March 2018
Balance as at beginning of the year	1,731.39	1,731.39
Balance as at end of the year	**1,731.39**	**1,731.39**

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

	As at 31 March 2019	As at 31 March 2018
Balance as at beginning of the year	231.65	200.22
Addition to Newgen ESOP Trust reserve	26.13	31.43
Balance as at end of the year	**257.78**	**231.65**

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

	As at 31 March 2019	As at 31 March 2018
Balance as at beginning of the year	391.88	359.37
Employee stock compensation expense	178.25	225.72
Transferred to securities premium account on exercise of stock options	(110.93)	(193.21)
Balance as at end of the year	**459.20**	**391.88**

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

Other comprehensive income (refer note (v) below)

Remeasurement of defined benefit liability

	As at 31 March 2019	As at 31 March 2018
Balance as at beginning of the year	28.05	(54.57)
Other comprehensive income/(loss) (net of tax)	(55.15)	82.62
Balance as at end of the year	**(27.10)**	**28.05**

Debt instruments through other comprehensive income

	As at 31 March 2019	As at 31 March 2018
Balance as at beginning of the year	14.87	15.18
Other comprehensive income/(loss) (net of tax)	(1.39)	(0.31)
Loss on sale of debt instrument transferred to profit and loss	3.32	
Balance as at end of the year	**16.80**	**14.87**

(i) Securities premium is used to record the premium received on issue of shares. It will be utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Accumulated balances of profits over the years after appropriations for general reserves and adjustments of dividend

(iii) 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.

(iv) The Company has established various equity-settled share-based payment plans for certain employees of the Company. Refer to note 35 for further details on these plans.

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

19 I NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at 31 March 2019	As at 31 March 2018
Non-current maturities of finance lease obligations (secured)*	1,028.56	1,316.66
	1,028.56	**1,316.66**

* 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 31 March 2018		
	Present value of minimum lease payments	Interest	Future minimum lease payments
Less than one year	302.25	170.37	472.62
Between one and five years	750.26	376.43	1,126.69
More than five years	566.40	4,832.93	5,399.33

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to the Standalone Financial Statements for the year ended 31 March 2019

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

Particulars	As at 31 March 2019		
	Present value of minimum lease payments	Interest	Future minimum lease payments
Less than one year	291.59	136.04	427.63
Between one and five years	459.74	288.70	748.44
More than five years	568.82	4,764.67	5,333.49

Effective interest rate on above borrowings is 11.73%.

20 I NON-CURRENT PROVISIONS

	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits (refer note 29)		
- provision for gratuity	1,495.50	1,266.07
- provision for compensated absences	433.52	387.30
	1,929.02	**1,653.37**

21 I CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at 31 March 2019	As at 31 March 2018
Loans from banks		
Pre-shipment loans (secured)*	6,772.64	4,946.27
	6,772.64	**4,946.27**

*Pre-shipment loans carry interest rate @ LIBOR plus margin which varied from 3.21% to 4.39% 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 462.67 lakhs (31 March 2018: INR 472.93 lakhs) and are repayable within 180 days from the date of disbursement.

22 I TRADE PAYABLES

	As at 31 March 2019	As at 31 March 2018
- Total outstanding dues to micro enterprises and small enterprises	-	-
- Total outstanding dues to creditors other than micro and small enterprises	2,461.48	2,143.75
	2,461.48	**2,143.75**

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

a) Refer note 38 for disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

b) Refer note 46 for dues to related parties

c) The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 47 C.

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to the Standalone Financial Statements for the year ended 31 March 2019

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

23 I CURRENT FINANCIAL LIABILITIES - OTHERS

	As at 31 March 2019	As at 31 March 2018
Current maturities of finance lease obligations	291.59	302.25
Employee related payables	3,256.39	2,983.39
Payable in respect of retention money	59.15	47.92
Earnest money deposits	1.00	1.00
Payable for capital assets	188.84	241.35
	3,796.97	**3,575.91**

24 I DEFERRED INCOME

	As at 31 March 2019	As at 31 March 2018
Advance billing	4,625.39	3,582.77
Advance from customers	58.75	25.22
	4,684.14	**3,607.99**

During the year ended 31 March 2019, the Company recognized revenue of INR 3,582.77 lakhs arising from opening advance billing as of 1 April 2018.

25 I OTHER CURRENT LIABILITIES

	As at 31 March 2019	As at 31 March 2018
Statutory dues payable	1,494.24	1,313.63
Advance from employees for share options	2.82	6.76
Other current liabilities	4.94	-
	1,502.00	**1,320.39**

26 I CURRENT PROVISIONS

	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits (refer note 29)		
- provision for gratuity	244.76	141.39
- provision for compensated absences	101.70	69.89
	346.46	**211.28**

27 I REVENUE FROM OPERATIONS

	For the year ended 31 March 2019	For the year ended 31 March 2018
Sale of products - softwares	13,889.67	12,996.88
Sale of services		
- Implementation	12,874.07	11,768.53
- Scanning	1,936.25	1,950.01
- AMC/ATS	10,017.22	7,934.91
- Support	14,778.33	10,268.75
- SaaS revenue	1,708.51	1,033.28
	55,204.05	**45,952.36**

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to the Standalone Financial Statements for the year ended 31 March 2019

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

Performance obligations and remaining performance obligations

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

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

(ii) The revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis.

Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at 31 March 2019, other than those meeting the exclusion criteria mentioned above is INR Nil.

28 I OTHER INCOME

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income under the effective interest rate method:		
- on security deposits at amortised cost	28.60	31.21
- government and other bonds at FVOCI	127.46	131.56
Interest income on fixed deposits	676.15	159.32
Other interest income	68.72	1.10
Profit on sale of mutual funds (net) at FVTPL	-	60.73
Dividend income from mutual funds at FVTPL	-	87.86
Fair value changes of financial assets at FVTPL	245.75	25.48
Liabilities / provision no longer required written back	148.19	229.75
Net foreign exchange fluctuation gain	706.14	-
Bad debt recovered	15.04	-
Miscellaneous income	6.81	31.18
	2,022.86	**758.19**

29 I EMPLOYEE BENEFITS EXPENSE

	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries, wages and bonus	22,836.06	20,434.76
Contribution to provident funds (refer note i below)	767.10	672.31
Expenses related to compensated absences (refer note ii below)	275.35	244.17
Share based payment - equity settled	174.05	215.64
Expense related to defined benefit plan (refer note iii below)	311.88	272.39
Staff welfare expenses	508.96	446.59
	24,873.40	**22,285.86**

(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 767.10

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

lakhs (31 March 2018: INR 672.31 lakhs). The amount recognised as an expense towards employee state insurance aggregated to INR 2.27 lakhs (31 March 2018: INR 3.52 lakhs).

(ii) Compensated absences:

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

	31 March 2019	31 March 2018
Discounting rate (p.a.)	7.66%	7.80%
Future salary increase (p.a.)	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 2019. 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

	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	**1,407.46**	**1,278.47**
Benefits paid	(71.28)	(62.57)
Current service cost	202.10	178.42
Interest cost	109.78	93.97
Past service gain	-	-
Acturial (gains) losses recognised in OCI		
change in demographic assumptions	21.21	(6.31)
change in financial assumptions	22.48	(44.89)
experience adjustments	48.51	(29.64)
Balance at the end of the year	**1,740.26**	**1,407.46**

B. i) Expense recognised in profit and loss

	For the year ended 31 March 2019	For the year ended 31 March 2018
Current service cost	202.10	178.42
Interest cost	109.78	93.97
Past service gain	-	-
Total expense recognised in profit and loss	**311.88**	**272.39**

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ii) Remeasurements recognised in other comprehensive income

	For the year ended 31 March 2019	For the year ended 31 March 2018
Acturial (gain) loss on defined benefit obligation	92.20	(80.84)
Total remeasurements recognised in other comprehensive income	**92.20**	**(80.84)**

C. Defined benefit obligations

i. Actuarial assumptions

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

	31 March 2019	31 March 2018
Discount rate	7.66	7.80
Salary escalation rate	7.00	7.00
Mortality rate	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 2019		31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(54.53)	58.07	(63.05)	68.33
Future salary growth (0.50% movement)	58.16	(55.10)	68.53	(63.79)

Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	31 March 2019	31 March 2018
Net defined benefit asset	-	-
Total employee benefit asset	-	-
Net defined benefit liability		
Liability for gratuity	1,740.26	1,407.46
Liability for compensated absences	535.22	457.19
Total employee benefit liabilities	**2,275.48**	**1,864.65**
Non-current:		
Gratuity	1,495.50	1,266.07
Compensated absences	433.52	387.30
Current:		
Gratuity	244.76	141.39
Compensated absences	101.70	69.89

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

30 I FINANCE COSTS

	For the year ended 31 March 2019	For the year ended 31 March 2018
Finance cost on finance lease obligations	166.99	205.49
Interest expense on packing credit	561.23	236.16
Other finance costs	112.90	79.03
	841.12	**520.68**

31 I DEPRECIATION AND AMORTIZATION

	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation of property, plant and equipment (refer note 4)	521.15	512.20
Amortisation of intangible assets (refer note 5)	59.02	55.48
	580.17	**567.68**

32 I OTHER EXPENSES

	For the year ended 31 March 2019	For the year ended 31 March 2018
Rent	1,632.93	1,514.62
Repairs and maintenance	283.16	308.81
Rates and taxes	211.73	144.77
Travelling and conveyance	6,187.49	5,462.40
Legal and professional fees	2,099.79	1,771.97
Outsourced technical services expense	1,009.80	74.23
Cloud hosting services	426.22	231.77
Payment to auditors*	69.67	61.18
Electricity and water	354.17	329.93
Advertising and sales promotion	504.76	358.19
Membership and subscription fee	274.56	273.90
Brokerage and commission	695.72	605.53
Communication costs	399.46	365.95
Software and license maintenance	499.38	305.58
Expenditure on corporate social responsibility	125.64	107.31
Donation	34.74	32.00
Operation and maintenance	530.20	490.77
Printing and stationery	671.87	632.06
Loss on sale of property, plant and equipment	3.89	3.15
Loss allowance on trade receivables	1,573.26	462.52
(net of adjustment for bad debts written off of INR 1,952.57 lakhs (previous year INR 2,449.59 lakhs)		
Loss allowance on other financial assets	22.82	-
Security charges	229.03	200.79
Net foreign exchange fluctuation loss	-	1.95
Loss on settlement of forward contract	36.30	-
Loss on sale of bonds (net) at FVOCI	5.07	-
Miscellaneous expenses	538.67	503.77
	18,420.33	**14,243.15**

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	For the year ended 31 March 2019	For the year ended 31 March 2018
***Payment to Auditors**		
As auditor:		
- Statutory audit fee	39.50	40.00
- Limited review fee	22.50	7.50
- Others	3.40	11.43
- Reimbursement of expenses	4.27	2.25
	69.67	**61.18**

33 I INCOME TAX

A. The major components of income tax (expense) / income are recognised in profit or loss

	For the year ended 31 March 2019	For the year ended 31 March 2018
Tax expense	2,682.78	1,549.01
MAT credit entitlement	-	(86.97)
Tax expense for earlier years	110.19	64.50
Deferred tax (credit)	135.85	503.55
Total	**2,928.82**	**2,030.10**
Recognised in Other comprehensive income		
Tax impact on		
- Re-measurement on defined benefit plan	29.63	(43.73)
- Fair value of Debt instruments through other comprehensive income	0.75	0.16
Total	**30.38**	**(43.57)**

B. Reconciliation of effective tax rate

	31 March 2019		31 March 2018	
Profit before tax		12,511.89		9,093.18
Tax using the Company's tax rate	34.94%	4,372.16	34.61%	3,049.64
Effect of deduction under section 10AA of the Income tax Act, 1961	-12.41%	(1,552.64)	-11.57%	(1,052.22)
Effect of expenses permanently disallowed under the Income Tax Act, 1961	0.14%	17.50	0.19%	16.89
Effect of income exempt/ taxed on lower rate	-0.19%	(23.27)	-0.58%	(53.04)
Others	0.04%	4.49	0.04%	3.36
Income tax recognised in statement of profit and loss for the current year	22.53%	2,818.62	21.62%	1,965.59

C. Deferred tax assets (net)

Deferred tax relates to the following:	As at 31 March 2019	As at 31 March 2018
Deferred tax related to items recognised in OCI:		
Deferred tax assets (gross)		
Investments at fair value through OCI	-	-
Remeasurement of defined benefit liability (asset)	14.21	-
(a)	**14.21**	**-**
Deferred tax liabilities		
Investments at fair value through OCI	7.12	7.87
Remeasurement of defined benefit liability (asset)	-	15.42
(b)	**7.12**	**23.29**

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Deferred tax relates to the following:		As at 31 March 2019	As at 31 March 2018
Deferred tax related to items recognised in statement of profit and loss:			
Deferred tax liabilities (gross)			
Property, plant and equipment		308.29	251.36
Others		84.54	11.11
	(c)	**392.83**	**262.47**
Deferred tax assets (gross)			
Loss allowance on other financial assets		51.03	42.63
Loss allowance on trade receivables		1,265.52	1,384.62
Provision for employee benefits		772.84	667.62
	(d)	**2,089.39**	**2,094.87**
	(e) = (d) - (c)	**1,696.56**	**1,832.40**
Deferred tax assets (net)	(e) + (a) - (b)	**1,703.65**	**1,809.12**
MAT credit entitlement		86.97	86.97
Total Deferred tax assets (net)		**1,790.62**	**1,896.09**

D. Movement in temporary differences

Particulars	31 March 2019			
	Balance as at 31 March 2018	Recognised in profit or loss during FY 2018-19	Recognised in OCI during FY 2018-19	Balance as at 31 March 2019
Investments at fair value through OCI	(7.87)	-	0.75	(7.12)
Remeasurement of defined benefit liability (asset)	(15.42)	-	29.63	14.21
Property, plant and equipment	(251.36)	(56.93)	-	(308.29)
Loss allowance on other financial assets	42.63	8.40	-	51.03
Loss allowance on trade receivables	1,384.62	(119.10)	-	1,265.52
Provision for employee benefits	667.62	105.22	-	772.84
Others	(11.11)	(73.43)	-	(84.54)
Total	**1,809.11**	**(135.84)**	**30.38**	**1,703.65**

Particulars	31 March 2018			
	Balance as at 31 March 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**

34 I 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.

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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 2019	31 March 2018
Profit attributable to equity holders of the company	9,583.08	7,063.09
Profit attributable to equity holders of the company for basic and diluted earnings	**9,583.08**	**7,063.09**

ii. Weighted average number of ordinary shares

	31 March 2019	31 March 2018
Opening balance of equity's shares	67,884,117	62,313,086
Effect of equity shares issued through initial public offer	-	658,652
Effect of share options exercised	191,325	739,355
Weighted average number of shares for basic EPS	**68,075,442**	**63,711,093**
Effect of dilution:		
Add: Equity shares held by Newgen ESOP Trust with respect to options not exercised by employees but outstanding	1,255,390	1,633,736
Weighted average number of shares for diluted EPS	**69,330,832**	**65,344,829**

Basic and diluted earnings per share

	31 March 2019	31 March 2018
Basic earnings per share	14.08	11.09
Diluted earnings per share	**13.82**	**10.81**

35 I 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 INR 80 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

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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 2019, during the year 2018-19 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	1,100,564	INR 63.00	4.76	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Jul-2017	276,235	INR 63.00	7.25	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Sep-2017	126,500	INR 63.00	7.42	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Oct-2017	54,225	INR 63.00	7.51	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) No Grant 31 March 2019	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%

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C. Reconciliation of outstanding share options

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

Employees Stock Option Plan-1999 (ESOP 1999)	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	31 March 2019	31 March 2019	31 March 2018	31 March 2018
Options outstanding as at the beginning of the year	-	-	52,600	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
Options outstanding as at the year end	**-**	**-**	**-**	**INR 4.45**
Exercisable as at year end	**-**		**-**	
Weighted - average contractual life	-		-	

Employees Stock Option Plan-2000 (ESOP 2000)	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	31 March 2019	31 March 2019	31 March 2018	31 March 2018
Options outstanding as at the beginning of the year	-	-	386,700	INR 6.67
Add: Options granted during the year	-	-	-	-
Less: Options lapsed during the year	-	-	-	-
Less: Options exercised during the year	-	-	386,700	INR 6.67
Options outstanding as at the year end	**-**	**-**	**-**	**INR 6.67**
Exercisable as at year end	**-**		**-**	
Weighted - average contractual life	-		-	

Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	31 March 2019	31 March 2019	31 March 2018	31 March 2018
Options outstanding as at the beginning of the year	2,243,483	INR 63.00	3,061,209	INR 63.00
Add: Options granted during the year	-	-	562,550	INR 63.00
Less: Options lapsed during the year	112,466	INR 63.00	126,096	INR 63.00
Less: Options exercised during the year	573,493	INR 63.00	1,254,180	INR 63.00
Options outstanding as at the year end	**1,557,524**	**INR 63.00**	**2,243,483**	**INR 63.00**
Exercisable as at year end	**1,122,797**		**445,616**	
Weighted - average contractual life	5.51 years		6.38 years	

C. Expense recognised in statement of profit and loss

For details on the employee benefits expense, refer note 29

36 I 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 statement of profit and loss and future minimum lease payments and payment profile of non-cancellable operating leases are as under:

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i. Future minimum lease payments

The future minimum lease payments under non-cancellable leases were as follows.

	31 March 2019	31 March 2018
Less than one year	750.95	1,150.13
Between one and five years	981.57	1,732.52
More than five years	-	-
	1,732.52	**2,882.65**

ii. Amounts recognised in profit or loss

	31 March 2019	31 March 2018
Lease expense	1,632.93	1,514.62
	1,632.93	**1,514.62**

37 I CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)*

	31 March 2019	31 March 2018
a. Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances, tangible assets**	23.45	759.70
b. Amount of Income tax expense for financial year 2015-16 for which assessment has been completed and against which company has filed an appeal.	179.00	-

*The Company is committed to operationally, technically and financially support the operations of its certain subsidiary companies.

** For other commitments – Non-cancellable operating and finance leases, refer Note 36 and 20 respectively

During the year ended 31 March 2019, there was a judicial pronouncement with respect to provident fund. It is not currently clear whether the interpretation set out in the pronouncement has retrospective application. If applied retrospectively, the interpretation would result in an increase in contributions payable by the Company for past and future periods for certain of its employees. There are numerous interpretative challenges concerning the retrospective application of the judgment. Due to such challenges and a lack of interpretive guidance, and based on legal advice the Company has obtained on the matter, it is currently impracticable to reliably estimate the timing and amount of any payments the Company may be required to make. Pending further clarity on the subject, the Company has made a provision of Rs 9.65 lakhs for the period subsequent to the date of judgment.

38 I 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 31 March 2019 and 31 March 2018 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.

39 I 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.

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Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Final dividend of INR 3.00 per share (31 March 2018: INR 2/-)	2,087.57	1,384.71
Corporate dividend tax	429.20	283.94

40 I 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 2019 is INR 125.38 lakhs (previous year INR. 106.13 lakhs). Amount spent during the year ended 31 March 2019:

Particulars	Amount already spent	Amount to be spent	Total
i) For purpose mentioned as under	124.90	0.74	125.64

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.

41 I 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. During the year ended 31 March 2019, the holding company has also started availing services from its overseas subsidiaries in accordance with the transfer pricing methodology under sections 92-92F of the Income Tax Act, 1961. 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.

42 I During the previous 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 INR 10 each were allotted/allocated, at an issue price of INR 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 amounted to INR 9,500.00 lakhs. The Company's share of fresh issue related expenses was INR 1,349.15 lakhs, which had been adjusted against Securities Premium. As at 31 March 2018, the proceeds were unutilised and had been temporarily invested/ deposited in cash and cash equivalents including fixed deposits and bank account (Refer note 13).

During the year ended 31 March 2019, the proceeds were partially utilised for the purchase of unfurnished office premises near Noida-Greater Noida Expressway, Uttar Pradesh and for general corporate purpose amounting to INR 5,145.00 lakhs (Refer note 4) and INR 24.40 lakhs respectively. As at 31 March 2019, the remaining proceeds has been temporarily invested/ deposited in cash and cash equivalents including fixed deposits and bank account (Refer note 13).

43 I For the year ended 31 March 2019, projected utilisation of IPO proceeds was INR 6,950.40 lakhs, however the Company has utilised only INR 5,169.40 lakhs. The Board of Directors in their meeting held on 15 May 2019, approved to seek the approval of shareholders through Postal Ballot for variation/deviation in the utilisation of IPO proceeds amounting to INR 1,781.00 lakhs.

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44 I DIVIDEND REMITTANCES IN FOREIGN CURRENCY:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Year to which the dividend relates	2017-18	2016-17
Amount remitted during the year (INR in lakhs)	-	77.21
Number of non-resident shareholders	-	2
Number of shares on which dividend was due	-	5,147,340

45 I DETAILS OF CURRENT INVESTMENTS (REFER NOTE 11)

Particulars	Number of units as at		Amount in lakhs as at	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Investment in debt mutual funds -FVTPL				
Reliance Short Term Fund- Direct Growth Plan	634,842	634,842	228.91	213.85
ICICI Prudential Short Term Plan Direct Growth	860,077	860,077	346.96	322.56
IIFL Dynamic Bond Fund Reg- Growth	1,442,783	1,442,783	212.99	200.83
Franklin India Short Term Income Plan - Retail Plan - Growth-Direct	11,122	11,122	466.63	425.20
Aditya Birla Sun Life Credit Risk Fund- Gr. Direct	3,202,906	3,202,906	454.78	426.14
ICICI Prudential Credit Risk Fund -Direct Plan- Growth	2,185,596	2,185,596	459.30	425.63
UTI Credit Risk Fund- DirectPlan- Growth	2,617,879	2,617,879	471.48	442.00
Kotak Income Opportunities Fund- Monthly Growth	2,194,751	2,194,751	472.75	440.56
L and T Credit Risk Fund Direct Plan -Growth	2,157,674	2,157,674	468.53	439.81
Investment in government bonds-FVTOCI				
8.40% IRFC 15YRS SR2A 18022029 (18-Feb-2029)	40,000	40,000	455.66	466.42
7.35% NHAI LTD Tax free Bond 15YRS SR2A Annual (11-Jan-2031)	45,000	45,000	482.62	492.61
Investment in Other Bonds-FCTOCI				
IIFL Wealth Finance Limited SR-A1-June2022 LOA 13JU22 FVRS10LAC	20	20	242.95	220.42
11% Bank of India Perpetual Bond	-	10	-	99.83
Vijaya Bank SR-II 10.4 LOA Perpetual FVRS10LAC (27-Mar-2050)	40	40	402.30	406.21
			5,165.86	**5,022.07**

46 I 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 2019	31 March 2018
Newgen Software Inc.	United States of America	100%	100%
Newgen Software Technologies Pte Ltd.	Singapore	100%	100%
Newgen Software Canada Ltd.	Canada	100%	100%
Newgen Software Technologies (UK) Ltd.	United Kingdom	100%	100%
Newgen Computers Technologies Limited	India	100%	100%

The principal place of business of all the entities listed above is the same as the respective country of incorporation.

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B. Transactions with Key Management Personnel

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

Compensation of the Company's key managerial personnel includes salaries, non-cash benefits and contributions to post - employment defined benefit plan(see note 29)

Executive officers also participate in the Company's share option plan as per the conditions laid down in that scheme (see note 29 and note 35).

List of key management personnel and their relatives

Diwakar Nigam - Managing Director
T.S. Varadarajan - Whole Time Director
Priyadarshini Nigam - Whole Time Director
Arun Kumar Gupta - Chief Financial Officer
Virender Jeet - Senior Vice President (Sales and Marketing/Product)
Surender Jeet Raj - Senior Vice President (HR/Operations)
Tarun Nandwani - Senior Vice President (Business Management)
Usha Varadarajan - Relative of Whole Time Director - T.S. Varadarajan
Shubhi Nigam - Relative of Managing Director
Aman Mourya- Company Secretary

Key management personnel compensation

	Transaction value		Balance payable	
	For the year ended 31 March 2019	For the year ended 31 March 2018	As at 31 March 2019	As at 31 March 2018
Salaries, wages and bonus*	**959.18**	**768.60**	**348.95**	**262.12**
Diwakar Nigam	174.90	160.35	8.42	8.24
T.S. Varadarajan	83.70	76.32	6.06	4.53
Priyadarshini Nigam	40.84	39.28	-	2.79
Arun Kumar Gupta	116.13	75.88	37.87	26.93
Virender Jeet	187.03	150.19	112.47	82.59
Surender Jeet Raj	166.52	134.22	96.86	70.59
Tarun Nandwani	176.18	121.41	86.40	65.72
Shubhi Nigam	-	0.87	-	-
Aman Mourya	13.88	10.08	0.87	0.73
Dividend paid (excluding dividend distribution tax)	**933.99**	**699.32**	**-**	**-**
Diwakar Nigam	368.45	276.34	-	-
T.S. Varadarajan	300.19	225.14	-	-
Priyadarshini Nigam	159.38	119.53	-	-
Arun Kumar Gupta	1.09	0.66	-	-
Virender Jeet	4.98	3.24	-	-
Surender Jeet Raj	4.55	3.16	-	-
Tarun Nandwani	4.77	3.33	-	-
Usha Varadarajan	90.57	67.92	-	-
Aman Mourya	0.01	-		
Share-based payments	**57.17**	**50.46**	-	-
Arun Kumar Gupta	30.18	7.51	-	-
Virender Jeet	-	16.33	-	-
Surender Jeet Raj	-	14.82	-	-
Tarun Nandwani	26.12	11.80	-	-
Aman Mourya	0.87	-		

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

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C. Related party transactions other than those with key management personnel

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

For the year ended 31 March 2019 and 31 March 2018, 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 2019	For the year ended 31 March 2018	As at 31 March 2019	As at 31 March 2018
Sale of products and services				
Subsidiaries				
Newgen Software Inc., USA	10,555.33	6,393.04	2,631.96	2,218.41
Newgen Singapore	1,821.08	843.77	584.41	165.90
Newgen Software Canada Ltd.	675.27	597.99	251.43	424.85
Newgen Software Technologies (UK) Ltd.	793.44	52.09	560.49	53.15
Expense-Outsourced technical services				
Subsidiaries				
Newgen Software Inc., USA	566.26	-	566.26	-
Newgen Singapore	45.82	-	45.82	-
Rent expense				
Subsidiary				
Newgen Computers Technologies Limited	7.20	7.20	-	0.54
Paid on behalf of				
Subsidiary				
Newgen Computers Technologies Limited	0.95	0.65	-	-
Recovered from				
Subsidiary				
Newgen Computers Technologies Limited	0.95	0.65	-	-
Investment in subsidiaries - share based payment				
Newgen Software Inc., USA	2.20	7.17	-	-
Newgen Singapore	1.79	2.15	-	-
Newgen Software Canada Ltd.	0.12	0.54	-	-
Newgen Software Technologies (UK) Ltd.	0.09	0.23	-	-

D. Investment in subsidiaries

	As at 31 March 2019	As at 31 March 2018
Newgen Software Inc. USA	524.71	522.52
Newgen Software Technologies Canada, Ltd.	56.52	56.40
Newgen Software Technologies Pte. Ltd.	115.92	114.12
Newgen Computers Technologies Limited	46.50	46.50
Newgen Software Technologies (UK) Ltd.	178.74	178.65
	922.39	**918.19**

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47 I FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

A. Accounting classification and fair values

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

		Carrying amount				Fair value			
31 March 2019	**Note**	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets									
Financial assets measured at fair value									
Investments in debt mutual funds	11	3,582.34	-	-	3,582.34	3,582.34	-	-	3,582.34
Investments in bonds	11	-	1,583.52	-	1,583.52	1,583.52	-	-	1,583.52
Financial assets not measured at fair value									
Other non-current financial asset	8	-	-	316.69	316.69	-	-	-	-
Trade receivables	12	-	-	23,684.65	23,684.65	-	-	-	-
Cash and cash equivalents	13	-	-	13,355.94	13,355.94	-	-	-	-
Other bank balances	13A	-	-	2,139.40	2,139.40				
Loans	7 and 14	-	-	374.43	374.43	-	-	-	-
Other financial assets	15	-	-	6,275.55	6,275.55	-	-	-	-
		3,582.34	1,583.52	46,146.66	51,312.52	5,165.86	-	-	5,165.86
Financial liabilities									
Financial laibilities not measured at fair value									
Long-term maturities of finance lease obligations (secured)	19	-	-	1,028.56	1,028.56	-	1,028.56	-	1,028.56
Short term borrowings	21	-	-	6,772.64	6,772.64	-	6,772.64	-	6,772.64
Trade payables	22	-	-	2,461.48	2,461.48	-	-	-	-
Other financial liabilities	23	-	-	3,796.97	3,796.97	-	291.59	-	291.59
		-	-	14,059.65	14,059.65	-	8,092.79	-	8,092.79

		Carrying amount				Fair value			
31 March 2018	**Note**	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets									
Financial assets measured at fair value									
Investments in debt mutual funds	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	-	-	-	-
Other bank balances	13A	-	-	-	-				
Loans	7 and 14	-	-	582.06	582.06	-	-	-	-
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

The fair value of trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, current borrowings, trade payables and other current financial liabilities approximate their carrying

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amounts, due to their short-term nature. Fair value of bank deposits included in non-current other financial assets are equivalent to their carrying amount, as the interest rate on them is equivalent to market rate.

B. Measurement of fair values

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

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

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

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

Particulars	Fair value hierarchy	Valuation technique	Significant unobservable inputs	Inter-relationship between unobservable inputs and fair vale 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
Financial assets measured at FVTOCI				
Investments in bonds	Level 1	Market valuation technique: The fair value of bonds is based on direct and market observable inputs.	Not applicable	Not applicable
Financial liabilities measured at Amortised cost				
Long term borrowings	Level 2	Discounted cash flow: The valuation model considers the present value of expected payment, discounted using a risk adjusted discount rate	Not applicable	Not applicable
Short term borrowings	Level 2			

There have been no transfers in either direction for the years ended 31 March 2019 and 31 March 2018.

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.

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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 2019	As at 31 March 2018
Trade receivables	23,684.65	20,392.66
Loans	374.43	582.06
Cash and cash equivalents	13,355.94	13,520.79
Other bank balances	2,139.40	-
	39,554.42	**34,495.51**

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

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

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

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

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

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Trade and other receivables

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

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

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

	Carrying amount	
	As at 31 March 2019	As at 31 March 2018
India	9,300.31	7,994.27
USA	2,887.04	2,643.93
EMEA	8,540.51	7,946.49
APAC	2,956.79	1,807.97
	23,684.65	**20,392.66**

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 2019	Gross carrying amount	Weighted-average loss rate	Loss allowance	Credit-impaired
0-3 months past due	19,141.89	2.81%	536.95	No
3-6 months past due	966.96	9.78%	94.59	No
6-9 months past due	725.46	18.30%	132.79	No
9-12 months past due	569.91	28.02%	159.69	No
12-15 months past due	3,328.71	36.95%	1,230.10	No
15-18 months past due	1,122.21	40.93%	459.37	No
18-21 months past due	493.31	50.40%	248.63	No
21-24 months past due	268.75	59.96%	161.15	No
above 24 months past due	689.00	86.83%	598.28	No
	27,306.20		**3,621.55**	

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
	24,393.52		**4,000.87**	

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Movement in allowance for impairment in respect of trade receivables

	Impairment in trade receivables
Balance as at 01 April 2017	**5,976.64**
Impairment loss recognised	462.52
Amounts written off	2,438.29
Balance as at 31 March 2018	**4,000.87**
Impairment loss recognised	1,573.26
Amounts written off	1,952.58
Balance as at 31 March 2019	**3,621.55**

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 A 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	
	As at 31 March 2019	As at 31 March 2018
India	5,165.86	5,022.07
Other regions	-	-
	5,165.86	**5,022.07**

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

Cash and cash equivalents and other bank balances
The Company held cash and cash equivalents of INR 13,356.03 lakhs at 31 March 2019 (31 March 2018: INR 13,520.79 lakhs) and other bank balances of INR 2,139.40 lakhs as at 31 March 2019 (31 March 2018: Nil). 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 2019, the Company had a working capital of INR 31727.13 lakhs (31 March 2018: INR 29,265.58 lakhs) including cash and cash equivalent of INR 13,355.94 lakhs (31 March 2018: INR 13,520.79 lakhs), other bank balances of INR 2,139.40 lakhs (31 March 2018: Nil) and current investments of INR 5,165.86 lakhs (31 March 2018: INR 5,014.54 lakhs).

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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 2019	227.36	-	227.36	-	-	-
As at 31 March 2018	2,041.27	-	2,041.27	-	-	-

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 2019	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)	1,320.15	6,509.56	-	427.63	396.90	351.54	5,333.49
Employee related payables	3,256.39	3,256.39	3,256.39	-	-	-	-
Trade and other payables	2,461.48	2,461.48	2,461.48	-	-	-	-
Pre-shipment loans (secured)	6,772.64	6,772.64	-	6,772.64	-	-	-
Payable in respect of retention money	59.15	59.15	-	59.15	-	-	-
Earnest money deposits	1.00	1.00	-	1.00	-	-	-
Payable for capital assets	188.84	188.84	-	188.84	-	-	-
Total	**14,059.65**	**19,249.06**	**5,717.87**	**7,449.26**	**396.90**	**351.54**	**5,333.49**

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	-	-	-
Payable for capital assets	241.35	241.35	-	241.35	-	-	-
Total	**11,982.59**	**17,362.32**	**5,127.14**	**5,709.16**	**437.51**	**689.18**	**5,399.33**

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

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

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risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

v. Currency risk

"Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The 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 dolar, 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 31 March 2019 and 31 March 2018 are as below:

Particulars	Currency	31 March 2019		31 March 2018	
		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	204.78	14,178.50	207.57	13,500.77
	AED	7.74	145.94	5.22	92.64
	CAD	4.84	251.43	8.41	424.85
	EUR	0.90	70.12	1.55	125.00
	GBP	6.35	574.78	0.69	63.71
	SAR	2.12	39.09	7.41	128.63
	SGD	11.52	584.41	3.34	165.90
Bank balance-Dubai	AED	7.33	138.32	6.28	111.39
Bank balance-EEFC	USD	19.80	1,369.49	0.74	48.31
Travelling Advance to employees	USD	1.32	89.36	2.12	136.97
	AED	1.15	22.01	1.45	25.75
	CAD	0.09	5.16	0.07	3.85
	GBP	0.03	2.90	0.02	2.13
	SGD	0.16	8.68	0.07	3.38
	EURO	0.08	6.83	0.10	8.53
Financial liabilities					
Trade and other payables					
	USD	(21.40)	(1,468.91)	(13.41)	(869.67)
	SGD	(0.90)	(45.82)	-	-
	SAR	(0.78)	(14.20)	(0.31)	(5.36)
	AED	(0.17)	(3.16)	-	-
	EURO	-	-	(0.01)	(0.64)
Short term borrowings	USD	(97.91)	(6,772.64)	(76.05)	(4,946.27)

*gross of loss allowance

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollar, Euro, GBP, Canadian dolar, Abar Emirates Dhiram, Saudi Riyal, Singapore dollar and Japanese Yen at reporting date would have

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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.

	For the year ended 31 March 2019		For the year ended 31 March 2018	
Effect in thousands of INR	Strengthening	Weakening	Strengthening	Weakening
1% movement				
USD	73.73	(73.73)	78.43	(78.43)
EUR1	0.77	(0.77)	1.32	(1.32)
GBP1	4.96	(4.96)	0.66	(0.66)
CAD1	2.56	(2.56)	4.28	(4.28)
SGD1	5.92	(5.92)	1.69	(1.69)
AED1	3.03	(3.03)	2.30	(2.30)
SAR1	0.25	(0.25)	1.23	(1.23)
	91.22	(91.22)	89.91	(89.91)

vi. 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 2019	**31 March 2018**
Fixed-rate instruments		
Financial assets	13,395.70	10,607.50
Financial liabilities	(1,320.15)	(1,618.91)
	12,075.55	8,988.59
Variable-rate instruments		`
Financial assets	-	-
Financial liabilities	(6,772.64)	(4,946.27)
	(6,772.64)	(4,946.27)
Total	5,302.91	4,042.32

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 10.30 lakhs after tax (31 March 2018: INR 12.27 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

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variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss	
	100 bp increase	**100 bp decrease**
31 March 2019		
Variable-rate instruments	67.73	67.73
Cash flow sensitivity (net)	67.73	67.73
31 March 2018		
Variable-rate instruments	(63.72)	63.72
Cash flow sensitivity (net)	(63.72)	63.72

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 accordances 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 20.59 lakhs after tax (31 March, 2018: INR 0.32 lakhs). An equal change in the opposite direction would have decreased equity by INR 20.59 lakhs after tax (31 March, 2018: INR 0.32 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 46.61 lakhs after tax (31 March, 2018: INR 65.26 lakhs). An equal change in the opposite direction would have decreased profit or loss by INR 46.61 lakhs after tax (31 March, 2018: INR 65.26 lakhs)

48 I 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 2019 and 31 March 2018.

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

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

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Particulars	As at 31 March 2019	As at 31 March 2018
Total liabilities	8,092.79	6,565.18
Less: Cash and cash equivalent	13,355.94	13,520.79
Adjusted net debt (a)	(5,263.15)	(6,955.61)
Total equity (b)	48,397.42	39,971.22
Total equity and net debt (a+b) = c	43,134.27	33,015.61
Capital gearing ratio (a/c)	-12.20%	-21.07%

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 I 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

Particulars	Year ended 31 March 2019				
	Reportable segments				
	India	EMEA	APAC	USA	Total Segment
Revenue					
External revenue	20,013.53	17,445.70	6,174.90	11,569.92	55,204.05
Inter-segment revenue	-	-	-	-	-
Total Segment Revenue	**20,013.53**	**17,445.70**	**6,174.90**	**11,569.92**	**55,204.05**
Segment profit before income tax	3,382.91	3,728.17	2,125.77	2,875.40	12,112.25
Segment assets	11,885.87	12,043.87	3,744.71	4,091.87	31,766.32
Segment liabilities	4,569.15	5,253.15	1,044.23	1,810.92	12,677.45
Capital expenditure during the year	653.24	-	-	-	653.24

Particulars	Year ended 31 March 2018				
	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

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C. Reconciliations of information on reportable segments to Ind AS

(a) Revenue

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Total revenue for reportable segments	55,204.05	45,952.36
Elimination of inter-segment revenue	-	-
Total revenue	**55,204.05**	**45,952.36**

(b) Profit / (loss) before tax

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Total profit before tax for reportable segments	12,112.25	9,566.78
Unallocated amounts:		
- Unallocated income	2,022.86	758.20
- Other corporate expenses	1,623.22	1,231.79
Total profit before tax from operations	**12,511.89**	**9,093.19**

(c) Assets

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Total assets for reportable segments	31,766.32	28,081.49
Other unallocated amounts	39,152.37	30,665.35
Total assets	**70,918.69**	**58,746.84**

(d) Liabilities

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Total liabilities for reportable segments	12,677.45	10,599.78
Other unallocated amounts	9,843.80	8,175.84
Total liabilities	**22,521.25**	**18,775.62**

C. Information about major customers

No customer individually accounted for more than 10% of the revenues in the year ended 31 March 2019 and 31 March 2018.

50 I STANDARDS ISSUED BUT NOT YET EFFECTIVE

A. Ind AS 116: Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116, effective annual reporting period beginning 1 April 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (1 April 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment

Notes

to the Standalone Financial Statements for the year ended 31 March 2019

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

to the opening balance of retained earnings as on 1 April 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at 1 April 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided in the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application. The Company is in the process of finalising changes to systems and processes to meet the accounting and reporting requirements of the standard.

With effect from 1 April 2019, the Company will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortization change for the right-to-use asset, and b) interest accrued on lease liability.

The Group has completed an initial assessment of the potential impact on its consolidated financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the consolidated financial statements in the period of initial application is not reasonably estimable as at present.

B Ind AS 12 Income taxes: (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgment, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

C "Amendment to Ind AS 19: (plan amendment, curtailment or settlement)

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Company does not have any impact on account of this amendment.

Notes

to the Standalone Financial Statements for the year ended 31 March 2019

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

51 | As at 31 March 2019, the Company has gross foreign currency receivables amounting to INR 15,898.33 lakhs (previous year INR 15,310.75 lakhs). Out of these receivables, INR 3,124.36 lakhs (previous year INR 4,253.83 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 INR2,248.07 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.

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

Rakesh Dewan
Partner
Membership No.: 092212

Place: Gurugram
Date: 15 May 2019

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

Diwakar Nigam
Managing Director
DIN: 00263222

Place: New Delhi
Date: 15 May 2019

T. S. Varadarajan
Whole Time Director
DIN: 00263115

Place: New Delhi
Date: 15 May 2019

Arun Kumar Gupta
Chief Financial Officer

Place: New Delhi
Date: 15 May 2019

Aman Mourya
Company Secretary
Membership No: 9975

Place: New Delhi
Date: 15 May 2019

Consolidated Financial

Independent Auditors' Report

To the Members of
Newgen Software Technologies Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Newgen Software Technologies Limited** (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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 of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Description of Key Audit Matters

Revenue from operations

The key audit matter	How the matter was addressed in our audit
The Group has recognised revenue of INR 62,064.15 Lacs (PY: INR 51,242.78 Lacs) • Revenue relating to implementation services from fixed price contracts is recognised based on percentage of completion method which is estimated by the Group basis the completion of milestones and activities agreed with the customers. Due to complexity and volume of transactions, significant judgements are required to estimate percentage of completion and determine timing of recognition of revenue. • Identification of distinct performance obligation and appropriateness of allocation of contract revenues to performance obligations.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Evaluated the design and implementation of internal controls and tested the operating effectiveness of internal controls relating to identification of distinct performance obligations, determining percentage of completion, estimation of efforts required to complete the performance obligation and allocation of transaction price to performance obligations. • Involved specialists to test information technology systems controls relating to contracts and related information used in recording and disclosing revenue. • Selected a sample of continuing and new contracts using a mix of quantitative and qualitative criteria and performed the following procedures:

The key audit matter	How the matter was addressed in our audit
	– Inspecting key terms, including price, deliverables, timetable and milestones set out in the contract for selected sample of contracts and identified the distinct performance obligations. – Testing project management tool for budgeted efforts and related percentage completion milestones and establishing accuracy of milestones based on actualisation of efforts for delivered projects. – Testing the details of activities completed with those stated in the customer contract, details of activities completed as provided by the project manager and confirmation/ acceptance of completion of such activities by the customer. – Consider the terms of the contract, standard price list of products and services, and pricing approvals to determine the transaction price and allocation of transaction price to performance obligations. – Assess the appropriateness of management's revenue recognition across revenue streams for a sample of contracts

Trade receivables

The key audit matter	How the matter was addressed in our audit
The Group has recorded trade receivables of INR 25,268.91 Lacs (PY INR 22,201.67 Lacs) • Significant management judgement in determining the recoverable amount of trade receivables as estimating the recoverable amount involves inherent uncertainty.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: – Obtain an understanding of and assess the design and implementation of management's key internal controls relating to debt collection and making provision for doubtful debts – Assess, on a sample basis, whether items in the receivables' ageing report were classified within the appropriate ageing bracket by comparing individual items in the report with underlying documentation, which included sales invoices, proof of delivery and customers sign offs – Assessing the assumptions and estimates made by the management for the provision for doubtful debts with reference to our understanding of the debtors' financial condition, the industry in which the debtors are operating, the ageing of overdue balances and historical and post year-end cash receipts from the debtors and by performing a retrospective review of the historical accuracy of these estimates. – Testing the accuracy and underlying data for "expected credit loss model" – Comparing, on a sample basis, cash receipts from customers subsequent to the financial year end relating to trade receivable balances with bank statements and relevant remittance documentation..

Other Information (or another title if appropriate, such as "Information Other than the Consolidated Financial Statements and Auditors' Report Thereon")

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and 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 each company 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 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 management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company 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.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in

preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 the Group (company and subsidiaries) to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

We did not audit the financial statements of four (number) subsidiaries, whose financial statements reflect total assets of Rs. 2,918.25 Lacs as at 31 March 2019, total revenues of Rs. 4,852.74 Lacs and net cash flows amounting to Rs. 440.17 Lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The 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 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 and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, 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 statement of changes in equity and the consolidated statement of cash flows 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 Ind AS 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 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2019 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".

B. 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 reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group. Refer Note 36 to the consolidated financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies during the year ended 31 March 2019.

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 in the financial statements since they do not pertain to the financial year ended 31 March 2019.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of subsidiary company incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Rakesh Dewan
Partner
Membership No. 092212

Place: Gurugram
Date: 15 May 2019

Annexure A

to the Independent Auditors' report on the consolidated financial statements of Newgen Software Technologies Limited for the year ended 31 March 2019

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

(Referred to in paragraph (A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of Newgen Software Technologies Limited (hereinafter referred to as "the Holding Company") and such company incorporated in India under the Companies Act, 2013 which is its subsidiary company, as of that date.

In our opinion, the Holding Company and such company incorporated in India which is its subsidiary company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 the audit evidence obtained by the other auditors of the relevant subsidiary company in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

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

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one (number) subsidiary company, which is company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India.

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

Rakesh Dewan
Partner
Membership No. 092212

Place: Gurugram
Date: 15 May 2019

Consolidated Balance Sheet

as at 31 March 2019

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

	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	4	6,763.48	6,757.93
Capital work-in-progress	4	8,321.36	1,659.48
Intangible assets	5	130.55	89.56
Financial assets			
Loans	6	362.45	295.70
Other financial assets	7	323.18	554.77
Deferred tax assets (net)	32	1,784.06	1,893.13
Income tax assets (net)	8	996.52	1,281.29
Other non-current assets	9	144.65	356.23
Total non-current assets		**18,826.25**	**12,888.09**
Current assets			
Financial assets			
Investments	10	5,165.86	5,022.07
Trade receivables	11	25,268.91	22,201.67
Cash and cash equivalents	12	15,775.13	14,548.34
Other bank balances	12A	2,139.40	-
Loans	13	44.63	317.27
Other financial assets	14	6,275.55	5,177.19
Other current assets	15	764.69	747.53
Total current assets		**55,434.17**	**48,014.07**
TOTAL ASSETS		**74,260.42**	**60,902.16**
EQUITY AND LIABILITIES			
Equity			
Share capital	16	6,845.76	6,788.41
Other equity	17		
Securities premium		9,611.38	9,196.49
Retained earnings		30,607.26	22,055.71
Others (including items of other comprehensive income)		2,606.26	2,481.65
Total equity attributable to the owners of the Group		**49,670.66**	**40,522.26**
Non-current Liabilities			
Financial liabilities			
Borrowings	18	1,028.56	1,316.66
Deferred tax liabilities	32	11.01	11.28
Provisions	19	1,929.02	1,653.37
Total non-current liabilities		**2,968.59**	**2,981.31**
Current liabilities			
Financial liabilities			
Borrowings	20	6,772.64	4,946.27
Trade payables	21	2,160.57	2,292.10
Other financial liabilities	22	3,880.73	3,624.48
Deferred income	23	6,795.27	4,943.04
Other current liabilities	24	1,579.39	1,372.04
Provisions	25	432.57	220.66
Total current liabilities		**21,621.17**	**17,398.59**
Total liabilities		**24,589.76**	**20,379.90**
TOTAL EQUITY AND LIABILITIES		**74,260.42**	**60,902.16**
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
Place: Gurugram
Date: 15 May 2019

Diwakar Nigam
Managing Director
DIN: 00263222
Place: New Delhi
Date: 15 May 2019

T. S. Varadarajan
Whole Time Director
DIN: 00263115
Place: New Delhi
Date: 15 May 2019

Arun Kumar Gupta
Chief Financial Officer
Place: New Delhi
Date: 15 May 2019

Aman Mourya
Company Secretary
Membership No: 9975
Place: New Delhi
Date: 15 May 2019

Consolidated Statement of Profit and Loss

for the year ended 31 March 2019

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

	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Income			
Revenue from operations	26	62,064.15	51,242.78
Other income	27	2,037.97	760.98
Total income		**64,102.12**	**52,003.76**
Expenses			
Employee benefits expense	28	28,798.73	24,887.78
Finance costs	29	853.87	520.68
Depreciation and amortisation	30	597.99	580.67
Other expenses	31	20,493.34	16,601.38
Total expenses		**50,743.93**	**42,590.51**
Profit before tax		**13,358.19**	**9,413.25**
Tax expense	32		
Current tax		2,993.99	1,630.40
Deferred tax charge (includes MAT credit entitlement)		143.31	494.17
Income tax expense		**3,137.30**	**2,124.57**
Profit for the year		**10,220.89**	**7,288.68**
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability (asset)		(84.78)	126.35
Income tax relating to items that will not be reclassified to profit or loss		29.63	(43.73)
Net other comprehensive income/(loss) not to be reclassified subsequently to profit or loss		**(55.15)**	**82.62**
Items that will be reclassified subsequently to profit or loss			
Debt instruments through other comprehensive income - net change in fair value		(2.14)	(0.47)
Income tax relating to items that will be reclassified to profit or loss		0.75	0.16
Exchange differences on translation of foreign operations		84.37	100.20
Net other comprehensive income to be reclassified subsequently to profit or loss		**82.98**	**99.89**
Other comprehensive income for the year, net of income tax		**27.83**	**82.31**
Total comprehensive income for the year		**10,248.72**	**7,370.99**
Profit attributable to:			
Owners of the company		10,220.89	7,288.68
Profit for the year		**10,220.89**	**7,288.68**
Other comprehensive income attributable to:			
Owners of the company		27.83	82.31
Other comprehensive income for the year		**27.83**	**82.31**
Total comprehensive income attributable to:			
Owners of the company		10,248.72	7,370.99
Total comprehensive income for the year		**10,248.72**	**7,370.99**
Earnings per equity share	33		
Nominal value of share INR 10 (31 March 2018: INR 10)			
Basic earning per share (INR)		15.01	11.44
Diluted earning per share (INR)		14.74	11.15
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

Place: Gurugram
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Arun Kumar Gupta
Chief Financial Officer

Place: New Delhi
Date: 15 May 2019

Aman Mourya
Company Secretary
Membership No: 9975

Place: New Delhi
Date: 15 May 2019

Consolidated Statement of Changes in Equity

for the year ended 31 March 2019

(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		Total share captial
	Number	Amount	Number	Amount	Amount
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**
Balance as at 1 April 2018	**69,235,701**	**6,923.57**	-	-	**6,923.57**
Add: Issued during the year to Newgen ESOP Trust	350,000	35.00			35.00
Balance as at 31 March 2019	**69,585,701**	**6,958.57**	-	-	**6,958.57**
Less: Shares held by trust	1,128,091	112.81	-	-	**112.81**
Total Share capital as at 31 March 2019	**68,457,610**	**6,845.76**	-	-	**6,845.76**

b. Other equity

Particulars	Securities premium*	Retained earnings	Others					Items of Other comprehensive income			Total attributable to owners of the Group
			Capital redemption reserve	General reserve	Capital reserve	Newgen ESOP Trust reserve*	Share options outstanding reserve*	Foreign currency translation reserve*	Remeasurement of defined benefit liability	Debt instruments through OCI	
Balance as at 1 April 2017	**1,168.69**	**15,928.02**	**87.95**	**1,731.39**	**0.21**	**200.22**	**359.36**	**(104.54)**	**(54.57)**	**15.17**	**19,331.90**
Total comprehensive income for the year ended 31 March 2018											
Profit for the year	-	7,288.68	-	-	-	-	-	-	-	-	**7,288.68**
Foreign currency translation reserve	-	-	-	-	-	-	-	100.20	-	-	**100.20**
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)**

Particulars	Securities premium*	Retained earnings	Others					Items of Other comprehensive income			Total attributable to owners of the Group
			Capital redemption reserve	General reserve	Capital reserve	Newgen ESOP Trust reserve*	Share options outstanding reserve*	Foreign currency translation reserve*	Remeasurement of defined benefit liability	Debt instruments through OCI	
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**	**22,055.71**	**87.95**	**1,731.39**	**0.21**	**231.65**	**391.88**	**(4.34)**	**28.05**	**14.86**	**34,218.85**
Less: Securities premium on shares held by trust	(485.00)	-	-	-		-			-	-	**(485.00)**
Balance as at 31 March 2018	**9,196.50**	**22,055.71**	**87.95**	**1,731.39**	**0.21**	**231.65**	**391.88**	**(4.34)**	**28.05**	**14.86**	**33,733.85**
Balance as at 1 April 2018	**9,681.50**	**22,055.71**	**87.95**	**1,731.39**	**0.21**	**231.65**	**391.88**	**(4.34)**	**28.05**	**14.87**	**34,218.87**
Total comprehensive income for the year ended 31 March 2019											
Profit for the year	-	10,220.89	-	-	-	-	-	-	-	-	**10,220.89**
Foreign currency translation reserve	-	-	-	-	-	-	-	84.37	-	-	**84.37**
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	-	-	-	(55.15)	(1.39)	**(56.54)**
Securities premium on issue of shares to Newgen ESOP Trust	185.50	-	-	-	-	-	-	-	-	-	**185.50**
Transactions with owners, recorded directly in equity											
Addition to Newgen ESOP Trust reserve	-	-	-	-	-	26.13	-	-	-	-	**26.13**
Contributions by and distributions to owners											
Dividend on equity shares	-	(1,384.71)	-	-	-	-	-	-	-	-	**(1,384.71)**
Dividend distribution tax on dividend on equity shares	-	(284.63)	-	-	-	-	-	-	-	-	**(284.63)**
Employee stock compensation expense	-	-	-	-	-	-	178.25	-	-	-	**178.25**
Loss on sale of debt instrument transferred to Profit & Loss	-	-	-	-	-	-	-	-	-	3.32	**3.32**
Transferred to securities premium account on exercise of stock options	110.93	-	-	-	-	-	(110.93)	-	-	-	**-**
Balance as at 31 March 2019	**9,977.93**	**30,607.26**	**87.95**	**1,731.39**	**0.21**	**257.78**	**459.20**	**80.03**	**(27.10)**	**16.80**	**43,191.45**
Less: Securities premium on shares held by trust	(366.55)	-	-	-		-			-	-	**(366.55)**
Balance as at 31 March 2019	**9,611.38**	**30,607.26**	**87.95**	**1,731.39**	**0.21**	**257.78**	**459.20**	**80.03**	**(27.10)**	**16.80**	**42,824.90**

*Refer Note 17

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

Place: Gurugram
Date: 15 May 2019

Diwakar Nigam
Managing Director
DIN: 00263222

Place: New Delhi
Date: 15 May 2019

T. S. Varadarajan
Whole Time Director
DIN: 00263115

Place: New Delhi
Date: 15 May 2019

Arun Kumar Gupta
Chief Financial Officer

Place: New Delhi
Date: 15 May 2019

Aman Mourya
Company Secretary
Membership No: 9975

Place: New Delhi
Date: 15 May 2019

Consolidated Statement of Cash Flows

for the year ended 31 March 2019

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

	For the year ended 31 March 2019	For the year ended 31 March 2018
A. Cash flows from operating activities		
Net profit before tax	**13,358.19**	**9,413.25**
Adjustments for:		
Depreciation and amortisation	597.99	580.67
Loss on sale of property, plant and equipment	3.89	3.15
Impairment loss on trade receivables	1,737.57	659.26
Liabilities/ provision no longer required written back	(148.19)	(229.75)
Loss allowance on other financial assets	22.82	-
Unrealised foreign exchange gain	(92.08)	(49.10)
Share based payment - equity settled	178.25	225.73
Finance costs	788.90	520.68
Fair value changes of financial assets at FVTPL	(245.75)	(25.48)
Dividend income from mutual funds at FVTPL	-	(87.86)
Profit on sale of mutual funds (net) at FVTPL	-	(60.73)
Loss on sale of bonds at FVTOCI	5.07	-
Interest income on security deposits at amortised cost	(28.60)	(31.21)
Interest income from government and other bonds at FVTOCI	(127.46)	(131.56)
Interest income from bank deposits and others	(745.14)	(159.32)
Operating cash flow before working capital changes	**15,305.47**	**10,627.73**
Increase in trade receivables	(4,478.37)	(2,503.86)
Decrease/(Increase) in loans	236.23	(278.74)
Increase in other financial assets	(769.54)	(2,627.21)
Increase in other assets	13.70	(33.32)
Increase in provisions	326.05	314.36
Increase in other financial liabilities	303.34	1,616.27
Increase in other liabilities	2,009.87	844.50
(Decrease)/Increase in trade payables	(161.38)	270.37
Cash generated from operations	**12,785.38**	**8,230.10**
Income taxes paid (net)	(2,564.78)	(2,205.62)
Net cash generated from operating activities (A)	**10,220.60**	**6,024.48**
B. Cash flows from investing activities		
Acquisition or construction of property, plant and equipment including intangible assets and capital work-in-progress and capital advances	(7,191.38)	(1,914.11)
Proceeds from sale of property, plant and equipment	16.48	6.96
Purchase of mutual funds and bonds	-	(1,683.12)
Proceeds from sale of mutual funds and bonds	98.08	1,699.60
Interest income from bonds	74.65	86.21
Interest received on bank deposits and others	627.63	73.57
Investment in bank deposits (net)	(2,160.85)	(70.95)
Net cash used in investing activities (B)	**(8,535.38)**	**(1,801.84)**

	For the year ended 31 March 2019	For the year ended 31 March 2018
C. Cash flows from financing activities		
(Repayment of)/ proceeds from short-term borrowings (net)	1,856.00	(259.79)
(Repayment of)/ proceeds of finance lease obligation	(298.76)	(301.33)
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	57.35	169.35
Securities premium on issue of shares under ESOP scheme	303.95	640.31
Dividend paid (including corporate dividend distribution tax)- Equity	(1,667.57)	(1,140.21)
Finance cost	(788.90)	(519.60)
Gain on transfer of equity shares by Newgen ESOP trust	26.13	10.64
Net cash (used in)/generated from financing activities (C)	**(511.81)**	**6,750.22**
Net increase in cash and cash equivalents (A + B + C)	**1,173.41**	**10,972.86**
Cash and cash equivalents at the beginning of the year	**14,548.34**	**3,491.88**
Effect of exchange differences on translation of foreign currency cash and cash equivalents	53.38	83.60
Cash and cash equivalents at the end of the year	**15,775.13**	**14,548.34**
Components of cash and cash equivalents:		
Cash in hand	5.67	4.52
Balances with banks:		
- in current accounts	6,367.50	6,143.82
- on deposit accounts with original maturity upto 3 months	9,401.96	8,400.00
	15,775.13	**14,548.34**

Notes:

1. The cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".
2. Effective 1 April 2017, the Group adopted the amendment to Ind AS 7, 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
Membership No.: 092212
Place: Gurugram
Date: 15 May 2019

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Managing Director
DIN: 00263222
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Chief Financial Officer
Place: New Delhi
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Aman Mourya
Company Secretary
Membership No: 9975
Place: New Delhi
Date: 15 May 2019

Notes

to the Consolidated Financial Statements for the year ended 31 March 2019

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

1 I 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.

2 I BASIS OF PREPARATION

A. Statement of compliance

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

The consolidated financial statements were authorised for issue by the Company's Board of Directors on 15 May 2019.

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.

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.

Notes

to the Consolidated Financial Statements for the year ended 31 March 2019

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

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

i. Share capital and opening reserves and surplus are carried at historical cost.

ii. All assets and liabilities, both monetary and non-monetary, (excluding share capital, opening reserves and surplus) are translated using the year-end rates.

iii. Profit and loss items are translated at the respective weighted average rates or the exchange rate that approximates the actual exchange rate on date of specific transactions.

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

C. 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 26 – revenue recognition from fixed price contracts of software implementation services: percentage of completion method to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended.
- Note 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 2019 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 46(a) – 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.

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;

Notes

to the Consolidated Financial Statements for the year ended 31 March 2019

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

- 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:

Note 34 – Share-based payment arrangements; and

Note 46 – Financial instruments.

3 I 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,

Notes

to the Consolidated Financial Statements for the year ended 31 March 2019

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

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 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.*

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

In assessing whether the contractual cash flows are solely payments of principal and interest, the 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.

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

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terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

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

v. Derivatives and Embedded derivatives

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

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

c. Property, plant and equipment

i. Recognition and measurement

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

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

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

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

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

ii. Subsequent expenditure

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

iii. Depreciation

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

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

Category of 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,

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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.

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 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.

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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 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.

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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 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.

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i. Revenue

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

Revenue is measured at the fair value of the consideration we expect to receive in exchange for those products or services.

i. Sale of License

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

ii. Rendering of services

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

Software Implementation Services

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

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

Digitization services

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

Annual Technical services

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

iii. Sale of right to use software

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

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

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

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

iv. Multiple deliverable arrangements

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

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

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

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.

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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 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

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by the weighted average number of equity shares outstanding during the year.

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

p. Share Capital

Equity Shares

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

Dividends

The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividend are recorded as a liability on the date of declaration by the Company's Board of Directors.

q. 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 48 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.

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4 I 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#
Balance as at 01 April 2017	**4.71**	**3,523.68**	**1,125.72**	**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
Acquisition of a subsidiary											
Adjustments during the year											
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**	**1,727.97**	**312.09**	**5.99**	**150.49**	**417.77**	**363.09**	**1,179.20**	**7,684.98**	**1,659.48**
Additions during the year	-	-	-	33.37	-	94.36	23.77	2.00	411.40	564.90	6,661.88
Adjustments during the year	(0.43)	-	0.43	-	-	-	(12.43)	-	12.43	-	-
Less: Disposals during the year	-	-	-	0.97	-	-	6.67	20.53	213.07	241.24	-
Balance as at 31 March 2019	**4.28**	**3,523.68**	**1,728.40**	**344.49**	**5.99**	**244.85**	**422.44**	**344.56**	**1,389.96**	**8,008.64**	**8,321.36**
Accumulated Depreciation											
Balance as at 01 April 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	-
Adjustments during the year											
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	-
Additions during the year	-	39.30	31.41	41.38	-	31.65	54.43	46.09	294.71	538.97	-
Less: Disposals during the year	-	-	-	0.93	-	-	4.52	19.80	195.61	220.87	-
Balance as at 31 March 2019	**-**	**118.50**	**74.09**	**107.34**	**5.98**	**76.43**	**145.73**	**104.96**	**612.13**	**1,245.16**	**-**
Carrying amount (net)											
Balance as at 31 March 2018	**4.71**	**3,444.48**	**1,685.29**	**245.20**	**0.01**	**105.71**	**321.95**	**284.42**	**666.16**	**6,757.93**	**1,659.48**
Balance as at 31 March 2019	**4.28**	**3,405.18**	**1,654.31**	**237.15**	**0.01**	**168.42**	**276.71**	**239.60**	**777.82**	**6,763.48**	**8,321.36**

As at 31 March 2019 properties with a carrying amount of INR 462.67 lakhs (31 March 2018 : INR 472.93 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 acquistion and further construction of office premises at Noida, Uttar Pradesh and Siruseri, Chennai wherein cost incurred upto 31 March 2019 amounting to INR 5,288.17 lakhs and INR 3,033.18 lakhs respectively.

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

5 I INTANGIBLES

	Computer software
Cost	
Balance as at 01 April 2017	**129.63**
Additions during the year	74.61
Balance as at 31 March 2018	**204.24**
Additions during the year	100.01
Balance as at 31 March 2019	**304.25**
Accumulated Amortisation	
Balance as at 01 April 2017	**59.20**
Amortisation (refer note 30)	55.48
Balance as at 31 March 2018	**114.68**
Additions during the year	59.02
Balance as at 31 March 2019	**173.70**
Carrying amount (net)	
Balance as at 31 March 2018	**89.56**
Balance as at 31 March 2019	**130.55**

6 I LOANS (UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE STATED)

	As at 31 March 2019	As at 31 March 2018
Security deposits	362.45	295.70
	362.45	**295.70**

7 I NON-CURRENT FINANCIAL ASSETS - OTHERS

	As at 31 March 2019	As at 31 March 2018
Bank deposits		
- pledged with tax authorities	2.25	2.25
- held as margin money*	229.69	208.24
Interest accrued on deposits	39.64	107.68
Earnest money deposits		
Unsecured, considered good	51.60	236.60
Unsecured, considered doubtful	146.03	123.21
Less: Loss allowance for doubtful deposits	(146.03)	(123.21)
	323.18	**554.77**

*Balances with bank held as margin money INR 229.69 lakhs (31 March 2018: INR 208.24 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 46 C.

8 I INCOME TAX ASSETS (NET)

	As at 31 March 2019	As at 31 March 2018
Advance income tax (net of provision of INR 11,417.14 lakhs (31 March 2018: INR 8,622.29 lakhs)	996.52	1,281.29
	996.52	**1,281.29**

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

9 I OTHER NON-CURRENT ASSETS

	As at 31 March 2019	As at 31 March 2018
Prepaid expenses	87.99	120.50
Capital advances	56.66	235.73
	144.65	**356.23**

10 I INVESTMENTS

	As at 31 March 2019	As at 31 March 2018
Investments in bonds (unquoted)		
Bonds at FVOCI		
Investment in government bonds	938.28	959.03
Investment in other bonds	645.24	726.46
	1,583.52	**1,685.49**
Investments in mutual funds (unquoted)		
Mutual funds at FVTPL		
Investment in debt mutual funds	3,582.34	3,336.58
	3,582.34	**3,336.58**
	5,165.86	**5,022.07**
Aggregate book value of unquoted investments	5,165.86	5,022.07
Aggregate market value of unquoted investments	5,165.86	5,022.07

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 46 C.

11 I TRADE RECEIVABLES

	As at 31 March 2019	As at 31 March 2018
Unsecured		
- Considered good	25,268.91	22,201.67
- Considered doubtful	3,933.65	4,139.83
	29,202.56	**26,341.50**
Less: Loss allowance for trade receivables		
- unsecured, considered doubtful	(3,933.65)	(4,139.83)
	25,268.91	**22,201.67**

The Group's exposure to credit and currency risks and loss allowances related to trade receivables are discussed in note 46 C.

12 I CASH AND CASH EQUIVALENTS

	As at 31 March 2019	As at 31 March 2018
Cash on hand	5.67	4.52
Balances with banks		
- in current accounts*#	6,367.50	6,143.82
Balances with scheduled banks in deposit accounts with original maturity of less than 3 months#	**9,401.96**	**8,400.00**
	15,775.13	**14,548.34**

*Current account balances with banks include INR 138.32 lakhs (31 March 2018: INR 112.24 lakhs) held at a foreign branch.

Balance with banks and deposits includes INR Nil and INR 3,289.4 Lakhs (31 March 2018: INR 58.80 lakhs and INR 8,400 lakhs) respectively as unutilized amounts of the IPO proceeds.

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

12A I OTHER BANK BALANCES

	As at 31 March 2019	As at 31 March 2018
Balances with scheduled banks in deposit accounts		
- Maturity with in 12 months	2,139.40	-
	2,139.40	**-**

13 I CURRENT FINANCIAL ASSETS - LOANS

	As at 31 March 2019	As at 31 March 2018
Loans to employees*	9.90	20.03
Security deposits	34.73	297.24
	44.63	**317.27**

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

14 I CURRENT FINANCIAL ASSETS - OTHERS

	As at 31 March 2019	As at 31 March 2018
(unsecured considered good, unless otherwise stated)		
Interest accrued on deposits	117.75	0.67
Interest accrued but not due on government bonds	137.34	84.53
Unbilled revenue*		
- other than related parties	6,020.46	5,091.99
	6,275.55	**5,177.19**

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

During the year ended 31 March 2019, INR 1,980.10 lakhs of unbilled revenue as of 1 April 2018 has been reclassified to trade receivables upon billing to customers on completion of milestones.

15 I OTHER CURRENT ASSETS

	As at 31 March 2019	As at 31 March 2018
Advances to vendors	46.86	41.14
Balances with government authorities*	10.71	153.05
Deferred contract cost	77.37	-
Advance to employees	176.33	221.39
Prepaid expenses	427.91	331.95
Other current assets	25.51	-
	764.69	**747.53**

*Balances with government authorities comprises of Goods and Service tax/ service tax / vat credit receivable.

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

16 I SHARE CAPITAL

	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital				
Equity shares of INR 10 each	98,000,200	9,800.02	98,000,000	9,800.00
Equity share capital with differential voting rights of INR 10 each	-	-	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
	110,000,000	**11,000.00**	**110,000,000**	**11,000.00**

	As at 31 March 2019		As at 31 March 2018	
	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	69,235,701	6,923.57
Add: Issued during the year to Newgen ESOP Trust	350,000	35.00	-	-
Balance	**69,585,701**	**6,958.57**	**69,235,701**	**6,923.57**
Less : Shares held by Trust	1,128,091	112.81	1,351,584	135.16
Total Share capital	**68,457,610**	**6,845.76**	**67,884,117**	**6,788.41**

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

	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Equity share capital of INR 10 each, fully paid up				
At the beginning of the year	69,235,701	6,923.57	64,308,030	6,430.80
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	350,000	35.00	1,050,000	105.00
At the end of the year	**69,585,701**	**6,958.57**	**69,235,701**	**6,923.57**
Less: Shares held by trust	1,128,091	112.81	1,351,584	135.16
Total equity share capital	**68,457,610**	**6,845.76**	**67,884,117**	**6,788.41**

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.

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

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 2019		As at 31 March 2018	
	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
Less: Re-classification to equity shares during the year	-	-	(120)	(0.01)
At the end of the year	-	-	-	-

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-hundred 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.

16A I DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY

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

	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% Holding	Number of shares	% Holding
- Mr. Diwakar Nigam	18,422,406	26.47%	18,422,406	28.65%
- Mr. T.S. Varadarajan	15,009,306	21.57%	15,009,306	23.34%
- Mrs. Priyadarshini Nigam	7,968,906	11.45%	7,968,906	12.39%
- Mrs. Usha Varadarajan	4,528,320	6.51%	4,528,320	7.04%

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

-	Malabar India Fund Limited	4,564,262	6.56%	-	-

16B I 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.

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

A. 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 2019	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
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 2019	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
Equity shares of INR 10 each	350,000	1,050,000	-	-	1,245,000

17 I OTHER EQUITY

	As at 31 March 2019	As at 31 March 2018
Securities premium	9,611.38	9,196.49
Retained earnings	30,607.26	22,055.71
Capital redemption reserve	87.95	87.95
Capital reserve	0.21	0.21
General reserve	1,731.39	1,731.39
Newgen ESOP trust reserve	257.78	231.65
Share options outstanding reserve	459.20	391.88
Other comprehensive income	69.73	38.57
	42,824.90	**33,733.85**

Securities Premium (refer note (i) below)

Particulars	As at 31 March 2019	As at 31 March 2018
Balance as at beginning of the year	9,681.49	1,168.69
Securities premium on issue of shares to Newgen ESOP Trust	185.50	556.50
Securities premium on shares issued through initial public offer	-	9,112.24
Utilized for share issue expenses	-	(1,349.15)
Transferred to securities premium account on exercise of stock options	110.94	193.21
Balance as at 31 March 2019	**9,977.93**	**9,681.49**
Less: Securities premium on shares held by trust	366.55	485.00
Balance as at end of the year	**9,611.38**	**9,196.49**

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Retained earnings (refer note (ii) below)

Particulars	As at 31 March 2019	As at 31 March 2018
Balance as at beginning of the year	22,055.71	15,928.02
Profit for the year	10,220.89	7,288.68
Dividend on equity shares	(1,384.71)	(964.62)
Dividend distribution tax on dividend on equity shares	(284.63)	(196.37)
Balance as at end of the year	**30,607.26**	**22,055.71**

Capital redemption reserve

Particulars	As at 31 March 2019	As at 31 March 2018
Balance as at beginning of the year	87.95	87.95
Balance as at end of the year	**87.95**	**87.95**

Capital reserve

Particulars	As at 31 March 2019	As at 31 March 2018
Balance as at beginning of the year	0.21	0.21
Balance as at end of the year	**0.21**	**0.21**

General reserve

Particulars	As at 31 March 2019	As at 31 March 2018
Balance as at beginning of the year	1,731.39	1,731.39
Balance as at end of the year	**1,731.39**	**1,731.39**

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

Particulars	As at 31 March 2019	As at 31 March 2018
Balance as at beginning of the year	231.65	200.22
Addition to Newgen ESOP Trust reserve	26.13	31.43
Balance as at end of the year	**257.78**	**231.65**

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

Particulars	As at 31 March 2019	As at 31 March 2018
Balance as at beginning of the year	391.89	359.37
Employee stock compensation expense	178.24	225.73
Transferred to securities premium account on exercise of stock options	(110.93)	(193.21)
Balance as at end of the year	**459.20**	**391.89**

Other comprehensive income (refer note (v) below)
Remeasurement of defined benefit liability

Particulars	As at 31 March 2019	As at 31 March 2018
Balance as at beginning of the year	28.05	(54.57)
Other comprehensive income/(loss) (net of tax)	(55.15)	82.62
Balance as at end of the year	**(27.10)**	**28.05**

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

Debt instruments through other comprehensive income

Particulars	As at 31 March 2019	As at 31 March 2018
Balance as at beginning of the year	14.87	15.18
Other comprehensive income/(loss) (net of tax)	(1.39)	(0.31)
Loss transferred to Profit & Loss during the year	3.32	-
Balance as at end of the year	**16.80**	**14.87**

Foreign currency translation reserve (refer note (vi) below)

Particulars	As at 31 March 2019	As at 31 March 2018
Balance as at beginning of the year	(4.34)	(104.54)
Other comprehensive income/(loss) (net of tax)	84.37	100.20
Balance as at end of the year	**80.03**	**(4.34)**

(i) Securities premium is used to record the premium received on issue of shares. It will be utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Accumulated balances of profits over the years after appropriations for general reserves and adjustments of dividend

(iii) 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.

(iv) 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.

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

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

18 I NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at 31 March 2019	As at 31 March 2018
Non-current maturities of finance lease obligations (secured)*	1,028.56	1,316.66
	1,028.56	**1,316.66**

* Finance lease obligations

The 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 31 March 2018		
	Present value of minimum lease payments	Interest	Future minimum lease payments
Less than one year	302.25	170.37	472.62
Between one and five years	750.26	376.43	1,126.69
More than five years	566.40	4,832.93	5,399.33

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Particulars	As at 31 March 2019		
	Present value of minimum lease payments	Interest	Future minimum lease payments
Less than one year	291.59	136.04	427.63
Between one and five years	459.74	288.70	748.44
More than five years	568.82	4,764.67	5,333.49

Effective interest rate on above borrowings is 11.73%.

19 I NON-CURRENT PROVISIONS

	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits (refer note 28)		
- provision for gratuity	1,495.50	1,266.07
- provision for compensated absences	433.52	387.30
	1,929.02	**1,653.37**

20 I CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at 31 March 2019	As at 31 March 2018
Loans from banks		
Pre-shipment loans (secured)*	6,772.64	4,946.27
	6,772.64	**4,946.27**

*Pre-shipment loans carry interest rate @ LIBOR plus margin which varied from 3.21% to 4.39% 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 462.67 lakhs (31 March 2018: INR 472.93 lakhs) and are repayable within 180 days from the date of disbursement.

21 I TRADE PAYABLES

	As at 31 March 2019	As at 31 March 2018
- Total outstanding dues to micro enterprises and small enterprises	-	-
- Total outstanding dues to creditors other than micro and small enterprises	2,160.57	2,292.10
	2,160.57	**2,292.10**

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

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

b) The Group's exposure to currency and liquidity risks related to trade payables is disclosed in note 46

22 I CURRENT FINANCIAL LIABILITIES - OTHERS

	As at 31 March 2019	As at 31 March 2018
Current maturities of finance lease obligations	291.59	302.25
Employee related payables	3,340.15	3,031.96
Payable in respect of retention money	59.15	47.92
Earnest money deposits	1.00	1.00
Payable for capital assets	188.84	241.35
	3,880.73	**3,624.48**

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23 I DEFERRED INCOME

	As at 31 March 2019	As at 31 March 2018
Advance billing	6,736.52	4,917.82
Advance from customers	58.75	25.22
	6,795.27	**4,943.04**

During the year ended 31 March 2019 , the Group recognized revenue of INR 4,917.82 lakhs arising from opening advance billing as of 1 April 2018.

24 I OTHER CURRENT LIABILITIES

	As at 31 March 2019	As at 31 March 2018
Statutory dues payable	1,571.63	1,365.28
Advance from employees for exercise of share options	2.82	6.76
Other current liabilities	4.94	-
	1,579.39	**1,372.04**

25 I CURRENT PROVISIONS

	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits (refer note 28)		
- provision for gratuity	244.76	141.39
- provision for compensated absences	101.70	69.89
- provision for compensated absences	86.11	9.38
	432.57	**220.66**

26 I REVENUE FROM OPERATIONS

	For the year ended 31 March 2019	For the year ended 31 March 2018
Sale of products - softwares	15,378.46	13,695.06
Sale of services		
- Implementation	14,449.45	13,504.14
- Scanning	1,936.25	1,950.01
- AMC/ATS	10,361.22	8,471.52
- Support	17,546.56	12,486.87
- SaaS revenue	2,392.21	1,135.18
	62,064.15	**51,242.78**

Performance obligations and remaining performance obligations

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

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

(ii) The revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis.

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Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at 31 March 2019, other than those meeting the exclusion criteria mentioned above is INR Nil.

27 I OTHER INCOME

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income under the effective interest rate method:		
- on security deposits at amortised cost	28.60	31.21
- government and other bonds at FVOCI	127.46	131.56
Interest income on fixed deposits	676.42	159.32
Other interest income	68.72	1.10
Profit on sale of mutual funds (net) at FVTPL	-	60.73
Dividend income from mutual funds at FVTPL	-	87.86
Fair value changes of financial assets at FVTPL	245.75	25.48
Liabilities / provision no longer required written back	148.19	229.75
Net foreign exchange fluctuation gain	715.27	-
Bad debt recovered	15.04	-
Miscellaneous income	12.52	33.97
	2,037.97	**760.98**

28 I EMPLOYEE BENEFITS EXPENSE

	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries, wages and bonus	26,757.19	23,026.60
Contribution to provident and other funds (refer note i below)	767.10	672.31
Expenses related to compensated absences (refer note ii below)	275.35	244.17
Share based payment - equity settled	178.25	225.72
Expense related to defined benefit plan (refer note iii below)	311.88	272.39
Staff welfare expenses	508.96	446.59
	28,798.73	**24,887.78**

(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 767.10 lakhs (31 March 2018: INR 672.31 lakhs). The amount recognised as an expense towards employee state insurance aggregated to INR 2.27 lakhs (31 March 2018: INR 3.52 lakhs).

(ii) Compensated absences:

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

	31 March 2019	31 March 2018
Discounting rate (p.a.)	7.66%	7.80%
Future salary increase (p.a.)	7.00%	7.00%

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(iii) Defined Benefit Plan:

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

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

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

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

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 2019. 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

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	**1,407.46**	**1,278.47**
Benefits paid	(71.28)	(62.57)
Current service cost	202.10	178.42
Interest cost	109.78	93.97
Past service gain		
Acturial (gains) losses recognised in OCI		
change in demographic assumptions	21.21	(6.31)
change in financial assumptions	22.48	(44.89)
experience adjustments	48.51	(29.64)
Balance at the end of the year	**1,740.26**	**1,407.45**

B. i) Expense recognised in profit and loss

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current service cost	202.10	178.42
Interest cost	109.78	93.97
Past service gain	-	-
Total expense recognised in profit and loss	**311.88**	**272.39**

ii) Remeasurements recoginsed in other comprehensive income

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Acturial (gain) loss on defined benefit obligation	92.20	(80.83)
Total remeasurements recognised in other comprehensive income	**92.20**	**(80.83)**

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C. Defined benefit obligations

i. Actuarial assumptions

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

	31 March 2019	31 March 2018
Discount rate	7.66	7.80
Salary escalation rate	7.00	7.00
Mortality rate	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 2019		31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(54.53)	58.07	(63.05)	68.33
Future salary growth (0.50% movement)	58.16	(55.10)	68.53	(63.79)

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 Group's financial statements as at balance sheet date:

	31 March 2019	31 March 2018
Net defined benefit asset	-	-
Total employee benefit asset	**-**	**-**
Net defined benefit liability		
Liability for gratuity	1,740.26	1,407.46
Liability for compensated absences	519.63	457.19
Total employee benefit liabilities	**2,259.89**	**1,864.65**
Non-current:		
Gratuity	1,495.50	1,266.07
Compensated absences	433.52	387.30
Current:		
Gratuity	244.76	141.39
Compensated absences	86.11	69.89

29 I FINANCE COSTS

	For the year ended 31 March 2019	For the year ended 31 March 2018
Finance cost on finance lease obligations	166.99	205.49
Interest expense on packing credit	561.23	236.16
Other finance costs	125.65	79.03
	853.87	**520.68**

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30 I DEPRECIATION AND AMORTIZATION

	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation of property, plant and equipment (refer note 4)	538.97	525.19
Amortisation of intangible assets (refer note 5)	59.02	55.48
	597.99	**580.67**

31 I OTHER EXPENSES

	For the year ended 31 March 2019	For the year ended 31 March 2018
Rent	1,904.77	1,704.41
Repairs and maintenance	283.40	313.59
Rates and taxes	254.82	195.94
Travelling and conveyance	6,770.69	5,960.98
Legal and professional fees	2,512.88	2,298.18
Outsourced technical services expense	397.72	-
Cloud hosting services	426.22	-
Payment to auditors*	69.67	61.18
Electricity and water	354.17	329.93
Advertising and sales promotion	764.92	520.68
Membership and subscription fee	375.07	619.72
Brokerage and commission	749.66	749.68
Communication costs	509.03	456.81
Software and license maintenance	511.92	305.58
Expenditure on corporate social responsibility	125.64	107.31
Donation	34.74	32.00
Operation and maintenance	578.09	490.77
Printing and stationery	671.87	671.05
Loss on sale of property, plant and equipment	3.89	3.15
Loss allowance on trade receivables	1,737.57	659.26
(net of adjustment for bad debts written off of INR 1,952.57 lakhs (previous year INR 2,449.59 lakhs)		
Loss allowance on other financial assets	22.82	-
Security charges	229.03	200.79
Net foreign exchange fluctuation loss	24.45	35.81
Loss on settlement of forward contract	36.30	-
Loss on sale of bonds (net) at FVOCI	5.07	-
Miscellaneous expenses	1,138.93	884.57
	20,493.34	**16,601.38**
***Payment to Auditors**		
As auditor:		
- Statutory audit fee	39.50	40.00
- Limited review fee	22.50	7.50
- Others	3.40	11.43
- Reimbursement of expenses	4.27	2.25
	69.67	**61.18**

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32 I INCOME TAX

A. The major components of income tax (expense) / income are recognised in profit or loss

	For the year ended 31 March 2019	For the year ended 31 March 2018
Tax expense	2,883.80	1,630.40
MAT credit entitlement	-	(86.97)
Tax expense for earlier years	110.19	64.50
Deferred tax (credit)	143.31	516.64
Total	**3,137.30**	**2,124.57**
Recognised in Other comprehensive income		
Tax impact on		
- Re-measurement on defined benefit plan	29.63	(43.73)
- Fair value of Debt instruments through other comprehensive income	0.75	0.16
Total	**30.38**	**(43.57)**

B. Reconciliation of effective tax rate

	31 March 2019		31 March 2018	
Profit before tax		13,358.19		9,413.25
Tax using the Group's tax rate	34.94%	4,667.89	34.61%	3,257.74
Impact of different rate in each jurisdiction	-0.65%	(87.25)	-1.20%	(112.66)
Effect of deduction under section 10AA of the Income tax Act, 1961	-11.62%	(1,552.24)	-11.18%	(1,052.22)
Effect of expenses permanently disallowed under the Income Tax Act, 1961	0.13%	17.50	0.18%	16.89
Effect of income exempt/ taxed on lower rate	-0.17%	(23.27)	-0.56%	(53.04)
Others	0.03%	4.49	0.04%	3.36
Income tax recognised in statement of profit and loss for the current year	22.66%	3,027.11	21.88%	2,060.06

C. Deferred tax assets (net)

Deferred tax relates to the following:	As at 31 March 2019	As at 31 March 2018
Deferred tax related to items recognised in OCI:		
Deferred tax assets (gross)		
Investments at fair value through OCI	-	-
Remeasurement of defined benefit liability (asset)	14.21	-
(a)	**14.21**	**-**
Deferred tax liabilities		
Investments at fair value through OCI	7.12	7.87
Remeasurement of defined benefit liability (asset)	-	15.42
(b)	**7.12**	**23.29**
Deferred tax related to items recognised in statement of profit and loss:		
Deferred tax liabilities (gross)		
Property, plant and equipment	308.30	251.36
Others	84.54	11.11
(c)	**392.84**	**262.47**

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Deferred tax relates to the following:		As at 31 March 2019	As at 31 March 2018
Deferred tax assets (gross)			
Loss allowance on other financial assets		51.03	42.63
Loss allowance on trade receivables		1,258.97	1,381.66
Provision for employee benefits		772.84	667.62
	(d)	**2,082.84**	**2,091.91**
	(e) = (d) - (c)	**1,690.00**	**1,829.44**
Deferred tax assets (net)	(e) + (a) - (b)	**1,697.09**	**1,806.15**
MAT credit entitlement		86.97	86.97
Total Deferred tax assets (net)		**1,784.06**	**1,893.12**

D. Deferred tax liability (net)

	As at 31 March 2019	As at 31 March 2018
Deferred tax liabilities (gross)		
Property, plant and equipment	11.01	11.28
Total Deferred tax liability (net)	**11.01**	**11.28**

D. Movement in temporary differences

31 March 2019

Particulars	Balance as at 31 March 2018	Recognised in profit or loss during FY 2018-19	Recognised in OCI during FY 2018-19	Balance as at 31 March 2019
Deferred tax liabilities (net)				
Property, plant and equipment	11.28	(0.26)		11.01
Total	**11.28**	**(0.26)**	**-**	**11.01**
Deferred tax assets (net)				
Investments at fair value through OCI	(7.87)	-	0.75	(7.12)
Remeasurement of defined benefit liability (asset)	(15.42)	-	29.63	14.21
Property, plant and equipment	(251.36)	(56.93)	-	(308.30)
Loss allowance on other financial assets	42.64	8.39	-	51.03
Loss allowance on trade receivables	1,381.66	(122.70)	-	1,258.97
Provision for employee benefits	667.62	105.21	-	772.84
Others	(11.01)	(73.53)	-	(84.54)
Total	**1,806.16**	**(139.56)**	**30.38**	**1,697.09**

31 March 2018

Particulars	Balance as at 31 March 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)	-	(11.01)
Total	**2,370.39**	**(520.55)**	**43.57**	**1,806.26**

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33 I EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

i. Profit attributable to Equity holders of the Group

	31 March 2019	31 March 2018
Profit attributable to equity holders of the Group	10,220.89	7,288.68
Profit attributable to equity holders of the Group for basic and diluted earnings	**10,220.89**	**7,288.68**

ii. Weighted average number of ordinary shares

	31 March 2019	31 March 2018
Opening balance of equity shares	67,884,117	62,313,086
Effect of equity shares issued through initial public offer	-	658,652
Effect of share options exercised	191,325	739,355
Weighted average number of shares for basic EPS	**68,075,442**	**63,711,093**
Effect of dilution:		
Add: Equity shares held by Newgen ESOP Trust with respect to options not exercised by employees but outstanding	1,255,390	1,633,736
Weighted average number of shares for diluted EPS	**69,330,832**	**65,344,829**

Basic and Diluted earnings per share

	31 March 2019 INR	31 March 2018 INR
Basic earnings per share	**15.01**	**11.44**
Diluted earnings per share	**14.74**	**11.15**

34 I SHARE-BASED PAYMENT ARRANGEMENTS:

A. Description of share-based payment arrangements

i. Share option programmes (equity-settled)

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 INR 80 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 Group 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 Group 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.

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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 Group. Pursuant to the scheme, during the year 2014-15, the Group has granted 3,653,525 options at an exercise price of INR 63 per option, to the employees of the Group. 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 2019, during the year 2018-19 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	1,100,564	INR 63.00	4.76	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Jul-2017	276,235	INR 63.00	7.25	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Sep-2017	126,500	INR 63.00	7.42	4 years
Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	1-Oct-2017	54,225	INR 63.00	7.51	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.

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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)	Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)
	No Grant	Grant II, III and IV
	31 March 2019	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	Weighted average exercise price	Number of options	Weighted average exercise price
	31 March 2019	31 March 2019	31 March 2018	31 March 2018
Options outstanding as at the beginning of the year	-	-	52,600	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
Options outstanding as at the year end	**-**	**-**	**-**	**INR 4.45**
Exercisable as at year end	**-**		**-**	
Weighted - average contractual life	-		-	

Employees Stock Option Plan-2000 (ESOP 2000)	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	31 March 2019	31 March 2019	31 March 2018	31 March 2018
Options outstanding as at the beginning of the year	-	-	386,700	INR 6.67
Add: Options granted during the year	-	-	-	-
Less: Options lapsed during the year	-	-	-	-
Less: Options exercised during the year	-	-	386,700	INR 6.67
Options outstanding as at the year end	**-**	**-**	**-**	**INR 6.67**
Exercisable as at year end	**-**		**-**	
Weighted - average contractual life	-		-	

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Newgen Employees Stock Option Scheme 2014 (Newgen ESOP 2014)	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	31 March 2019	31 March 2019	31 March 2018	31 March 2018
Options outstanding as at the beginning of the year	2,243,483	INR 63.00	3,061,209	INR 63.00
Add: Options granted during the year	-	-	562,550	INR 63.00
Less: Options lapsed during the year	112,466	INR 63.00	126,096	INR 63.00
Less: Options exercised during the year	573,493	INR 63.00	1,254,180	INR 63.00
Options outstanding as at the year end	**1,557,524**	**INR 63.00**	**2,243,483**	**INR 63.00**
Exercisable as at year end	**1,122,797**		**445,616**	
Weighted - average contractual life	5.51 years		6.38 years	

C. Expense recognised in statement of profit and loss

For details on the employee benefits expense, refer note 28

35 I 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 statement of 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 as follows.

	31 March 2019	31 March 2018
Less than one year	991.78	1,334.90
Between one and five years	1,251.78	2,152.94
More than five years	-	-
	2,243.56	**3,487.84**

ii. Amounts recognised in profit or loss

	31 March 2019	31 March 2018
Lease expense	1,904.77	1,704.41
	1,904.77	**1,704.41**

36 I CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)*

	31 March 2019	31 March 2018
a. Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances, tangible assets**	23.45	759.70
b. Amount of Income tax expense for financial year 2015-16 for which assessment has been completed and against which company has filed an appeal.	179.00	-

* The Company is committed to operationally, technically and financially support the operations of its certain subsidiary companies.

** For other commitments – Non-cancellable operating, and finance leases, refer Note 35 and 18 respectively

During the year ended 31 March 2019, there was a judicial pronouncement with respect to provident fund. It is not currently clear whether the interpretation set out in the pronouncement has retrospective application. If applied retrospectively, the interpretation would result in an increase in contributions payable by the Company for past and future periods for certain of its employees. There are numerous interpretative challenges concerning the retrospective application of the judgment. Due to such challenges and a lack of interpretive guidance, and

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based on legal advice the Company has obtained on the matter, it is currently impracticable to reliably estimate the timing and amount of any payments the Company may be required to make. Pending further clarity on the subject, the Company has made a provision of INR 9.65 lakhs for the period subsequent to the date of judgment.

37 I 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 31 March 2019 and 31 March 2018 has been made in the financial statements based on information received and available with the Group. Based on the information currently available with the Group, there are no dues payable to Micro and Small Suppliers as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

38 I 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 2019	For the year ended 31 March 2018
Final dividend of INR 3.00 per share (31 March 2018: INR 2/-)	2,087.57	1,384.71
Corporate dividend tax	429.20	283.94

39 I 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 2019 is INR 125.38 lakhs (previous year INR. 106.13 lakhs). Amount spent during the year ended 31 March 2019

Particulars	Amount already spent	Amount to be spent	Total
i) For purpose mentioned as under	124.90	0.74	125.64

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 I 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. During the year ended 31 March 2019, the holding company has also started availing services from its overseas subsidiaries in accordance with the transfer pricing methodology under sections 92-92F of the Income Tax Act, 1961. 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 I During the previous 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 INR 10 each were allotted/allocated, at an issue price of INR 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 amounted to INR 9,500.00 lakhs. The Company's share of fresh issue related expenses was INR 1,349.15 lakhs, which had been adjusted against Securities Premium. As at 31 March 2018, the proceeds were unutilised and had been temporarily invested/ deposited in cash and cash equivalents including fixed deposits and bank account (Refer note 12).

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During the year ended 31 March 2019, the proceeds were partially utilised for the purchase of unfurnished office premises near Noida-Greater Noida Expressway, Uttar Pradesh and for general corporate purpose amounting to INR 5,145.00 lakhs (Refer note 4) and INR 24.40 lakhs respectively. As at 31 March 2019, the remaining proceeds has been temporarily invested/ deposited in cash and cash equivalents including fixed deposits and bank account (Refer note 12).

42 I For the year ended 31 March 2019, projected utilisation of IPO proceeds was INR 6,950.40 lakhs, however the Company has utilised only INR 5,169.40 lakhs. The Board of Directors in their meeting held on 15 May 2019, approved to seek the approval of shareholders through Postal Ballot for variation/deviation in the utilisation of IPO proceeds amounting to INR 1,781.00 lakhs.

43 I DIVIDEND REMITTANCES IN FOREIGN CURRENCY:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Year to which the dividend relates	2017-18	2016-17
Amount remitted during the year (INR in lakhs)	-	77.21
Number of non-resident shareholders	-	2
Number of shares on which dividend was due	-	5,147,340

44 I DETAILS OF CURRENT INVESTMENTS (REFER NOTE 10)

Particulars	Number of units as at		Amount in lakhs as at	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Investment in debt mutual funds -FVTPL				
Reliance Short Term Fund- Direct Growth Plan	634,842	634,842	228.91	213.85
ICICI Prudential Short Term Plan Direct Growth	860,077	860,077	346.96	322.56
IIFL Dynamic Bond Fund Reg- Growth	1,442,783	1,442,783	212.99	200.83
Franklin India Short Term Income Plan - Retail Plan - Growth-Direct	11,122	11,122	466.63	425.20
Aditya Birla Sun Life Credit Risk Fund- Gr. Direct	3,202,906	3,202,906	454.78	426.14
ICICI Prudential Credit Risk Fund -Direct Plan- Growth	2,185,596	2,185,596	459.30	425.63
UTI Credit Risk Fund- DirectPlan- Growth	2,617,879	2,617,879	471.48	442.00
Kotak Income Opportunities Fund- Monthly Growth	2,194,751	2,194,751	472.75	440.56
L and T Credit Risk Fund Direct Plan -Growth	2,157,674	2,157,674	468.53	439.81
Investment in government bonds - FVOCI				
8.40% IRFC 15YRS SR2A 18022029 (18-Feb-2029)	40,000	40,000	455.66	466.42
7.35% NHAI LTD Tax free Bond 15YRS SR2A Annual (11-Jan-2031)	45,000	45,000	482.62	492.61
Investment in Other Bonds - FVOCI				
IIFL Wealth Finance Limited SR-A1-June2022 LOA 13JU22 FVRS10LAC	20	20	242.94	220.42
11% Bank of India Perpetual Bond	-	10	-	99.83
Vijaya Bank SR-II 10.4 LOA Perpetual FVRS10LAC (27-Mar-2050)	40	40	402.30	406.21
			5,165.86	**5,022.07**

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45 I 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 28).

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

List of key management personnel and their relatives

Diwakar Nigam - Managing Director

T.S. Varadarajan - Whole Time Director

Priyadarshini Nigam - Whole Time Director

Arun Kumar Gupta - Chief Financial Officer

Virender Jeet - Senior Vice President (Sales and Marketing/Product)

Surender Jeet Raj - Senior Vice President (HR/Operations)

Tarun Nandwani - Senior Vice President (Business Management)

Usha Varadarajan - Relative of Whole Time Director - T.S. Varadarajan

Shubhi Nigam - Relative of Managing Director

Aman Mourya - Company Secretary

Sonali Nigam - Relative of Managing Director

Key management personnel compensation

	Transaction value		Balance payable	
	For the year ended 31 March 2019	For the year ended 31 March 2018	As at 31 March 2019	As at 31 March 2018
Salaries, wages and bonus*	**1,062.83**	**895.35**	**348.95**	**262.12**
Diwakar Nigam	174.90	160.35	8.42	8.24
T.S. Varadarajan	83.70	76.32	6.06	4.53
Priyadarshini Nigam	40.84	39.28	-	2.79
Arun Kumar Gupta	116.13	75.88	37.87	26.93
Virender Jeet	187.03	150.19	112.47	82.59
Surender Jeet Raj	166.52	134.22	96.86	70.59
Tarun Nandwani	176.18	121.41	86.40	65.72
Shubhi Nigam	84.15	59.38	-	-
Aman Mourya	13.88	10.06	0.87	0.73
Sonali Nigam	19.50	68.26		
Dividend paid (excluding dividend distribution tax)	**933.99**	**699.32**	**-**	**-**
Diwakar Nigam	368.45	276.34	-	-
T.S. Varadarajan	300.19	225.14	-	-
Priyadarshini Nigam	159.38	119.53	-	-
Arun Kumar Gupta	1.09	0.66	-	-
Virender Jeet	4.98	3.24	-	-
Surender Jeet Raj	4.55	3.16	-	-
Tarun Nandwani	4.77	3.33	-	-
Usha Varadarajan	90.57	67.92	-	-
Aman Mourya	0.01	-		

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	Transaction value		Balance payable	
	For the year ended 31 March 2019	For the year ended 31 March 2018	As at 31 March 2019	As at 31 March 2018
Share-based payments	**57.17**	**50.46**	-	-
Arun Kumar Gupta	30.18	7.51	-	-
Virender Jeet	-	16.33	-	-
Surender Jeet Raj	-	14.82	-	-
Tarun Nandwani	26.12	11.80	-	-
Aman Mourya	0.87	-		

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

46 I FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

A. Accounting classification and fair values

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

		Carrying amount				Fair value			
31 March 2019	**Note**	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets									
Financial assets measured at fair value									
Investments in debt mutual funds	10	3,582.34	-	-	3,582.34	3,582.34	-	-	3,582.34
Investments in bonds	10	-	1,583.52	-	1,583.52	1,583.52	-	-	1,583.52
Financial assets not measured at fair value									
Other non-current financial asset	7	-	-	323.18	323.18	-	-	-	-
Trade receivables	11	-	-	25,268.91	25,268.91	-	-	-	-
Cash and cash equivalents	12	-	-	15,775.13	15,775.13	-	-	-	-
Other bank balances	12A	-	-	2,139.40	2,139.40	-	-	-	-
Loans	6 and 13	-	-	407.08	407.08	-	-	-	-
Other financial assets	14	-	-	6,275.55	6,275.55	-	-	-	-
		3,582.34	1,583.52	50,189.25	55,355.11	5,165.86	-	-	5,165.86
Financial liabilities									
Financial laibilities not measured at fair value									
Long-term maturities of finance lease obligations (secured)	18	-	-	1,028.56	1,028.56	-	1,028.56	-	1,028.56
Short term borrowings	20	-	-	6,772.64	6,772.64	-	6,772.64	-	6,772.64
Trade payables	21	-	-	2,160.57	2,160.57	-	-	-	-
Other financial liabilities	22	-	-	3,880.73	3,880.73	-	291.59	-	291.59
		-	-	13,842.50	13,842.50	-	8,092.79	-	8,092.79

		Carrying amount				Fair value			
31 March 2018	**Note**	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets									
Financial assets measured at fair value									
Investments in debt mutual funds	10	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	-	-	-	-
Other bank balances	12A	-	-	-	-	-	-	-	-
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	48,117.01	5,022.07	-	-	5,022.07

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		Carrying amount				Fair value			
31 March 2018	**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)	18	-	-	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 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

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

B. Measurement of fair values

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

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

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

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

Particulars	Fair value hierarchy	Valuation technique	Significant unobservable inputs	Inter-relationship between unobservable inputs and fair vale 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
Financial assets measured at FVTOCI				
Investments in bonds	Level 1	Market valuation technique: The fair value of bonds is based on direct and market observable inputs.	Not applicable	Not applicable
Financial liabilities measured at Amortised cost				
Long term borrowings	Level 2	Discounted cash flow: The valuation model considers the present value of expected payment, discounted using a risk adjusted discount rate	Not applicable	Not applicable
Short term borrowings	Level 2			

There have been no transfers in either direction for the years ended 31 March 2019 and 31 March 2018.

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C. Financial risk management

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

i. Risk management framework

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

The Group's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. 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 Group's receivables from customers, loans and investment in debt securities. The carrying amount of financial assets represent the maximum credit risk exposure. The Group has credit policies in place and the exposures to these credit risks are monitored on an ongoing basis

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

Particulars	As at 31 March 2019	As at 31 March 2018
Trade receivables	25,268.91	22,201.67
Loans	407.08	612.97
Cash and cash equivalents	15,775.13	14,548.34
Other bank balances	2,139.40	-
	43,590.52	**37,362.98**

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

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

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

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

The Group establishes an allowance for impairment that represents its expected credit losses in respect of trade receivables. The management uses a simplified approach for the purpose of computation of expected credit

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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 2019	31 March 2018
India	9,300.31	7,994.27
USA	4,322.87	4,219.37
EMEA	8,536.22	7,967.17
APAC	3,109.51	2,020.86
	25,268.91	**22,201.67**

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 2019	Gross carrying amount	Weighted-average loss rate	Loss allowance	Credit-impaired
0-3 months past due	19,538.87	2.85%	557.61	No
3-6 months past due	1,438.59	7.84%	112.80	No
6-9 months past due	986.14	16.21%	159.82	No
9-12 months past due	752.30	23.84%	179.36	No
12-15 months past due	3,488.12	37.12%	1,294.68	No
15-18 months past due	1,172.46	39.98%	468.72	No
18-21 months past due	528.05	48.37%	255.39	No
21-24 months past due	284.37	57.95%	164.78	No
above 24 months past due	1,013.66	73.05%	740.48	No
	29,202.56		**3,933.65**	

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**	

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Movement in allowance for impairment in respect of trade receivables

	Impairment in trade receivables
Balance as at 01 April 2017	**5,976.64**
Impairment loss recognised	659.26
Amounts written off	2,496.07
Balance as at 31 March 2018	**4,139.83**
Impairment loss recognised	1,737.57
Amounts written off	1,943.75
Balance as at 31 March 2019	**3,933.65**

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

Debt securities

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

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

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

	Net carrying amount	
	As at 31 March 2019	As at 31 March 2018
India	5,165.86	5,022.07
Other regions	-	-
	5,165.86	**5,022.07**

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

Cash and cash equivalents and other bank balances

The Group held cash and cash equivalents of INR 15,775.13 lakhs at 31 March 2019 (31 March 2018: INR 14,548.34 lakhs) and other bank balances of INR 2,139.40 lakhs as at 31 March 2019 (31 March 2018: Nil). 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 2019, the Group had a working capital of INR 33,813.00 lakhs (31 March 2018: INR 30,615.47 lakhs) including cash and cash equivalent of INR 15,775.13 lakhs (31 March 2018: INR 14,548.34 lakhs) and other bank balances of INR 2,139.40 (31 March 2018: Nil) and current investments of INR 5,165.86 lakhs (31 March 2018: INR 5,022.07 lakhs).

Consequently, the Group believes its revenue, along with proceeds from financing activities will continue to provide the necessary funds to cover its short term liquidity needs. In addition, the Group projects cash flows and considering the level of liquid assets necessary to meet liquidity requirement.

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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 2019	227.36	-	227.36	-	-	-
As at 31 March 2018	2,041.27	-	2,041.27	-	-	-

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 2019	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)	1,320.15	6,509.56	-	427.63	396.90	351.54	5,333.49
Employee related payables	3,340.15	3,340.15	3,340.15	-	-	-	-
Trade and other payables	2,160.57	2,160.57	2,160.57	-	-	-	-
Pre-shipment loans (secured)	6,772.64	6,772.64	-	6,772.64	-	-	-
Payable in respect of retention money	59.15	59.15	-	59.15	-	-	-
Earnest money deposits	1.00	1.00	-	1.00	-	-	-
Payable for capital assets	188.84	188.84	-	188.84	-	-	-
Total	**13,842.50**	**19,031.91**	**5,500.72**	**7,449.26**	**396.90**	**351.54**	**5,333.49**

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**

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.

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.

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v. Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group is exposed to currency risk on account of its borrowings, receivables and other payables in foreign currency. The functional currency of the Group is Indian Rupee.

The foreign currency exchange management policy is to minimize economic and transactional exposures arising from currency movements against the US dollar, Euro, GBP, Canadian dolar, Abar Emirates Dhiram, Saudi Riyal, Singapore dollar and Japanese Yen. The Group manages the risk by netting off naturally occurring opposite exposures wherever possible, and then dealing with any material residual foreign currency exchange risks if any.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March 2019 and 31 March 2018 are as below:

Particulars	Currency	31 March 2019		31 March 2018	
		Amount in foreign currency (lakhs)	Amount in local currency (lakhs)	Amount in foreign currency (lakhs)	Amount in local currency (lakhs)
Financial assets					
Financial assets					
Trade and other receivables*					
	USD	204.78	14,178.50	207.57	13,500.77
	AED	7.74	145.94	5.22	92.64
	CAD	4.84	251.43	8.41	424.85
	EUR	0.90	70.12	1.55	125.00
	GBP	6.35	574.78	0.69	63.71
	SAR	2.12	39.09	7.41	128.63
	SGD	11.52	584.41	3.34	165.90
Bank balance-Dubai	AED	7.33	138.32	6.28	111.39
Bank balance-EEFC	USD	19.80	1,369.49	0.74	48.31
Travelling Advance to employees	USD	1.32	89.36	2.12	136.97
	AED	1.15	22.01	1.45	25.75
	CAD	0.09	5.16	0.07	3.85
	GBP	0.03	2.90	0.02	2.13
	SGD	0.16	8.68	0.07	3.38
	EURO	0.08	6.83	0.10	8.53
Financial liabilities					
Trade and other payables					
	USD	(21.40)	(1,468.91)	(13.41)	(869.67)
	SGD	(0.90)	(45.82)	-	-
	SAR	(0.78)	(14.20)	(0.31)	(5.36)
	AED	(0.17)	(3.16)	-	-
	EURO	-	-	(0.01)	(0.64)
Short term borrowings	USD	(97.91)	(6,772.64)	(76.05)	(4,946.27)

*gross of loss allowance

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

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollar, Euro, GBP, Canadian dolar, 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.

	For the year ended 31 March 2019		For the year ended 31 March 2018	
Effect in thousands of INR	Strengthening	Weakening	Strengthening	Weakening
1% movement				
USD	73.73	(73.73)	78.43	(78.43)
EUR1	0.77	(0.77)	1.32	(1.32)
GBP1	4.96	(4.96)	0.66	(0.66)
CAD1	2.56	(2.56)	4.28	(4.28)
SGD1	5.92	(5.92)	1.69	(1.69)
AED1	3.03	(3.03)	2.30	(2.30)
SAR1	0.25	(0.25)	1.23	(1.23)
	91.22	(91.22)	89.92	(89.92)

vi. 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 2019	**31 March 2018**
Fixed-rate instruments		
Financial assets	13,401.45	10,613.25
Financial liabilities	(1,320.15)	(1,618.91)
	12,081.30	8,994.34
Variable-rate instruments		`
Financial assets	-	-
Financial liabilities	(6,772.64)	(4,946.27)
	(6,772.64)	(4,946.27)
Total	5,308.66	4,048.07

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.

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to the Consolidated Financial Statements for the year ended 31 March 2019
(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 10.30 lakhs after tax (31 March 2018: INR 12.27 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 2019		
Variable-rate instruments	67.73	67.73
Cash flow sensitivity (net)	67.73	67.73
31 March 2018		
Variable-rate instruments	(63.72)	63.72
Cash flow sensitivity (net)	(63.72)	63.72

Market price risk

a) Exposure

The Group's exposure to mutual funds and bonds price risk arises from investments held by the Group and classified in the balance sheet as fair value through profit and loss and at fair value through other comprehensive income respectively.

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

b) Sensitivity analysis

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 20.59 lakhs after tax (31 March, 2018: INR 0.32 lakhs). An equal change in the opposite direction would have decreased equity by INR 20.59 lakhs after tax (31 March, 2018: INR 0.32 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 46.61 lakhs after tax (31 March, 2018: INR 65.26 lakhs). An equal change in the opposite direction would have decreased profit or loss by INR 46.61 lakhs after tax (31 March, 2018: INR 65.26 lakhs)

47 I 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 Group may pay dividend or repay debts, raise new debt or issue new shares. No major changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2019 and 31 March 2018.

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.

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to the Consolidated Financial Statements for the year ended 31 March 2019

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

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

	As at 31 March 2019	As at 31 March 2018
Total liabilities	8,092.79	6,565.18
Less: Cash and cash equivalent	15,775.13	14,548.34
Adjusted net debt (a)	(7,682.34)	(7,983.16)
Total equity (b)	49,670.66	40,522.26
Total equity and net debt (a+b) = c	41,988.32	32,539.10
Capital gearing ratio (a/c)	-18.30%	-24.53%

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

48 I SEGMENT REPORTING

A. Basis for segmentation

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

The Group's board of directors have been identified as the Chief Operating Decision Makers (CODM) since they are responsible for all major decisions in respect of allocation of resources and assessment of the performance on the basis of the internal reports/ information provided by functional heads. The board examines the performance of the Group based on such internal reports which are based on operations in various geographies and accordingly, have identified the following reportable segments:

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

B. Information about reportable segments

Year ended 31 March 2019

Particulars	Reportable segments				
	India	EMEA	APAC	USA	Total Segment
Revenue					
External revenue	20,013.53	17,742.56	6,889.85	17,418.21	62,064.15
Inter-segment revenue	-	-	-	-	-
Total Segment Revenue	**20,013.53**	**17,742.56**	**6,889.85**	**17,418.21**	**62,064.15**
Segment profit before income tax	3,389.00	3,754.31	2,273.50	3,526.63	12,943.44
Segment assets	11,904.61	12,156.06	4,450.97	6,596.41	35,108.05
Segment liabilities	4,571.86	5,336.58	1,505.70	3,331.82	14,745.96
Capital expenditure during the year	653.24	-	2.70	8.97	664.91

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 before income tax	2,104.27	4,430.81	1,259.56	2,089.39	9,884.03

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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

C. Reconciliations of information on reportable segments to Ind AS

(a) Revenue

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Total revenue for reportable segments	62,064.15	51,242.78
Elimination of inter-segment revenue		-
Total revenue	**62,064.15**	**51,242.78**

(b) Profit / (loss) before tax

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Total profit before tax for reportable segments	12,943.44	9,884.03
Unallocated amounts:		
- Unallocated income	2,037.97	760.98
- Other corporate expenses	(1,623.22)	(1,231.76)
Total profit before tax from operations	**13,358.19**	**9,413.25**

(c) Assets

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Total assets for reportable segments	35,108.05	30,236.79
Other unallocated amounts	39,152.37	30,665.35
Total assets	**74,260.42**	**60,902.14**

(d) Liabilities

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Total liabilities for reportable segments	14,745.96	12,203.73
Other unallocated amounts	9,843.80	8,175.84
Total liabilities	**24,589.76**	**20,379.57**

D. Information about major customers

No customer individually accounted for more than 10% of the revenues in the year ended 31 March 2019 and 31 March 2018.

49 I STANDARDS ISSUED BUT NOT YET EFFECTIVE

A. Ind AS 116: Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

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The Group will adopt Ind AS 116, effective annual reporting period beginning 1 April 2019. The Group will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (1 April 2019). Accordingly, the Group will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019. On that date, the Group will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at 1 April 2019. In accordance with the standard, the Group will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Group will be using the practical expedient provided in the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application. The Group is in the process of finalising changes to systems and processes to meet the accounting and reporting requirements of the standard.

With effect from 1 April 2019, the Group will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortization change for the right-to-use asset, and b) interest accrued on lease liability.

The Group has completed an initial assessment of the potential impact on its consolidated financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the consolidated financial statements in the period of initial application is not reasonably estimable as at present.

B. Ind AS 12 Income taxes: (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgment, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group does not expect any significant impact of the amendment on its financial statements.

C. Amendment to Ind AS 19: (plan amendment, curtailment or settlement)

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group does not have any impact on account of this amendment.

Notes

to the Consolidated Financial Statements for the year ended 31 March 2019

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50 I As at 31 March 2019, the Company has gross foreign currency receivables amounting to INR 15,898.33 lakhs (previous year INR 15,310.75 lakhs). Out of these receivables, INR 3,124.36 lakhs (previous year INR 4,253.83 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 INR 2,248.07 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.

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

Name of the enterprise	Net assets (Total assets-Total liabilities)			
	31 March 2019		31 March 2018	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent				
Newgen Software Technologies Limited	97.44%	48,397.42	98.64%	39,971.22
Indian Subsidiary				
Newgen Computers Technologies Limited	0.13%	62.53	0.14%	57.91
Foreign Subsidiaries				
Newgen Software Inc. USA.	2.71%	1,344.27	2.11%	856.68
Newgen Software Technologies UK Ltd.	0.42%	207.50	0.48%	192.69
Newgen Software Technologies Canada Ltd.	0.29%	145.56	0.25%	103.13
Newgen Software technologies PTE Ltd.	0.73%	361.49	0.51%	205.41
Adjustment arising out of consolidation	-1.71%	(848.11)	-2.13%	(864.77)
Total	**100%**	**49,670.66**	**100%**	**40,522.26**

Notes

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

Name of the enterprise	Share in profit and loss after tax			
	31 March 2019		31 March 2018	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent				
Newgen Software Technologies Limited	93.76%	9,583.08	98.03%	7,145.40
Indian Subsidiary				
Newgen Computers Technologies Limited	0.05%	4.62	0.06%	4.22
Foreign Subsidiaries				
Newgen Software Inc. USA.	4.10%	419.38	2.09%	151.98
Newgen Software Technologies UK Ltd.	0.21%	21.13	-0.07%	(4.99)
Newgen Software Technologies Canada Ltd.	0.42%	42.46	0.24%	17.13
Newgen Software technologies PTE Ltd.	1.27%	130.00	0.06%	4.50
Adjustment arising out of consolidation	0.20%	20.22	-0.41%	(29.57)
Total	**100%**	**10,220.89**	**100%**	**7,288.68**

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: 15 May 2019

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

Diwakar Nigam
Managing Director
DIN: 00263222

Place: New Delhi
Date: 15 May 2019

T. S. Varadarajan
Whole Time Director
DIN: 00263115

Place: New Delhi
Date: 15 May 2019

Arun Kumar Gupta
Chief Financial Officer

Place: New Delhi
Date: 15 May 2019

Aman Mourya
Company Secretary
Membership No: 9975

Place: New Delhi
Date: 15 May 2019

Our Global Offices

India

Mumbai • Chennai • Bengaluru • Kolkata • Hyderabad • Noida • Gurugram • New Delhi

NEWGEN

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