NEWGEN

NEWGEN SOFTWARE TECHNOLOGIES LIMITED

Our Company was incorporated as 'Newgen Software Technologies Private Limited' on June 5, 1992, as a private limited company under the Companies Act, 1956 ("Companies Act 1956"), at New Delhi, with a certificate of incorporation granted by the Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi ("RoC"). Our Company became a deemed public limited company in terms of Section 43(A) of the Companies Act 1956 with effect from July 1, 1997. Subsequently, pursuant to a resolution dated June 7, 2000 of our shareholders, our name was changed to 'Newgen Software Technologies Limited' and our Company was converted to a public limited company with effect from June 13, 2000. For details of changes in name and registered office of our Company, see "History and Certain Corporate Matters" on page 140 of the Draft Red Herring Prospectus.

Corporate Identity Number: U72200DL1992PLC049074

Registered and Corporate Office: A-6, Satsang Vihar Marg, Qutab Institutional Area, New Delhi 110 067, India **Tel:** +91 11 4077 0100, 2696 3571, 26964733 **Fax:** +91 11 2685 6936; **Contact Person:** Aman Mourya, Company Secretary and compliance officer; **Tel:** +91 11 2681 5472; **E-mail:** investors@newgensoft.com

Website: www.newgensoft.com

OUR PROMOTERS: DIWAKAR NIGAM AND T.S. VARADARAJAN

INITIAL PUBLIC OFFERING OF UP TO [•] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (THE "EQUITY SHARES") OF NEWGEN SOFTWARE TECHNOLOGIES LIMITED ("OUR COMPANY" OR "THE COMPANY" OR "THE ISSUER") FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF ₹ [•] PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING UP TO ₹ [•] MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF [•] EQUITY SHARES BY OUR COMPANY AGGREGATING UP TO ₹ 950.00 MILLION AND AN OFFER FOR SALE OF UP TO 13,453,932 EQUITY SHARES AGGREGATING TO ₹ [•] MILLION BY THE SELLING SHAREHOLDERS (AS DEFINED HEREINAFTER), ("OFFER FOR SALE"). THE OFFER SHALL CONSTITUTE [•]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND SELLING SHAREHOLDERS, IN CONSULTATION WITH THE GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS (THE "GCBRLMs") AND BOOK RUNNING LEAD MANAGER ("BRLM") AND WILL BE ADVERTISED IN ALL EDITIONS OF [•] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND ALL EDITIONS OF [•] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, HINDI ALSO BEING THE REGIONAL LANGUAGE IN THE PLACE WHERE OUR REGISTERED OFFICE IS LOCATED) AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED (THE "BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (THE "NSE", AND TOGETHER WITH THE BSE, THE "STOCK EXCHANGES") FOR THE PURPOSES OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

ADDENDUM: NOTICE TO INVESTORS ("NOTICE")

This Notice is with respect to the Draft Red Herring Prospectus dated September 27, 2017 filed by our Company with the Securities and Exchange Board of India **("SEBI")** on September 27, 2017 in relation to the Offer **("Draft Red Herring Prospectus")**. Notes 13, 14 and 15 of Annexure XX of the Restated Standalone Financial Statements, which have been reproduced below, were inadvertently omitted from the Draft Red Herring Prospectus. These notes should be read, as inserted between Pages 218 and 219 of the DRHP.

"Newgen Software Technologies Limited

ANNEXURE XX

Restated Summary Statement of Other Significant Notes to the Restated Standalone Financial Information

(All amounts are in INR Millions, except per share data and unless otherwise stated)

13 Amalgamation

The Company filed an application for sanctioning a scheme of arrangement ('the Scheme') under Section 391 to 394 of the Companies Act, 1956 for merger of its subsidiary Company, Sundeep Import Export Private Limited (Transferor Company). The scheme was sanctioned by the Honorable High Court of Delhi vide its order dated 30 May 2016. The Scheme had become operative as on 20 June 2016 upon filing of certified copy of the order of the Honorable High Court with the Registrar of Companies with an appointed date of 1 April 2015. Consequently in accordance with the terms of the Scheme:

a) The assets and liabilities of the transferor company and its operating results have been incorporated in the transferee Company's books with effect from 1 April 2015 i.e. the appointed date.

b) The transferor companies has been dissolved without undergoing the process of winding up with effect from 20 June 2016.

c) Pursuant to the terms of the Scheme, with effect from the appointed date, the transferee Company has given effect to the following accounting treatment in its books of account:

1. The amalgamation shall be accounted for in the books of account of Newgen Software Technologies Limited ("the Transferee Company") according to the "pooling of interests" method in accordance with Accounting Standard (AS) 14, 'Accounting for Amalgamations' prescribed by the Central Government under section 211 (3C) of the Company Act, 1956 and under section 133 of the Company Act, 2013.
2. The transferee Company has recorded all the assets of the transferor company that have been transferred and vested in the Company at their respective book value and appearing in the Transferor Company's books of accounts on the appointed date;
3. The transferee Company has recorded all the liabilities, if any, of the transferor company that has been transferred and vested in Company at their book values as specified in the books of accounts of the transferor Company;
4. The transferee Company has aggregated all the reserves, if any, that has vested in it pursuant to the transfer at their respective book values as specified in the books of accounts of the transferor Company and continue to treat them as such in its books of accounts;
5. The balance in the profit and loss account and other surpluses appearing in the financial statements of the Transferor Company has been aggregated with the balance in the profit and loss account or surplus appearing in the financial statements of the Transferee Company.
6. Since the transferor Company was a wholly owned subsidiary of the Transferee Company, no consideration has been paid by the transferee Company to the Transferor Company and accordingly, the amount of investments appearing in the books of accounts of the Company shall stand cancelled.
7. The Authorized Share Capital of the Transferor Company has merged to form new Authorized Share Capital of the Transferee Company;
8. Any inter-company balances, investments and guarantees, either inter-segment amongst the transferor company or vis-à-vis the transferee Company have been squared off;
9. Any impact due to alignment of accounting policies or changes in estimates has been adjusted against the general reserve account created pursuant to the Scheme.

d) Adjustment in general reserve due to merger Scheme

Pursuant to the term of the scheme the difference between investment held in subsidiary company and share capital of subsidiary has been adjusted against general reserve. Summary of impact of amalgamation has been given below :

Particulars	Amount
Assets of the transferor company at their cost	7.19
Less: liabilities of the transferor company at respective book	0.64
Less: Reserves of the transferor company at respective book values	6.06
Net assets transferred from transferor Company	**0.49**
Less: Company's investment in transferor stand cancelled	5.13
Net adjustment in general reverse	**(4.64)**

e) Alignment of accounting policies and changes in estimates

In accordance with the Scheme, the Company has carried out necessary adjustments to align the accounting policies of the Transferor Companies with that of the Company.

14 Following are the gross foreign currency receivables and foreign currency receivables outstanding for more than 9 months.

Particulars	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	For the year ended 31 March 2013
Gross foreign currency receivables	1,531.08	1,434.48	1,152.76	-	-
Foreign currency receivables outstanding more than 9 months	425.38	375.49	236.80	-	-

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. 141.45 Millions during the financial year 2016-17. For remaining receivables, the Company is in the process of applying for approval to seek extension of time 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.

15 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. CSR budget & expenditure of the company is as follows:-

Particulars	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	For the year ended 31 March 2013
CSR expenditure required to be spent	9.70	10.06	7.28	Not applicable	Not applicable
Actual CSR expenditure spent	10.51	4.88	2.48	Not applicable	Not applicable

."

The Draft Red Herring Prospectus shall be read in conjunction with this Notice. The information in this Notice supplements the Draft Red Herring Prospectus and the Draft Red Herring Prospectus accordingly stands amended to the extent stated herein above. Relevant changes will be reflected in the Red Herring Prospectus and Prospectus as and when registered with the RoC and filed with SEBI and the Stock Exchanges.

Unless otherwise specified, all capitalised terms used herein shall have the meaning ascribed to such terms in the Draft Red Herring Prospectus. For further details, please refer to the Draft Red Herring Prospectus.

For Newgen Software Technologies Limited

On behalf of the Board of Directors

Sd/-

Place: New Delhi

Date: October 26, 2017

Company Secretary and Compliance Offer

Our Company is proposing, subject to receipt of requisite approvals, market conditions and other considerations, an initial public offering of its Equity Shares and has filed a Draft Red Herring Prospectus dated September 27, 2017 with SEBI. The Draft Red Herring Prospectus is available on the websites of SEBI and the Global Co-ordinators and Book Running Lead Managers and the Book Running Lead Manager to the Offer, i.e. ICICI Securities Limited, Jefferies India Private Limited and IDFC Bank Limited at www.sebi.gov.in, at www.icicisecurities.com, at www.jefferies.com and at www.idfcbank.com respectively. Investors should note that investment in equity shares involves a high degree of risk and for details refer to the Draft Red Herring Prospectus, including the section titled **"Risk Factors"** on page 16 of the Draft Red Herring Prospectus. Potential investors should not rely on the DRHP filed with SEBI in making investment decisions.