

**Newgen Software Technologies Limited**

Standalone Financial Statements for the year ended

30 September 2017

# B S R & Associates LLP

Chartered Accountants

Building No.10, 8th Floor, Tower-B  
DLF Cyber City, Phase - II  
Gurugram - 122 002, India

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## Independent Auditor's Report

To,  
The Board of Directors  
Newgen Software Technologies Limited

## Report on the Special Purpose Standalone Interim Financial Statements

We have audited the accompanying Special Purpose Standalone Interim Financial Statements of Newgen Software Technologies Limited (hereinafter referred to as "the Company") which comprise Special Purpose Standalone Balance Sheet as at 30 September 2017, Special Purpose Standalone Statement of Profit and Loss for the six months ended 30 September 2017 and the Special Purpose Standalone Cash Flow statement for the period then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Special Purpose Standalone Interim Financial Statements"). These financial statements have been prepared by the management based on the basis of preparation as described in Note 2(a) of these Special Purpose Standalone Interim Financial Statements.

## Management's Responsibility for the Special Purpose Standalone Interim Financial Statements

Management is responsible for the preparation of these Special Purpose Standalone Interim Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, specified under section 133 of the Companies Act, 2013, as applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the Special Purpose Standalone Interim Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these Special Purpose Standalone Interim Financial Statements prepared in accordance with the basis of preparation as described in Note 2(a) of the Special Purpose Standalone Interim Financial Statements, based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by Institute of Chartered Accountants of India (ICAI). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Special Purpose Standalone Interim Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Special Purpose Standalone Interim Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Special Purpose Standalone Interim Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the Special Purpose Standalone Interim Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of



B S R & Associates (a partnership firm with Registration No. BA69226) converted into B S R & Associates LLP (a Limited Liability Partnership with LLP Registration No. AAB-8182) with effect from October 14, 2013

Registered Office -  
5th Floor, Lodha Excelus  
Apollo Mills Compound  
N.M. Joshi Marg, Mahalakshmi  
Mumbai - 400 011

**B S R & Associates LLP**

the entity's internal controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the Special Purpose Standalone Interim Financial Statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Special Purpose Standalone Interim Financial Statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Standalone Interim Financial Statements 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 30 September 2017, its profit and its cash flows for the period ended on that date.

**Basis of preparation and presentation of Special Purpose Standalone Interim Financial Statements and restriction on distribution or use**

Attention is invited to Note 2(a) to the Special Purpose Standalone Interim Financial Statements, which describes the basis of preparation and presentation of Special Purpose Standalone Interim Financial Statements. The Special Purpose Standalone Interim Financial Statements have been prepared at the request of the management of the Company in connection with the proposed public issue of equity shares of the Company. As a result, these Special Purpose Standalone Interim Financial Statements may not be suitable for any other purpose. Our report is intended solely for the parties for whom these financial statements have been prepared and should not be used, quoted, referred to or distributed, in whole or in part, to any party, for any other purpose without our prior written consent.

*For B S R & Associates LLP*  
*Chartered Accountants*  
Firm registration number: 116231W/W-100024



**Rakesh Dewan**  
*Partner*  
Membership No.: 092212

Place: Gurugram  
Date: 24 November 2017

**Newgen Software Technologies Limited**  
**Special Purpose Standalone Balance Sheet as at 30 September 2017**  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Note	As at 30 September 2017 (Rs. in lakhs)	As at 31 March 2017 (Rs. in lakhs)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	6,362.21	6,338.31
Reserves and surplus	4	20,429.10	20,869.95
		<u>26,791.31</u>	<u>27,208.26</u>
<b>Non-current liabilities</b>			
Long-term provisions	5	1,597.18	1,442.97
Other long-term liabilities	6	885.09	1,024.26
		<u>2,482.27</u>	<u>2,467.23</u>
<b>Current liabilities</b>			
Short-term borrowings	7	6,628.53	5,226.18
Trade payables	8		
- Total outstanding dues to micro enterprises and small enterprises		-	-
- Total outstanding dues to creditors other than micro and small enterprises		1,723.63	1,714.35
Other current liabilities	9	6,845.07	6,467.67
Short-term provisions	5	259.06	233.67
		<u>15,456.29</u>	<u>13,641.87</u>
<b>Total</b>		<u><u>44,729.87</u></u>	<u><u>43,317.36</u></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets:			
Property, plant and equipment	10	5,318.96	5,364.54
Intangible assets	11	53.69	70.44
Capital work-in-progress	12	1,747.70	1,108.30
Non-current investments	13	885.14	885.14
Deferred tax assets (net)	14	1,234.74	1,012.54
Long-term loans and advances	15	2,170.72	1,272.28
Other non-current assets	16	212.95	155.24
		<u>11,623.90</u>	<u>9,868.48</u>
<b>Current assets</b>			
Current investments	17	4,908.52	4,824.28
Trade receivables	18	17,426.27	22,526.28
Cash and bank balances	19	3,352.63	2,801.67
Short-term loans and advances	15	835.96	687.82
Other current assets	16	6,582.59	2,608.83
		<u>33,105.97</u>	<u>33,448.88</u>
<b>Total</b>		<u><u>44,729.87</u></u>	<u><u>43,317.36</u></u>

**Significant accounting policies**

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The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

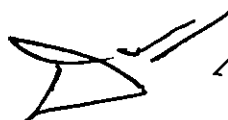
For B S R & Associates LLP  
Chartered Accountants  
Firm Registration No.. 116231W / W-100024



Rakesh Dewan  
Partner  
Membership No. 092212

Place: Gurugram  
Date: 24 November 2017

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



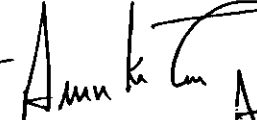
Diwakar Nigam  
Managing Director  
DIN: 00263222

Place: New Delhi  
Date: 24 November 2017



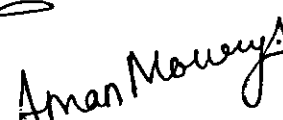
T.S. Varadarajan  
Whole Time Director  
DIN: 00263115

Place: New Delhi  
Date: 24 November 2017



Arun Kumar Gupta  
Chief Financial Officer

Place: New Delhi  
Date: 24 November 2017



Aman Mourya  
Company Secretary  
Membership No: 27299

Place: New Delhi  
Date: 24 November 2017

**Newgen Software Technologies Limited**  
**Special Purpose Standalone Statement of Profit and Loss for the six months period ended 30 September 2017**  
 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Note	For the six months period ended 30 September 2017 (Rs. in lakhs)
<b>Revenue</b>		
Revenue from operations	20	18,277.67
Other income	21	285.89
<b>Total revenue</b>		<b>18,563.56</b>
<b>Expenses</b>		
Employee benefits	22	10,523.64
Finance costs	23	189.85
Depreciation and amortisation	24	271.57
Other expenses	25	6,860.87
<b>Total expenses</b>		<b>17,845.93</b>
<b>Profit before tax</b>		<b>717.63</b>
<b>Income tax expense</b>		
Current tax		374.70
Deferred tax (credit)		(222.20)
<b>Profit after tax for the period</b>		<b>565.13</b>
<b>Earnings per equity share (face value of Rs. 10 per share)</b>		
Basic earning per share	30	0.96
Diluted earning per share		0.93
<b>Significant accounting policies</b>	2	

The notes referred to above form an integral part of the 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: 24 November 2017

  
**Diwakar Nigam**  
 Managing Director  
 DIN: 00263222

Place: New Delhi  
 Date: 24 November 2017

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

Place: New Delhi  
 Date: 24 November 2017

  
**Arun Kumar Gupta**  
 Chief Financial Officer

Place: New Delhi  
 Date: 24 November 2017

  
**Aman Mourya**  
 Company Secretary  
 Membership No: 27299

Place: New Delhi  
 Date: 24 November 2017

Newgen Software Technologies Limited  
**Special Purpose Cash flow statement for the six months period ended 30 September 2017**  
 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

For the six months  
 period ended  
**30 September 2017**  
 (Rs. in lakhs)

<b>A. Cash flow from operating activities:</b>	
Net profit before tax	717.63
<i>Adjustments for:</i>	
Depreciation and amortisation	271.57
Loss on disposal of property, plant and equipment	2.88
Provision for doubtful trade receivables	412.90
Employee stock compensation expense	28.34
Diminution in market value of current investments	1.74
Unrealised foreign exchange loss/(gain)	(76.03)
Finance costs	189.85
Dividend income from mutual funds	(44.25)
Interest income from government bonds	(64.05)
Profit on sale of mutual funds	(43.03)
Interest income from bank deposits	(64.86)
<b>Operating profit before working capital changes</b>	<b>1,332.69</b>
<i>Adjustments for working capital changes:</i>	
Increase in trade payables	9.28
(Decrease) in other current and non-current liabilities	(19.26)
Increase in long-term and short-term provisions	179.59
Decrease in trade receivables	4,846.03
(Increase) in long-term and short-term loans and advances	(223.28)
(Increase) in other current assets and non-current assets	(3,955.39)
<i>Cash generated from operating activities</i>	<b>2,169.66</b>
Income tax paid (net of refund)	(1,003.97)
<b>Net cash generated from operating activities</b>	<b>1,165.69</b>
<b>B. Cash flow from investing activities:</b>	
Purchase or construction of fixed assets (property, plant and equipment, intangible assets and capital work-in-progress) and capital advances	(794.90)
Proceeds from sale of property, plant and equipment	6.87
Purchase of mutual funds and government bonds	(1,041.72)
Proceeds from sale of mutual funds	1,043.03
Interest income from government bonds	45.68
Interest income from bank deposits	57.14
Investment in bank deposits (net)	(50.00)
<b>Net cash (used in) investing activities</b>	<b>(733.90)</b>
<b>C. Cash flow from financing activities:</b>	
Proceeds from short-term borrowings (net)	1,305.11
Loan repaid by Newgen ESOP Trust	150.57
Dividend paid (including dividend distribution tax)	(1,161.00)
Finance cost	(189.85)
<b>Net cash generated from financing activities</b>	<b>104.83</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>536.62</b>
Effect of exchange differences on cash and cash equivalents held in foreign currency	14.34
Cash and cash equivalents at the beginning of the period	2,801.67
<b>Cash and cash equivalents at the end of the period</b>	<b>3,352.63</b>
<b>Notes to cash flow statement:</b>	
1 Components of cash and cash equivalents:	
	As at
	<b>30 September 2017</b>
	(Rs. in lakhs)
Cash on hand	5.07
Balances with banks	2,547.56
Fixed deposit	800.00
	<b>3,352.63</b>

2. The above cash flow statement has been prepared in accordance with the 'Indirect Method' specified in Accounting Standard 3, Cash Flow Statements, as per Accounting Standards specified under section 133 of the Companies Act, 2013 as applicable

**Significant accounting policies**

As per our report of even date attached

For BSR & Associates LLP  
 Chartered Accountants  
 Firm Registration No.: 116231W / W-100024



Rakesh Dewan  
 Partner  
 Membership No.: 092212  
 Place: Gurugram  
 Date: 24 November 2017

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



Diwakar Nigam  
 Managing Director  
 DIN: 00263222

Place: New Delhi  
 Date: 24 November 2017

T.S. Varadarajan  
 Whole Time Director  
 DIN: 00263115

Place: New Delhi  
 Date: 24 November 2017

Arun Kumar Gupta  
 Chief Financial Officer

Place: New Delhi  
 Date: 24 November 2017

Aman Mourya  
 Company Secretary  
 Membership No.: 27291

Place: New Delhi  
 Date: 24 November 2017

1. Background

Newgen Software Technologies Limited (hereinafter referred to as 'Newgen' or 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. Significant accounting policies

a) Basis of preparation of Special Purpose Standalone Interim Financial Statements

These Special Purpose Interim Financial Statements have been prepared under the historical cost convention on a going concern basis, on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles (GAAP) in India. Indian GAAP comprises mandatory accounting standards as specified under the section 133 of the Companies Act, 2013, as applicable and other accounting pronouncements of the Institute of Chartered Accountants of India.

These Special Purpose Interim Financial Statements have been prepared and presented under the historical convention on a going concern basis, on the accrual basis of accounting and comply with the Accounting Standards specified under section 133 of the Companies Act 2013, as applicable, pronouncements of the Institute of Chartered Accountants of India and other accounting principles generally accepted in India, to the extent applicable and in particular Accounting Standard (AS) 25, - 'Interim Financial Reporting'.

These Special Purpose Interim Financial Statements have been prepared for the purpose of preparation of restated standalone financial information of the Company to be included in the offer document in connection with proposed public issue of equity shares of the Company. Accordingly previous year figures have not been presented.

b) Current - Non Current classification

All assets and liabilities are classified into current and non-current as per Company normal accounting cycle.

Assets

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

- 1) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- 2) it is held primarily for the purpose of being traded;
- 3) it is expected to be realised within 12 months after the reporting date; or
- 4) 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.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

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

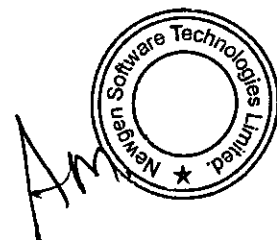
- 1) it is expected to be settled in the Company's normal operating cycle;
- 2) it is held primarily for the purpose of being traded;
- 3) it is due to be settled within 12 months after the reporting date; or
- 4) the Company does not have an unconditional right to defer settlement of the liability for 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 liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.



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**Newgen Software Technologies Limited**

**Notes to the Special Purpose Standalone Interim Financial Statements for the period ended 30 September 2017**

*Operating cycle*

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

**c) Use of estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Examples of such estimates include relative fair value of goods and services provisions of future obligation under employee retirement benefit plans, estimated useful life of property, plant and equipment, provision for doubtful debts and loans and advances and provision for income-tax. Actual results could differ from these estimates. Any revisions to estimates are recognised prospectively in current and future periods.

**d) Property, plant and equipment and capital work-in-progress**

Property, plant and equipment (except freehold land which is carried at cost) are stated at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost of acquisition includes freight inward, duties, taxes and other directly attributable expenses incurred to bring the assets to their working condition for its intended use, any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of property, plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Property, plant and equipment under construction are disclosed as capital work-in-progress.

**e) Intangible assets**

Intangible assets comprising of computer softwares, are stated at cost of acquisition less accumulated amortization and impairment loss, if any. Intangible assets are capitalized where they are expected to provide future enduring economic benefits. Capitalization costs include license fees and cost of implementation/system integration services. The costs are capitalised in the year in which the software is fully implemented for use.

**f) Depreciation and amortisation**

The management has determined the estimated useful lives of the assets based on the consideration of useful lives as prescribed under part C of Schedule II of the Act and the period over which the Company expects to derives estimated economic benefits from the use of such assets. The estimated useful lives of asset are as follows:

Category	Estimated useful life (Years)
<b>Property, plant and equipment</b>	
Building	60
Leasehold improvements #	3
Plant and machinery	15
Office equipment's*	10
Furniture and fixtures	10
Vehicles	8
Computers hardware	
- Server and networks	6
- Computers*	3-5
<b>Intangible assets</b>	
Computer software	3-4

\* For these class of assets, based on internal assessment and technical evaluation, management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence

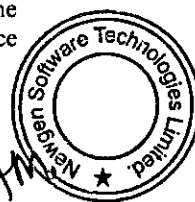


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**Newgen Software Technologies Limited**

**Notes to the Special Purpose Standalone Interim Financial Statements for the period ended 30 September 2017**

the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Act.

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

The Company is depreciating/amortising all property, plant and equipment and intangible assets on straight line method (SLM) over the estimated useful life of each asset as determined by the management. Leasehold land is amortized over lease period i.e. 90 years.

**g) Impairment of assets**

The management assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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.

**h) Investments**

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realised within 12 months after the reporting date is presented under 'current assets' in consonance with the current/ non-current classification as per the Schedule III of the Act.

Long-term investments (including current portion thereof) are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment. Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments i.e. mutual funds, bonds etc.

**i) Revenue recognition**

Revenue from sale of licenses for software products is recognised on transfer of title to the customer, which generally coincides with delivery of licence to the customer.

When a fixed price sales arrangement contains multiple-elements, such as sale of licenses for software products, implementation services and other services, revenue for each element is based on revenue arrangements in which a customer may purchase a combination of its services. Revenue from multiple- element arrangements is recognised, for each respective element, based on (1) the attainment of the delivery criterion; (2) its fair value, which is determined using the selling price hierarchy of vendor-specific objective evidence ("VSOE") of fair value, third-party evidence or best estimated selling price, as applicable, and (3) its allocated selling price, which is based on the relative sales price method except where fair value of delivered component is not determinable residual method is followed.

The revenues from fixed price contracts for software development is recognised based on proportionate completion method and foreseeable losses on the completion of contract, if any, are recognised immediately.

Revenue with respect to time and material contracts is recognised, as related services are performed on a man month basis.

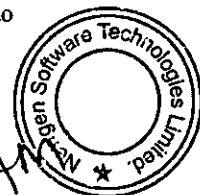
Revenue from digitization services is recognised as services are rendered to the customer.

Revenue from annual technical service and maintenance contracts is recognised on a pro rata basis over the period in which such product up gradation and services are rendered.

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



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**Newgen Software Technologies Limited**

**Notes to the Special Purpose Standalone Interim Financial Statements for the period ended 30 September 2017**

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

Revenues are reported net of service tax and applicable discounts and allowances. Reimbursements of out-of-pocket expenses received from customers have been netted off with expense.

**j) Other income**

Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend from investments is recognised when right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists.

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

**k) Trade receivables**

The Company maintains provision for doubtful debts for estimated losses inherent in its trade receivable portfolio. In establishing the required provision, management considers historical losses adjusted to take into account current market conditions and its customers' financial condition, the amount of trade receivables in dispute and the current ageing and current payment patterns. Trade receivable account balances are charged off against the provision after all means of collection have been exhausted and the potential for recovery is considered remote.

**l) Foreign exchange transactions**

Foreign exchange transactions are recorded using the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year/period are recognised in the Statement of Profit and Loss for the year/period. Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date are translated at the exchange rates on that date and the resultant exchange differences are recognised in the Statement of Profit and Loss. Non-monetary items denominated in a foreign currency, i.e., investments, are carried at historical cost and are stated at the exchange rate at the date of transaction.

The financial statements of an integral foreign operations (Dubai branch operations) are translated into Indian rupees as if the transactions of the foreign operations were those of the Company itself.

**m) Operating leases**

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rental (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit.

**n) Provisions, contingent liabilities and contingent assets**

A provision is recognised when as a result of past events, the Company has a present 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 recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

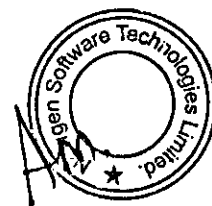
A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resource is remote.



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The Company does not recognise assets which are of contingent nature. However, if it has become virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the financial statements of the period in which the change occurs.

**o) Employee benefits**

**Short term employee benefits**

All employee benefits payable wholly within twelve months of receiving employee services are classified as short- term employee benefits. Benefits such as salaries, wages, bonus etc. are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

**Post employment benefits**

**Defined contribution plans**

The Company's provident fund is a defined contribution plan under which the Company makes specified monthly contribution towards employee provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

**Defined benefit plans**

The Company's gratuity plan is a defined benefit plan. Present value of obligations under such defined benefit plan is determined based on an actuarial valuation carried out by an independent actuary using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure 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, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

**Other long term benefits**

The obligation in respect of compensated absences is provided on the basis of actuarial valuation carried out by an independent actuary using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure 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, is based on the market yields on Government bonds as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

**p) Employee share based compensation**

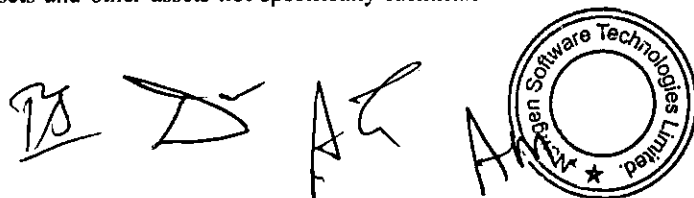
The Company calculates the employee stock compensation expense based on the intrinsic value method wherein the excess of fair value of underlying equity shares as on the date of the grant of options over the exercise price of the options given to employees under the Employee Stock Option Scheme of the Company, is regarded as employee compensation expense and recognised on a graded vesting basis over the vesting period in accordance with the "Guidance Note on Accounting for Employee Share-based Payments", issued by the Institute of Chartered Accountants of India. The Company has set up a trust to administer the ESOP Plan under which options have been granted to employees.

**q) Segment accounting policies**

The accounting principles consistently used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments. The accounting policies in relation to segment accounting are as under:

**i) Segment assets and liabilities**

All segment assets and liabilities have been allocated to the various segments on the basis of specific identification. Segment assets consist principally of property, plant and equipment, intangible assets, capital work in progress, trade receivables, loans and advances and service income accrued but not billed. Segment assets do not include unallocated advance tax, deferred tax assets and other assets not specifically identifiable with a segment.



**Newgen Software Technologies Limited**

**Notes to the Special Purpose Standalone Interim Financial Statements for the period ended 30 September 2017**

Segment liabilities include trade payable, other liabilities and employee benefits. Segment liabilities do not include share capital, reserves and surplus, provision for income tax and other liabilities not specifically identifiable with a segment.

**ii) Segment revenue and expenses**

Segment revenue and expenses are directly attributable to the segment and have been allocated to various segments on the basis of specific identification. Segment revenue does not include interest income and miscellaneous income in respect of non-segmental activities. Segment expenses do not include depreciation on unallocated property, plant and equipment, amortisation of intangible assets, finance costs, tax expense and other expense in respect of non - segmental activities.

**iii) Unallocated assets, liabilities, revenue and expenses**

Certain assets, liabilities, revenue and expenses are not specifically allocable to individual segments as the underlying services are used interchangeably. The Company believes that it is not practicable to provide segment disclosures relating to such assets, liabilities, revenue and expenses and accordingly such assets, liabilities, revenue and expenses are separately disclosed as 'unallocated'.

**r) Taxation**

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

Deferred tax in respect of timing differences which originate during the tax holiday period but reverse after the tax holiday period is recognised in the period in which the timing differences originate. For this purpose, reversal of timing difference is determined using FIFO method.

**s) Earnings per share**

The Company reports basic and diluted earnings / (loss) per equity share in accordance with Accounting Standard 20, "Earnings Per Share" specified under section 133 of the Companies Act, 2013, as applicable. The basic earnings / (loss) per share is computed by dividing the net profit / (loss) attributable to equity shareholders for the year/period by the weighted average number of equity shares outstanding during the year/period. Dilutive earnings per share is computed and disclosed after adjusting the effects of all dilutive potential equity shares, if any, except when the results will be anti-dilutive.

**t) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, balances/deposits with banks, other short-term highly liquid investments with original maturities of three months or less.



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### 3 Share capital

#### Authorised

	As at 30 September 2017		As at 31 March 2017	
	Number of shares	Amount (Rs. in lakhs)	Number of shares	Amount (Rs. in lakhs)
Equity shares of Rs. 10 each	9,80,00,000	9,800.00	6,44,00,000	6,440.00
Equity share capital with differential voting rights of Rs. 10 each	200	0.02	200	0.02
0.01% Compulsory convertible preference shares of Rs. 10 each	1,19,99,800	1,199.98	1,19,99,800	1,199.98
	<u>11,00,00,000</u>	<u>11,000.00</u>	<u>7,64,00,000</u>	<u>7,640.00</u>

#### Issued, subscribed and paid up

Equity shares of Rs. 10 each, fully paid up				
At the beginning of the period/year	6,43,08,030	6,430.80	5,40,13,800	5,401.38
Add: Preference shares conversion to equity shares during the period/year	-	-	1,02,94,230	1,029.42
Add: Equity shares with differential voting rights conversion to equity shares during the period/year	120	0.01	-	-
Add: Issued during the period/year to Newgen ESOP Trust	10,50,000	105.00	-	-
At the end of the period/year	6,53,58,150	6,535.81	6,43,08,030	6,430.80
Less Recoverable from Newgen ESOP Trust (refer note 31)	17,36,000	173.60	9,25,000	92.50
	<u>6,36,22,150</u>	<u>6,362.21</u>	<u>6,33,83,030</u>	<u>6,338.30</u>

#### Equity share capital with Differential voting rights (DVR) of Rs. 10 each, fully paid up

At the beginning of the period/year	120	0.01	120	0.01
Less: Equity share capital with Differential voting rights conversion to equity shares during the period/year	120	0.01	-	-
At the end of the period/year	-	-	120	0.01

#### 0.01% Compulsory convertible preference shares of Rs. 10 each, fully paid

At the beginning of the period/year	-	-	1,02,94,230	1,029.42
Less: Preference shares conversion to equity shares during the period/year	-	-	1,02,94,230	1,029.42
At the end of the period/year	-	-	-	-
	<u>6,36,22,150</u>	<u>6,362.21</u>	<u>6,33,83,150</u>	<u>6,338.31</u>

#### 3(a) Terms/rights attached to equity shares

The Company has two classes of equity shares i.e. equity shares having a par value of Rs.10 per share and equity shares with differential voting rights having par value of Rs.10 per share.

#### 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. 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.

#### Equity shares with differential voting rights :

In case of equity shares with differential voting rights, each of the shareholders holding DVR were entitled to such differential voting rights as specified below:

Shareholder(s)	No. of DVR	No. of votes*
Unit Trust of India Investment Advisory Services Limited, A/C Ascent India Fund III (referred as 'Ascent')	60	53,75,952
IDG Ventures India Fund II LLC (referred as 'IDGVI')	60	27,36,898

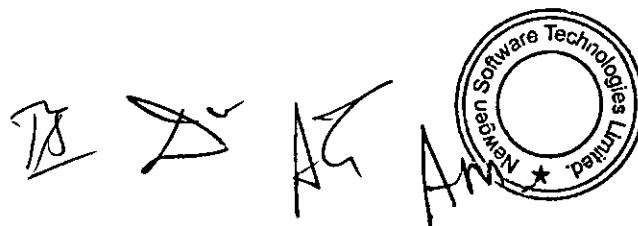
Each of the shareholder with differential voting rights shall, at all times up to the conversion thereof, are entitled to a fixed preferential and cumulative dividend of one-hundredth percent (0.01%) of the investment amount and resolved to be so distributed as such dividend in respect of each financial year or other accounting period of the Company, in accordance with applicable law. In addition, the Ascent DVR and the IDGVI DVR shall be entitled to participate in any distribution of the profits of the Company (including, as regards any dividends declared) on a pro-rata share and as-if-converted basis vis-à-vis the other shareholders.

\*Adjusted for bonus issue [Refer - note 3(c)]

#### 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 shall automatically expire. Subsequent thereto, the investors, as a holder of the Equity shares shall have the right to vote pro-rata to their respective shareholding on a fully diluted basis. In the event of a part conversion of the Ascent DVR and the IDGVI DVR, the differential voting and dividend rights shall be reduced proportionately to ensure that such rights automatically apply only to the shareholding percentage represented by the unconverted Ascent DVR and the IDGVI DVR.

During the six months period ended 30 September 2017, shares having differential voting rights and dividend rights have been converted into equity shares with ordinary voting rights.



**Newgen Software Technologies Limited**

**Notes to the Special Purpose Standalone Financial Statements for the six months period ended 30 September 2017**

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

**3(b) Terms/rights attached to preference shares**

During the years ended 31 March 2008 and 31 March 2009, the Company had issued 1,014,785 compulsorily convertible preference shares (hereinafter referred to as "CCPS") of Rs. 10 each fully paid up to HAV2 (Mauritius) Limited and 360,250 CCPS of Rs. 10 each fully paid up to SAPV (Mauritius). During the financial year 2013-14, HAV2 (Mauritius) Limited, exited from the Company and two new investors namely Unit Trust of India Investment Advisory Services Limited, A/C Ascent India Fund II ("Ascent") and IDG Ventures India Fund II LLC ("IDGVI") made investment in the Company. During the year ended 31 March 2014, all the CCPS held by HAV2 (Mauritius) Limited, were acquired by Ascent (670,790 CCPS) and IDGVI (343,995 CCPS). Further, during the year ended 2014-15, the Company has also allotted 225,192 number of CCPS to Ascent and 115,478 number of CCPS to IDGVI.

Pursuant to Shareholders agreement executed on 31 October 2013, between Newgen Software Technologies Ltd and Ascent, IDGVI, SAPV (Mauritius) (individually referred as investor and together referred to as investor group), Newgen Employees Trust and Mr. Diwakar Nigam, Mr. T.S. Varadarajan, Mrs. Priyadarshini Nigam and Mrs. Usha Varadarajan, and Share purchase cum Subscription agreement dated 31 October 2013, between Newgen Software Technologies Ltd, Ascent, IDGVI, SAPV (Mauritius), Mr. Diwakar Nigam, Mr. T.S. Varadarajan, Mrs. Priyadarshini Nigam and Mrs. Usha Varadarajan, the investor group were entitled to receive dividends in preference to any dividends on the equity shares of the Company at the rate of 0.01% (Zero point Zero One Per cent) per annum on the investors subscription consideration, pro rata on a fully diluted basis. However, all the preferential dividend and differential voting rights have already been expired due to conversion of CCPS into Equity.

Each CCPS shall be compulsorily converted at no cost to the Investor, into Equity Shares in the ratio of 1:1 at any time as may be determined by the Investor at their sole discretion. Subject to applicable Law, the conversion of the Shares and the HAV2 (Mauritius) Limited Sale of Shares will take place within the maximum time period prescribed under applicable Law for such conversion.

**Conversion of Compulsory convertible preference shares into equity**

Pursuant to the Shareholders Agreement executed on 31 October 2013 as aforesaid, during the year ended 31 March 2017, all issued 10,294,230 CCPS of Rs.10/- each have been converted into 10,294,230 equity shares of Rs.10/- each in the ratio of 1:1, at no cost to the investors. Equity shares of the Company allotted upon conversion of the CCPS, rank pari passu in all respects including as to dividend, voting rights, with the existing fully paid up equity shares of face value of Rs. 10 each of the Company.

**3(c) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:**

During ended year 2014-15, the Company had issued bonus shares in proportion of five shares for every one existing share pursuant to resolution passed by the shareholders on 18 September 2014. Accordingly, the company allotted 43,974,000 equity shares, 8,578,525 compulsorily convertible preference shares and 100 equity shares (with differential voting rights) of face value Rs. 10 each as fully paid up bonus shares by transfer of Rs. 5,255.26 lakhs to Share Capital Account on record date 9 July 2014 by utilisation of Security Premium Account.

**3(d) Particulars of shareholders holding more than 5% equity shares of the Company:**

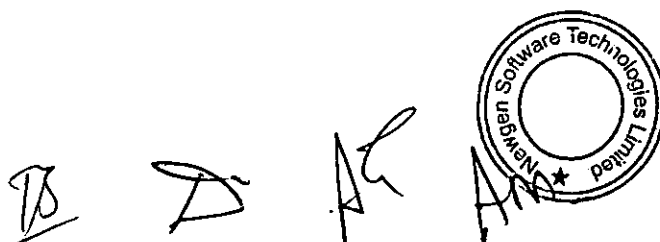
	As at 30 September 2017		As at 31 March 2017	
	Number of shares	% holding in the shares	Number of shares*	% holding in the shares
Equity shares of Rs.10 each, fully paid up held by:				
- Mr. Diwakar Nigam	1,84,22,406	28.19%	1,84,22,406	28.65%
- Mr. T.S. Varadarajan	1,50,09,306	22.96%	1,50,09,306	23.34%
- Mrs. Priyadarshini Nigam	79,68,906	12.19%	79,68,906	12.39%
- Mrs. Usha Varadarajan	45,28,320	6.93%	45,28,320	7.04%
- Unit Trust of India Investment Advisory Services Limited, A/C Ascent India Fund III	74,64,510	11.42%	74,64,510	11.61%

**Equity shares with Differential voting Rights of Rs.10 each, fully paid up held by:**

	As at 30 September 2017		As at 31 March 2017	
	Number of shares	% holding in the shares	Number of shares *	% holding in the shares
Unit Trust of India Investment Advisory Services Limited, A/C Ascent India	-	-	60	50
IDG Ventures India Fund II LLC	-	-	60	50

**3(e) Shares reserved for issue under option**

For details of shares reserved for issue under the employee stock option plan of the Company, refer note 31



	As at 30 September 2017 (Rs. in lakhs)	As at 31 March 2017 (Rs. in lakhs)
<b>4 Reserves and surplus</b>		
<b>Capital redemption reserve</b>		
At the beginning and end of the period/year	87.95	87.95
	<u>87.95</u>	<u>87.95</u>
<b>Securities premium account</b>		
At the beginning of the period/year	1,135.94	1,133.24
Add: Issue of shares to Newgen ESOP Trust	556.50	-
Add: Transferred from employee stock options outstanding account on exercise of stock options issued to employees (refer note 31)	10.03	2.70
	<u>1,702.47</u>	<u>1,135.94</u>
Less: Recoverable from Newgen ESOP Trust (refer note 31)	920.08	490.25
At the end of the period/year	<u>782.39</u>	<u>645.69</u>
<b>Employee stock options outstanding account (refer note 31)</b>		
At the beginning of the period/year	13.09	16.48
Add: Employee stock compensation expense	28.34	-
Less: Transferred to general reserve on account of lapse of stock options issued to employees (refer note 31)	-	0.69
	<u>10.03</u>	<u>2.70</u>
Less: Transferred to securities premium account on exercise of stock options issued to employees	10.03	2.70
At the end of the period/year	<u>31.40</u>	<u>13.09</u>
<b>General reserve</b>		
At the beginning of the period/year	1,732.08	1,731.39
Add: Transferred from employee stock options outstanding account on lapse of stock options issued to employees (refer note 31)	-	0.69
At the end of the period/year	<u>1,732.08</u>	<u>1,732.08</u>
<b>Surplus of Statement of Profit and Loss</b>		
At the beginning of the period/year	18,391.14	13,591.19
Add: Profit for the period/year	565.13	4,799.95
Less: Appropriations		
Dividend on equity shares	964.62	-
Dividend distribution tax on dividend on equity shares	196.37	-
At the end of the period/year	<u>17,795.28</u>	<u>18,391.14</u>
	<u>20,429.10</u>	<u>20,869.95</u>



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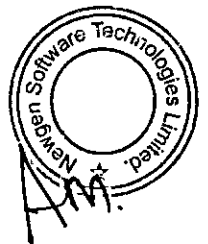
5 Provisions

	Long-term		Short-term	
	As at	As at	As at	As at
	30 September 2017 (Rs. in lakhs)	31 March 2017 (Rs. in lakhs)	30 September 2017 (Rs. in lakhs)	31 March 2017 (Rs. in lakhs)
Provision for employee benefits (refer note 27)				
Provision for gratuity	1,196.54	1,113.20	176.40	165.27
Provision for compensated absences	400.64	329.77	82.66	68.40
	<u>1,597.18</u>	<u>1,442.97</u>	<u>259.06</u>	<u>233.67</u>
	<u>1,597.18</u>	<u>1,442.97</u>	<u>259.06</u>	<u>233.67</u>



*BS*

*AG*





**Newgen Software Technologies Limited**  
**Notes to the Special Purpose Standalone Financial Statements for the six months period ended 30 September 2017**  
 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	As at 30 September 2017 (Rs. in lakhs)	As at 31 March 2017 (Rs. in lakhs)
<b>6 Other long-term liabilities</b>		
Deferred payment liability for leasehold land *	877.94	1,024.26
Lease equilisation reserve	7.15	-
	<u>885.09</u>	<u>1,024.26</u>

\* Deferred payment liability relates to leasehold land purchased from 'Yamuna Expressway Industrial Development Authority (YEIDA)' during the year ended 31 March 2016. The amount is payable in '12 half yearly installments' over the period of 6 years from the date of purchase.

	As at 30 September 2017 (Rs. in lakhs)	As at 31 March 2017 (Rs. in lakhs)
<b>7 Short-term borrowings</b>		
Loans from banks (secured)*		
Pre-shipment loans	6,628.53	5,226.18
	<u>6,628.53</u>	<u>5,226.18</u>

\* Pre-shipment loans are foreign currency short term loans taken from Standard Chartered Bank and Citi Bank having maturity varying from 3-6 months which carries interest rate ranging between 2% - 3% computed on monthly basis on the outstanding amount and are repayable on demand. These are secured by way of an exclusive charge created on all present and future other assets and trade receivables of the Company and equitable mortgage over certain immovable properties of the Company.

	As at 30 September 2017 (Rs. in lakhs)	As at 31 March 2017 (Rs. in lakhs)
<b>8 Trade payables</b>		
Trade payables		
- Total outstanding dues to micro enterprises and small enterprises	-	-
- Total outstanding dues to creditors other than micro and small enterprises	1,723.63	1,714.35
	<u>1,723.63</u>	<u>1,714.35</u>

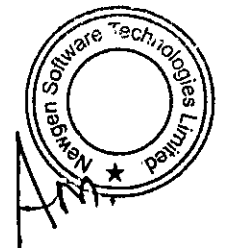
The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on the information currently available with the Company, there are no amounts payable to micro and small enterprises as at 30 September 2017 and 31 March 2017.

	As at 30 September 2017 (Rs. in lakhs)	As at 31 March 2017 (Rs. in lakhs)
<b>9 Other current liabilities</b>		
Deferred revenue	2,759.06	3,029.27
Other payables		
- employee related payables	2,305.68	2,411.84
- statutory dues payable	1,018.50	526.96
- current maturities of deferred liability for leasehold land	292.65	292.65
- advance from customers	16.01	9.39
- earnest money deposits	3.50	0.50
- creditors in respect of retention money	29.85	28.10
- dues in respect of purchase/construction of property, plant and equipment	382.41	126.67
- interest accrued but not due on deferred liability	37.41	42.29
	<u>6,845.07</u>	<u>6,467.67</u>



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10 Property, plant and equipment

Particulars	Gross block				Depreciation				Net block
	As at 1 April 2017	Additions during the period	Disposals	As at 30 September 2017	As at 1 April 2017	Depreciation for the period	Disposals	As at 30 September 2017	As at 30 September 2017
Freehold land	4.71	-	-	4.71	-	-	-	-	4.71
Leasehold land	2,854.59	-	-	2,854.59	50.18	15.88	-	66.06	2,788.53
Buildings	1,247.02	-	-	1,247.02	163.52	10.42	-	173.94	1,073.08
Leasehold improvements	153.08	-	52.35	100.73	153.08	-	52.35	100.73	-
Plant and machinery	342.94	12.52	9.27	346.19	133.92	18.53	2.80	149.65	196.54
Furniture and fixtures	390.32	4.53	7.78	387.07	179.97	23.63	4.77	198.83	188.24
Office equipment	479.83	33.26	11.65	501.44	176.28	29.52	11.38	194.42	307.02
Vehicles	232.07	10.50	-	242.57	116.88	11.52	-	128.40	114.17
Computer and servers	1,890.05	147.98	-	2,038.03	1,256.24	135.12	-	1,391.36	646.67
<b>Total</b>	<b>7,594.61</b>	<b>208.79</b>	<b>81.05</b>	<b>7,722.35</b>	<b>2,230.07</b>	<b>244.62</b>	<b>71.30</b>	<b>2,403.40</b>	<b>5,318.96</b>

Particulars	Gross block				Depreciation				Net block
	As at 1 April 2016	Additions during the year	Disposals	As at 31 March 2017	As at 1 April 2016	Depreciation for the year	Disposals	As at 31 March 2017	As at 31 March 2017
Freehold land	4.71	-	-	4.71	-	-	-	-	4.71
Leasehold land	2,842.05	12.54	-	2,854.59	18.51	31.67	-	50.18	2,804.41
Buildings	1,213.04	33.98	-	1,247.02	143.28	20.24	-	163.52	1,083.50
Leasehold improvements	153.08	-	-	153.08	147.09	5.99	-	153.08	-
Plant and machinery	366.74	18.93	42.73	342.94	145.71	30.41	42.20	133.92	209.02
Furniture and fixtures	382.11	10.16	1.95	390.32	149.54	32.38	1.95	179.97	210.35
Office equipment	486.50	16.95	23.62	479.83	154.48	45.32	23.52	176.28	303.55
Vehicles	240.73	-	8.66	232.07	104.81	20.73	8.66	116.88	115.19
Computer and servers	1,996.57	160.09	266.61	1,890.05	1,293.12	227.86	264.74	1,256.24	633.81
<b>Total</b>	<b>7,685.53</b>	<b>252.65</b>	<b>343.57</b>	<b>7,594.61</b>	<b>2,156.54</b>	<b>414.60</b>	<b>341.07</b>	<b>2,230.07</b>	<b>5,364.54</b>

11 Intangible assets

Particulars	Gross block				Amortisation				Net block
	As at 1 April 2017	Additions during the period	Disposals	As at 30 September 2017	As at 1 April 2017	Amortisation for the period	Disposals	As at 30 September 2017	As at 30 September 2017
Computer software	744.70	10.20	-	754.90	674.27	26.94	-	701.21	53.69
<b>Total</b>	<b>744.70</b>	<b>10.20</b>	<b>-</b>	<b>754.90</b>	<b>674.27</b>	<b>26.94</b>	<b>-</b>	<b>701.21</b>	<b>53.69</b>

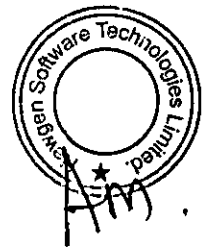
Particulars	Gross block				Depreciation				Net block
	As at 1 April 2016	Additions during the year	Disposals	As at 31 March 2017	As at 1 April 2016	Amortisation for the year	Disposals	As at 31 March 2017	As at 31 March 2017
Computer software	828.86	26.62	110.78	744.70	725.85	59.20	110.78	674.27	70.44
<b>Total</b>	<b>828.86</b>	<b>26.62</b>	<b>110.78</b>	<b>744.70</b>	<b>725.85</b>	<b>59.20</b>	<b>110.78</b>	<b>674.27</b>	<b>70.44</b>

\* Refer note 38

12 Capital work-in-progress

Particulars	Amount
As at 1 April 2017	1,108.30
Add Additions during the period	639.40
Less Capitalised during the period	-
<b>As at 30 September 2017</b>	<b>1,747.70</b>

Particulars	Amount
As at 1 April 2016	604.62
Add Additions during the year	503.68
Less Capitalised during the year	-
<b>As at 31 March 2017</b>	<b>1,108.30</b>



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	As at 30 September 2017 (Rs. in lakhs)	As at 31 March 2017 (Rs. in lakhs)
<b>13 Non-current investments</b> <i>(valued at cost unless stated otherwise)</i>		
Long-term and unquoted investment in equity instruments of wholly owned subsidiaries		
6,000 (previous year 6,000) common stock of USD 200 each, fully paid up of Newgen Software Inc. USA.	496.75	496.75
1,000,000 (previous year 1,000,000) common shares of CAD 0.10 each, fully paid up of Newgen Software Technologies Canada, Limited.	53.30	53.30
250,000 (previous year 250,000) ordinary shares of SGD 1 each, fully paid up of Newgen Software Technologies Pte. Limited.	111.25	111.25
210,000 (previous year 210,000) equity shares of Rs.10 each, fully paid up of Newgen Computers Technologies Limited	46.50	46.50
20,000,000 (previous year -20,000,000) common stock of GBP 0.01 each, fully paid up of Newgen Software Technologies ( UK ) Ltd.	177.34	177.34
	<u>885.14</u>	<u>885.14</u>
Aggregate amount of unquoted investments	885.14	885.14
<b>14 Deferred tax assets (net)</b>		
	As at 30 September 2017 (Rs. in lakhs)	As at 31 March 2017 (Rs. in lakhs)
Deferred tax asset on:		
Provision for gratuity	458.45	425.88
Provision for compensated absences	154.56	125.33
Bonus payable	7.88	7.88
Provision for doubtful trade receivables	816.20	684.92
Employee stock compensation expense	9.81	-
Provision for doubtful loans and advances	42.64	42.64
Others	0.60	11.03
	<u>1,490.14</u>	<u>1,297.68</u>
Deferred tax liability on:		
Excess of written down value of fixed assets as per books of accounts over Income tax Act, 1961	255.40	285.14
	<u>255.40</u>	<u>285.14</u>
	<u>1,234.74</u>	<u>1,012.54</u>



TS  
Dr AG





	As at 30 September 2017 (Rs. in lakhs)	As at 31 March 2017 (Rs. in lakhs)
<b>17 Current investments (refer note 37)</b> <i>(Valued at cost or fair value whichever is less)</i>		
<b>Quoted</b>		
Investment in debt mutual funds	3,047.94	3,169.81
Investment in government bonds	1,860.58	1,654.47
	<u>4,908.52</u>	<u>4,824.28</u>
<b>Quoted current investment</b>		
Aggregate book value	4,908.52	4,824.28
Aggregate market value	5,020.36	4,866.52
<b>18 Trade receivables</b> <i>(Unsecured and considered good, unless stated otherwise)</i>		
	As at 30 September 2017 (Rs. in lakhs)	As at 31 March 2017 (Rs. in lakhs)
<b>Trade receivables</b>		
Outstanding for a period exceeding six months from the date they were due for payment		
- considered good	4,845.79	5,277.04
- considered doubtful	2,451.26	2,038.37
	7,297.05	7,315.41
Less: provision for doubtful debts	2,451.26	2,038.37
	4,845.79	5,277.04
Other trade receivables	12,580.48	17,249.24
	<u>17,426.27</u>	<u>22,526.28</u>
<b>19 Cash and bank balances</b>		
	As at 30 September 2017 (Rs. in lakhs)	As at 31 March 2017 (Rs. in lakhs)
<b>Cash and cash equivalents</b>		
- Cash on hand	5.07	6.26
- Balances with banks		
On current accounts*	2,547.56	1,995.41
On deposit accounts (with original maturity of 3 months or less)	800.00	800.00
	<u>3,352.63</u>	<u>2,801.67</u>
*Current account balances with banks include Rs. 35.55 lakhs (previous year: Rs. 36.69 lakhs) held at a foreign branch.		
<b>Details of bank balances/deposits</b>		
Bank balances/deposits available on demand with original maturity of 3 months or less included under 'Cash and cash equivalents'	800.00	800.00
Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current assets'	181.54	131.54
	<u>981.54</u>	<u>931.54</u>



For the six months  
 period ended  
 30 September 2017  
 (Rs. in lakhs)

<b>20 Revenue from operations</b>	
Sale of products - software	4,680.22
Annuity based revenue	
- AMC/ATS	3,594.38
- Support	5,021.73
- SaaS revenue	412.96
Sale of services	
- Implementation	3,619.24
- Scanning	949.14
	<u>18,277.67</u>
<b>21 Other income</b>	
Interest income from bank deposits	64.86
Dividend income from mutual funds	44.25
Interest income from government bonds	64.05
Profit on sale of mutual funds	43.03
Net foreign exchange fluctuation gain	63.12
Miscellaneous income	6.58
	<u>285.89</u>
<b>22 Employee benefits</b>	
Salaries, wages and bonus	9,709.28
Contribution to provident fund and other funds	327.92
Employee stock compensation expense (refer note 31)	28.34
Compensated absences (refer note 27)	107.22
Gratuity (refer note 27)	129.96
Staff welfare expenses	220.92
	<u>10,523.64</u>
<b>23 Finance costs</b>	
Interest expense on short-term borrowings	77.81
Interest on deferred payment liability for leasehold land	74.95
Other finance costs	37.09
	<u>189.85</u>
<b>24 Depreciation and amortisation</b>	
Depreciation on property, plant and equipment	244.64
Amortisation on intangible assets	26.93
	<u>271.57</u>



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For the six months  
period ended  
30 September 2017  
(Rs. in lakhs)

25 Other expenses

Rent (refer note 28)	748.20
Travelling and conveyance	2,600.51
Legal and professional	859.63
Digitisation (scanning) charges	244.30
Advertisement and publicity	189.18
Insurance	115.12
Brokerage and commission	144.41
Repairs and maintenance:	
- buildings	33.85
- computers	59.23
- others	66.63
Rates and taxes	67.93
Recruitment	97.31
Donation	6.72
Office maintenance	242.72
Communication	168.07
CSR Expenditure (refer note 39)	26.94
Electricity and water	188.52
Payment to auditor's	
- Statutory audit fee	20.00
Provision for doubtful trade receivables	412.90
Membership and subscription charges	239.78
Security charges	94.75
Equipment hiring charges	15.59
Software and license maintenance fees	155.07
Printing and stationery	57.10
Loss on disposal of property, plant and equipment	2.88
Diminution in market value of current investment (refer note 37)	1.74
Miscellaneous expenses	1.79
	<u>6,860.87</u>



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26 Commitments

Capital commitments:

Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for in the financial statements aggregate to Rs.1,848.54 lakhs (previous year Rs. 1,733.00 lakhs).

27 Employee benefits

a) Defined contribution plan

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 period up to 30 September 2017 aggregated to Rs. 327.92 lakhs.

b) 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.

Particulars	As at 30 September 2017 (Rs. in lakhs)		As at 31 March 2017 (Rs. in lakhs)	
	Non-current	Current	Non-current	Current
<b>Movement in present value of defined benefit obligation</b>				
Present value of defined benefit obligation at the beginning of the period/year		1,278.48		999.93
Current service cost		87.52		163.31
Interest cost		46.98		74.99
Actuarial (gain) / loss		(4.54)		87.38
Benefits paid		(35.49)		(47.15)
Present value of defined benefit obligation at the end of the period/year		1,372.95		1,278.48
<b>Classification into current/non-current</b>				
Gratuity	1,196.54	176.40	1113.20	165.27
Compensated absences	400.64	82.66	329.77	68.40
<b>Expense recognised in the Statement of Profit and Loss</b>				
Current service cost		87.52		
Interest cost		46.98		
Actuarial (gain) / loss		(4.54)		
Expense recognised in the Statement of Profit and Loss		129.96		

Principal actuarial assumptions used for gratuity and compensated absences at the balance sheet date are as follows:

Particulars	As at 30 September 2017		As at 31 March 2017	
<b>Economic assumptions:</b>				
Discount rate*		7.28%		7.35%
Expected future salary increase**		7.00%		7.00%
Average remaining working lives of employees (years)		31.00		30.43
<b>Demographic assumptions:</b>				
Retirement age		60 years		60 years
Mortality table		Indian Assured Lives Mortality (2006-08)		Indian Assured Lives Mortality (2006-08)
<b>Withdrawal rates:</b>				
- Upto 30 years		21%		21%
- 31 to 40 years		15%		15%
- Above 40 years		5%		5%

\* The discount rate is based on the prevailing market yields of Indian government bonds as at the balance sheet date for the estimated term of the obligations.

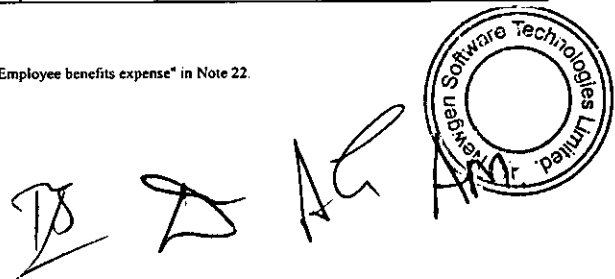
\*\* The expected rate of future salary increase considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors such as demand and supply in the employment market.

Five year information

Particulars	(Rs. in lakhs)				
	For the period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014
Present value of defined benefit obligation at the end of the period/year	1,372.95	1,278.46	999.93	679.45	497.12
Net liability recognised in balance sheet	(1,372.95)	(1,278.46)	(999.93)	(679.45)	(497.12)
Experience adjustment on plan liabilities (loss) / gain	11.28	(35.74)	0.61	(18.20)	(37.00)

c) Other long term benefits

An amount of Rs. 107.22 lakhs pertaining to compensated absences is recognised as an expense and included in "Employee benefits expense" in Note 22.





**28 Leases**

**Operating leases as lessee**

The Company has taken various cancellable and non-cancellable leases for office premises and residential accommodation for some of its employees. During the period, an amount of Rs. 748.20 lakhs was recognised as an expense in the Statement of Profit and Loss in respect of operating leases.

The future minimum lease payments under the non-cancellable lease are as follows:

Particulars	As at 30 September 2017 (Rs. in lakhs)	As at 31 March 2017 (Rs. in lakhs)
Not later than one year	1,143.30	909.63
Later than one year and not later than five years	1,848.79	2,041.67
Later than five years	-	-

**29 Segment Reporting**

The Company recognizes India, Europe, Middle East and Africa ('EMEA'), Asia Pacific ('APAC') and United States of America ('USA') segments as its primary segment based on location of its customers.

The above segments have been identified and reported taking into account the differing risks and returns, nature of regulatory environment and the current internal financial reporting structure. In view of the management, risk and returns for the Company is affected by the economic condition of various geographies. Accordingly, the geographical segments have been considered as primary reportable segments.

Financial information relating to the primary segments is presented below:

Particulars	India	EMEA	APAC	USA	Total
Segment revenue	7,354.32	5,947.31	1,643.15	3,332.89	18,277.67
Segment result	62.64	311.81	254.34	304.43	933.22
Unallocated income					285.89
Less: Unallocated expenditure					501.48
Profit before tax					717.63
Tax expense					152.50
Profit for the year					565.13

Assets and liabilities of reportable primary segment are as follows:

Particulars	India	EMEA	APAC	USA	Total
Segment assets by location	11,022.46 (9,825.42)	8,921.35 (11,147.29)	1,654.12 (2,161.52)	4,128.74 (3,762.10)	25,726.67 (26,896.33)
Unallocated assets					19,003.20 (16,421.03)
Total assets					44,729.87 (43,317.36)
Segment liabilities by location	5,183.32 (4,329.96)	2,527.10 (3,102.91)	411.75 (553.87)	865.63 (854.80)	8,987.80 (8,841.54)
Capital employed					26,791.30 (27,208.26)
Unallocated liabilities					8,950.77 (7,267.56)
Total liabilities					44,729.87 (43,317.36)

Figures in brackets represents previous year figures.



A listing of capital expenditure, depreciation and amortisation and other non-cash expenditure of the reportable primary segment are set out below:

(Rs. in lakhs)

Particulars	India	EMEA	APAC	USA	Unallocated	Total
Capital expenditure	-	-	-	-	218.99	218.99
Depreciation and amortisation	-	-	-	-	271.57	271.57
Provision for doubtful debts	236.47	151.20	25.22	-	-	412.90

30 Earnings per share

Particulars	For the period ended 30 September 2017
Profit after tax for the period/year as per Statement of Profit and Loss (Rs. in lakhs) (A)	565.13
Less: Preference dividend and dividend distribution tax thereon (Rs. in lakhs)	-
Less: Dividend on compulsory convertible preference share and dividend distribution tax thereon (Rs. in lakhs)	-
Net profit attributable to equity shareholders (Rs. in lakhs) (B)	565.13
Weighted average number of equity shares outstanding during the period/year for calculation of basic earnings per share** (C)	5,91,36,855
Dilutive impact of compulsory convertible preference shares (D)	-
Dilutive impact of employee stock options** (E)	17,19,688
Weighted average number of equity shares outstanding during the period/year for calculation of dilutive earning per share** [(F) = (C) + (D) + (E)]	6,08,56,543
Earnings per share in rupees (face value per equity share Rs. 10 each)	
- Basic [(B)/(C)]	0.96
- Diluted [(A)/(F)]	0.93

\*The fair value of the Company's shares for purposes of calculating the dilutive impact of stock options was based on independent valuer report for the period during which the options were outstanding.

\*\* Adjusted for bonus issue [Refer note 3(c)]

Reconciliation of weighted average number of equity shares for the period ended 30 September 2017:

Particulars	Number of equity shares*	Weighted average number of equity shares*
Equity shares of face value of Rs. 10 per share:		
Equity shares outstanding for calculation of basic earning per share as at 1 April 2017	5,87,38,166	5,87,38,166
Add: ESOP exercised during the period (refer to note 31)	6,78,044	3,98,689
Equity shares outstanding for calculation of basic Earning per share as at 30 September 2017	5,94,16,210	5,91,36,855
Add: Equity shares held by ESOP Trust with respect to options not granted/exercised by employees but outstanding	42,05,940	
Total equity shares outstanding as at 30 September 2017	6,36,22,150	



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**31 Employee Stock Option Plan (ESOP)**

a) The Company had established Employees Stock Option Plan-1999 (ESOP 1999) and Employees Stock Option Plan-2000 (ESOP 2000), 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 Rs.80 and Rs. 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. During the current period, all the outstanding options under okan ESOP 1999 and ESOP 2000 have been exercised by the employees and accordingly scheme ESOP 1999 and ESOP 2000 have been closed.

b) 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 options with underlying equity shares of the Company. Pursuant to the scheme, during the year 2014-15, the Company has granted 3,653,525 options at an exercise price of Rs. 63 per option, to the employees of the Company. During the current period, the Company has further granted 353,300 options under Grant II and 130,000 options under Grant III at an exercise price of Rs. 63 per option, to the employees of the Company. These options were granted through Newgen ESOP Trust. 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.

c) The Company had given loan of Rs. 784.35 lakhs to the Newgen ESOP trust in connection with the issue of shares in the year ended 31 March 2015 of Rs. 10 each at a price of Rs.63 per equity share (including a share premium of Rs. 53). Consequently, share capital and securities premium of the Company includes Rs.124.50 lakhs and Rs.659.85 lakhs respectively against the equity shares of Rs. 10 each issued to the Newgen ESOP Trust. During the current period, the Company has given further loan amounting to Rs. 661.50 lakhs to the Newgen ESOP trust for the issue of shares during the year FY 2017-18 of Rs. 10 each at a price of Rs.63 per equity share (including a share premium of Rs. 53). Consequently, share capital and securities premium of the Company includes Rs.105.00 lakhs and Rs.556.50 lakhs respectively against the equity shares of Rs. 10 each issued to the Newgen ESOP Trust. The amounts collected by the trust as exercise price on exercise of stock options by the employees will be transferred to the Company and such receipts are adjusted from the advances recoverable from ESOP Trust. In accordance with the "Guidance Note on Accounting for Employee Share-based Payments" issued by the Institute of Chartered Accountants of India, the amount recoverable from Newgen ESOP Trust as at 30 September 2017 amounting to Rs. 1093.68 lakhs given to the trust to acquire 2,295,000 equity shares has been reduced from the share capital and securities premium account with respect to Newgen ESOP 2014 schemes.

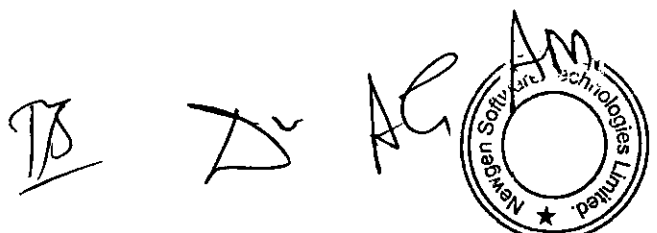
Loan given to Newgen employee trust for the Employee Stock option plan 1999 and Employee stock option plan 2000 has already been recovered by the Company in the earlier years.

**d) Reconciliation of outstanding share options**

The number and the weighted average exercise prices of share options under employee stock option plans are as follows

Particulars	As at 30 September 2017		As at 31 March 2017	
	No. of options*	Weighted average exercise price*	No. of options*	Weighted average exercise price*
<b>1999 plan</b>				
Outstanding as at 1 April 2017	52,600	4.45	57,600	4.45
Granted during the period/year	-	-	-	-
Exercised during the period/year	52,600	4.45	5,000	4.45
Forfeited during the period/year	-	-	-	-
<b>Outstanding as at 30 September 2017</b>	-	-	<b>52,600</b>	<b>4.45</b>
Exercisable as at 30 September 2017	-	-	52,600	4.45
<b>2000 plan</b>				
Outstanding as at 1 April 2017	3,86,700	6.67	4,83,800	6.67
Granted during the period/year	-	-	-	-
Exercised during the period/year	3,86,700	6.67	67,100	6.67
Forfeited during the period/year	-	-	30,000	6.67
<b>Outstanding as at 30 September 2017</b>	-	-	<b>3,86,700</b>	<b>6.67</b>
Exercisable as at 30 September 2017	-	-	3,86,700	6.67
<b>2014 plan</b>				
Outstanding as at 1 April 2017	30,61,209	63	33,84,305	63
Granted during the period/year	4,83,300	63	-	-
Exercised during the period/year	2,38,744	63	1,56,571	63
Forfeited during the period/year	71,463	63	1,66,525	63
<b>Outstanding as at 30 September 2017</b>	<b>32,34,302</b>	<b>63</b>	<b>30,61,209</b>	<b>63</b>
Exercisable as at 30 September 2017	5,23,262	63	7,77,170	63
<b>Total outstanding as at 30 September 2017</b>	<b>32,34,302</b>		<b>35,00,509</b>	
<b>Total exercisable as at 30 September 2017</b>	<b>5,23,262</b>		<b>12,16,470</b>	

\* Adjusted for bonus issue [Refer note 3(c)]



The options outstanding as at 30 September 2017 have an exercise price and a weighted average contractual life as given below :

Particulars	As at 30 September 2017			As at 31 March 2017		
	No. of outstanding share options	Exercise price	Weighted average remaining life	No. of outstanding share options	Exercise price	Weighted average remaining life
1999 Plan	-	-	-	52,600	4.45	1.75
2000 Plan	-	-	-	3,86,700	6.67	2.09
2014 Plan	32,34,302	63.00	6.63	30,61,209	63.00	6.76

- e) In accordance with the "Guidance Note on Accounting for Employee Share-based Payments", the Company has valued the Employee Stock Options granted during the year, on Intrinsic Value Method, i.e., the excess of the fair market value of the underlying equity shares as of the date of the grant of the options over the exercise price of the option. Such excess, if any is recognized as stock compensation cost and has been amortised in accordance with the requirements of Guidance note.

The following table illustrates the effect on earnings per share if the Company had applied the fair value method to stock-based employee compensation:

Particulars	For the period ended 30 September 2017
Profit after tax for the period/year as reported in the Statement of Profit and Loss (Rs. lakhs) (A)	565.13
Net profit attributable to equity shareholders (Rs. lakhs)(Refer note 30) (B)	565.13
Add: Employee stock option compensation expense as per intrinsic value method (Rs. lakhs) (C)	28.34
Less: Employee stock option compensation expense as per fair value method (Rs. lakhs) (D)	96.27
Adjusted proforma net profit (Rs. lakhs) [(E) = (B) + (C) - (D)]	497.20
Adjusted proforma net profit - diluted (Rs. lakhs) [(F) = (A) + (C) - (D)]	497.20
Weighted average number of equity shares outstanding during the period/year for calculation of basic earnings per share (G)	5,91,36,855
Weighted average number of equity shares outstanding during the period/year for calculation of dilutive earning per share (H)	6,08,56,543
Earnings per share - as reported	
- Basic [(B)/(G)]	0.96
- Diluted [(A)/(H)]	0.93
Earnings per share - adjusted proforma	
- Basic [(E)/(G)]	0.84
- Diluted [(F)/(H)]	0.82

- f) Employee Stock Option compensation expense as per fair value method has been determined based on the fair value of the stock options on the date of grant. The fair value of the stock options were determined on the date of grant using Black scholes model with the following assumptions:

Particulars	2014 Plan		
	Grant-I	Grant-II	Grant-III
Expected volatility	-	55.59%	55.59%
Risk free interest rate	8.04%	6.57% to 6.88%	6.57% to 6.88%
Exercise price (Rs.)	63.00	63.00	63.00
Expected dividend yield	1.34%	0.00%	0.00%
Life of options	9 years	9 years	9 years
Fair value of options as at the grant date (Rs.)	15.41	100.23	100.23
Share price at grant date	63.00	134.53	134.53



DS

DAC



32 Related party disclosure

a) Related parties where control exists whether or not transactions have taken place during the period/year:

Nature of relationship	Name of related party
Wholly owned subsidiaries	Newgen Software Inc. USA Newgen Software Technologies Canada Limited, Canada Newgen Software Technologies Pte. Limited, Singapore Newgen Computers Technologies Limited, India Newgen Software Technologies (UK) Ltd.

b) Other related parties with whom transactions have taken place during the period/year:

Nature of relationship	Name of related party
(i) Individuals having substantial interest in voting power	Diwakar Nigam - Managing Director T.S. Varadarajan - Whole Time Director
(ii) Enterprises over which any person described in (i) above is able to exercise significant influence	Newgen Employees Trust
(iii) Key management personnel	Diwakar Nigam - Managing Director T.S. Varadarajan - Whole Time Director Priyadarshini Nigam - Whole Time Director Arun Kumar Gupta - Chief Financial Officer Aman Mourya - Company Secretary
(iv) Relative of Key Managerial personnel	Shubhi Nigam - Daughter of Diwakar Nigam

c) Transactions with related parties during the period/year:

Nature of transaction	Name of related party	For the period ended 30 September 2017 (Rs. in lakhs)
Sale of products and services	Newgen Software Inc.	2,753.85
	Newgen Software Technologies Ltd., Canada	212.69
	Newgen Software Technologies Pte. Ltd.	284.20
	Newgen Software Technologies (UK) Ltd.	-
Rent expense	Newgen Computers Technologies Limited	3.60
Expenses paid on behalf of Subsidiaries	Newgen Computers Technologies Limited	0.65
Salary and other benefits*	Diwakar Nigam - Managing Director	73.04
	T.S. Varadarajan - Whole Time Director	34.49
	Priyadarshini Nigam - Whole Time Director	18.86
	Shubhi Nigam - Daughter of Mr. Nigam	0.87
	Arun Kumar Gupta - Chief Financial officer	25.51
	Aman Mourya - Company Secretary	4.84

\* excludes provision for gratuity and compensated absences, as these are determined on the basis of actuarial valuation for the Company as a whole.

d) Outstanding balances as at period/year end

Particulars	Name of related party	As at 30 September 2017 (Rs. in lakhs)	As at 31 March 2017 (Rs. in lakhs)
Trade receivables	Newgen Software Inc.	1,076.99	2,445.16
	Newgen Software Technologies Canada, Ltd.	29.42	368.20
	Newgen Software Technologies Pte. Ltd.	-	111.87
	Newgen Software Technologies (UK) Ltd.	169.05	236.76
Investment in subsidiaries	Newgen Software Inc. USA	496.75	496.75
	Newgen Software Technologies Canada, Ltd.	53.30	53.30
	Newgen Software Technologies Pte. Ltd.	111.25	111.25
	Newgen Computers Technologies Limited	46.50	46.50
	Newgen Software Technologies (UK) Ltd.	177.34	177.34
Unbilled revenue	Newgen Software Inc.	1,466.45	68.63
	Newgen Software Technologies Canada, Ltd.	212.69	-
	Newgen Software Technologies Pte. Ltd.	284.20	-
Salary and other benefits payable	Diwakar Nigam - Managing Director	10.03	5.02
	T.S. Varadarajan - Whole Time Director	4.74	2.37
	Priyadarshini Nigam - Whole Time Director	2.15	1.79
	Arun Kumar Gupta - Chief Financial Officer	2.34	2.20
	Aman Mourya - Company Secretary	0.81	0.81



Handwritten signatures and initials: DS, AG, Am. and a circular stamp of Newgen Software Technologies Limited.

33 Foreign currency exposures that are not hedged by derivatives instruments or otherwise are as follows:

Particulars	Currency	As at 30 September 2017		As at 31 March 2017	
		Amount in foreign currency (lakhs)	Amount in local currency (Rs. in lakhs)	Amount in foreign currency (lakhs)	Amount in local currency (Rs. in lakhs)
Trade receivables*	USD	163.62	10,654.90	219.19	14,210.08
	AED	0.08	1.35	3.54	62.51
	CAD	0.56	29.42	7.56	368.19
	EUR	2.00	153.96	1.87	129.74
	GBP	2.51	220.22	3.71	300.34
	SAR	6.37	110.80	7.41	128.04
	SGD	-	-	2.41	111.86
Trade payable	USD	0.94	61.14	1.63	107.66
	GBP	-	-	0.03	2.45
	EURO	-	-	0.03	2.32
Brokerage and commission	USD	8.12	525.08	10.04	650.78
	SAR	1.45	25.04	1.27	22.00
Short-term borrowings	USD	80.60	6,628.53	80.60	5,883.23
Salaries and bonus	AED	-	-	0.92	17.13
Bank balance-Dubai	AED	2.00	35.55	2.07	41.11
Bank balance-EEFC	USD	0.81	53.10	-	-
Travelling Advance to employees	USD	0.90	58.44	1.58	104.65
	AED	1.12	19.77	0.61	10.98
	CAD	0.06	2.88	0.02	0.92
	GBP	0.01	0.90	-	-
	SGD	0.01	0.58	-	-
	EURO	0.11	9.17	0.03	1.98

\* gross of provision for doubtful debts

34 Expenditure in foreign currency:

Particulars	For the period ended 30 September 2017 (Rs. in lakhs)	For the year ended 31 March 2017 (Rs. in lakhs)
Travelling expense (net of reimbursements)	1,270.87	2,084.50
Membership and subscription	123.35	230.06
Salaries and bonus	204.31	366.24
Brokerage and commission	134.43	478.90
Legal and professional	161.17	379.45
Software maintenance	27.54	68.02
Advertisement and exhibition	84.01	154.06
Rent	27.28	33.72
Dubai branch expenses	54.50	139.18
Others	17.68	23.10

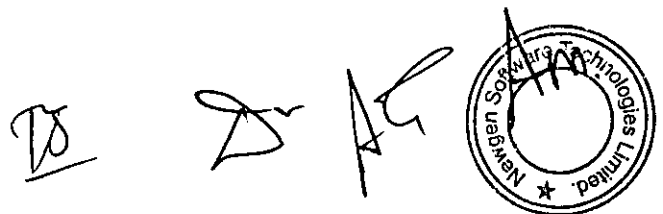
35 Earnings in foreign currency:

Particulars	For the period ended 30 September 2017 (Rs. in lakhs)	For the year ended 31 March 2017 (Rs. in lakhs)
Export of software products and services	10,553.75	21,363.76

36 Dividend remittances in foreign currency:

Particulars	For the period ended 30 September 2017 (Rs. in lakhs)	For the year ended 31 March 2017 (Rs. in lakhs)
Year to which the dividend relates	2016-17	2015-16
Amount remitted during the period/year (Rs. in lakhs)	77.21	51.78
Number of non-resident shareholders	2	2
Number of shares on which dividend was due *	51,47,340	51,47,340

\*Adjusted for bonus issue [Refer - note 3(c)]



37 Details of current investments

Investments in Indian money market mutual funds and bonds - (Valued at cost or market value whichever is less)

Particulars	Number of units		Amount in lakhs	
	as at		as at	
	30 September 2017	31 March 2017	30 September 2017	31 March 2017
<b>Investment in debt mutual funds</b>				
Tata Short Term Fund	-	12,73,800	-	400.00
Reliance Short Term Fund	6,34,842	6,34,842	200.00	200.00
UTI Short Term Income Fund	-	19,74,451	-	400.00
ICICI Prudential Short Term Plan	8,60,077	8,60,077	300.00	300.00
UTI Income Opportunities Fund	38,44,137	37,48,856	429.53	418.89
Kotak Income Opportunities Fund	40,67,851	39,48,263	429.95	417.93
BNP Paribas Medium Term Income Fund	42,35,110	41,37,952	423.64	413.80
L&T Income Opportunities Fund Direct Plan	38,33,890	37,34,193	431.21	419.19
IIFL Cash Opportunities Fund	-	18,17,389	-	200.00
Tata Short Term Fund	26,68,549	-	416.68	-
UTI Short Term Income Fund	38,32,913	-	416.93	-
			3,047.94	3,169.81
<b>Investments in debentures or bonds</b>				
8.40% Indian Railway Finance Corporation Limited	40,000	40,000	448.57	448.57
IIFL Perpetual Debt Product	200	200	200.00	200.00
11% Bank of India Perpetual Bond	10	10	102.25	104.62
10.40% Vijaya Bank Perpetual Bonds [Series II]	40	40	402.48	402.12
7.35% National Highways Authority of India	45,000	45,000	499.16	499.16
IIFL Sub Debt 9.25%	20	-	208.12	-
			1,860.58	1,654.47
			4,908.52	4,824.28

Quoted current investment

Particulars	As at 30 September 2017 (Rs. in lakhs)	As at 31 March 2017 (Rs. in lakhs)
Aggregate book value	4,908.52	4,824.28
Aggregate market value	5,020.36	4,866.52

38 As at 30 September 2017, the Company has gross foreign currency receivables amounting to Rs. 11,170.64 lakhs. Out of these receivables, Rs. 6,835.35 lakhs is outstanding for more than 9 months. As per Foreign Exchange Management (Current Account) Rules, 2000 read with Master Circular No. 14/2014-15 dated 1 July 2014, receipt for export goods should be realized within a period of 9 months from the date of export. In case of receivables not being realised within 15 months from the date of export, prior approval from Reserve Bank of India (RBI) is required. As per the requirements of Foreign Exchange Management Act, in one calendar year, the Company is allowed to seek extension for an amount equivalent to 10% of the average collection of the last 3 years only and pursuant to the same, the Company has filed the extension for foreign currency receivables amounting to Rs. 1,414.58 lakhs during the previous 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.

39 As per Section 135 of the Companies Act, 2013, a CSR Committee has been formed by the Board of directors. 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. Accordingly, the Company has spent Rs. 26.94 lakhs till 30 September 2017 out of the total CSR expenditure budget of Rs. 106.13 lakhs.

40 The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company has got the updated documentation for the international transactions entered into with the associated enterprises during the financial year. Accordingly, the management believes that there has been no change in the nature of its international transactions with the associated enterprises during the period ended 30 September 2017. Further, the management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

As per our report of even date attached

For BSR & Associates LLP  
Chartered Accountants  
Firm Registration No. 116231W / W-100024



Rakesh Dewan  
Partner  
Membership No.: 092212

Place: Gurugram  
Date: 24 November 2017

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



Diwakar Nigam  
Managing Director  
DIN: 00263222

T.S. Varadarajan  
Whole Time Director  
DIN: 00263115

Arun Kumar Gupta  
Chief Financial  
Officer

Aman Mourya  
Company Secretary  
Membership No: 27299

Place: New Delhi  
Date: 24 November 2017

Place: New Delhi  
Date: 24 November 2017

Place: New Delhi  
Date: 24 November 2017

Place: New Delhi  
Date: 24 November 2017