



**NEWGEN™**

## Newgen Software Technologies Limited

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**Date:** 18<sup>th</sup> January 2022

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

**Sub.: Acquisition of Number Theory Software Private Limited, an AI/ML data science platform Company**

**Ref.: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Dear Sir/ Ma'am,

We would like to inform you that: -

- a) the Board of Directors of the Company at its meeting held today has approved the acquisition of Number Theory Software Private Limited (“**Target Company**”) as a wholly owned subsidiary company i.e., purchase of 100% of the paid-up equity shares of Number Theory Software Private Limited from its existing shareholders, viz. Tarun Gulyani and Rajan Nagina subject to the completion of customary conditions precedent as stated in the Share Purchase Agreement (“**SPA**”).
- b) the Company, pursuant to the approval of the Board, today, has also executed the SPA with the Target Company and the existing promoters of the Target Company i.e., Tarun Gulyani and Rajan Nagina.

Post completion of the afore-mentioned acquisition that is subject to customary conditions precedent, the Target company will become a wholly owned subsidiary of the Company.

The details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/ 4/2015 dated 9<sup>th</sup> September 2015 are given in Annexure - I to this letter

Thanking you.

**For Newgen Software Technologies Limited**

**Aman Mourya**  
**Company Secretary**

*Encl.: a/a*



**Annexure-I**

**Detail of Acquisition (including agreement to acquire)**

<b>S. No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name of the target entity, details in brief such as size, turnover etc.	Number Theory Software Private Limited (“ <b>Target Company</b> ”).  Incorporation Date: 8 <sup>th</sup> January 2016  Turnover of the Target Company for the financial year ended 31 <sup>st</sup> March 2021 was INR 3.32 Cr.
b)	Whether the acquisition would fall within related party transaction(s) and whether the promoter/promoter group/group companies have any interest in the entity being acquired?  If yes, nature of interest and details thereof and whether the same is done at “arm’s length”	This acquisition does not fall within related party transactions.  Promoters/ Promoter Group/ Group Companies of the Company do not have any interest in the said investment.  The transaction is being concluded at arm’s length basis.
c)	Industry to which the entity being acquired belongs	The Target Company is in the IT industry.
d)	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the Company)	Strongly complements Newgen’s low code approach and extends the same to the area of data sciences. <ul style="list-style-type: none"> <li>• Offer new revenue opportunity / larger wallet share from existing enterprise customers.</li> <li>• Supplement solution / accelerators with AI/ML based capability, solution enhancements.</li> <li>• Enable process AI enhancements – process discovery, process mining, self-learning automation, capture end-to-end process data into data lakes for further analytics.</li> <li>• Enhance brand appeal with DSML, AI/ML product offering.</li> <li>• Strengthen “Low Code” association</li> </ul>
e)	Brief details of any governmental or regulatory approvals required for the acquisition	Not Applicable
f)	Indicative time period for completion of the acquisition	By February 2022, subject to the completion of customary conditions precedent stated in the Share Purchase Agreement.



g)	Nature of consideration - whether cash consideration or share swap and details of the same.	Cash consideration
h)	Cost of acquisition or the price at which the shares are acquired	Newgen will be making a closing payment aggregating to approximately INR 7,02,73,340/- to the Promoters of Target Company towards 100% of the equity shares. Further, the Founders would receive deferred amount of an aggregate sum of INR 7,02,73,340/- in a staggered manner over a period of three years subject to certain conditions and their continued employment with Number Theory / Newgen. Further as a part of conditions precedent to the closing of the transaction, Newgen will also grant ICD of approximately INR 2,41,00,000/- to Number Theory to settle its outstanding dues such as dues to debentures holders, option holders, bank loan, directors' loan etc.
i)	Percentage of shareholding / control acquired and / or number of shares acquired	It is proposed to acquire 100% of the paid-up equity shares of the Target Company.  Post-acquisition, the Target Company will become a wholly owned subsidiary of the Company.
j)	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)	Number Theory brings AI to enterprises through its Enterprise AI platform and data science capabilities to help its customers accelerate innovation and grow revenue. Number Theory achieves the data to business value journey in matter of weeks at massive data scale by putting its enterprise data hub, data science platform, and prebuilt application.  Revenue for past three years: - 2018-19: - 1.18 Cr 2019-20: - 3.37 Cr 2020-21: - 3.32 Cr

**For Newgen Software Technologies Limited**

**Aman Mourya**  
**Company Secretary**