



NEWGEN

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION

Revision No.: - 2.0

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Newgen Software Technologies Ltd.

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Revision History			
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1. PREFACE:

Newgen Software Technologies Limited (“the Company”) is committed to being open and transparent with all stakeholders and in dissemination of material event/ information in a fair and timely manner. Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) requires a Company to disclose events or information which, in the opinion of the Board of the Company, are material. Accordingly, the Board of Directors of the Company has framed a “Policy for Determination of Materiality of Events or Information” (“the Policy”).

The Policy shall be applicable to all events/ information in the Company, as and when they fall under the criteria enumerated in the policy.

All the words and expressions used but not defined in the Policy shall have the same meaning as assigned to them in the SEBI Listing Regulations, and if not defined therein, then as per the Companies Act 2013, and/ or the rules and regulations made thereunder or any statutory modification or re-enactment thereto, as the case may be.

2. OBJECTIVE:

The Policy aims to provide a framework for determining materiality of events and information for the purpose of making timely and adequate disclosure to Stock Exchanges on an ongoing basis in terms of Regulation 30 of SEBI Listing Regulations. Further, the Policy is designed for systematic identification, categorization, review and disclosure to the stock exchanges and hosting on the Company’s website and regular updation of the events/ information which may have material bearing on the performance /operation of the Company and as a result, may affect the market prices of the shares of the Company.

3. CATEGORIES OF EVENTS/ INFORMATIONS:

The event/ information related to the Company’s business, operation, performance which may have THE possibility of having significant effect on decision on investment of securities of the Company are divided into following categories: -

Category-I: Event/ information as detailed in the Annexure 1 in terms of Regulation 30(2) (Para A of Part A of Schedule-III) of SEBI Listing Regulations, are deemed to be material and shall be disclosed to the stock exchanges.

Category-II: Event/ information as detailed in the Annexure 2 in terms of Regulation 30(3) (Para B of Part A of Schedule-III) of SEBI Listing Regulations, shall be disclosed subject to the Materiality of Event/ information to be determined by the Company based on the application of the criteria for Materiality as specified in clause 4 of the Policy in accordance with the regulation 30(4)(i) of the SEBI Listing Regulations.



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Category-III: Any other event / information which would have a material bearing on the operational / financial performance of the Company, goodwill or otherwise significantly impact the share price of the Company, as decided by the Board of Directors from time to time.

Category-IV: Any other even/ information viz. major development that is likely to affect business, e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc. and any other information which is exclusively known to the Company which may be necessary to enable the holders of securities to appraise its position and to avoid the establishment of a false market in such securities.

Category-V: The Company shall disclose all events or information with respect to subsidiaries which are material for the Company.

Category-VI: Without prejudice to the generality of above categories, the Company may make disclosures of event/ information as specified by the SEBI from time to time.

4. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION:

The following criteria shall be followed for determination of Materiality of events/ information listed under Category II to V above:

A. Quantitative Criteria: Calculated based on audited consolidated financial statements of the last financial year, would mean event/ information where the value involved or the impact exceeds 5 percent of the consolidated turnover, or exceeds 10 percent of the net worth whichever is lower.

B. Qualitative Criteria: Based on the consideration enumerated below:

- i. The omission of an event or information which likely to result in discontinuity or alteration of event or information already available publicly; or
- ii. The omission of an event or information which is likely to result in significant market reaction if the said omission came to light at a later date; or
- iii. In A case where criteria specified in the aforementioned categories are not applicable, an event or information may be treated as being material if in the opinion of the Board of Directors, the event/ information is considered material.

5. TIMING OF OCCURRENCE OF MATERIAL EVENT/ INFORMATION:

The guidelines on the timelines to be considered as to when an event/ information can be said to have occurred are as under:

1. Execution of terms, final discussion, or approval of the Board of Directors and in other instances where there is no such execution, discussion or approval required, viz. in case of natural calamities, disruptions, etc., it will depend upon the timing when the Company became



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aware of such event/information.

OR

2. However, considering the price sensitivity involved, for certain events, e.g., financial results, decision on declaration of dividends, bonus issue, appointment of Directors/ KMPs/ Auditors etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, irrespective of requirement of Shareholders' approval.

OR

3. The events/ information can be said to have occurred, as soon as, an Officer of the Company has or ought to have reasonably come into possession of the information in the course of performance of his duties under normal course of the business. The term "Officer" shall have the same meaning as defined under Companies Act 2013.

6. DISCLOSURES OF THE MATERIAL EVENT/ INFORMATION TO THE STOCK EXCHANGES:

- (a) Subject to clause 6(b) of the Policy, all the disclosure of any event or information required to be made in accordance with this Policy, shall be made, immediately, not later than twenty-four (24) hours of occurrence of such event or information. The Disclosure shall be made with all the details as prescribed by the SEBI time to time.
- (b) Outcome of Meetings of the Board of Directors, as stated under Para A (4) of Part A of Schedule-III, shall be disclosed to the Exchange(s), within 30 minutes of the closure of the meeting.
- (c) In case the disclosure is delayed i. e. after prescribed timeline, the Company shall, along with such disclosures provide explanation for delay as may be necessary.
- (d) Event/information which has been disclosed to the Stock Exchange(s) in accordance with this Policy shall be updated regularly based on any material development/ modification till the event is resolved/ closed with relevant explanations, if any required.
- (e) The Company shall provide specific and adequate reply to all queries raised by any Stock Exchange(s) with respect to any events or information.
- (f) The Company shall update all disclosures of events/ information made under the Policy to the Stock Exchange(s) on its website and such disclosures shall be continued to be hosted on the website of the Company for a minimum period of five years and thereafter as per the Archival Policy of the Company.

7. AUTHORISATION FOR THE PURPOSE OF DETERMINING MATERIALITY OF AN EVENT/ INFORMATION:

- a) Events/ information which requires testing of materiality, Mr. Diwakar Nigam, Chairman & Managing Director, Mr. T S Varadarajan, Whole-time Director, Mr. Virender Jeet, Chief



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Executive Officer, Mr. Arun Kumar Gupta, Chief Financial Officer and Aman Mourya, Company Secretary of the Company are severally or jointly (as the case may be) authorized to determine the materiality of the same for the purpose of disclosure.

- b) In case where an event occurs or an information is available with the Company, which has not been indicated in the given annexures or Para A or B of Part A of Schedule III of SEBI Listing Regulations, but which may have material effect on it, the aforesaid KMPs are authorized to make adequate disclosures in regard thereof.
- c) Above-mentioned KMPs are further authorized:
 - jointly / severally, to suo-moto accept / deny any report event or information, which has been made public by media or by any other unauthorized means including but not limited to electronic means.
 - jointly / severally, to respond to the rumours amongst the general public, which has no basis or documentation, in a way which best protects the interests of the Company.
- d) Based on the decision of the above-mentioned KMPs, the Company Secretary shall ensure submission of necessary disclosure to the Stock Exchanges, immediately, as specified in the SEBI Listing Regulations. Further, the Compliance Officer will act as the custodian of the disclosure process.
- e) The Company Secretary may use the SOP/ procedure as defined in Annexure 3 of the Policy.

8. CLARIFICATION AND ENQUIRIES:

- a) All the disclosures made to the stock exchanges under this Policy shall also be placed on the Company's website and the same shall be available for a minimum period of five years and thereafter archived in accordance with the Company's Archival Policy.
- b) All the designated employees including other senior officials, if deemed necessary, shall be communicated regarding the requirements under this Policy
- c) The Company Secretary may be contacted for any assistance as to the interpretation and application of this Policy.

9. AMENDMENT:

- a) Any or all provisions of the Policy, except annexure 3, would be subject to revision/amendment in accordance with the guidelines/regulations on the subject as may be issued by the SEBI and other Government Regulatory Authorities, from time to time.
- b) the Annexure 3 may be modified as may be required, with the approval of Chief Executive Officer or Chief Financial Officer of the Company.



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- c) In the event of any conflict between the provisions of this Policy and of the Act or SEBI Listing Regulations or any other statutory enactments, rules, the provisions of such Act or SEBI Listing Regulations or statutory enactments, rules shall prevail over this Policy.

For Newgen Software Technologies Limited

**Diwakar Nigam
Chairman & Managing Director**



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Annexure-1

Event/ information are deemed to be material and shall be disclosed to the stock exchanges:

1)	Results, dividend or issue of new shares
2)	Acquisition(s) (including agreement to acquire),
3)	Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring),
4)	Sale or disposal of any unit(s), division(s) or subsidiary of the listed entity or any other restructuring:
5)	Issuance or forfeiture of securities, split or consolidation of shares,
6)	Buyback of securities,
7)	Any restriction on transferability of securities
8)	Alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc
9)	Revision in Rating(s) and In case of a downward revision in ratings, the listed entity shall also intimate the reasons provided by the rating agency for such downward revision.
10)	Outcomes of the meeting of the Board of Directors - related with UPSI decision
11)	Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the listed entity),
12)	Agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof
13)	Fraud/ Defaults by promoter or key managerial personnel or by the Company or arrest of KMP or promoter
14)	Change in directors, KMPs, (Managing Director, WTD, CEO, CFO CS etc.), Auditor and Compliance Officer
15)	Appointment or discontinuation of share transfer agent
16)	Corporate debt restructuring & One-time settlement (OTS) with a Bank
17)	Reference to BIFR and winding-up petition filed by any party / creditors
18)	Issuance of notices, resolutions and circulars sent to shareholders, or creditors or advertised in the media
19)	Proceedings of annual and extraordinary general meetings
20)	Amendments to memorandum and articles of association of listed entity, in brief.
21)	Schedule of analyst or institutional investor meet and presentations on financial results
22)	Any other Event/ information in terms of Regulation 30(2) (Para A of Part A of Schedule-III) of SEBI Listing Regulations



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In addition to the afore mentioned events/ information following Press Releases are deemed to be Material:

1)	Quarter / Annual results
2)	Major Products versions of iBPS, OD, vertical product
3)	Major Vertical solution release which has all artefacts and significant impact in market
4)	Customer win having Order Value more than our materiality limit
5)	Gartner MQ and Forrester Wave
6)	Partnership for strategic tie-up



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Annexure-2

Event/ information shall be disclosed subject to the Materiality of Event/ information to be determined by the Company based on the application of the criteria for Materiality as specified in clause 4 of the Policy.

1)	Commencement or any postponement of commercial production/ operations of any unit/division:
2)	Change in the general character or nature of business
3)	Adoption of new line(s) of business
4)	Closure of operations of any unit/division - (entirety or piecemeal)
5)	Capacity addition or product launch
6)	Material awarding, bagging/ receiving, amendment or termination of awarded/ bagged orders/ contracts,
7)	Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof:
8)	Disruption of operations of any one or more units or division of the listed entity due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.:
9)	Effect(s) arising out of change in the regulatory framework applicable to the listed entity.
10)	Litigation(s) / dispute(s) / regulatory action(s) with impact
11)	Frauds/ defaults by directors (other than key managerial personnel) or employees of the listed entity:
12)	Options to purchase securities (including any Share Based Employee Benefit (SBEB) Scheme) at the time of instituting the scheme and vesting or exercise of options
13)	Giving of guarantees or indemnity or becoming a surety for any third party
14)	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals
15)	Any other information/event viz. major development that is likely to affect business, e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc.
16)	Any other Event/ information in terms of Regulation 30(2) (Para B of Part A of Schedule-III) of SEBI Listing Regulations.



Annexure-3

Process to be followed for identification and submission of material information/ event to be disclosed to the stock exchanges

Part A

S. No	SOP: Material information/ events and press release, which require testing of materiality.
1)	Authorised officials will refer the event/ information to the Managing Director, Whole-time Director and CEO, as per the Policy, for determining its materiality, based on qualitative criteria.
2)	If materiality is identified, the draft shall be prepared in the letter format (Finance team) or PR format (by Marketing team)
3)	Approval of marketing head on PR and/ or approval of CEO or CFO or Company Secretary of the Company on the draft disclosure to be obtained.
4)	Post approval, the Company Secretary shall ensure to submit the disclosure with stock exchanges, immediately subject to the prescribed timeline.
5)	Such disclosure to be published on our website, immediately.
6)	Records, documentation related to such disclosures to be maintained for 8 years.

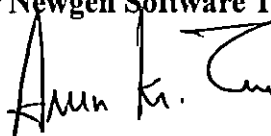
Part B

S. No	SOP: Material information/ event which exceeds the quantitative limit
1)	Authorised officials will refer the event/ information to the Managing Director, Whole-time Director, CEO, CFO and Company Secretary, as per the Policy, for determining its materiality, based on quantitative limit.
2)	The draft disclosure shall be prepared by the Company Secretary and team, in the SEBI prescribed format.
3)	Aforesaid draft shall be shared with the aforesaid authorised officials for their inputs.
4)	To finalise the disclosure post incorporating the inputs, if any, received from the aforesaid officials.
5)	The Company Secretary shall ensure to submit the disclosure with stock exchanges, immediately, subject to the prescribed timeline.
6)	Such disclosure to be published on our website, immediately.
7)	Records, documentation related to such disclosures to be maintained for 8 years.

Part C

S. No	SOP: Material information/events related with UPSI (Results, Dividend, ESOP/RSU grant and the appointment of auditors, directors and KMPs)
1)	Draft to be prepared and submitted as per the SEBI prescribed format to be reviewed by CFO
2)	Submission within 30 minutes of conclusion of the Board meeting
3)	Such disclosure to be published on our website, immediately.
4)	Records, documentation related to such disclosures to be maintained for 8 years.

For Newgen Software Technologies Limited


Arun Kumar Gupta
Chief Financial Officer