

EL/SEC/2022-23/ 18

July 07, 2022

Corporate Relationship Department  
**BSE Limited**  
1st Floor, New Trading Ring Rotunda  
Building, P J Towers, Dalal Street, Fort,  
Mumbai - 400 001  
Script Code: 543533

The Manager Listing Department  
**National Stock Exchange of India Limited**  
"Exchange Plaza", C-1, Block G  
Bandra-Kurla Complex, Bandra (E),  
Mumbai - 400 051  
Symbol: EMUDHRA

Dear Sir/Madam,

**Sub:** Notice of the 14th Annual General Meeting (AGM) and Annual Report 2021-22

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, please find enclosed herewith the Notice of the 14th Annual General Meeting of shareholders scheduled to be held on Friday, August 05, 2022 at 11:00 a.m. IST through video conferencing (VC) / Other Audio-visual Means (OA VM) and the Annual Report for the Financial year 2021-22 which will be circulated to the shareholders through electronic mode.

The said Notice of AGM is also being made available on the Company's website i.e., [www.emudhra.com](http://www.emudhra.com).

Kindly take the same on record.

Thanking you

Yours faithfully,

For eMudhra Limited



**Johnson Xavier**  
Company Secretary & Compliance Officer  
Membership No. A28304





# Annual Report 2021-22

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Enabling Secure Digital Transformation Globally!

*“Change is the law of life and those who look only to the past or present are certain to miss the future”*

*- John F. Kennedy*

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*“On behalf of  
the Board of  
Directors, I am  
pleased to  
present  
eMudhra’s  
Annual Report  
and Audited  
Financial  
Statements for  
the Financial  
Year 2021-22”*

*Mr. V Srinivasan  
Chairman,  
eMudhra*

# Chairman's Message

Over the past decade, eMudhra has evolved from selling Digital Signature certificates, to becoming a renowned market player in **Trust Services & Secure Digital Transformation** in India, and increasingly abroad. Our products, team, skill sets & culture has evolved to keep pace with the changing business environment. But one thing, that did not change was our vision for a secure future of our society which is more digitally integrated than ever before. To enable a secure digital society, identity and trust plays a pivotal role. Needless to say, without the ability to assert your identity through a signature, or the ability to believe an asserted signature, transactions in a digital society cannot happen with ease.

Over the years, we at eMudhra have consistently strived to build a robust technology stack to ease the above in context of **Individuals, Organizations & Governments**. To this end, we have expanded our range of offerings from what was originally, just digital signatures, to a range that covers TLS and other certificates, PKI (Cryptography) solutions, Identity Management Products, and a Paperless Office Suite enabled with PKI based digital signatures. In essence, this unique range of offerings vertically integrates the value chain in the industry, thus equipping us to better & comprehensively work towards our vision.

It is this foresight, paired with a dedicated team, commitment, and hard work that has manifested itself in our financial results. eMudhra has grown 38.8% in Revenue for the Financial year 2021-22. Our profit margins are strong which has also enabled us to deliver strong Return on Capital to our investors. We have also grown as an organization in several ways. From complex projects delivered domestically, to consistently expanding global reach and foreign engagement, the people that make eMudhra a formidable brand are continually growing every day through new & enriching conversations and experiences. After all, our experiences do play a significant role in shaping us.

eMudhra is also growing intellectually. **Our product & R&D teams collaborate** on new technologies in the horizon to ensure that we are prepared for the next version of our integrated digital society, well ahead of time. We are exploring the Web 3.0 ecosystem that relies on Blockchain foundations to power peer to peer transactions. Our Pivotal role in enabling trust, and more importantly, legally valid signatures create a scalable value proposition that enables such newer ecosystems to be successful. As a player in the encryption and cryptography space, we are also focusing and experimenting with Quantum Cryptography standards to ensure a robust product roadmap that is future-proof.

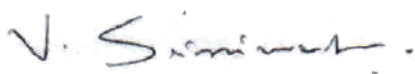
The **Digital Transformation**, and specifically, the security portion of the industry is very interesting indeed. The last few years have taught us the importance of Digital Adoption not just as a matter of convenience, but as a matter of practice. It's no surprise that the industry is expected to grow by about **17 to 20% globally in the next 5 years**. At eMudhra, we're ideally poised to take advantage of this growth. Firstly, we have a strong product stack. We can offer value propositions and solutions that are increasingly becoming relevant which others simply cannot offer under one umbrella. We provide greater flexibility in deployments to cover different levels of comfort. Most importantly, our speed in getting products and features out in the market gives us a great advantage.

Secondly, we have built and continue to aggressively build our reach. We have established presence in all the major regions of the World with a large number of partners. Within India, we are penetrating deeper across regions and verticals and abroad, we are entering more markets, some as far as **Latin America**. We are strengthening not just our partner numbers, but also our partner engagements through dedicated teams and processes that help to drive deeper relationships and engagement across various markets and product segments.

Finally, it always comes down to the people. Our greatest uniqueness is the people at eMudhra. Humility, dedication, willingness to learn, and determination to succeed, are some of the attributes of the people at eMudhra that truly differentiate us. To this end, our uniqueness is strengthened this year by the many more shareholders who have put their trust in us and who believe in what we do. This has all the more given us the determination to grow and further empower our Digital Society.

I would like to thank all our Shareholders, Employees, Customers, Bankers and Other Stakeholders for all their support and contribution to eMudhra.

Yours Sincerely,



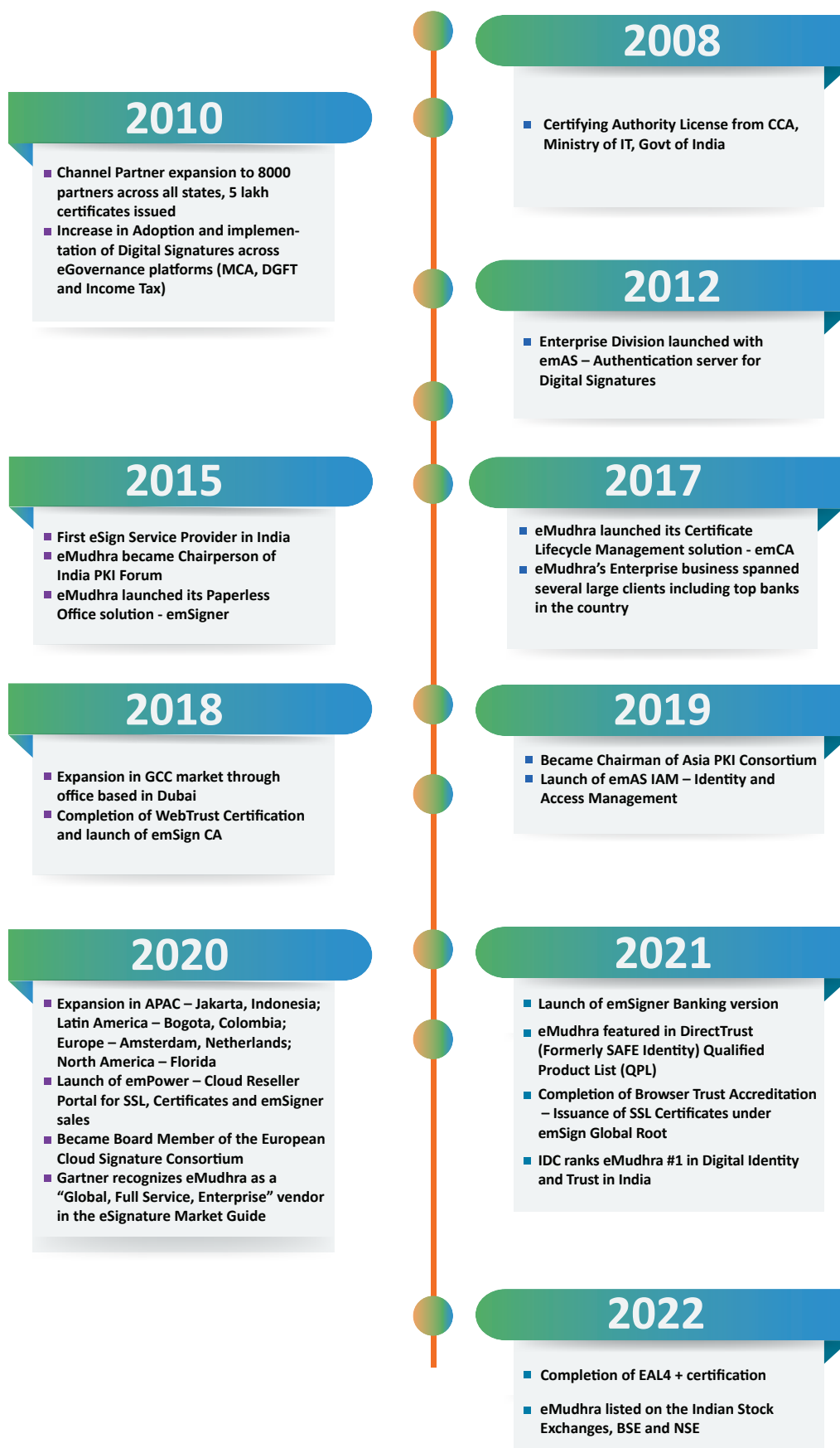
V. Srinivasan

Bangalore, June 11, 2022





# More than a Decade of Experience



# Vision

To continually be at the forefront of identity governance and data security and drive significant change in the society through secure digital transformation.

# Mission

To accelerate the world's transition to a secure integrated digital society.



\*Frost & Sullivan Report

\*\*As per ET500 Company list

# eMudhra Competitive Edge

## “One Stop Shop” Solution Provider for Secure Digital Transformation with Domestic and International Presence

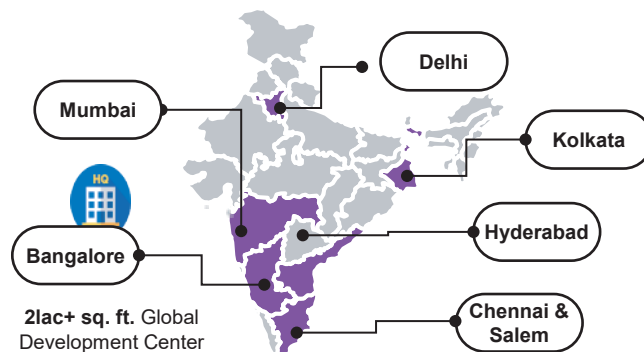
India’s No.1 Digital Identity and Trust Provider

- Strong Brand Recall ✓
- Extensive Reach – Direct and Partner Network ✓
- In-House Technology ✓
- Only Holistic Online Direct Retail Player ✓
- Solution Built Around Digital Signature ✓

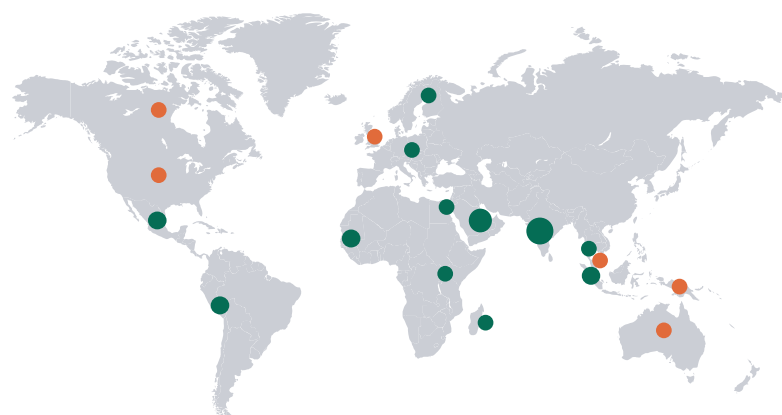
### Pan India Direct Presence and Channel Network

Trust Services 90000+  
Channel Partners

Enterprise Solution Partners  
Domestic 270+  
International 280+



### Digital Trust Services Across Several countries



● Countries where there is a trust service integration with emSigner  
● Countries which accept simple electronic signatures (type as you sign)

# Digitization: The Evolution Continues

Our world is changing. Digitization is the biggest revolution mankind has witnessed in millennia and the saga continues. To understand the fundamental spirit of digitization or digital transformation at large, one has to understand the concept of 'continuity' it brings along with it.

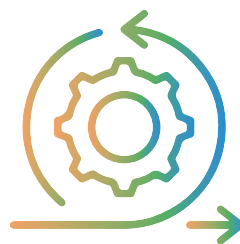
Realize it or not, technology has the biggest impact on our lives by making societies more equitable and sustainable in the long run. Please note the word 'sustainable' here. Sustainability is what humanity is striving for. With technology as the biggest enabling factor in almost all spheres of our lives today, the civilizations at large 'sustain' themselves to ensure the 'continuity' of human existence. This logic makes technology and digitization integral parts of human evolution and the perfect tools to foray into the future with.

We at eMudhra firmly believe in creation of an integrated digital society where information is protected, identities are assured and automation driven workflows mitigate the overarching dependence on natural resources.

We at eMudhra are striving hard to create global digital landscape that is:



Secure



Agile



Scalable





The world is moving towards man/machine workloads, and what makes it resilient is the fact that it is a 'radically human' approach with human always on top of the combined hierarchy. This combination of man and the machine is set to be the defining factor as to how businesses integrate this concept into their core digital transformation initiatives.

We at eMudhra cater to the most fundamental prerequisite to any digital transformation initiative. We build unified ecosystems to cater for both human and IoT identity and authentication demands for secure access to applications, data and safe transmission through connected devices.

On the end-point side of things, eMudhra helps create seamless workflows for organizations to simplify their operations by replacing paper-intensive processes with a PAPERLESS solution that is cost-effective, easy-to-use and sustainable.

eMudhra is one the few global players to offer full-scale solutions for both:



Digital Trust Services



Enterprise Solutions  
for  
Digital Transformation

# Building a Global TRUST Services Ecosystem

eMudhra provides a unified ecosystem for digital transformation with a wide-ranging solution to secure digital infrastructure and build PAPERLESS business processes under country specific accreditations.



Scalability



Global Reach



Digital Trust

## India

As per the latest market report by Frost and Sullivan, eMudhra is the largest Certifying Authority for Digital Signatures in India with 37.9% market share and have issued more than 50 million certificates. eMudhra also holds the distinction of being the first commercial eSign service provider in India.

## UAE

eMudhra is a certified Cross Certification Service Provider under the Telecommunications Regulatory Authority (TRA) of the UAE and is authorized to provide electronic signatures and Digital Signature Certificates in the country.

## Kenya

eMudhra is a Licensed Electronic Certification Service Provider (E-CSP) under the Communications Authority of Kenya (CA) authorized to issue digital signatures that are compliant with the Kenya Information and Communications Act, 1998.

## Peru

eMudhra has enabled a local TSP, Soft & Net Solutions, through its globally accredited emSign root of trust in the country. Furthermore, eMudhra's emSigner platform is accredited by Indecopi allowing eMudhra to offer an end-to-end paperless transformation solution to customers in Peru.

## Mauritius

eMudhra has the distinction of being the first Certification Authority to get license from the Controller of Certification Authorities (CCA), Mauritius to issue digital signature certificates in Mauritius.

## The US

eMudhra has received DirectTrust Identity accreditation for emSigner and features in their qualified product list. This is enabling the company to cater to the digital identity and signature requirements of US and global Pharmaceutical and healthcare Market.

## India Customers\*

10 out of Top 10 Banks

6 out of Top 10 Automotive Companies

19 out of Top 20 Companies

## Global Client Base

Serving Clients in 20+ Countries across the World

# Solution Portfolio

Digital solutions to meet every emerging trend and succeed



## Digital Trust Services

- Individual/Organization Certificates
- SSL/TLS Certificates
- Code Signing Certificates
- Email Encryption Certificates
- Document Signing Certificates
- X.509 IoT Public Key Certificates

## Digital Security Solutions

- emCA – Certificate Lifecycle Management
- Managed/Cloud PKI
- emAS IAM – Identity and Access Management Solution
- emAS MFA – Multi-factor Authentication

## Paperless Transformation Solutions

- emSigner – AI Enabled eSignature Workflow
- eSign Services for Remote Signing



# Providing a Secure and Seamless Customer Experience



## Accelerating Digital Adoption with a Solid Foundation

Providing better digital experience is a constant tussle among competitors in the market today. Successful businesses with a solid clientele are those offering amazing customer experiences. eMudhra is at the forefront of enabling global brands create seamless digital experiences for their customers, partners and employees. By integrating a range of digital technologies, we are focusing on helping businesses create tailored customer experiences, digitize and simplify transactions, change culture and meet the market requirements with impunity. Our value proposition at eMudhra is the comprehensive range of digital enablement solutions that we offer. From PKI to Signing Application to Identity Solution & Trust Services, eMudhra offers the entire product suite to enable holistic digital transformation in your organization. By leveraging our experience as a pioneer in the field of digitization and PKI based cyber security and signing, companies can incorporate full-service digital programs at scale, with the knowhow required to acquire and retain their loyal customers.



## Creating Seamless Digital Banking Experience

Banking as a sector has undergone tremendous shift from paper intensive processes to paperless and presence-less banking operations. Gone are the days when your customer would make a number of rounds at a local branch to open an account or apply for a personal loan. Today, he or she will simply move on to your competitor's digital app and do the needful online. Unlike in the past, today customers demand seamless digital experience at every touch point. Meeting this expectation with the shortest turn around time is the difference between a successful bank and struggling one. eMudhra is focused on helping banking and financial service providers move fast and meet the demands of their customers in a truly digital world. Leveraging a suite of end-to-end digital solutions for banking and financial industry, we are concentrating on driving customer centric digitization to enable presence-less and paperless banking on top of which banks can embrace automaton at various levels.



## Issuing IoT Certificates at Scale

With more machines on the planet than humans, IoT has become the dominant domain in our society as multiple industries are deploying IoT devices to power smarter and efficient offerings in various industry verticals. However, as the industry relies more and more on IoT devices for data sharing, downstream automation and end-point service delivery, the ability to trust the data and point of origination becomes critical. At eMudhra, we focus on weaving the safety net of DIGITAL TRUST around largescale IoT deployments in various industries such as energy, manufacturing, telecom, robotics, supply chain, etc. Our PKI suite is well established and tested around the world to provide very low latency certificate issuance and revocation capabilities with end-to-end certificate lifecycle management. More importantly, our solution is built to support tremendous scalability that is often required in IoT deployments. Superior product capability in the PKI domain has certainly enabled us to explore further into complex deployment scenarios across a multitude of industry verticals.



# Global Recognitions



## Gartner

### Gartner Market Guide for Electronic Signature

emSigner by eMudhra is listed as a “Representative vendor in Electronic Signature,” under the Primary Category, ‘Global, Full-Service Enterprise Electronic and Digital Signature Platform.’

### Gartner 2022 PKI & Certificate Lifecycle Management

eMudhra gets featured in Gartner report “Managing Machine Identities, Secrets, Keys and Certificates”

### Gartner 2021 User Authentication

eMudhra is identified as a representative vendor and gets listed in Gartner’s Toolkit for “Vendor Identification for User Authentication”



### IDC Semiannual Software Tracker (1H 2021)

With a market share of 14.6%, eMudhra is ranked No. 1 amongst 47 vendors in India under the Identity and Digital Trust Category.

### IDC Vendor Spotlight Report, 2021

eMudhra showcased in IDC’s Vendor Spotlight Report titled “The World of Digital-First: How Digital Trust is becoming the Key Recipe for Success of Future Enterprises”.

## FROST & SULLIVAN

### Frost & Sullivan 2021 Digital Security and Paperless Transformation Market

eMudhra is identified as the largest Certifying Authority in India with **37.9%** market share.

## Other Awards and Recognitions



Winner, Insurance





# Key Associations

At eMudhra, we partner and associate with industry-leading organizations that share a joint mission of providing Secure Digital Transformation solutions to customers.

## Membership Associations

## Technology Partnerships



## Reseller Partnerships



\*Logos displayed above are for display purposes only and belong to the entities whom such logos represent

# Market Speaks

During the pandemic and the lockdown, when everything turned to remote and digital, we started looking for a digital signature provider to enable digital signing of the document deliverables to our customers. eMudhra offered us a perfectly convenient and easy-to use solution while maintaining the complete integrity of a digital sign. We have been using eMudhra eSign from the last 15 months and it has been very smooth going till now. The service requests have always been promptly responded to by their team.

Aparna Surabhi, CFO & CHRO- Caliber Technologies Private Limited

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After evaluating multiple vendors, we chose emSigner to digitally sign more than 12000 shareholder certificates annually. The platform enabled us to sign documents in bulk and the entire activity was completed within a short span of just one hour. We are happy with the platform and look forward to integrate it with more such processes, as and when the need arises.

Indrani Vishal Dadhaniya, Manager IT Application – Embassy Group

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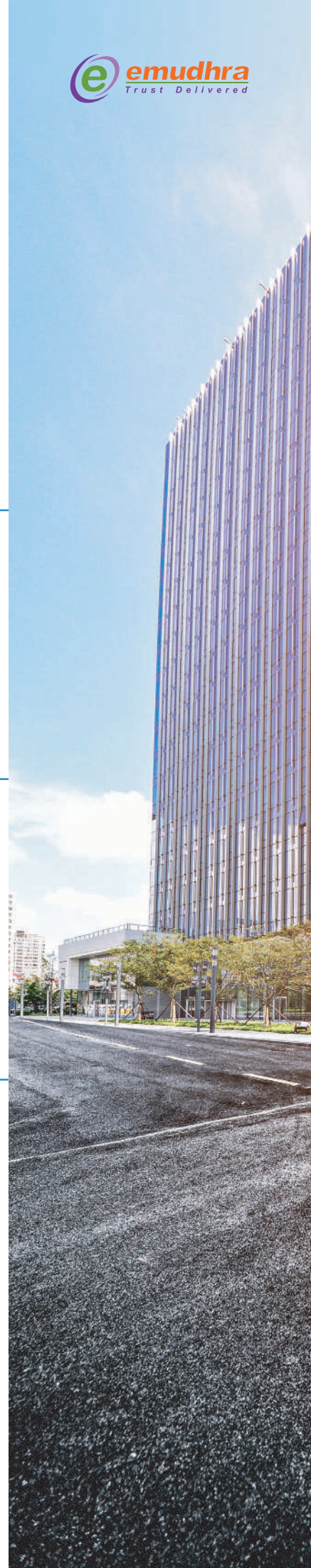
It's been a great experience to sign and process a robust volume of around 1000 invoices daily using emSigner. The platform has helped create a win-win situation for us and our customers, as our invoicing process has become completely paperless now. We appreciate the team at eMudhra for creating a seamless implementation experience while deploying emSigner, which we are using since June 2021 for bulk signing. We look forward to scale and digitally sign bigger number of invoices using emSigner.

Thilak. S.M, Q2C Operations AP- IBM


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We integrated emSigner with our on-premise infrastructure and the implementation journey has been a smooth one. From signing and approval of internal documents to server-side signing of invoices in bulk, emSigner enabled faster approvals and helped create a paperless ecosystem across departments. Presence-less approvals and good ROI have been the key highlights of emSigner platform at Hindalco.

Jogesh Nayak, Project Manager – Hindalco Industries Ltd







As we are focused in delivering custom software to Andhra Pradesh State Government to ensure that 21st century smart and innovative citizen centric eGovernance is facilitated through smooth delivery of public services. eMudhra has been a great enabler in this effort. We are currently using eMudhra's paperless software suite and authentication solution (emSigner, eSign, emAS) to achieve end-to-end paperless transformation and we are happy with the solution provided to us. We look forward to continue this effort in future.

Venkata Rao Tanikella, Procurement Head, APT Online Limited

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At GSWS, we are using a combination of digital signing and authentication solutions offered by eMudhra and we are happy with the experience. The paperless solution has helped us digitize eGovernance initiatives across the board and now the citizens can access documents related to all government departments at the ward level in a completely digital manner. Our association with eMudhra is a testament to the successful Digital India initiative in our state.

Venkatareddy Pakanati, Manager (DS) – Andhra Pradesh Grama-Ward Sachivalayam

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We are using emSigner since January 2021 and the product experience has been great so far. We have been using the platform to sign a multitude of agreements in our organization. emSigner has helped digitally transform our workflows and streamline agreement signing process for us.

Hetal Maniar, Legal Team – IndiaFirst Life Insurance company Ltd

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We have been using eMudhra's products and services for digital signature-based approvals in Baud Telecom/emdha, since 2019 and we are satisfied with their products. All approvals/communication with BTC and with our external stakeholders out of the domain have become more seamless and we are able to achieve better turnaround times.

General Manager – emdha TSP Baud Telecom Company (BTC)



# Global Partners & Clients

 **TCS**  
TATA  
CONSULTANCY  
SERVICES  
**SCHENKER**  
المشرق  
mashreq  
ADITYA BIRLA  
HINDALCO  
CLP INDIA  
bharti AXA  
**JSW Steel**  
**Infosys**<sup>®</sup>  
Chola MS  
GENERAL INSURANCE  
**THALES**  
BTC  
Networks  
**LTI**  
Let's Solve  
**JSW Steel**

And many others

# Client Case Snippets

## A Large Bank (Middle East)



Our client wanted to implement electronic signature driven workflows for its customers across its banking system, including corporate banking, vendor management, human resources etc. to drive paperless banking in UAE in compliance with the country's Electronic Transactions Act and to fulfil the paperless vision of the government. Before working with our Company, the Bank largely relied on paper-based workflows which were sent through email or courier and receiving signed and executed documents took a long span of time ranging from a few days to weeks. Furthermore, some of the Bank's corporate banking workflows followed a policy of obtaining joint authorizations from customers as well as movements across multiple departments of the Bank including front office and operations teams before the document could be executed.

Our Company suggested implementing white labelled version of emSigner which would cater to the specific workflow requirements of the bank and be implemented with the bank's data residency guidelines. Due to the COVID 19 pandemic and the lockdown imposed by the Central Government and various State Governments in India, finalization of implementation strategy, planning of phase-wise rollout and deployment was done remotely by our Company. eSignature workflows (emSigner) were configured into the system of the Bank to create various use cases and provide support for forms that could be filled online via the system and upload of forms filled offline. The system was also configured with multi-factor authentication to secure user logins, integrated with UAE Pass (UAE's Digital ID program). Further, maker/checker controls were configured to ensure that all customers logins created go through two levels of approvals as is normally common in Banking scenarios. The system also provided a feature for multiple teams across the Bank to work on the same document so that the time to action could be cut short and different members of operations teams could act on the case in one another's absence.



# Gas and Electricity Distributor (Europe)

emCA

Our client is a well-established electricity and gas distribution company in an Eastern European country. They wanted to deploy a large ecosystem of smart meters to remove dependency on error prone manual intervention for meter reading, as this was having a direct impact on revenue and downgrading the overall customer experience at end-points. As a result of deploying over a million smart meters in the area of interest, it was paramount for our client to ensure device security as they had to TRUST the data being sent out from a large ecosystem of smart meters deployed in the region.

eMudhra took up the challenge for this large-scale deployment scenario, and seamlessly integrated our state-of-the-art X.509 public key certificates to establish TRUST in all communication and data transfers being carried out by these million odd devices.

Our client benefitted immensely from this deployment as now their operations are not just digitized, but fully secure against any type of data breach, human errors and other forms of cyber-attacks. This association with our client enabled them to reduce cost and boost revenues in light of digitized operations.



# Telecom Infrastructure Company (Middle East)

## emCA

Our client is a large telecom infrastructure company in the Kingdom of Saudi Arabia (KSA). As a key player in the digital transformation space in KSA, they wanted to be the first player to setup a Certifying Authority to offer digital signature enabled services to the Kingdom's citizens and residents and enabled paperless transformation of the Kingdom in line with the country's eGovernance strategy.

eMudhra worked closely with the client to implement emCA and associated modules to support business operations for issuance of digital signature certificates. Our team of PKI experts worked seamlessly to support them through the process of deployment of solution in highly secure data centres, providing consulting services for the setup of PKI operations and finally assisting in completion of WebTrust audit, resulting in our client becoming the first commercial Certifying Authority in the Kingdom of Saudi Arabia. As a result of this, our Company has been collaborating with them to further strengthen this partnership to offer emSigner along with their digital signature service to enable paperless transformation of various industries in the Kingdom of Saudi Arabia.

# Tax Authority of a Sovereign State



The tax authority wanted to implement secure authentication system for several million users to enable their registration, authentication and signing of tax documents using digital signature certificates. Prior to adoption of digital signatures, tax filings were largely paper based resulting in manually intensive work to process millions of filings resulting in errors, delays and ultimately longer time to act on cases that require refunds. The tax authority wanted to transition to a system of using digital signature certificates that would provide a dual benefit of authenticating customers securely as well as to allow signing with digital signature certificates that would be legally compliant.

In order to cater to the authority's requirement of large volume registrations, digital signature enabled authentication, logging and identity matching with extremely fast response times, our Company suggested implementing emAS for digital signature certificate registration and authentication. emAS was adapted to be implemented in a DevOps environment to enable handling of large loads during peak times. emAS provided an easy integration for digital certificate registration, authentication and validation, thereby allowing Indirect Tax Authority to quickly adopt digital signature enabled authentication and filing.



# Quality Accreditations and Certifications

Quality is an integral part of everything we do at eMudhra. To ensure that we are maintaining high standards in our product offerings and corresponding implementations and deployments, we have measured ourselves against leading global quality standards and successfully attained these quality certifications. We employ a quality management team within eMudhra that constantly assesses our methodologies and processes, project performance, resource utilization to evaluate how we can upgrade ourselves and serve our customers in a better manner.



eMudhra is appraised as CMMI Maturity Level 5. The highest CMMI Maturity Level signifies that our organization is focused on continuous improvement and is built to pivot and respond to opportunities as well as changes. CMMI Level 5 appraisal is a standing testimony to our high standard of performance in terms of crucial software engineering parameters such as productivity, quality and risk management.



eMudhra is an ISO 9001, ISO 20000, ISO 27001 and ISO 27018 certified organization. ISO certifications prove an organization's capabilities and processes to ensure high level of accuracy, adequate security standards, and quality management across the entire organization.



eMudhra certificate issuance processes and methodologies are in line with the standards prescribed by WebTrust body and eMudhra's global trust services are WebTrust accredited and supported by WebTrust seal.



Data Protection and Privacy are important pillars towards enabling trust in a digital society. With increasing concerns around ownership and presence of data, it's important that the applications of today's world are built to manage data protection regulations globally. eMudhra's solutions are GDPR compliant to enable worry-free adoption.



EAL 4+ Certification becomes relevant in showcasing the quality of Certifying Authority (PKI) solutions and the processes and technologies used within by ensuring it adheres to globally accepted standards. Our EAL 4+ certification, from Cyber Security Agency of Singapore, is primarily relevant to eMudhra's emCA Solution suite to enable global acceptance.



The Health Insurance Portability and Accountability Act of 1996, commonly known as HIPAA, is a series of regulatory standards that outline the lawful use and disclosure of protected health information.

eMudhra is compliant with all aspects of HIPAA. We ensure that all requirements related to health information are followed comprehensively and ensure that Personal Health Information (PHI) of patients' is handled with utmost care. You can place your full trust in our foolproof security measures and rest easy, knowing that your organization's security is safe in our hands.



eMudhra has received the SOC 2 Type II certification. The certification issued by AICPA, the world's largest member association representing the accounting profession, affirms that eMudhra is compliant with the principles of security, availability, processing integrity, confidentiality and privacy, and has proper internal controls and processes in place to protect client data.



eMudhra is featured in DirectTrust (Formerly SAFE Identity) Qualified Product List (QPL). Issued by DirectTrust, a US based industry consortium and certification body operating a Trust Framework for digital identities in healthcare. This certification will provide assurance to the healthcare community that the digital identities issued by eMudhra can be trusted across the healthcare ecosystem.



# Employees Speak



Vishaal Sarwara

Until I came to eMudhra, I probably would have told you that culture is just one among several important parameters for an organization's success — along with vision, strategy and the like. But now I have come to believe that a good corporate culture is the only sustainable competitive advantage which an organization can ever have. This when coupled with the founding values of ambition and humility makes eMudhra a force to reckon with in the digital trust industry. I am very happy to be a part of the team.



Sunayana U Rao

A good job is not just the job itself. You could find your ideal position with a lot of experience and skills, but a good working environment is not that easy to find. At eMudhra, you find that working environment. With talented and supportive colleagues and empathetic managers, you always feel heard and understood. They are always there to lend a hand and help you when needed. It feels like a big family at work!



Sessa Sai

Working at eMudhra as AVP – Enterprise Security Solutions for the last 3+ years has given me incredible experience in positioning tech products and services along with delivering for large enterprise clientele & cross-vertical industries globally. Furthermore, I have got several opportunities to integrate our products with enterprise level applications like SAP, Oracle, Microsoft, Salesforce, etc. I am delighted to work with eMudhra for its exponential growth, innovative thoughts, global reach, and market intelligence.



Clarence Pereira

eMudhra has an absolute compassion for its people which is not limited to just one function or department but it's prevalent across the organization. The foundation of eMudhra is built on care and compassion for its people with challenging opportunities, rewarding relationships, a fair and open environment and an ever-growing sense of belongingness. I've been given the opportunity to nurture my professional career by finding a role in the company that suits my interests and abilities. I am truly proud to be here!



Srinivas Prasad J

I had 4 non-negotiable conditions: a company that inspires me, a product that I feel passionate about, a position that challenges me and stretches me into different area and management that empowers me to do my best. eMudhra fulfils all these conditions. It's a company that inspires me. It's forward-thinking. I like the mindset and culture, and being part of a team that gives its best in building an integrated digital society and bring forward new technology. For me, this is more than a job. I'm investing my time, my knowledge and experience in a company that is investing in me.



# eMudhra Digital Campus

We are glad to announce that we shifted base to our new headquarters in the month of April this year and the journey to move a large workforce such as ours, along with critical IT infrastructure has been a challenging yet a very exciting experience for all of us.

Our new Digital Campus is a living testament to eMudhra's journey so far and this iconic building stands as a true example of our founder's vision and corporate foresight. Built with hard work, dedication and passion, eMudhra Digital Campus will enable the company to achieve its full potential in the years to come.

eMudhra Digital Campus offers 220,000 sq.ft of office space at KIADB IT park in Devanahalli with 2 levels of parking space in the basement. The building architecture is designed to allow maximum infiltration of natural light and it is kept open to sky for natural ventilation at all times. It is a Workspace that offers a relaxing atmosphere with amazing views of the airport, lake and vast acres of greenery.

The new campus provides our employees with a spacious work environment with nature friendly interiors and many nooks and crannies to brain storm new ideas, run creative sessions or crack some amazing sales deals for the organization. eMudhra Digital Campus is an innovation hub in itself and definitely a workplace to be at.



## CSR at eMudhra

In today's digital world, we feel increasingly responsible and accountable for how our practices impact society and the environment. Corporate Social Responsibility (CSR) for us is not just a respected business practice, but a holistic annual exercise to drive positive impact in the lives of our fellow citizens, especially the youth.

Our CSR activities define the responsibility we feel in order to have a positive impact in the world around us. The CSR policies and activities are a clear reflection of how accountable we are to ourselves, staff, stakeholders, the public and global and local environments.

Being a socially conscious public company, implementing CSR activities at eMudhra is all about helping the environment and society. It is our endeavor to prioritize youth centric CSR activities as they are the future of our culture and civilization. Our CSR practices are also aimed at boosting employee morale as their active participation helps them gain a greater sense of purpose in their work and life.





# Project Puthri

## Empowering Girls to achieve their dreams through direct intervention and support

Project Puthri done in collaboration with Avtar Puthri organization, is our humble effort to empower girl children to claim their right to education. This grassroots initiative touches upon the lives of girl children pursuing education at eMudhra supported schools. Under this project we have been able to conduct more than 325 hours of zone-wise intervention which includes 18 physical sessions.

### Few snippets from Project Puthri:

- Completed 325+ hrs of Zone-wise virtual interventions
- Completed 18 physical sessions
- Enabled 10 Puthris with learning devices who lack tech devices
- Conducted Pre & Post Assessment for grade 8 - grade 12
- 6 batches of Grade wise weekly sessions from Monday to Saturday
- 160+ mentoring sessions
- 8 special sessions
- 8 Role model & Leader's Talk sessions
- 8 Parenting Workshop for parents
- 4 Talent search events
- 2 PCCA events conducted
- 32 Puthri for Tech Program executed to enable Puthris on Technology orientation
- 8 Puthri Career Pathing Program for grade 12th completed Puthris
- 60+ Puthri Scholars attended UU from these 2 schools
- 74 workbooks given
- 8 Talent search winners



# Health & Nourishment



## Creating Audio Tutorials in 10 Regional Languages in Association with IIT Bombay

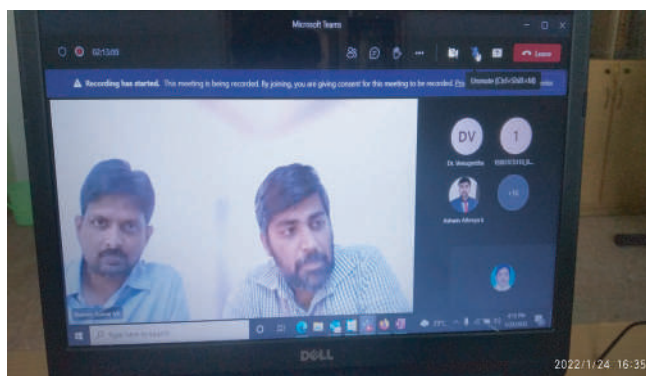
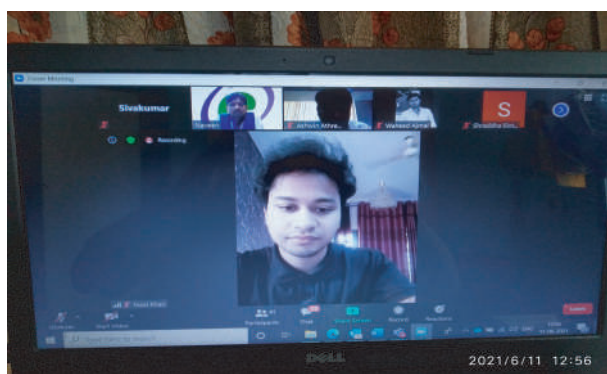


We are elated to inform that we have created audio tutorials in association with IITB to impart critical knowhow on health and nourishment to front-line workers in different parts of India. With resources developed in association with IITB, we have trained more than 300 healthcare workers to educate the concerned beneficiaries in micro levels of our society.

# Digital Awareness



## Interactive Sessions with Students from Brindavan College and Don Bosco Engineering College



An interactive remote session was conducted with college going students to impart the knowhow on digital security, importance of digital identities and ways in which we can mitigate cyber threat to all touchpoints across the digital world. By seeing the gusto and fervor shown by students during these sessions, we are assured that we are looking at a bright great future built on knowledge and innovation in the domain of digital transformation.





## eMudhra Listed in BSE and NSE

After over a decade of dedication, commitment, and hard work towards a secure digital future, we are delighted to announce that we have taken the next leap towards our growth. eMudhra conducted a successful IPO and is listed in the Indian Stock Exchanges, BSE and NSE, effective June 1, 2022.



We are grateful to all our stakeholders who have enabled us to get this far and eagerly looking towards a bright, exciting, and a secure digital future that lies ahead of us!



A hardworking team of more than 600 employees, complemented by the great vision and corporate foresight of our core leadership group has given us the opportunity to scale our operations at all levels and take our offerings to many more regions and markets.

# Company Details

## ***Board of Directors***

Mr. Venkatraman Srinivasan, Founder and Chairman

Dr. Nandlal L. Sarda, Independent Director

Mr. Manoj Kunkalienkar, Independent Director

Ms. Chandra Iyer, Independent Director

Mr. Chandrasekar Padmanabhan, Independent Director

Mr. Venu Madhava, Whole Time Director

## ***Bankers***

Kotak Mahindra Bank (Principal Banker)

Canara Bank Ltd.

ICICI Bank Ltd.

Karur Vysya Bank Ltd.

## ***Auditor***

Manohar Chowdhry & Associates Chartered Accountants

## ***Internal Auditor***

Suri & Co. Chartered Accountants

## ***WebTrust Auditor***

BDO



## ***Legal Advisors***

Shardul Amarchand Mangaldas & Co.

## ***Executive Management***

Mr. Venkatraman Srinivasan - *Founder and Chairman*

Mr. A.M. Kiran, *VP & Head - Customer Operations*

Mr. Arvind Srinivasan, *SVP & Head - International Sales and Marketing*

Mr. Ashwin Jansale, *SVP & Head - Channel Sales*

Mr. Biju Varghese, *SVP & Head - Business Development (India & APAC)*

Mr. Janarthanan S, *SVP & Head - Customer Success*

Mr. Johnson Xavier - *Company Secretary*

Mr. Kaushik Srinivasan - *SVP & Head - Solution Conceptualization, Development & Delivery*

Mr. Saji Louiz - *Chief Financial Officer*

Mr. Venu Madhava - *Whole Time Director and Head – Legal and Human Resources*

Mr. Vijay Kumar, *SVP & Head - Trust Services*

## ***Corporate Office***

### **eMudhra Digital Campus**

**Plot No 12-P1-A & 12-P1-B,**

**Hi-Tech Defence and Aerospace Park (IT sector),**

**Jala Hobli, BK Palya Bangalore**

**Bangalore KA 562149 IN**

# FY 2021-22 Performance Highlights

## Delivering Strong Growth on All Key Parameters

Revenue growth driven by both Trust Services and Solutions primarily due to new customer acquisition, international market expansion, and incremental cross sales

Revenue from Operations

**Rs. 1,826 Mn**

**+ 38.8% YoY**

EBITDA growth and margins improvement driven by operating leverage and efficiency

EBITDA

**Rs. 688 Mn**

**+ 68.7% YoY**

**37.4% Margins**

Net Profits

**Rs. 411 Mn**

**+ 62.2% YoY**

**22.4% Margins**

Company continues to generate strong cash flows as a result of underlying profitable business model

Cash from Operations

**Rs. 395 Mn**

**96.1% of PAT**

Dividend

**Rs. 1.25 per share**

**21% on EPS**

## Capital Structure

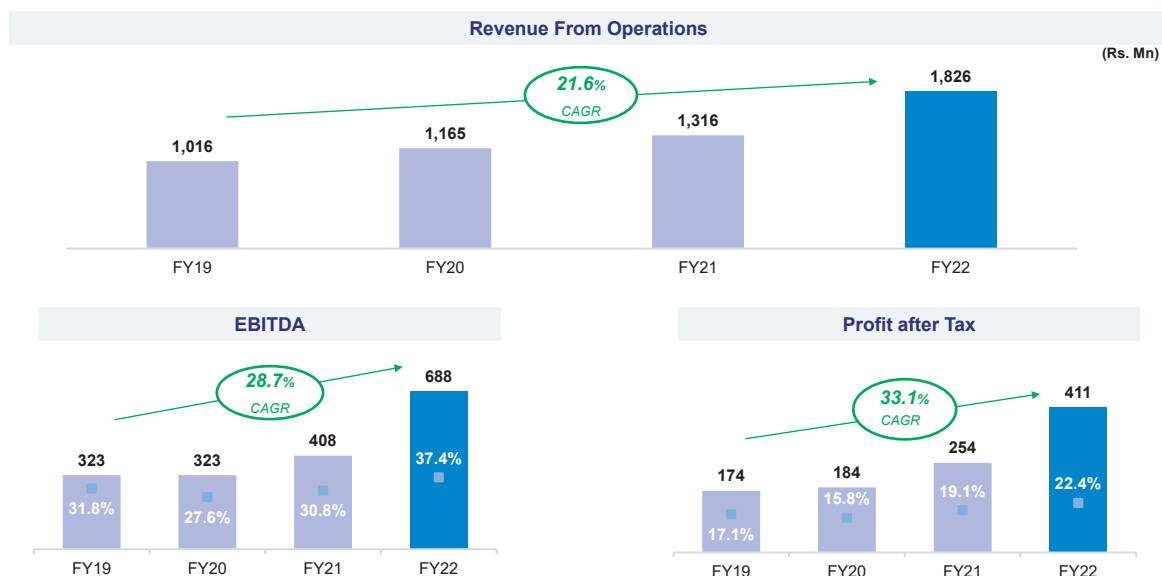
### Strong Financial Performance and Position

(Rs. Million)	FY2019	FY2020	FY2021	FY2022
Long Term Debt	188	262	221	198
Short Term Debt	77	125	87	256
<b>Total Debt (A)</b>	<b>265</b>	<b>387</b>	<b>308</b>	<b>454</b>
Cash and Cash Equivalents (B)	23	92	77	133
<b>Net Debt (A-B)</b>	<b>242</b>	<b>296</b>	<b>231</b>	<b>321</b>
<b>Total Equity</b>	<b>756</b>	<b>931</b>	<b>1,166</b>	<b>1,536</b>
<b>Net Debt to Equity (x)</b>	<b>0.32x</b>	<b>0.32x</b>	<b>0.20x</b>	<b>0.21x</b>
Cash Flow From Operating Activities Before Tax	198	273	438	395

Post IPO, the Company has become Net Debt Free as on 7<sup>th</sup> June 2022

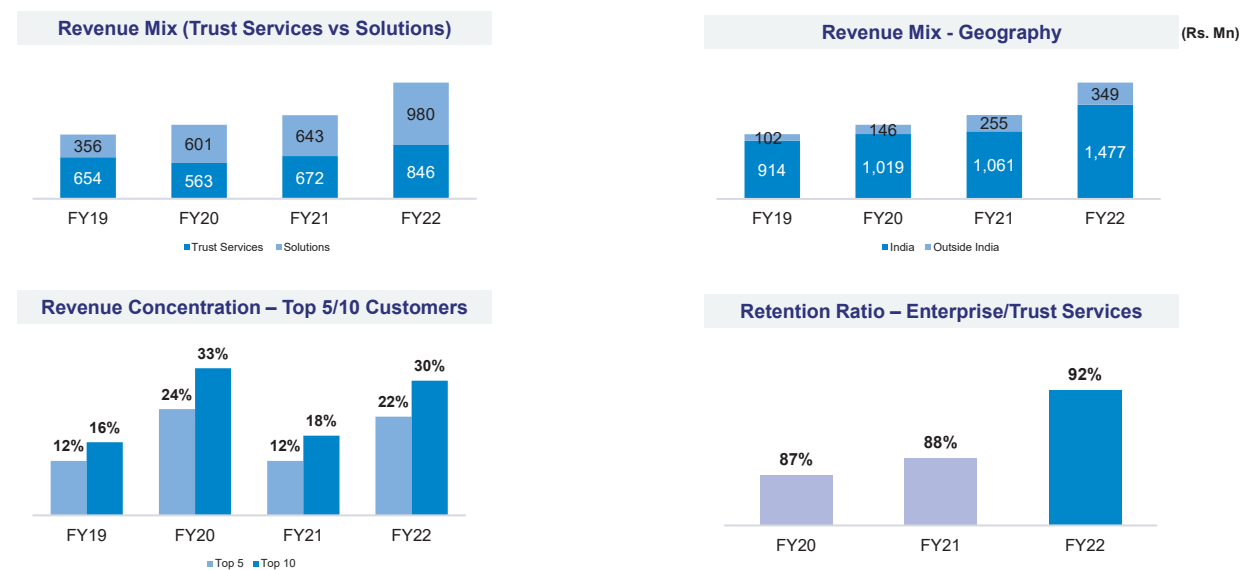
## Financial Performance

eMudhra Track Record of Delivering Consistent Growth with Accelerated Profitability



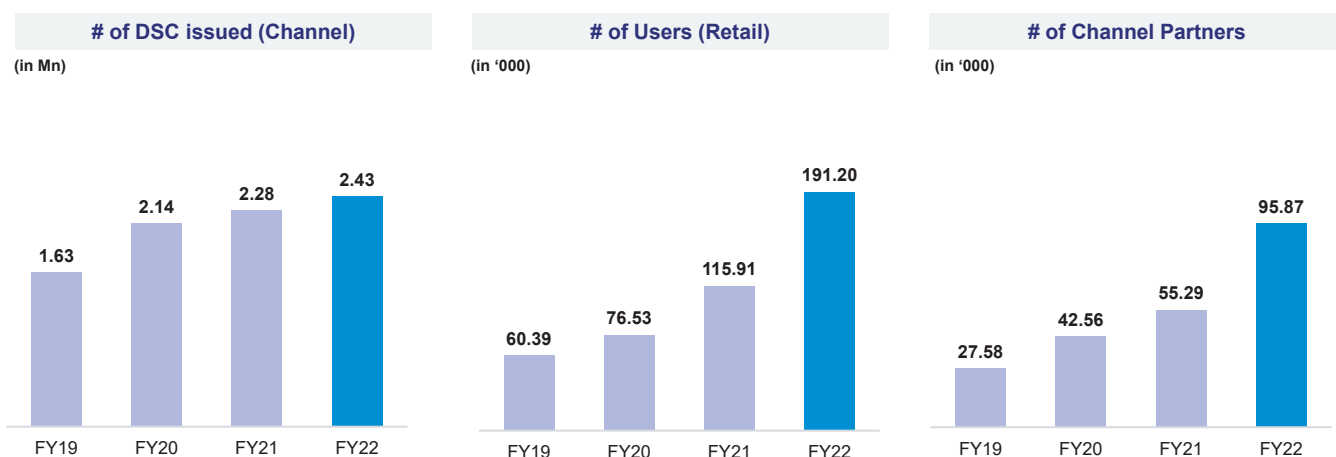
## Key Business Indicators

Retention Ratio Greater than 90% and Top 10 Customers Contribution Less Than 35%



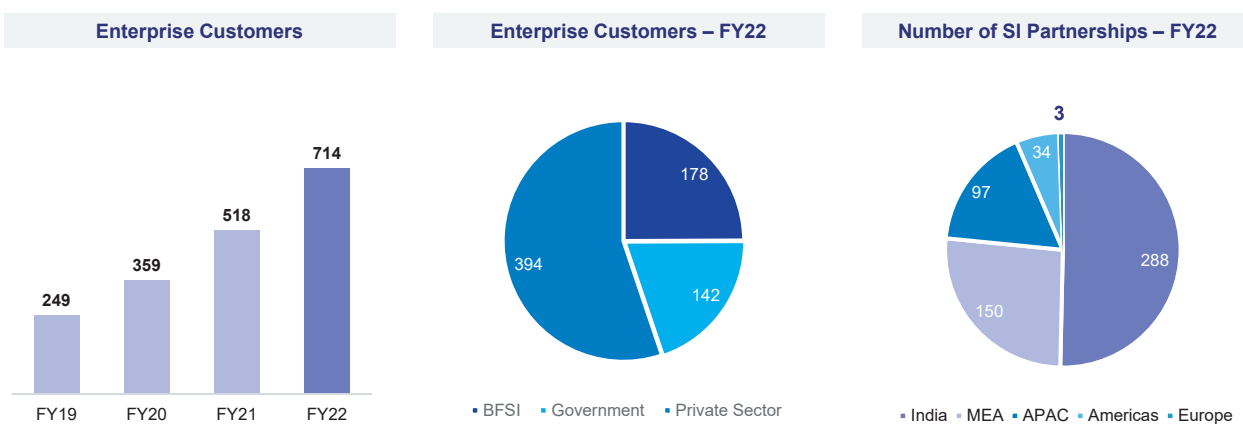
## Trust Services – Operational Performance

Strengthen Network of Channel Partners To Drive Future Growth



## Enterprise Solutions – Operational Performance

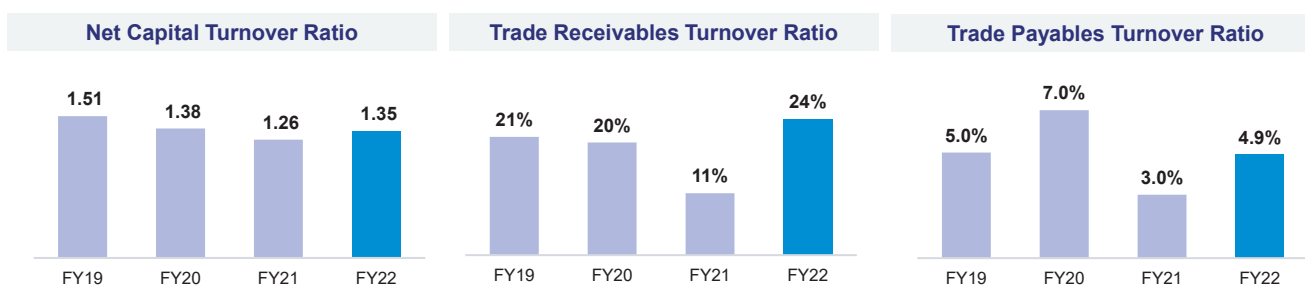
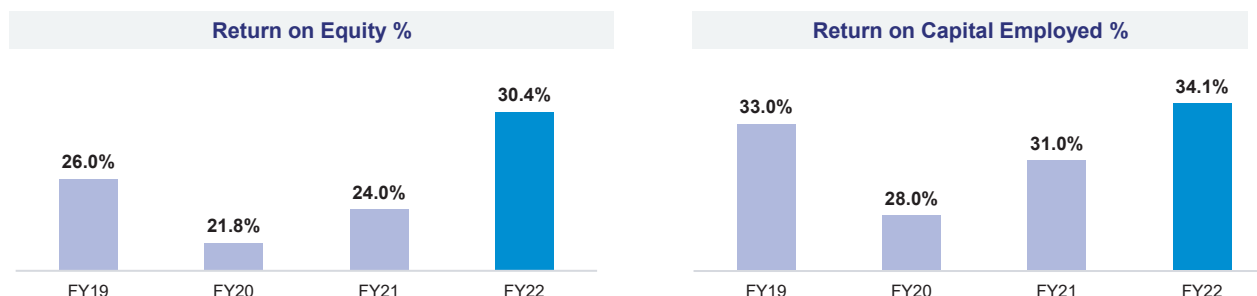
Enterprise Solutions Net Addition of 196 Clients in FY2022





## Strong Return Ratios

### Return on Equity and Capital Employed Ratios at Four Year High







# ENVIRONMENTAL, SOCIAL & GOVERNANCE





## Introduction

As a responsible corporate in India and abroad, our values at eMudhra drive us to setup sustainable processes to conduct environment friendly operations, mitigate climate change by cutting down on paper consumption, focus on corporate governance and take all necessary actions and initiatives for better employee engagement, diversity, inclusion and belonging in the organization.

Organizations across the globe leverage products and services offered by eMudhra to build a business environment that is digitally secure and compliant, automated and data driven. eMudhra offers solutions that enable enterprises across industries and regions to embark on Secure Digital Transformation journeys with a foundation built on Digital Trust.



## Did you Know?

53% of the overall ESG benchmarking criteria pertain to Climate and Environment, followed by Diversity, Equity and Inclusion at 13%, Employee Support at 12%, Social Responsibility at 11% and Corporate Governance at 10%. By seeing the numbers, it is easy to validate how Climate and Environment have become central to organizational focus on ESG.

As focus on ESG becomes more widespread and it becomes an important criterion for investing decisions, a force that will affect all businesses and investments globally, it is important for businesses to move away from paper to digital way of doing business so as to limit their infringement upon environment and climate to the bare minimum. eMudhra is a leading provider of Digital Platforms and Solutions that not just help organizations mitigate dependence on paper and manual processes, but help improve compliance and governance through the use of Digital Signatures and Trust Services and scale ESG goals.





## We Understand the Importance of ESG in Tech

The technology industry is continuously evolving with advancements across computing, storage and networking etc. and has been a huge source of employment generation. All of this can result in a fairly large carbon footprint over a period of time, and hence it becomes all the more important to build sustainability into technology operations. At eMudhra, we firmly believe that systemic investment in fulfilling ESG objectives will make the tech industry more resilient and sustainable in the future. From pollution to employee safety issues and reputational damage from diversity or corruption concerns, we are aware of the risks and hence inculcating a culture of integrity, social-consciousness, and a problem-solving mentality.

### Importance of ESG in Tech:



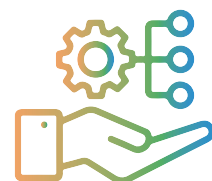
**86%**

Of Tech CEOs support increased sustainability regulations in operations



**34%**

Of them say climate change is having a significant impact on their fundings



**26%**

Of them have incorporated ESG into their strategic planning



## Our Approach

**While ESG standards have are continually evolving, we are advancing ESG within our company through three steps:**

### **Approach towards Sustainability**

We have created an ESG strategy with a commitment to transparency. This begins by developing ESG goals, adhering to the required parameters in letter and spirit, and establishing mechanisms to measure and track the impact.

### **Plugging the Gaps**

We are working on areas to have a real impact. Such as optimizing computing workloads to reduce power consumption and greenhouse gas emissions. We are also focusing on responsible supply chain management, creating corporate wellness programs and ensuring better corporate governance.

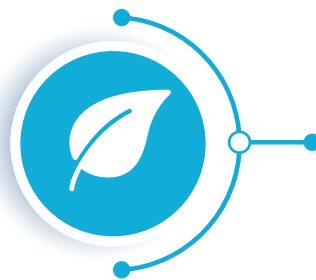


# Driving a Sustainable ESG Strategy

Actions to facilitate business operations in line with global directives on sustainable growth.

## Factors Covered under Three Broad Areas of ESG

### ENVIRONMENTAL



- Promote use of recyclables
- Reduce negative impact on biodiversity
- Smart waste management
- Mitigate air and water pollution
- Energy efficient operations
- Commitment to carbon neutrality

### SOCIAL



- Maintain high standards in supply chain
- Emphasis on health and security
- Employee rights and wellness
- Positive impact on local community

### GOVERNANCE



- Seamless corporate governance
- Diversity in the Board
- Company ethics





## eMudhra Digital Campus

In April 2022, we moved into our new eMudhra Digital Campus at KIADB IT park in Devanahalli. This 220,000 sq.ft building is not merely a workplace but a reflection of the hard work, dedication that has helped eMudhra grow and build a place that we can call our very own.

To talk a little bit about this massive structure, from inception we wanted to build something that would stand out in terms of design with a lot of focus on open areas. One can observe how the design is unique with abundant natural lighting with uninterrupted views on all sides.

We have also adopted modern practices with open ceiling giving us more height; the colour schemes for the flooring and desks have been mirrored on our brand colours. The campus has a large Board Room, a Training Room and 7 Conference Rooms accommodating groups from 5-50 people which can be used to enhance productivity, brain storm new ideas and so much more. All of them are equipped with state-of-the-art televisions and conference equipment that one can use to connect with colleagues and clients around the world.



It can also be observed that there are open areas in each floor towards the front. These have been deliberately created to leave space for brainstorming sessions and think about the next ground breaking idea that can propel eMudhra to greater heights. There are also open balconies for everyone to enjoy the breeze and to hold small meetings with colleagues. Some of the floors have wellness zones where employees can unwind after a very long work session.

Our terrace space is earmarked for the office canteen where breakfast and lunch are served for all. In due time, we plan to house a small café on the ground floor and this space will be earmarked for yoga sessions to help de-stress. The open land next to the building is being converted as a green zone giving our employees the much-needed space and time to go for a short stroll post lunch or for an early morning jog to burn some calories.

The entire building façade consists of high quality glass panels to reduce the ingress of UV rays and heat wave into the working areas, but allows natural light in abundance into the building. eMudhra Digital Campus is highly environment friendly with Solar panels installed on the terrace to cater to our electricity requirements, thus reducing overall carbon footprint in the process.



# ESG Parameters in Detail

## ENVIRONMENTAL

### Sustainable Infrastructure

Environmental criteria may include corporate climate policies, energy use, waste, pollution, natural resource conservation, and treatment of animals. The criteria can also help evaluate any environmental risks a company might face and how the company is managing those risks.

Considerations may include direct and indirect greenhouse gas emissions, management of waste, and compliance with environmental regulations.

We at eMudhra cater to environmental criteria by using renewable energy sources such as solar, and our waste management program includes recycling of non-biodegradables. We are mitigating the problems of air and water pollution by deploying natural air inlets to reduce AC usage across the facility, and rain water harvesting for optimized usage of ground water.

## At the state-of-the-art eMudhra Digital Campus:

**50 KW**



Electricity is being saved daily using natural light inlets

**20 KL**



Storage facility to promote rain water harvesting

**2000 CFM**



Natural air saved per minute with air infiltration into the common areas

**100+ KW**



Of solar energy capacity at all times

**2 Lakh Liters**



Rain water released into ground monthly to boost water table levels

**500+ Plants**



Of different species placed inside the premises to promote a greener interior





## **PAPERLESS Technology**

### **Sustainable Infrastructure**

Since global warming is on the rise, protecting the environment is one of our top priorities and we firmly believe individuals and organizations across the globe should ensure we protect the environment.

We are doing our part by offering emSigner – A Digital Workflow Platform to the world! A PAPERLESS alternative to all types of documentation which require paper and signatures. emSigner is a powerful PAPERLESS platform with potential to eradicate paper usage across all industries and maybe even our homes someday.

In this age of digital technology where people prefer to have a card instead of paper money, it is surprising to see how much we still rely on PAPER transactions when everything is going digital. We can reduce the burden on the environment by going PAPERLESS for several beneficial reasons.



## Highlights:

emSigner is deployed for a plethora of internal processes across various departments and even for the ones where signatures from external parties are required. Our product is tailored to digitally transform key organizational processes and we do exactly that at our workplace. emSigner is not just environment friendly but a high-impact digital solution for organizations that helps reduce TAT and cost of operations.

## Human Resource:

- Employee Onboarding and Offboarding formalities
- Re-designation Procedure
- Appraisal Procedure
- Ad hoc employee letter

## Finance:

- Purchase Order Signing
- Invoice Signing
- Credit Notes
- Vendor bills (Verification and Approval workflow)
- Employee Reimbursement

## Legal:

- Agreement Signing Workflow
- Documents submission and signing for legal expenses

## Information & Technology:

- Creation, management and deletion of all users in the organization
- Enablement of all internal processes on the application

## By doing all of the above, we are:

- Reducing Carbon Footprint
- Reducing Waste Generation
- Preventing Deforestation
- Building a Sustainable Digital Ecosystem



## **SOCIAL**

The Social focus at eMudhra towards ESG covers a vast range of potential issues but largely centered around social relationships the organization has with stakeholders including employees.

In addition to building a happy workspace full of problem solvers, we are also focused on creating change makers in the community by carrying out regular CSR programs in the area of skill development as this is huge priority area under Digital India. Through direct and 3rd party skill development programs, we reach out to students and youth to conduct skill development programs in the area of Digital Transformation, health and nutrition and women empowerment.

At eMudhra, we are committed to our customers across the globe for secure Digital Transformation that is built on a foundation of Digital TRUST. We work with customers, both large and small with the same level of effort and dedication, so that our expertise travels the last mile of the value chain with maximum momentum and effect.

## Highlights:

### **Employee Pay, Benefits & Incentives**

All employees at eMudhra are fairly compensated on par with the current market standards and the company policies. There are several performance-based incentive schemes which are applicable to the concerned teams and individuals. Employees are also provided with free transportation facility to and from the office.

### **Policies for Inclusion and Prevention From all Forms of Harassment**

We are committed to create a safe and inclusive workplace for one and all. eMudhra is a value driven organization and our code of ethics and policies towards human resource is watertight. There are measures and processes in place to report any form of harassment at workplace and the concerned authorities follow the laid down policies to resolve or take action and protect the privacy of the complainant.

### **Company Vision to build a Digital Society, Globally**

eMudhra was started in 2008 with a mission to accelerate the world's transition to a secure integrated digital society with a foundation built on Digital Identity and Trust. Built over a decade of R&D, our solutions leverage Digital Identity, Trust and AI empowering you to offer strong customer experiences, save significant cost, improve security, compliance and governance.

### **Committed to Charitable Causes**

Our social and outreach programs are inclined towards, education, skill development and capacity building among the youth of our country. Our employees are regularly involved in sessions with students from the universities and colleges to impart knowledge on the importance of Digital Identity and PAPPERLESS technologies. eMudhra is also involved in direct intervention programs for girl child education through distribution of equipment and education material across several schools in India.



## GOVERNANCE

At eMudhra, Corporate Governance is a system of rules, policies, and practices that dictate how our board of Directors and the Executive Management Team manage and oversee the operations of our company. This is centered around the principles of transparency and accountability.

“Share Holder Primacy” is our key principle of Corporate Governance. The Board always seeks the best interests of the shareholders. The Board and the Executive Management Team hire competent individuals who form the core team that manages the day-to-day operations at eMudhra. The selection process is a merit-based process with huge focus on ensuring employee objectives are in line with the organization’s objective on Corporate Governance matters.

eMudhra has a well-diversified Board with independent Directors including a Woman Director that are of repute and bring varied knowledge to the table.

### Highlights:

- Share Holder Primacy
- Board Diversity
- Focus on Compliance and Data Security
- Strong Financial and Internal Controls





## Aligning with UN Sustainable Development Goals

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all the while tackling climate change and working to preserve our oceans and forests.

eMudhra has a purpose driven “impact business model” to enable organizations across the world to create environmental, social and governance values through PAPERLESS operations. Our digital products and services help a multitude of enterprises to contribute to the SDGs in their own ways.

The company is also invested in CSR by supporting non-profits that focus on specific SDG areas such as SDG #4 and SDG #5. Our CSR programs are in the area of education and skill development. We also partner with NGOs and other institutions on specific projects that have positive social impact in SDG-relevant areas.



## Our Contribution to SDGs



All the employees of eMudhra are offered with the option of Health Insurance. To promote the idea of good health and holistic well-being, we impart information on both physiological and mental health to our employees. Our infrastructure with open spaces and the upcoming space dedicated to Yoga and Meditation will further aid in giving the best possible work environment to our employees.



We have a two-pronged approach to promote quality education. Firstly, through our CSR activities we enable the youth and underprivileged with skill development and direct intervention in form of books, laptops, and other enabling equipment for education at the same time. Our employees visit colleges to impart knowledge to young students on Digitization and Digital Transformation.



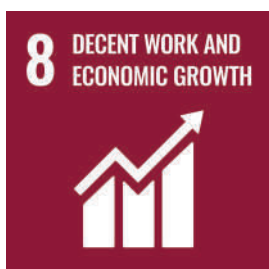
More than 30% of our workforce comprises of women who are leaders, innovators, amazing sales and support agents. Our Board includes a Woman Member. Women are entitled to equal opportunities in the organization such as fair pay on par with male colleagues and a safe environment to work in. They are protected by the company's policies in cases related to maternity or harassment at the workplace.



Our infrastructure is designed to save natural resources and most importantly water. We have rain water harvesting mechanism in place with storage being released to the ground to improve the water table. We provide state-of-the-art sanitation facility to our employees and all related equipment in use are made to preserve water and not waste it.



We have setup solar panels to reduce our dependency on non-sustainable energy sources. Clean energy in the form of solar electricity is all set to power the lights of 3 floors of our office space. With our commitment to move towards affordable and clean energy, we have ensured that our building architecture allows maximum natural light and help save energy cost without any impact on operations.



eMudhra follows the law of the land in letter and spirit. Our operations are completely in line with the labour laws and all the other relevant sections of the laws relating to companies. Our employees are given fair pay, benefits and incentives based on laid down company policies. Work culture at eMudhra is value driven and the same is reflected in the cohesive team structures across departments. Our business model perfectly caters to the goal of sustainable economic growth as we offer digital certificates, PAPERLESS Office and data security solutions and services to promote sustainable economic growth for eMudhra and our customers.



When it comes to Digital Signatures, eMudhra is the industry leader in India. Over a decade we have built resilient products and services for sustainable industry growth. Innovation being at the core of our operations, our products and offering are all about watertight Data Security, Ease-of-Use, Digital Transformation and all these promote sustainable industry growth.



**11** SUSTAINABLE CITIES  
AND COMMUNITIES

At eMudhra, our core mission is to build safe digital societies across the globe with end-to-end Digitization of services. To this cause, all our products and services are designed for PAPERLESS operations, Digital Identity Creation and Assurance, Digital Signatures, Authentication Solutions for Data Security and a Unified Ecosystem of digital TRUST to build digital societies of the future.

**13** CLIMATE  
ACTION

We are taking urgent actions to fight climate change and achieve lower emissions through sustainable operations. It is important to again highlight how our emSigner product directly caters to this SDG goal by giving all industries across the globe the option to go 100% PAPERLESS in their operations.





ANNUAL GENERAL MEETING NOTICE



## ANNUAL GENERAL MEETING NOTICE

Notice is hereby given that the 14<sup>th</sup> Annual General Meeting of the members of eMudhra Limited, will be held on August 05, 2022 at 11:00 a.m. IST through Video Conferencing/Other Audio-Visual Means without the physical presence of the members at a common venue, to transact the following business. The venue of the meeting shall be deemed to be the registered office of the company.

### Ordinary Business

1. To receive, consider and adopt:
  - a. The Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon; and
  - b. The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, together with the Report of the Auditors thereon.
2. To Declare Dividend on Preference Shares and Equity Shares for the financial year 2021-22
3. To appoint a director in place of Mr. Venu Madhava (DIN: 06748204), who retires by rotation and, being eligible, offers himself for re-appointment.
4. Appointment of Statutory Auditors

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. Suri & Co., Chartered Accountants, who have confirmed their eligibility for appointment of Statutory Auditors in terms of Section 141 of the Companies Act, 2013 and applicable Rules, be and are hereby appointed as Statutory Auditors of the Company to hold office for a period of 5 years from the conclusion of the 14<sup>th</sup> Annual General Meeting (AGM) of the Company till the conclusion of the 19<sup>th</sup> Annual General Meeting to be held in the year 2027, on such terms and conditions including remuneration as may be approved by the Board of Directors of the Company in addition to applicable taxes and reimbursement of out of pocket expenses incurred by them.”

### Special Business

1. Approval of ESOP Scheme 2016

To consider and if thought fit to pass, with or without modification, the following resolution as Special Resolution:



**“RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 2013, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (**“SEBI SBEB and SE Regulations 2021”**) and other applicable laws, rules and regulations (including any statutory amendment, modification or re-enactment to the Companies Act or the regulations for the time being in force), subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, based on the recommendation of the nomination and remuneration committee (**“Nomination and Remuneration Committee”**) and the Board of Directors the approval of the members be and is hereby accorded to the ‘Employee Stock Option Scheme – 2016’ including the amendments proposed (hereinafter referred to as the **“Amended eMudhra ESOS-2016”**), the salient features of which has been given in the explanatory statement to this resolution.”

**RESOLVED FURTHER THAT** the Board be and are hereby authorized on behalf of the Company to make and carry out any modifications, changes, variations, alterations or revisions in the eMudhra ESOS-2016 or to suspend, withdraw or revive the eMudhra ESOS-2016, in accordance with applicable laws prevailing from time to time, as it may deem fit, to give effect to this resolution.

**RESOLVED FURTHER THAT**, Mr. Venkatraman Srinivasan, Chairman and Mr. Venu Madhava, Whole-Time Director be and are hereby jointly or severally authorized authorised to issue certified true copies of these resolutions to various authorities and to file necessary forms with the Registrar of Companies, Karnataka, situated at Bengaluru, and do all such acts, deeds, matters and things as may be required to be done to give effect to the above resolutions.

**RESOLVED FURTHER THAT**, certified copies of this resolution be provided to those concerned under the hands of a Director or the Company Secretary wherever required.”

**Date and Place: July 01, 2022, Bangalore**  
**CIN : L72900KA2008PLC060368**

**By the Order of the Board of Directors of**  
**EMUDHRA LIMITED**

**Registered Office:**

Plot No 12-P1-A & 12-P1-B, Hi-Tech Defence and  
Aerospace Park (IT sector), Jala Hobli, BK Palya  
Bangalore Bangalore KA 562149 IN  
Email Id: corporate@emudhra.com  
Website: www.emudhra.com  
Tel No: 080 48484001

Sd/- [Johnson Xavier]  
[Company Secretary & Compliance Officer]  
[Membership No. A28304]

## NOTES

1. AGM of the Company is being conducted through VC in compliance with General Circular No. 02/2022 dated May 05, 2022 and General Circular 21/2021 dated December 12, 2021 read with General Circular Nos. 14/2020, 17/2020, 20/2020, No. 02/2021 and No. 19/2021 issued by Ministry of Corporate Affairs and Circular dated January 15, 2021 read with Circular dated May 12, 2020 issued by the Securities and Exchange Board of India (collectively referred to as “Circulars”), which details the procedure and manner of holding AGM through VC and provide certain relaxations from compliance with Listing obligations in view of COVID 19 pandemic.
2. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company situated at eMudhra Digital Campus, No. 12-P1-A & 12-P1-B, Bangalore IT Park Industrial Area, B K Palaya, North, Jala Hobli, Bengaluru, Karnataka 562149 India, which shall be the deemed Venue of the AGM. Since the AGM will be held through VC, the Route Map is not annexed to this Notice.
3. Since this AGM is being held through VC, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Details of the Director seeking appointment/re-appointment at the 14th AGM is provided in **Annexure A** of this Notice. The Company has received the requisite consents/declarations for the appointment/re-appointment under the Companies Act, 2013 and the rules made thereunder.
5. M/s. Link Intime India Private Limited , Registrar & Transfer Agent of the Company (“RTA”), shall be providing the facility for voting and attending the AGM through VC. Members may note that the VC facility provided by RTA allows participation of upto 1,000 members on a first-come-first-served basis. The members (holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination, Remuneration and Board Governance Committee and Stakeholders Relationship Committee, auditors, scrutinizers, etc. can attend the AGM without any restriction on account of first-come-first-served principle. Members can login and join 15 (fifteen) minutes prior to the scheduled time of meeting and the window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the scheduled time. The detailed instructions for remote e-voting, participation in the AGM through VC and for e-voting during the AGM are provided in **Annexure B** attached to this Notice

### ANNEXURE A

Name of the Director	Venu Madhava
DIN	06748204
Date of Birth (Age)	20-07-1974 (47 years)
Date of first Appointment	January 10, 2014 as Director
Qualification	Bachelor's degree in commerce and a Bachelor's degree in law
Experience & expertise in specific functional areas	Venu Madhava is a Whole-time Director of our Company, and the Senior Vice - President, Legal. He holds a bachelor's degree in commerce and a bachelor's degree in law, both from Kuvempu University. He has over 13 years of experience as Manager - Legal at Adecco India.
Directorships held in other Companies in India	eMudhra Technologies Limited eMudhra Consumer Services Limited
Chairmanship/Membership of Committees held in other Companies in India	Nil
Relationship with other Directors and KMP	None
No. of Shares held in the Company (% to total capital)	Nil
No. of Board Meetings attended during FY'22	9



## ANNEXURE B

### Remote e-Voting Instructions for Shareholders:

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As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

### Login method for Individual Shareholders holding securities in demat mode is given below:

1. Individual Shareholders holding securities in demat mode with NSDL
  1. Existing IDeAS user can visit the e-Services website of NSDL viz. <https://eservices.nsd.com> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINK INTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.
  2. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsd.com> Select "Register Online for IDeAS Portal" or click at <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp>
  3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://eservices.nsd.com> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e., LINK INTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
2. Individual Shareholders holding securities in demat mode with CDSL
  1. Existing users who have opted for Easi / Easiest, can login through their user Id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login are: <https://web.cdslindia.com/myeasi/home/login> or [www.cdslindia.com](http://www.cdslindia.com) and click on New System Myeasi.
  2. After successful login of Easi/Easiest the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e., LINK INTIME. Click on LINK INTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
  3. If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>.

4. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a link in [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e., LINK INTIME. Click on LINK INTIME and user will be redirected to “InstaVote” website for casting the vote during the remote e-Voting period.
3. Individual Shareholders (holding securities in demat mode) login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name i.e. LINK INTIME and you will be redirected to “InstaVote” website for casting your vote during the remote e-Voting period.

**Login method for Individual Shareholders holding securities in physical form is given below:**

There are no shareholders in our Company holding shares in physical form.

**Cast your Vote Electronically:**

1. After successful login, you will be able to see the notification for e-voting. Select ‘**View**’ icon
2. E-voting page will appear
3. Refer the Resolution description and cast your vote by selecting your desired option ‘**Favour/Against**’ (If you wish to view the entire Resolution details, click on the ‘**View Resolution**’ file link)
4. After selecting the desired option i.e., Favour / Against, click on ‘**Submit**’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘**Yes**’, else to change your vote, click on ‘**No**’ and accordingly modify your vote

**Guidelines for Institutional shareholders:**

Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as ‘**Custodian/Mutual Fund/Corporate Body**’. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘**Custodian/Mutual Fund/Corporate Body**’ login for the Scrutinizer to verify the same.

**Helpdesk for Individual Shareholders holding securities in physical mode/Institutional shareholders:**

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 – 4918 6000.

**Helpdesk for Individual Shareholders holding securities in demat mode:**

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 22- 23058542-43.

**Individual Shareholders holding securities in Physical mode has forgotten the password:**

There are no shareholders in our Company holding shares in physical form.

**Individual Shareholders holding securities in demat mode with NSDL/CDSL has forgotten the password:**

Shareholders who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at above mentioned depository/depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

**EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013.**

**Item No. 1 of Special Business**

In 2016, eMudhra Limited (“Company”) implemented the eMudhra Employees Stock Option Scheme 2016 (“ESOP”). Under the scheme, eMudhra Employee Stock Option Trust (Trust) has been created and 61,32,801 number of equity shares of Rs. 5 each has been allotted to the trust for the benefit of the employees. Of these 61,32,801 numbers of equity shares, ESOPs in respect of 1,12,500 shares have been exercised and 54,16,500 options are granted and outstanding. Thus, there is a balance of 6,03,801 options available for grant as on March 31, 2022.

The scheme has been amended from time to time and has been amended in the Extra-Ordinary General Meeting held on October 26, 2021 to comply with SEBI guidelines prior to our listing. Further, M/s. KP Corporate Solutions Limited has been appointed as trustee for the employee stock option trust.

As per Rule 12 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021, further ESOPs available under the scheme for grant from time to time, can be granted to the employees only



subject to prior approval of the members in a general meeting held after listing. Further as under the current scheme the exercise period is too long (10 years from the date of grant), it is proposed to amend the scheme by providing for a lesser exercise period (6 month from the respective date of vesting) in respect of new options granted. Hence, the amendment will not affect the existing grants. This amendment also needs the approval of the members as per the above said SEBI regulations 2021.

It may also be noted that since the shares under the scheme are already transferred to the Trust, the further grant of options which are available will not cause any further dilution to the existing shareholders.

The draft copies of the amended eMudhra Employees Stock Option Scheme 2016 are available for inspection during the office hours till the date of ensuing Annual General Meeting.

The Nomination and Remuneration Committee and the Board on their meetings held on June 11, 2022 have recommended the ESOP with the amendment as above for the approval of the Members in the ensuing Annual General Meeting.

In view of above, approval of Members is sought by way of a Special Resolution for Item No. 1 of the special business in the accompanying Notice.

Other details of the ESOP are as under:

**a. Brief description of the scheme(s);**

eMudhra Limited (hereinafter referred to as “eMudhra” or “the Company”) wishes to bring Employee participation in the growth and prospects of the Company. The Company has , therefore , decided to introduce an Employee Stock Option Scheme, 2016 , hereinafter referred to as “ESOP” or “the Scheme”) that would encourage a long term and committed involvement of the Employees in the management and future of the Company.

**b. The total number of options to be offered and granted;**

Offered options - 61,32,801 and granted 54,16,500 as on March 31, 2022

**c. Identification of classes of employees entitled to participate and be beneficiaries in the scheme(s);**

All employees as defined in the eMudhra Stock Option Scheme, 2016

**d. Requirements of vesting and period of vesting;**

Vesting over 4 years from the end of the 1<sup>st</sup> year after the grant to the end of the 4<sup>th</sup> year at 25% in each year.

**e. Maximum period (subject to regulation 18(1) and 24(1) of these regulations, as the case may be) within which the options / SARs / benefits shall be vested;**

4 years from the end of the grant.

**f. Exercise price;**

As may be decided by the Nomination and Remuneration Committee in respect of each grant. For all the past grants made prior to listing, the exercise price was fixed at Rs. 5/- per share.

**g. Exercise period/offer period and process of exercise/acceptance of offer;**

Hitherto exercise period was 10 years from the date of grant. As indicated earlier in this explanatory statement, for the future grants, it is proposed to amend the exercise period to six months from the date of vesting.

To exercise, the concerned employee needs to notify the HR department.

**h. The appraisal process for determining the eligibility of employees for the scheme(s);**

The regular process adopted by the HR department for the employee appraisal is taken into account for stock option purpose.

**i. Maximum number of options, SARs, shares, as the case may be, to be offered and issued per employee and in aggregate, if any;**

There is no such limit prescribed in the scheme.

**j. Maximum quantum of benefits to be provided per employee under a scheme(s);**

No such limits prescribed in the scheme

**k. Whether the scheme(s) is to be implemented and administered directly by the company or through a trust;**

The Scheme is implemented through eMudhra Employee Stock Option Trust.

**l. Whether the scheme(s) involves new issue of shares by the company or secondary acquisition by the trust or both;**

The Scheme involved new allotment of shares by the Company in 2016. No further allotment of shares is contemplated as of now.

**m. The amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc.;**

A loan of Rs. 3,06,64,005/- was provided by the Company to the Trust towards allotment of the shares to the Trust. This amount has been utilised by the Trust towards allotment of the above said shares of eMudhra Limited. The amount is repayable out of the exercise price receivable from the employees upon exercise of their respective shares.

**n. Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s);**

Not applicable

**o. A statement to the effect that the company shall conform to the accounting policies specified in regulation 15;**

The Company shall follow 'IND AS 102-Accounting for Share Based Payment and/or any relevant Accounting Standards as may be prescribed by the competent authorities from time to time, including the disclosure requirements prescribed therein in compliance of Regulation 15 of the SEBI (SBEB) Regulations.

**p. The method which the company shall use to value its options;**

Black Scholes model

**q. Period of lock-in.**

No lock-in

The Directors (other than the Independent Directors and promoter director) and other Key Managerial Personnel of the Company (other than promoters/promoter group) and its subsidiary(ies), are deemed to be concerned or interested, to the extent of Options granted pursuant to the ESOS Scheme and to the extent of their shareholding in the Company, if any.

**Date and Place: July 01, 2022, Bangalore**  
**CIN : L72900KA2008PLC060368**

**By the Order of the Board of Directors of**  
**EMUDHRA LIMITED**

**Registered Office:**

Plot No 12-P1-A & 12-P1-B, Hi-Tech Defence and  
Aerospace Park (IT sector), Jala Hobli, BK Palya  
Bangalore Bangalore KA 562149 IN  
Email Id: corporate@emudhra.com  
Website: www.emudhra.com  
Tel No: 080 48484001

Sd/- [Johnson Xavier]  
[Company Secretary & Compliance Officer]  
[Membership No. A28304]



DIRECTOR'S REPORT



To,  
The Members,  
eMudhra Limited

Your directors take pleasure in presenting the 14<sup>th</sup> Annual Report on the business and operations of your company (“the company” or “eMudhra”) along with the audited financial statements for the year ended March 31, 2022. The consolidated performance of the company and its subsidiaries has been referred to wherever required.

## 1. Results of our Operations

*(All amounts are in INR million, unless otherwise stated)*

Particulars	Standalone		Consolidated	
	FY 2022	FY 2021	FY 2022	FY 2021
Revenue from operations	1,530.21	1,093.67	1,826.37	1,315.93
Other income, net	7.18	3.90	10.98	8.61
<b>Total revenue</b>	<b>1,537.39</b>	<b>1,097.57</b>	<b>1,837.35</b>	<b>1,324.54</b>
Expenses				
Operating expenses	139.55	162.01	119.93	129.12
Purchase of stock-in-trade	302.28	180.52	311.32	179.56
Changes in stock of finished goods	(14.25)	3.37	(14.26)	7.50
Employee benefit expenses	373.33	328.09	468.15	417.11
Finance costs	52.56	8.41	52.72	8.41
Depreciation and amortisation expense	105.06	66.66	130.70	87.67
Other expenses	188.39	142.24	264.20	183.37
<b>Total expenses</b>	<b>1,146.92</b>	<b>891.30</b>	<b>1,332.76</b>	<b>1,012.74</b>
<b>Profit/(Loss) before exceptional items and tax</b>	<b>390.47</b>	<b>206.27</b>	<b>504.59</b>	<b>311.80</b>
Exceptional items	-	-	-	-
<b>Profit/(Loss) before tax</b>	<b>390.47</b>	<b>206.27</b>	<b>504.59</b>	<b>311.80</b>
Tax expense				
Current tax	86.99	50.77	88.94	52.15
Deferred tax	3.11	3.93	4.28	6.06
<b>Total tax expenses</b>	<b>90.10</b>	<b>54.70</b>	<b>93.22</b>	<b>58.21</b>
<b>Profit/(Loss) for the year</b>	<b>300.37</b>	<b>151.57</b>	<b>411.37</b>	<b>253.59</b>
<b>Other comprehensive income</b>				
Items that will not be reclassified to profit or loss:				
Remeasurement (loss)/gain on defined benefit plan	7.38	(3.86)	7.98	(3.31)
<b>Other comprehensive income/(loss) for the year</b>	<b>7.38</b>	<b>(3.86)</b>	<b>7.98</b>	<b>(3.31)</b>
<b>Total comprehensive income for the year</b>	<b>307.75</b>	<b>147.71</b>	<b>419.35</b>	<b>250.28</b>
<b>Profit is attributable to</b>				
Owners of eMudhra Limited	300.37	151.57	414.05	174.60
Non-controlling interests	-	-	(2.68)	78.99
<b>Other comprehensive income attributable to</b>				
Owners of eMudhra Limited	7.38	(3.86)	7.98	(3.35)
Non-controlling interests	-	-	-	0.04
<b>Total comprehensive income attributable to</b>				
Owners of eMudhra Limited	307.75	147.71	422.03	171.25
Non-controlling interests	-	-	(2.68)	79.03
Earnings per share (Nominal value of share INR 5/- each)				
Basic	4.28	2.16	5.86	3.61
Diluted	4.28	2.16	5.86	3.61

## 2. COVID 19 Pandemic

COVID-19 pandemic still continues to be a global challenge, with lockdowns and other restrictions being imposed in the country as well as rest of the world. During the pandemic, company had launched vaccination drive for its employees and family members to ensure safety. The business continuity plan introduced by the company in the first year of pandemic continues to be robust in ensuring that there are no disruptions to business operations and commitments given to clients.

As referred in our previous report, COVID has also been a catalyst in driving enterprise transformation from physical to paperless way of doing business to support remote fulfilment. This transition has brought many business opportunities to eMudhra as we continue to deliver on our mission of enabling secure digital transformation of enterprises.

## 3. Dividend

During the year, your directors recommend a dividend of 3% on Redeemable preference shares of INR 86 million for the period ended March 31, 2022; they propose to recommend an equity dividend at 25% on the paid up equity share capital.

The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) is available on the Company’s website at <https://emudhra.com/Docs/DIVIDEND-DISTRIBUTION-POLICY.pdf>.

## 4. Retained Earnings

The closing balance of the retained earnings of the Company for FY 2022, after all appropriations and adjustments was INR 860.02 million and INR 657.32 million on consolidated and standalone basis respectively. The company has not transferred any amount to any specific reserves during the fiscal.

## 5. Company’s Structure

The company has 9 subsidiaries as on March 31, 2022 out of which 2 are Indian subsidiaries and the rest are foreign subsidiaries (list of subsidiaries are provided in point no. 31 with description of activities performed by each). This year as part of the public issue process, we have brought all the companies under Ind AS with effective date as April 01, 2017 during the course of IPO process.

During the year, our company has acquired the remaining stake in all the subsidiary companies held by promoter group directly or through our 100% subsidiary. This has brought 8 companies as fully owned subsidiaries and one company, PT eMudhra Technologies

Indonesia as 59.5% owned subsidiary, the remaining 40.5% is held by outsiders who are local residents in Indonesia and/or who know the local business in Indonesia.

In terms of section 136 of the Companies Act, 2013 the company has not attached the financial statements of the subsidiary companies. The financial information about the foreign and Indian subsidiary companies have been duly audited by the respective qualified auditors. The consolidated financial statements presented by the company, which form part of this annual report are also based on the financial statements of its subsidiary companies. Out of which the financial statements of material subsidiaries are available in our website in the link [www.emudhra.com](http://www.emudhra.com)

## **6. Management Discussion and Analysis**

Management Discussion and Analysis as required under Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) is provided separately in the Annual Report.

## **7. Transfer of Unclaimed Dividend to Investor Education and Protection Fund**

The company has paid all the dividends declared by the company to the beneficiaries within 30 days and there are no unpaid dividends as on the balance sheet date.

## **8. Review of Business Operations including its Subsidiaries**

The consolidated financial statement of the company represents audited financials of eMudhra Limited with its 100% subsidiaries, eMudhra Consumer Services Limited, India, eMudhra Technologies Limited, India, eMudhra (MU) Ltd, Mauritius, eMudhra DMCC, UAE, eMudhra PTE LTD, Singapore, eMudhra INC, USA, eMudhra B.V, The Netherlands and 59.5% subsidiary - PT eMudhra Technologies Indonesia, Indonesia.

During the year under review there has been a considerable improvement in our operations and positioning.

### **Our Solutions:**

As indicated in the last year report our emAS IAM solution was repositioned last year as an Analytics driven Identity and Access Management solution. This strategy has worked well and has provided necessary differentiation. In view of this our emAS IAM product continues to penetrate well in the market and we had several new sales for this product.

emSigner, our eSignature workflow management solution has become our flagship product both in the domestic and international markets. During the year several large Banking customers in India and Middle East have chosen this solution against international competition. The solution has been ranked as an “Enterprise, Global and Full Service” solution in Gartner’s Market guide on eSignatures. Further during the year several new features have been introduced in the product to make it feature rich with a special version introduced for

Banking customers. The product was also implemented in DevOps environment in one of the large banks in the Middle East. The customer base of this product has crossed 1000 during the financial year. COVID 19 has also acted as a catalyst to drive demand for this product as enterprises looked towards adoption of eSignatures and Digital Signatures to sign and execute documents remotely.

As members are already aware our Certifying Authority/Core PKI solution, emCA has been successfully implemented in large installations in Banking industry in India and in Telecom companies in Saudi Arabia and Malaysia. This product has also been selected by large defence establishments in India and Middle East as part of their cyber security initiatives for their own closed user group PKI implementation. This product is also offered as a managed PKI offering on Cloud, allowing easy adoption for various use cases including IoT.

Apart from offering these solutions, during the year we have done several enhancements to our eSign services. Several large organisations in India have signed up for our eSign services for getting documents digitally signed. Last year we launched and started offering emSign (global digital signatures, SSL/TLS certificates and timestamping service) to various international markets which is starting to see good response from customers and potential partners.

#### **International Positioning:**

The company's international positioning has improved considerably during the year. During the year about 19.1% of consolidated revenue was achieved from international operations. In several countries in the Middle East, Asia Pacific and Americas the company has been able to win large deals. The orderbook and lead pipeline has strengthened considerably during the year. Further a large system integrator in Europe has also selected our emCA product for taking it to the European markets. This is expected to give good penetration in the European market in the coming years.

#### **Global Root Accreditation:**

During the year, eMudhra became the only Indian company with WebTrust accreditation and recognition by all the renowned browsers like, Microsoft, Google, Mozilla, Apple and document processing software such as Adobe. In January 2022, we have launched the SSL services under the brand name as emSign for selling SSL/TLS certificates in India and other markets.

#### **Certifications, Accreditations and Membership in International Bodies:**

We have obtained a variety of accreditations, security and compliance certifications which we maintain on an ongoing basis, for example, WebTrust Accreditation to provide services as a public certifying authority globally and list our digital signature certificate roots with renowned browsers. We have received certifications of compliance with the standards prescribed under CMMI Level 5 – Software Development Lifecycle Maturity, ISO 27001:2013, ISO 27018:2014, ISO 9000-2015, ISO 20000-1:2018, SOC2 Type 2 – Cloud Information Security, ISO 22031:2019 and certification for EAL 4+ Common Criteria by the Cyber Security Agency of Singapore.



## 9. eMudhra Campuses:

### 1) Devanahalli Digital Signature Campus, Bangalore

During the year, we inaugurated our digital signature campus during March 2022 and started our operations from this new campus from April 04,2022. Our Devanahalli campus is an environmental friendly building with focus on sustainability. The building uses double glazed reflective glass to reflect infrared rays while transmitting visible light rays to ensure ample lighting during day time while reducing cooling loads. Solar Panels are fitted on the terrace to power operations through renewable energy. The building also has water treatment plant to recycle water.

### 2) ELCOT SEZ Campus, Salem:

The Company acquired land from ELCOT, Salem on a long term lease for the construction of its office in Salem. Though the Company got all the approvals to commence construction in 2019, due to COVID 19 pandemic, the company could not construct and activities were stopped. In the meanwhile, 3 year period stipulated by ELCOT for completion of construction got over during the last year. The company has applied extension for another 3 years for completing the construction. The decision about restarting the construction will be taken upon approval by the competent authority.

## 10. Trust Services

On a consolidated basis, the revenue from Trust Services has increased by 25.7% as compared to the last Fiscal 2021. This growth has been achieved by increase in the Channel partner network and increase in directly selling to customers through eMudhra's online presence.

### Enterprise Solution- India

The enterprise business division of India region has shown a strong growth across Government, Enterprise and BFSI segment by achieving 62.6% growth on a consolidated basis. During the Fiscal 2022, we have won large orders in Government sector with some of them over and above INR 100.00 million. Banking and Enterprise segment also saw significant penetration with new and existing customer renewals for all our products.

### Enterprise Solution- Rest of the world

The enterprise business division of rest of the world region has grown by 36.9% as compared to Fiscal 2021. The growth was driven by deeper penetration for our solutions in the Middle East and Africa region. The company also scored good wins in the Americas, Europe and Asia Pacific region. With several marquee reference customers in global markets, the company is in a good position to capture the growth opportunity available for its solutions.

## 11. General

On a consolidated basis, the revenue from operations for FY 2022 was INR 1,826.37 million, higher by 38.8% over the previous year's revenue from operations of INR 1,315.93 million.

The EBITDA has grown by 68.7% from INR 407.88 million to INR 688.00 million during the reporting period on a consolidated basis. EBITDA for the financial year is 37.4% of total revenue as compared to 30.8% in the last financial year.

The profit after tax ("PAT") attributable to shareholders and non-controlling interests for FY 2022 and FY 2021 was INR 411.37 million and INR 253.59 million respectively. The PAT attributable to shareholders for FY 2022 was INR 414.05 million registering a growth of 137.4% over INR 174.60 million in FY 2021.

The basic and diluted earnings per share on a consolidated basis increased from Rs.3.61 per equity share (with a face value of Rs 5/- per share) to Rs.5.86 per equity share, showing an increase of 62.3%.

On a standalone basis, the revenue for FY 2022 was INR 1530.21 million, higher by 39.9% over the previous year's revenue of INR 1093.67 million.

On a standalone basis, The EBITDA has grown by 94.8% from INR 281.34 million to INR 548.09 million during the reporting period. EBITDA for the financial year is 35.7% of total revenue as compared to 25.6% in the last financial year.

The PAT, on a standalone basis, attributable to shareholders in FY 2022 was INR 300.37 million registering a growth of 98.2% of INR 151.57 million in FY 2021.

The basic and diluted earnings per share on a standalone basis increased from Rs.2.16 per equity share (with a face value of Rs.5 per share) to Rs.4.28 per share, showing an increase of 98.1%.

### Key Financial Ratios

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediate previous financial year) in key sector-specific financial ratios. The Company has identified the following ratios as key financial ratios:

Particulars	March 31,2022	March 31, 2021
(a) Current ratio [times]	1.33	1.32
(b) Total Debt-Equity Ratio	18.7%	23.3%
(c) Debt Service Coverage Ratio [times]	8.55	10.91
(d) Return on Equity Ratio	30.4%	24.2%
(e) Inventory turnover ratio [times]	20.83	17.18
(f) Trade receivables turnover ratio	24.2%	11.3%
(g) Trade payables turnover ratio	4.9%	2.7%
(h) Net capital turnover ratio	1.35	1.26
(i) Net profit ratio	22.5%	19.3%
(j) Return on Capital employed	34.1%	24.1%

## 12. Events occurring after Balance Sheet date

The company has completed its Initial Public Offering of shares during May 2022 and has been listed in BSE and NSE on June 01,2022. The company has raised INR 1610.00 million through IPO and has also made a preferential allotment of INR 390.00 million through pre-IPO in the same month. The promoter and the promoter group including their family members of the company have also made offer for sale in the IPO worth INR 2517.86 million and have diluted the stake from 91.37% to 69.44%. This transaction has increased the paid-up equity share capital of the company from INR 350.90 million to INR 390.36 million and will increase the securities premium by INR 1861.98 million. We have also made application to our, monitoring agency, Kotak Mahindra Bank Limited, to close our term loans and overdraft facilities amounting to INR 350 million. This will considerably strengthen the company's financial position and make it into zero debt company. Other than this, there are no significant events after the balance sheet date which is likely to affect financial position/result of the company.

## 13. Material changes and commitment if any affecting the financial position of the company occurred between the end of the financial year to which these financial statements relate and the date of the report

There are no material changes and commitments affecting the financial position of the company other than the matters disclosed under "events occurring after the balance sheet date"

## 14. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The provisions of Section 134(m) of the Companies Act, 2013 relating to conservation of energy and technology absorption do not apply to our company.

The disclosure of foreign exchange earnings and outgo, in terms of provisions of Section 134 (3)(m) read with Rule 8 of the Companies (Accounts) Rules, 2014 are given hereunder:

All amounts are in INR million		
Foreign Exchange	2021-2022	2020-2021
Foreign exchange earned	64.01	12.46
Foreign exchange used	4.93	72.41

## 15. Corporate Social Responsibility (CSR) initiatives

CSR initiatives and activities are aligned to the requirements of Section 135 of the Act. The brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure A** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The vision of our CSR initiatives is for eMudhra to be a socially and environmentally responsive organisation committed to improve quality of life within and outside. We at eMudhra focus on imparting education for employment by enhancing the vocation skills especially in the area of information technology, women skilling and empowerment and socio-economic development through training and student empowerment programs. The Annual Report on our CSR activities is appended as Annexure A to the Board's report.

This Policy is available on the Company's website at [www.emudhra.com](http://www.emudhra.com)

## 16. Internal Financial Control Systems and their Adequacy

- eMudhra has an **effective Internal Financial Control System** where policies and internal controls adopted, assist in achieving management's objective of efficient conduct of business - which includes:
  - Adherence to policies,
  - Safeguarding of assets,
  - Prevention and detection of fraud and error,
  - Accuracy and completeness of the accounting records, and
  - Timely preparation of reliable financial information

The internal financial control system also comprises of the below procedures:

- Authorisation matrix for approval of expense and revenue Pricing
- Internal Check and Control - DSC/eSign finance approval for issuance of P.O, Vendor Invoice approval, Online payment approval
- Upgraded Accounting Package
- Cost center wise data recording
- Weekly reconciliation of bank accounts
- Monthly closure of books of accounts
- Yearly physical verification of assets
- Ensuring statutory payments and returns are filled within respective due dates
- Policies and procedures for DSC issuance as per approved CPS by CCA



- ISO 9001 (QMS), ISO 27001 (ISMS) and ISO 20000-1 (IT Services), ISO 27018 (Protection of personal information in cloud), GDPR and CMMI L5
- Several daily, weekly and monthly reports for analysis

**Reporting:**

- Daily sales and operating MIS
- Weekly reporting of fund position
- Monthly MIS report
- Cost center reporting- branch/vertical wise
- Other reports on need basis
- Daily collection report
- Fortnightly receivables report
- Several reports on DSC, Retail business and lead management for enterprise division

**Monitoring:**

- Online Access of all operating bank accounts for continuous monitoring
- Monthly financial review
- Quarterly internal audit
- Quarterly review of accounts by the statutory auditors
- Yearly audit by statutory auditors
- Monitoring of all statutory compliances
- CCA internal audit and yearly CCA external audit
- emSign internal audit and yearly external audit by M/s BDO Malaysia
- ISO certification surveillance audits

**17. Particulars of Loans, Guarantees or Investments**

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the Notes to the audited financial statements and the same is disclosed in note no. 16, 21 and note no. 41 of consolidated audited financial statements.

The company has an outstanding investment of INR 224.99 million [2021: INR 191.44 million] in equity shares of various subsidiary/associate companies and also has a loan outstanding of INR 4.40 million and INR 30.17 million [2021: INR NIL and INR 30.36 million] from eMudhra Technologies Limited and from eMudhra employees Stock Options Trust.

**18. Board of Directors and Key Managerial Personnel**

As on March 31, 2022, the Board of Directors of your Company comprised of six Directors, viz., two Executive Directors and four Independent Directors including one woman Director. In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Venu Madhava will retire by rotation at the ensuing AGM and being eligible, offer himself for re-election. The Board has recommended his re-election.

During the year, we have appointed two independent directors including one women director, Ms. Chandra Laxminarayan and Mr. Chandrasekar Padmanabhan.

The Board at its meeting held on October 14, 2022 designated the following as Key Managerial Personnel of the Company based on the recommendations of Nomination and Remuneration Committee at their meeting held on October 14, 2021:

Sl. No.	Name	Designation
1	Venkatraman Srinivasan	Chairman
2	Venu Madhava	Whole-Time Director
3	Saji K Louiz	Chief Financial Officer
4	Johnson Xavier	Company Secretary
5	Ashwin Jansale	Sr. VP & Head Channel Sales
6	Biju Varghese	Sr. VP & Sales Head India and APAC
7	Kaushik Srinivasan	Sr. VP & Head Product and Delivery
8	Arvind Srinivasan	Sr. VP & Head International Business
9	Janarthanan S	Sr. VP & Head Customer Success
10	Vijay Kumar	Sr. VP & CTO
11	Kiran A M	VP & Head Customer Operations

## 19. Committees of the Board

The details of the powers, functions, composition and meetings of the Committees of the Board held during the year are given in the Report on Corporate Governance section forming part of the Annual Report.

## 20. Board Meetings

The Board of Directors of the Company met fourteen times during the year under review. The details of these Board Meetings are provided in the Report on Corporate Governance section forming part of the Annual Report. The necessary quorum was present for all the meetings. The maximum interval between any two meetings did not exceed 120 days.

## 21. Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations. The performance of the board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India (SEBI) on January 5, 2017. In a separate meeting of independent directors, performance of non-independent directors, the Board as

a whole and Chairman of the Company were evaluated, taking into account the views of executive directors and non-executive directors.

Performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. At the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the Board, its committees, and individual directors were also discussed. Performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated.

## **22. Policy on Directors' Appointment and Remuneration and Other Details**

The Company's policy on appointment of directors is available on the Company's website at [www.emudhra.com](http://www.emudhra.com). The policy on remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which is a part of this report and is also available on the Company's website at [www.emudhra.com](http://www.emudhra.com).

## **23. Corporate Governance**

Your Company has taken adequate steps to adhere to all the stipulations laid down in the Listing Regulations. A report on Corporate Governance is disclosed separately in the Annual Report.

## **24. Internal Complaints Committee**

The Company has constituted an Internal Complaints Committee (IC) to consider and resolve all sexual harassment complaints reported by women. The constitution of the IC is as per the Sexual Harassment of women at workplace (Prevention Prohibition and Redressal) Act, 2013. There were no cases reported during the financial year 2021-22.

## **25. Company's Policy relating to Director's Appointment, Payment of Remuneration and Discharge of their Duties**

The company appoints directors based on need. They are selected based on merit and their appointment, remuneration and other eligibility parameters are vetted by the Nomination and Remuneration Committee. The nomination and remuneration committee currently consists of Dr N.L.Sarda, Chairman, Mr Manoj Kunkalienkar and Ms. Chandra Iyer.

## **26. Declaration by Independent Directors**

Pursuant to the provisions of Section 149 of the Act, the independent directors of the company have submitted their declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the

circumstances affecting their status as independent directors of the Company. During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any.

## 27. Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in prescribed format is available at the Company's website [www.emudhra.com](http://www.emudhra.com).

## 28. Secretarial Standards

The Company complies with all applicable mandatory secretarial standards issued by the Institute of Companies Secretaries of India.

## 29. Particulars of Employees

The information under Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- I. The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year 2021-22:

Name	Ratio of Remuneration of each Director to median remuneration of Employees	% Increase in remuneration in the financial year
<b>Non-executive Directors:</b>		
Manoj Kunkalienkar	4.52	76.5%
N L Sarda	4.52	76.5%
Chandra Iyer*	0.97	-
Chandrasekar Padmanabhan*	0.64	-
<b>Executive Directors:</b>		
V. Srinivasan, Executive Chairman and Director**	-	-
Venu Madhava, Whole Time Director	12.06	7.1%

\*Appointed as non-executive directors in FY 2022 and hence increase in remuneration was not provided.

\*\* Was not paid any remuneration or commission from eMudhra Limited during the FY2022. However, he is entitled to rent free accommodation in Bangalore by eMudhra Limited. Further he has drawn a yearly remuneration of AED 240,000 (INR 4.87 million) from eMudhra DMCC Which works out to 12.54 times the median remuneration of the employees.



- II. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2021-22:

Name	Remuneration for FY 2021-22 (INR in Million)	% Increase in Remuneration in FY 2021-22
<b>Executive Directors:</b>		
V. Srinivasan Executive Chairman and Director	0.00*	0.0%
Venu Madhava Whole Time Director	4.68	7.1%
<b>Chief Financial Officer:</b>		
Saji K Louiz	4.07	3.1%
<b>Company Secretary:</b>		
Johnson Xavier	1.89	27.4%

- III. The percentage decrease in the median remuneration of the employees of the Company for the financial year 2021-22 was 0.54%

- IV. The number of permanent employees on the roll of Company:

There were 560 (Five hundred and Sixty) permanent employees on the rolls of eMudhra Limited as on March 31,2022.

- V. Affirmation that the remuneration is as per the nomination and remuneration policy of the Company, which is published in [www.emudhra.com](http://www.emudhra.com)

\*Was not paid any remuneration or commission from eMudhra Limited during the FY2022. However, he is entitled to rent free accommodation in Bangalore by eMudhra Limited. Further he has drawn a yearly remuneration of AED 240,000 (INR 4.87 million) from eMudhra DMCC.

### 30. Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors to the best of their knowledge hereby state and confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;

- e) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company’s internal financial controls were adequate and effective during FY 2021-22.

### 31. Subsidiaries, Joint Ventures and Associate Companies

During this year, the company has acquired the minority interests in all the subsidiary companies jointly with its 100% owned subsidiary eMudhra (MU) Limited. In line with this, eMudhra Limited has acquired 14,45,776 and 12,00,000 equity shares in eMudhra Technologies Limited and eMudhra Consumer Services Limited respectively. Likewise, eMudhra (MU) Limited has acquired 949 (fresh issue of 900 shares), 122500, 49,000 and 100,000 equity shares in eMudhra DMCC, eMudhra PTE Limited, eMudhra BV and eMudhra INC respectively. It is also to be noted that, during the year, eMudhra DMCC has made a fresh issue of 900 equity shares which was purchased by eMudhra (MU) Limited as indicated above. The additional shares were issued to enable the company to obtain trading licence in UAE as per the statutory regulation.

In accordance with Section 129 (3) of the Act, a separate statement containing salient features of the financial statement of the subsidiaries of the Company in **Form AOC-1** is given in **Annexure C**.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of material subsidiaries, are available on the Company’s website at [www.eMudhra.com](http://www.eMudhra.com)

SL.NO	SUBSIDIARY	COMPANY PROFILE
1	eMudhra Technologies Limited	<ul style="list-style-type: none"> <li>• The company is a WebTrust accredited global certifying authority and is also engaged in providing solutions and associated services around PKI technologies.</li> </ul>
2	eMudhra MU Limited	<ul style="list-style-type: none"> <li>• The company is a certifying authority in Mauritius and is engaged in providing digital signature and other allied services in and around PKI technologies.</li> </ul>

SL.NO	SUBSIDIARY	Company profile
3	eMudhra Consumer Services Limited	<ul style="list-style-type: none"> <li>The company is engaged in providing various software products, IT and IT enabled products, etc. The company's product, emSigner, paperless office solution is attaining major traction across the globe.</li> </ul>
4	eMudhra DMCC	<ul style="list-style-type: none"> <li>The company is a marketing company for eMudhra products and allied services in Middle East Africa [MEA] region. During the year it has also built its own product.</li> </ul>
5	eMudhra INC	<ul style="list-style-type: none"> <li>The company is a marketing company for eMudhra products and allied services in Americas region.</li> </ul>
6	eMudhra PTE Ltd	<ul style="list-style-type: none"> <li>The company is a marketing company for eMudhra products and allied services in Asia-Pacific [APAC] region.</li> </ul>
7	eMudhra B.V	<ul style="list-style-type: none"> <li>The company is a marketing company for eMudhra products and allied services in Europe region.</li> </ul>
8	PT eMudhra Technologies Indonesia	<ul style="list-style-type: none"> <li>The company is a marketing company for eMudhra products and allied services in Indonesia.</li> </ul>

### 32. Related Party Transactions

The Board of directors have approved related party transactions, all of them are under arm's length basis in the normal course of business. The summary of related party transactions is also provided in Note No.37 of the consolidated financial statements.

Particulars of Contracts or arrangements with related parties referred to Section 188(1) of the Companies Act, 2013, in the prescribed **Form AOC-2**, is appended as '**Annexure D**' to the Board's Report.

### 33. Deposits from Public

The Company has neither accepted nor renewed any deposits during the year under review.

### 34. Auditors

#### 1. Statutory Auditor

Our existing statutory auditor M/s Manohar Chowdhry & Associates Firm Registration number: 001997S) have served for 10 years as statutory auditors of eMudhra Limited.

In line with provisions mentioned in section 139(2) of the Companies Act, 2013, it is compulsory to rotate the statutory auditor every 10/5 years depending on the structure of the audit firm.

To comply with the above regulation, we have to rotate the existing auditors, Manohar Chowdhry and associates and appoint new auditors. We have shortlisted, subject to the approval of the audit committee, Board and the shareholders, M/s Suri and Co., chartered accountants, as our statutory auditors for a term of 5 years commencing from FY 2022-23. Previously Suri & Co. were our internal auditor and hence they are very familiar with our business environment and are knowledgeable.

### **Statutory Auditor's report**

The statutory auditor's report to the members for the year ended March 31, 2022 does not contain any qualification, reservation, adverse remark or disclaimer. Further auditors have not reported any matter under Section 143 (12) of the Act and therefore no detail is required to be disclosed under Section 134(3)(ca) of the Companies Act, 2013.

### **Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. S P Nagarajan, Company Secretary in practice, to undertake the Secretarial Audit of the Company. The report on the Secretarial Audit carried out for the year 2021-22 is annexed herewith as '**Annexure B**'. The secretarial audit report does not contain any qualification, reservation, adverse remark or disclaimer.

### **Internal Auditor**

Since we are appointing our existing internal auditor, M/s Suri and Co. as our statutory auditor, we propose to appoint M/s Manohar Chowdhry and Associates ("MCA") as our internal auditors subject to approval by Audit Committee and Board. Since we have associated with them for more than a decade and hence, we are of the view that, they are familiar with the business processes and environment in which we operate.

## **35. Details in respect of Frauds Reported by Auditor under Section 143(12) of the Companies Act, 2013**

During the year under review, there were no frauds reported by the auditors to the Audit Committee or the Board under section 143(12) of the Companies Act, 2013.



### **36. Disclosure Relating to Maintenance of Cost Records**

The Central Government has not prescribed the maintenance of cost records under Section 148 of the Companies Act, 2013 for any of the services rendered by the Company.

### **37. Audit Committee**

The details pertaining to the composition of the Audit Committee are included in the Corporate Governance Report, which is a part of this report.

### **38. Disclosure Requirements**

As per SEBI Listing Regulations, the Corporate Governance Report with the Secretarial Auditors' Certificate thereon, and the integrated Management Discussion and Analysis, the Business Responsibility and Sustainability Report ("BRSR"), also called Environmental, Social and Governance (ESG) Report form part of the Director's Report.

This would enable the Members to have an insight into environmental, social and governance initiatives of the Company. The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

### **39. Risk Management Policy**

Risk Management and mitigation is taken care of by the Board and Executive Management by appropriate delegation, reporting and authority structure. Risk Management is also ensured by putting various checks and balances across various functions. It is integrated into management, Board and annual reporting mechanism. The company has also constituted a risk management committee of the Board.

As part of Risk Management, the Company also has put in place an Internal Audit Mechanism commensurate with size of business and nature of its operations. As part of this exercise, the Company continues to engage M/s Suri & Company, Chartered Accountants, as Internal Auditors of the Company. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions are taken to improve efficiency in operations. Internal audit reports are also discussed in the Audit Committee and Board meetings. The purpose of this policy is:

1. To ensure protection of shareholder value through the establishment of an integrated Risk Management framework for identifying, assessing, mitigating, monitoring, evaluating and reporting of all risks.

2. To provide clear and strong basis for informed decision making at all levels of the organization.
3. To continually strive towards strengthening the “Risk Management & Compliance System” through Continuous learning and improvement.

Risk management policy framework has been covered in detail in MD&A.

#### **40. Credit Ratings**

The company has engaged the credit rating agency ICRA limited. During the year, the credit rating of our term loans as well as cash credit has been upgraded from “ICRA BBB” to “ICRA BBB+ “As per ICRA”. In line with this, the company was awarded long-term rating of [ICRA] BBB+ (pronounced as ICRA triple B plus). The outlook on the long-term rating is ‘stable’. The ICRA also assigned short-term rating of [ICRA] A3+ (pronounced as ICRA A three plus). These ratings are valid till August 24, 2022.

#### **41. Disclosure as Required under Rule 5 (2) and 5 (3) of the Companies (appointment and Remuneration of Managerial Personnel) Rules, 2014.**

- a) During the financial year, the Company has not employed any person with the aggregate remuneration for Rs. 1,02,00,000 per annum if employed throughout the year or Rs. 8,50,000 per month if employed for part of the year.
- b) During the financial year, the company has employed Mr. Kaushik Srinivasan, who was in receipt of remuneration (Refer note 37(2) in the standalone audited financials) in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

#### **42. Disclosure of Composition of Audit Committee and Providing Vigil Mechanism**

During the year, the Audit Committee of the Board of Directors of the Company comprised of 3 (Three) Members, namely Mr. Manoj Kunkalienkar, Chairman, Mr. V Srinivasan and Dr. N L Sarda.

The above composition of the Audit Committee consists of 2 (two) independent Directors, Dr. N L Sarda and Mr. Manoj Kunkalienkar, who form the majority.

The Board accepted the recommendations of the Audit Committee whenever made by the Committee during the year. The Audit Committee duly met thrice on May 21, 2021, October 14, 2021, and March 18, 2022, during the financial year under review and all the members were present in the said meeting.

The Company has established a vigil mechanism to oversee the genuine concerns, if any expressed by the employees. The Company has also provided adequate safeguards against

victimization of employees who express their concerns. The Company has also provided direct access to the chairman on reporting issues concerning the interests of co-employees and the Company.

The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees in conformation with Section 177(9) of the Act and Regulation 22 of SEBI Listing Regulations, to report concerns about unethical behavior. This Policy is available on the Company's website at [www.emudhra.com](http://www.emudhra.com)

#### **43. Transfer to Reserves**

During the year, no amount has been transferred to reserves.

#### **44. Shares**

##### **a. Buy back of shares**

There is no buy back of shares during the reporting period.

##### **b. Sweat equity**

The company has not issued any sweat equity shares during the year under review.

##### **c. Bonus shares**

No bonus shares were issued during the year under review.

##### **d. Employee stock option plan**

During the year, the company has issued stock options relating to 784,000 equity shares at par value through the eMudhra employees' stock option trust and has cancelled 110,000 stock options relating to equity shares.

During the year, one ex-employee of the company has exercised the vested stock options for 37,500 equity shares pursuant to the employee stock option scheme against a payment of Rs.1,87,500/- to the said trust.

The unissued closing balance at the year end is 603,801 stock options of equity shares out of the 60,57,801 stock options on equity shares at the year end.

#### **45. Business Responsibility and Sustainability Report**

As a responsible corporate in India and abroad, our values at eMudhra mandate is to setup sustainable processes to conduct environment friendly operations, mitigate climate change by cutting down on paper consumption and take all necessary actions and initiatives for better employee engagement, diversity, inclusion and belonging in the organization.

As organizations across the globe leverage products and services offered by eMudhra to build a business environment that is digitally secure, automated and data driven, we offer end-to-end digital trust to improve corporate resilience across industries and regions.

As we all know that climate change and other environmental concerns have become the central agenda of governments and global bodies, it is our vision at eMudhra to offer PAPERLESS solutions globally through the use of our trust services and eSignature workflow solution and reduce paper usage significantly. This will help organizations reduce carbon footprint and emissions on a global scale with better ESG compliance and social responsibility.

Our product suite revolves around securing the digital transformation initiatives with a foundational PKI layer, coupled with state-of-the art authentication engine and Digital signing solution to make business operations secure, agile, scalable and future ready. With a proven track record of enabling secure digital transformation for a number of organizations worldwide, eMudhra is well positioned to help governments and organizations ditch paper for good and adopt digital methods to carry out day-to-day operations at scale with a focus on ensuring compliance and transparency.

As ESG becomes a force that will affect all businesses and investments globally, it is paramount to digitally transform business operations and limit its infringement upon environment and climate to the bare minimum. eMudhra is a leading provider of digital platforms and solutions that not just help organizations mitigate dependence on paper and manual processes, but help create a unified ecosystem for digital transformation to scale ESG goals with tailored digital solutions.

#### **46. Acknowledgements**

The board places on record its appreciation for the continued co-operation and support extended to the company by its customers, vendors, investors and business partners. The company continues to make all efforts in understanding their unique needs and deliver maximum stakeholder Satisfaction.

We place on record our appreciation of the contribution made by the employees at all levels, whose hard work, co-operation and support helped us face all challenges and deliver results.



We acknowledge the support of our vendors, the regulators, the esteemed league of bankers, financial institutions, rating agencies, government agencies, auditors, legal and secretarial advisors, consultants, business associates, investment bankers, lawyers, registrars, public relationship agency and other stakeholders for their continued support.

**For and on behalf of the board of directors**

**Sd/- V Srinivasan**  
Executive Chairman  
DIN: 00640646

**Sd/- Venu Madhava**  
Whole time Director  
DIN: 06748204

Date: June 11, 2022  
Place: Bangalore

## ANNEXURE "A" TO DIRECTOR'S REPORT

### 1. Brief outline on CSR Policy of the Company.

The vision of CSR is to be a socially and environmentally responsive organisation committed to improve quality of life within and outside. We at eMudhra focus on imparting education for employment by enhancing the vocation skills especially in the area of information technology area, and socio-economic development through training and student empowerment programs.

In line with the above vision, two of our senior employees were engaged in developing and imparting skill development programs at our Bangalore Office to college/university students in the area of cyber security. During the year we have conducted two workshops, one on June 11, 2021 with respect to “Digital Security” with 50+ students at Brindavan College, Bangalore. Our second workshop was conducted on January 24, 2022 with respect to Digital Security with another batch of 55+ students of Don Bosco College, Bangalore. Further, two of our employees who are assigned to this activity interact with students on these topics to impart and upgrade skills/knowledge to the students on an ongoing basis.

In addition to the above, we have participated by way of contribution to “Avatar Puthri” a programme oriented at women skilling and empowerment. Further, we have partnered with IIT Mumbai in the CSR initiative about skill development relating to “Health and Nutrition”

In the current financial year, the company is planning to conduct more such workshops and will earmark appropriate amount required for such activity having regard to the 2% of average net profit for the last 3 years.

### 2. Composition of CSR Committee\*:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year
1	Chandra Iyer	Chairperson	2
2	V Srinivasan	Executive Chairman	2
3	N L Sarda	Independent Director	2

\*CSR Committee reconstituted on October 14, 2021

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

<https://www.emudhra.com/governance.jsp>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

Not applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

Not applicable

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	2018-2019	-	-
2	2019-2020	-	-
3	2020-2021	-	-
	<b>Total</b>		

6. Average net profit of the company as per section 135(5).

INR 120.62 million [Refer note 41 to the standalone financials for details]

7. (a) Two percent of average net profit of the company as per section 135(5)- INR 2.41 million

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - INR NIL

(c) Amount required to be set off for the financial year, if any - INR NIL

(d) Total CSR obligation for the financial year (7a+7b-7c) - INR 2.41 million

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in INR Million)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount. (INR million)	Date of transfer	Name of the Fund	Amount. (INR million)	Date of transfer
2.41	Nil	NA	Nil	Nil	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.												
2.												
3.												
	Total											

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in INR million)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name.	CSR registration number
1.	Promotion of education and social health of society in large	Promotion of education and employment	Yes	Bangalore,	Karnataka	0.41	Yes	NA	NA
2.	Promotion of education		Yes	Puducherry,	Tamil Nadu	1.00	No	Avtar Putri	CSR00002198PA



	and social health of society in large	Promotion of social health of society in large						
3.	Promotion of education and social health of society in large	Promotion of social health of society in large	Yes	Mumbai, Maharashtra	1.00	No	IIT Mumbai	CSR00007536
	<b>Total</b>				2.41			

(d) Amount spent in Administrative Overheads – Not applicable

(e) Amount spent on Impact Assessment, if applicable – Not applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - INR 2.41 million

(g) Excess amount for set off, if any - Nil

Sl. No.	Particular	Amount (in INR million)
(i)	Two percent of average net profit of the company as per section 135(5)	2.41
(ii)	Total amount spent for the Financial Year	2.41
(iii)	Excess amount spent for the financial year [(ii)-(i)]	nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) Details of unspent CSR amount for the preceding three financial years: Nil

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
1.							
2.							
3.							
	Total						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not applicable

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration.	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed /Ongoing
1								
2								
3								
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year- Nil

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)- Not Applicable

Sd/- **V Srinivasan**  
 Director & Chairman of CSR Committee  
 DIN: 00640646

Sd/- **Venu Madhava**  
 Whole time Director  
 DIN:06748204

Date: June 11, 2022  
 Place: Bangalore

## Annexure B

### Form No. MR-3 SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel Rules) 2014]*

To,  
The Members,  
**EMUDHRA LIMITED**  
No.56, 3<sup>rd</sup> Floor, Sai Arcade,  
Outer Ring Road, Devarabeesanahalli  
Bangalore - 560103

CIN: U72900KA2008PLC060368

Authorised Capital: Rs. 86,50,00,000/- as at 31st March 2022

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **eMudhra Limited** ("the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2022 ('year under review') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2022. The Company has complied with the provisions of the following laws, rules and regulations, wherever applicable:
  - i. The Companies Act, 2013 (the Act) and the rules made thereunder;
  - ii. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable to Overseas Direct Investment;
  - iii. The Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018. As the Ministry of Corporate Affairs (MCA) has notified that with effect from 2<sup>nd</sup> October, 2018, issue of further shares and transfer of all shares by unlisted public companies shall be in dematerialised form only, the Company has complied with the same.
  - iv. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder with regard to dematerialisation of securities and reconciliation of records of dematerialised securities with all securities issued by the Company. The Company has initiated necessary measures to

enable compliance with clause Regulation 55A of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996;

- v. The other laws, as informed and certified by the management of the Company which are to the extent applicable to the Company based on its sector/industry, are:
- a. The Information Technology Act, 2000 and the rules made thereunder
  - b. The Registration Act, 1908
  - c. The Indian Stamp Act, 1899
  - d. The Limitation Act, 1963
  - e. Indian Contract Act, 1872
  - f. Negotiable Instrument Act, 1881
  - g. Sale of Goods Act, 1930
  - h. The Aadhaar Act, 2016
  - i. Right to Information Act, 2005
  - j. The Trade Marks Act, 1999
  - k. The Patents Act, 1970
  - l. Indian Copyright Act, 1957
  - m. Income Tax Act, 1961
  - n. The Central Goods and Service Tax Act, 2017
  - o. The Insurance Act, 1938
  - p. Labour Laws including The Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Employees' State Insurance Act, 1948, Employees' State Insurance (Central) Rules, 1950, ESI Act, Payment of Bonus Act, Payment of Gratuity Act, Contract Labour Act, Employees Compensation Act, Apprentices Act, Equal Remuneration Act, 1976, Maternity Benefit Act, 1961, The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act.
  - q. The State Acts, rules, guidelines and regulations to the extent applicable to the Company.

2. I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) and Section 118(10) of the Companies Act, 2013.

In my opinion and to the best of my information and according to the explanation given to me, I report that the Company has complied with all applicable Secretarial Standards issued by ICSI with respect to General and Board meetings in accordance with Section 173(3) of the Act.

- b) The Listing Agreements entered into by the Company with Stock Exchanges Not Applicable during the year under review, as the Company has been listed with Stock Exchanges with effect from 1st June 2022.

I further report that I have not reviewed the applicable financial laws, direct and indirect tax laws since the same are subject to review and audit by the Statutory Auditors of the Company.

3. The following regulations/Acts/guidelines are **NOT APPLICABLE** during the year under review as the Company has been listed with Stock Exchanges with effect from 1<sup>st</sup> June 2022:



- i. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder with regard to maintenance of minimum public shareholding and compliance under clause 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - ii. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
    - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
    - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    - d. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
    - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
    - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
    - i. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015
4. We further report that during the year under review, the Company has not undertaken any specific event/action that can have a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except as follows:
- (i) Approval of Initial Public Offer of Equity Shares through a fresh issue:  
  
During the year under review, the members of the Company at the Extra-ordinary General Meeting held on 26th October 2021 accorded their approval for carrying out an Initial Public Offering (IPO) of Equity Shares and offer for sale of Equity Shares up to an aggregate amount of Rs. 2000 million (including share premium) comprising of a fresh issuance of Equity Shares out of the authorised share capital of the Company.
  - (ii) Approval of amendment in the Employee Stock Options Scheme, 2016 of the Company

During the year under review, the members of the Company at the Extra-ordinary General Meeting held on 26th October 2021 accorded their approval for amendments to 'Employee Stock Option Scheme-2016' for ensuring compliance with the requirements of SEBI (SBEB & SE) Regulations 2021.

(iii) Adoption of new set of Articles of Association

During the year under review, the members of the Company at the Extra-ordinary General Meeting held on 5th November 2021 accorded their approval for substitution of existing set of Articles of Association of the Company with a new set of Articles of Association of the Company in total exclusion and substitution of the existing Articles of Association of the Company.

(iv) Payment of Dividend on Preference Shares

The members at the Thirteenth Annual General Meeting held on 22nd July 2021 approved the payment of dividend of Rs. 25,80,000 on Class A preference shares for the year ended 31st March 2021.

5. Based on my examination and verification of the registers, records and documents produced to me and according to the information and explanations given to me by the Company: -

**I report** that the Company has, in my opinion, complied with the provisions of the Companies Act, 2013 (the Act) and the rules made thereunder and with the Memorandum and Articles of Association of the Company with regard to:

- a) Maintenance of various statutory registers and documents and making necessary entries therein wherever applicable; -
- b) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
- c) Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- d) Notice of Board meetings and Committee meetings of Directors;
- e) The meetings of Directors and Committees of Directors;
- f) The Thirteenth Annual General Meeting held on 22<sup>nd</sup> July 2021;
- g) Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- h) Approvals of the Members, the Board of Directors, the Committees of Directors, Government authorities, wherever required;
- i) Constitution of the Board of Directors/Committee(s) of Directors, appointment, retirement and re-appointment of Directors including the Executive Directors, Whole-time Director and Key Managerial Personnel (Chief Financial Officer and Company Secretary) to the extent applicable;
- j) Payment of remuneration to Executive Directors/Key Managerial Personnel;
- k) Appointment and remuneration of Auditors;
- l) Investment of the Company's funds including inter-corporate loans and investments and loans to others wherever applicable;
- m) Filing of e-forms for creation and modification of charges during the year under review;
- n) Form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule III to the Act;

- o) Directors' report;
- p) Contracts, common seal, registered office and publication of name of the Company; and
- q) Generally, all other applicable provisions of the Act and the Rules made under.

**6. I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance in accordance with Section 173(3) of the Act and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. In case of Board Meetings convened at shorter notice the Company has duly complied with the provisions of the Act and rules made thereunder read with the provisions of Secretarial Standard-1 (SS-1) on "Meetings of the Board of Directors".

All decisions at Board Meetings and Committee Meetings are carried out by requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**7. I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**8. On examination of the relevant documents and records in pursuance thereof, on test-check basis I further report that** I have relied on the information and representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other Acts, Laws, and Regulations to the extent applicable to the Company.

**9. I further report that:**

- (a) The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities;
- (b) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment and independence;
- (c) The Company has obtained all necessary approvals under the various provisions of the aforesaid Acts and rules made thereunder, to the extent applicable; and
- (d) There was no prosecution initiated by any statutory authorities and no fines or penalties were imposed during the year under review under the Act and rules framed thereunder against/on the Company, its Directors and Officers.

- 10.** The Secretarial Audit Report shall be read in the context of the fact that the Company was unlisted through the Financial Year 2021-2022 and this Report is furnished as on even date when the Company is listed and is required to comply with SEBI Listing Regulations and the circulars/guidelines issued thereunder (including any amendments, modifications or re-enactments thereof for the time being in force).

<b>Place: Bangalore</b>	<b>Signature : Sd/</b>  <b>Name of the Company Secretary: S.P.NAGARAJAN</b>
<b>Date: 11/06/2022</b>	<b>ACS Number : 10028</b>  <b>CP Number : 4738</b>  <b>UDIN : A010028D000485459</b>
<b>Peer reviewed Unit - bearing Unique Identification Number: I2002KR300400</b>	

**Note:** This report is to be read with my letter of even date which is annexed as 'Annexure -1' and forms an integral part of this report.

As per the guidance issued by the Institute of Company Secretaries of India (ICSI) for carrying out professional assignments, the Secretarial Audit Report in term of section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014 was conducted by using appropriate Information Technology tools to access and examine relevant documents for completion of the audit.



**Annexure -1**

To,  
The Members,  
**EMUDHRA LIMITED**  
No.56, 3<sup>rd</sup> Floor, Sai Arcade,  
Outer Ring Road, Devarabeesanahalli  
Bangalore - 560103

CIN: U72900KA2008PLC060368  
Authorised Capital: Rs. 86,50,00,000/- as at 31st March 2022

My Secretarial Audit Report for Financial Year ended on 31 March 2022 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Account of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Sd/- **S.P. NAGARAJAN**

ACS:10028

CP: 4738

Place: Bangalore

Date: June 11, 2022

## ANNEXURE C

### Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies  
(Accounts) Rules, (2014)

### Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

#### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No	Particulars	Details							
	Name of the subsidiary	eMudhra Technologies Limited	eMudhra (MU) Ltd	eMudhra Consumer Services Limited	eMudhra DMCC	eMudhra Inc	eMudhra PTE Ltd	eMudhra B V	PT eMudhra Technologies, Indonesia
	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2021 to 31.03.2022	01.04.2021 to 31.03.2022	01.04.2021 to 31.03.2022	01.04.2021 to 31.03.2022	01.04.2021 to 31.03.2022	01.04.2021 to 31.03.2022	01.04.2021 to 31.03.2022	01.04.2021 to 31.03.2022
	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	INR in Million [Indian Rupee]	MUR [Mauritian Rupee]	INR in Million [Indian Rupee]	AED [Arab Emirates Dirhams]	USD [United States Dollar]	SGD [Singapore Dollar]	EURO [Euro]	IDR in million (Indonesian rupiah)
	Share capital	29.51	5,15,84,770	50.00	10,00,000	205,000	250,000	100,000	7,500.00
	Reserves & surplus	(6.42)	73,22,537	38.47	1,29,13,721	(158,092)	141,510	(3,279)	21,663.63
	Total assets	29.10	36,44,179	100.04	2,10,39,995	611,251	631,991	116,669	29,320.68
	Total Liabilities	6.01	1,64,67,102	11.57	71,26,274	564,343	240,481	19,978	157.05
	Investments	-	5,28,97,416	-	64,04,856	-	-	-	-
	Turnover	18.26	30,00,000	62.15	1,26,45,093	926,900	277,435	90,079	394.88
	Profit before taxation	2.03	7,06,043	13.13	40,83,309	236,126	35,062	7,486	(1,254.62)
	Provision for taxation	-	-	3.12	-	-	-	-	-
	Profit after taxation	2.03	7,06,043	10.01	40,83,309	236,126	35,062	7,486	(1,254.62)
	Proposed Dividend	-	-	-	-	-	-	-	-
	% Of shareholding	100%	100%	100%	100%*	100%*	100%*	100%*	59.5%**

\* holding along with our 100% subsidiary, eMudhra (MU) Limited

\*\* holding along with eMudhra DMCC, UAE

**Part “B”: Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures – Not Applicable**

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**Sd/- V Srinivasan**  
Executive Chairman  
DIN: 00640646

**Sd/- Venu Madhava**  
Whole time Director  
DIN: 06748204

Date: June 11, 2022  
Place: Bangalore

**ANNEXURE D  
Form No. AOC-2**

(Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, (2014)*)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm’s length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm’s length basis:**

Sl. No	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
	NA	NA	NA	NA	NA	NA	NA	NA

**2. Details of material contracts or arrangement or transactions at arm’s length basis:**

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any (INR in million)	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1.	eMudhra Consumer Services Limited	Sales of software Licencing fees	One time	9.00	21st May 2021	-
		Purchase of software Licencing fees	One time	37.91		-



Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any  (INR in million)	Date(s) of approval by the Board, if any	Amount paid as advances, if any
2.	eMudhra Technologies Limited	Purchase of software Licencing fees  Loan Provided (received) Net	One time  One time	10.06  4.40	21st May 2021	-
3.	Bluesky Infotech	Sales of products/ services  Purchase of products/ services  Commission paid	One time  One time  One time	107.44  38.68  13.97	21st May 2021	
4.	eMudhra DMCC	Sales of software Licencing fees	One time	54.73	21st May 2021	
5.	eMudhra BV	Sales of software Licencing fees	One time	1.65	21st May 2021	
6.	eMudhra PTE Limited	Sales of software Licencing fees	One time	2.14	21st May 2021	
7	eMudhra employees stock option trust	Receipt (repayment) of loan, net	One time	0.19	21st May 2021	

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any  (INR in million)	Date(s) of approval by the Board, if any	Amount paid as advances, if any
8	eMudhra INC	Sales of software Licencing fees	One time	1.40	21st May 2021	

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

Sd/- **V Srinivasan**  
 Executive Chairman  
 DIN: 00640646

Sd/- **Venu Madhava**  
 Whole time Director  
 DIN: 06748204

Date: June 11,2022  
 Place: Bangalore



## MANAGEMENT DISCUSSION AND ANALYSIS

## Management’s Discussion and Analysis

### Overview

We are engaged in the business of providing Digital Trust Services and Enterprise Solutions to individuals and organizations functioning in various industries. As part our Digital Trust Services, we issue a range of certificates including individual/organizational certificates, SSL/TLS certificates and device certificates (used in IoT use cases) to build a digital trust backbone. Under our Enterprise Solutions vertical, we offer a diverse portfolio of Digital Security and Paperless Transformation Solutions, complementing our Digital Trust Services business, to customers engaged in different industries, thereby making our Company a ‘one stop shop’ player in Secure Digital Transformation to provide a wide spectrum of services and solutions from issuance of certificates as a Certifying Authority to offering identity, authentication and signing solutions. We have issued more than 50 million digital signature certificates since inception. We are the only Indian company accredited by WebTrust and is trusted by all the renowned browsers in the World. We are also the member of Asia PKI Consortium, European Cloud Signature Consortium and Certifying Authority/Browser Forum.

#### I. Our Portfolio of Services

A table summarizing our business offerings and product portfolio is provided below:

S. No.	Business Vertical	Description of Business	Nature of Offerings	Key Customers/ Industries catered
1.	Digital Trust Services	<ul style="list-style-type: none"> <li>We provide Digital Trust Services in the capacity of a Certifying Authority in India and internationally, through a WebTrust accreditation.</li> <li>Our digital signature certificates provide cryptographic digital identities to individuals, organizations, websites and devices controlled over internet (IoT) and ensure</li> </ul>	(a) individual/organizational certificates;  (b) SSL/TLS certificates; and  (c) Device certificates (used in IoT use cases)	<ul style="list-style-type: none"> <li>Large government, banking and other enterprises and small and medium enterprises across all industries;</li> <li>All kind of subscribers who use digital signature certificates for income tax return filing, Ministry of Corporate Affairs (Registrar of</li> </ul>



S. No.	Business Vertical	Description of Business	Nature of Offerings	Key Customers/ Industries catered
		authenticity of transactions emanating from the above said entities through cryptographic validation.		Companies) filings, tenders, foreign trade, banking, railways and many other needs.
2.	Enterprise Solutions*	<ul style="list-style-type: none"> <li>● Our Company's Enterprise Solutions comprise three of the following product offerings:</li> <li>(i) <i>emSigner</i> offering eSignature workflow solutions for paperless office;</li> <li>(ii) <i>emAS</i> offering authentication solutions; and</li> <li>(iii) <i>emCA</i> offering public key infrastructure solutions.</li> </ul>	<p>(a) <i>emSigner</i> - eSignature workflow products, enable paperless workflow with digital signatures</p> <p>(b) <i>emAS</i> - Authentication solutions, enable multi factor authentication, single sign-on and access management.</p> <p>(c) <i>emCA</i> - Public Key Infrastructure solutions, enable issuance of digital signature certificates to individuals, organizations, devices and their lifecycle management.</p>	<ul style="list-style-type: none"> <li>● <i>emSigner</i> and <i>emAS</i> are used by eGovernment platforms, banks and financial institutions and other industries in India as well as internationally.</li> <li>● <i>emCA</i> is used to set up a Certifying Authority for issuing digital signature certificates by any enterprise, government agencies and for electric vehicle or smart city devices use cases among others.</li> </ul>

\*Our Enterprise Solutions are either cloud based or on-premise, which supports the DevOps based deployment models allowing clients to have rapid deployment of our solutions using continuous development, integration and delivery process using tools such as Docker and Kubernetes.

As a part of our Enterprise Solutions, we provide identity, authentication and authorization solutions, that are both web and mobile app enabled, thereby enabling enterprises to secure, manage, and govern identities of their consumers, employees/partners and manage identities and communication of devices connected over internet. We provide the ability to manage the following identity types:

*Consumer:* Our platform enables enterprises to provide secure digital identity experiences for their consumers and accelerates their digital journeys while ensuring compliance and governance. User journeys built on our platform provide recognition and personalization across channels and devices, which we believe leads to better customer acquisition, loyalty, and retention while reducing friction and fraud. Consumer use cases as part of our Digital Trust Services include, an individual trying to authorize a fund transfer for banking or digitally signing documents to file taxes. Other consumer use cases as part of the Enterprise Solutions cut across various use cases including, customer onboarding, digital lending, payment instructions, channel onboarding and trade finance.

*Employees/Partners:* Our platform helps enterprises increase the productivity of their employees by enabling access to appropriate systems during their lifecycle with the enterprise. Our platform also helps reduce enterprise risk by securing system access through multi-factor authentication. Use cases include, an employee trying to access CRM or ERP systems or authorizing/signing documents as part of various internal or external approvals. Other use cases include, operations related approvals for compliance reporting, internal audit and policy creation, legal and risk functions and operations, etc. For legal and risk, use cases would include supplier contracts, agreements, approval letters, etc.

*IoT:* Our platform helps enterprises secure non-human identities, including IoT, machine identities, and bots. IoT use cases include devices such as electric vehicles or smart city devices securely interacting with central command centers or with other devices. Other IoT use cases cut across manufacturing and healthcare in which IoT devices, such as industrial and medical devices, respectively, need to securely communicate.

We have obtained a variety of accreditations, security/compliance certifications which we maintain on an ongoing basis, for example, WebTrust Accreditation to provide services as a public Certifying Authority globally and list our digital signature certificate roots with renowned browsers. We have received certifications of compliance with the standards prescribed under CMMI Level 5 - Software Development Lifecycle Maturity, ISO 27001:2013, ISO 27018:2014, ISO 9000-2015, ISO 20000-1:2018, SOC2 Type 2 - Cloud Information Security, ISO 22031:2019 and EAL 4+ Common Criteria - Product Security for PKI Solution by the Cyber Security Agency of Singapore.

The ongoing pandemic COVID 19 has necessitated adoption of solutions that support presence-less and paperless way of doing business. In view of this, during this period, we have received several new orders for our digital security and paperless transformation solutions as organizations looked to move away from physical transactions to digital transactions. The

COVID 19 pandemic also had negative impact on our Company's growth over the preceding two fiscals as decisions for adoption and implementation of new solutions were deferred by some of our customers as a result of budgetary and other constraints such as national and state lockdowns.

Our results of operations and growth depend in part on our ability to attract new customers and increase the demand of our digital products and solutions in domestic and international markets. The growth of our user base and consequent increase in demand of our digital products and solutions is a primary driver of our revenue. To date, we have primarily relied on our marketing efforts, direct sales, channel partners and enterprise solution partners, industry recognition and referrals to attract new customers. One of the main drivers of growth of our active user base has been the introduction of new and upgraded solutions. In addition, we believe we provide a user-friendly, efficient and effective user experience that helps us to retain existing users, acquire new users and increase the demand of our digital products and solutions in the domestic and international markets. We have been increasing our efforts to onboard new customers in India and drive awareness and market adoption in the international markets. Our efforts to grow our user base, both in India and overseas, have occurred in the context of increasing awareness and concern among individuals, businesses and governments of cyber security threats and digital transformation needs.

While we believe we have a significant market opportunity and an effective go-to-market strategy to win new customers, we will need to continue to invest in partner engagement leverage, digital marketing, and expand into new markets and new customer segments to maintain or accelerate our customer growth.

## **II. Business Outlook**

### **General Review of Business Environment**

The COVID 19 pandemic has been the biggest headline for 2020 and most part of 2021. Economic activity saw a grinding halt due to countries declaring nationwide lockdown for several months. Enterprises declared unprecedented losses thereby affecting GDP growth. While the pandemic has surely been painful for all, it has helped people to think differently. It has become a catalyst for change, where innovations and newer concepts gained centre stage. The COVID 19 vaccine developed in late 2020 has certainly provided a ray of hope after passing through a phase of darkness. The COVID 19 vaccine has been the strongest enabler for controlling the number of daily cases worldwide.

### **State of the Economy**

In the current state of economy, the IMF (International Monetary Fund) has projected a growth of 5.9% in 2021 and 4.9% in 2022 as per the October 2021 "World Economic Outlook Growth Projections". The 2021 global forecast has decreased slightly from what it was in April 2021 WEO (World Economic Outlook). Prospects for emerging and developing countries (especially for some of the emerging Asian countries) have been marked down for 2021. In contrast, the outlook for developed countries is revised up. These revisions are based on improved pandemic situations and changes in government policies.

## Inflation

Inflation is expected to settle down with pre-pandemic ranges in most of the countries in 2022 except for some of the emerging markets and developing economies (mostly due to rise in food prices).

## Global Financial Conditions

In the larger context, global financial conditions have eased up and have remained supportive of growth despite the negative impact of the COVID 19 pandemic on GDP and fears of higher inflation turn out. Countries like USA have improved financial conditions reaching levels similar to the pre-pandemic days. Equity valuations above pre-pandemic levels, tighter credit spreads, and rapidly climbing house prices remain the growth drivers and indicators of improving economy. For emerging market economies, improvement has been slow (in general) as monetary policy tightening in several countries has offset gains in asset prices.

## Digital Growth Levers to GDP Growth

Countries that have a strong digital foot-print have been at the forefront of growth. To remain ahead in the race of global dominance, countries cannot afford to not take a digital first strategy. With the numerous advantages that digital provides over manual, digital transformation has become the backbone of an economy. Digital economy is the economic activity that results from billions of everyday online connections among the citizens (people), businesses, devices, entities, data, and processes. Connectivity remains primary which means connecting people, organizations, and machines that result from the internet, mobile technology and IoT. Also known as the internet economy, digital economy helps execute existing/mundane tasks more easily with the use of technologies which other-wise becomes far more tiring and time consuming. Digital economy is not just digitalization or automation but takes cognizance of technologies and platforms like hyperconnectivity, IoT, big data, analytics, wireless networks, mobile devices and social media.

**Hyperconnectivity:** A hyperconnected infrastructure includes all kinds of electronic and computer devices like PCs, PDAs, cellular phones, television receivers, personal radios, GPS systems and more. In the modern-day world, hyperconnectivity includes IoT devices, voice assistants, browsers and 5G networks. 5G is expected to be revolutionary for the future. It would find use cases in smart cities, connected vehicles, industrial IoT, fleet management, logistics and more.

**Internet of Things (IoT):** IoT is considered as one of the fundamental pillars of digital transformation since it enables and accelerates business creation and opportunities with an aim to ease up work, enable better efficiency, and improve the way of living. IoT has often been an element of change in the industrial and consumer technology.

**Big Data and Analytics:** Businesses use big data analytics to better understand customers, develop targeted marketing messages, launch new products, check ideas, improve business processes, and optimize customer journeys. Economies cannot embark in the digitization journey if an ecosystem to churn the citizen data is not put in place.

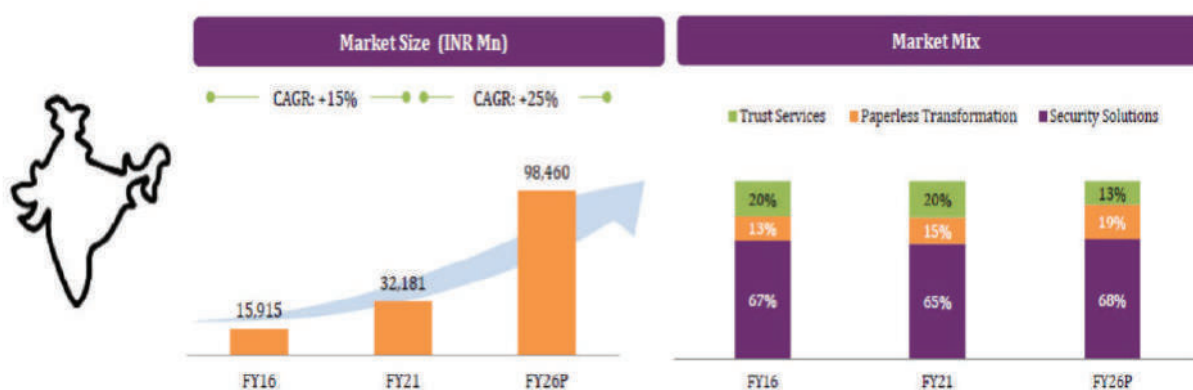
**Wireless Networks:** Wireless network is a network arrangement where the device does not remain connected with a wire or a cable of any kind. The computer network makes use of radio frequency (RF) connections between nodes in the network. In a digital economy, consumers can connect to a public wifi and perform digital transactions, search online or browse social media sites.



**Mobile Devices:** Mobile devices enable people to connect to wireless networks and perform online tasks. Digital payments have reached newer heights and mobile phones have become the fundamental device for transactions. Different mobile applications, developed by governments and private entities, have come up making human lives much easier – from food delivery apps to shopping, cab booking, mobile banking, and maps – all delivered through an app.

## A. India

### BIRDS EYE VIEW OF BUSINESS OPPORTUNITIES IN INDIA



Over the last 6 years, India has been riding growth specifically on digital initiatives. The Digital India campaign has been pivotal to the country’s digital focus that has seen significant traction. The Digital India program is a flagship program by the Government of India with a vision to transform India into a digitally empowered society and knowledge economy. Launched by the Government of India and coordinated by Meity (Ministry of Electronics and IT) in July 2015, the Digital India campaign has a vision to ensure that government services are being made available to citizens electronically by reducing paperwork.

The Digital India initiative rests on 9 key pillars:

1. Broadband Highways
2. Universal Access to Phones
3. Public Internet Access Program
4. E-Governance
5. eKranti – Electronic Delivery of Services
6. Information for All
7. Electronic Manufacturing – Target Net Zero Imports
8. IT for Jobs
9. Early Harvest Programs

The Indian government has taken several initiatives as part of the Digital India program:

**eSign:** eSign framework allows for online digital signature by leveraging Aadhaar and other forms (PAN, Bank KYC, etc.) of authentication.

**eInvoicing:** To make invoices go paperless and bring standardization in reporting/tax collection.

**eStamping:** Conducted through NeSL which is a government body constituted under Indian Bankruptcy Code to enable complete digital contracting.

**National Center of Geo-informatics:** GIS platform is used for sharing and collaborating GIS data source, location-based analytics and decision support system.

**Information Security Education and Awareness (ISEA) Phase II & Cyber Security:** Capacity building in the area of Information Security to address the human resource requirement, training and develop information security awareness.

**MyGov app:** Citizen centric platform empowering people to connect with the government & contribute towards good governance.

**DigiLocker:** Digital Locker facility provides citizens a shareable private space on a public cloud and making all documents/certificates available on the cloud.

**Swachh Bharat Abhiyaan App:** To further the Swachh Bharat mission, the government has launched this app which will be used by people and government organizations.

**National Scholarship Portal (NSP):** One-stop solution for end-to-end scholarship process right from the submission of student application, verification, sanction and disbursement to end beneficiary for all the scholarships provided by the Government of India.

**Wi-fi Hotspots:** Under the initiative, the government plans to deploy Wi-Fi at public and tourist places.

**India Post Payments Bank:** Known as IPPB, it is a specialized division of Indian Post which is under the jurisdiction of the Department of Post, a department under Ministry of Communications of the Government of India.

**PayOnline Launch of ePayment Portal:** National ePayment gateway is enabling every Indian citizen to make online payments for all Government based transactions, ecommerce payments and other related tasks.

**Launch of Online labs for schools:** Under this nationwide initiative, online labs will be available in Hindi, Malayalam and Marathi and offered in both urban and rural schools. 30,000 teachers in all Indian states will be provided training on online labs.

**eEducation:** Providing high-tech education in remote and urban areas using technology like smartphones, apps and Internet services.

**e-Hospital:** An initiative of Digital India that has made it easy for the citizens to take appointments in major hospitals.

**Digital MSME:** An ICT initiative launched in the MSME (micro, small & medium enterprises) sector to help adopt ICT tools and applications in their production and business process.

**TReDS:** An electronic platform for facilitating the financing/discounting of trade receivables of Micro, Small and Medium Enterprises (MSMEs) through multiple financiers.

The Government of India has taken up 44 mission mode projects under the e-Kranti scheme with centre-state partnership (in some cases) with the vision of transforming e-Governance with a view to enable presence-less, paperless and cashless delivery of services. The e-Kranti scheme has a potential of 400 Mn. e-signatures.

## Role of Digital Solutions in the Current Scenario

The rise of COVID 19 resulted in governments imposing social distancing norms and lockdowns. This forced organizations to move to “Work from Home” resulting in the need for adoption of digital solutions that facilitated remote fulfillment of transactions. Use of digital solutions peaked during the pandemic and helped contain the spread of the virus as people did not have the need to physically visit places. People started using online applications for making payments, filling up and signing forms, and transact online to avoid cash or submit forms. Paperless solutions experienced huge spike in demand for signing documents and is expected to stay for long as digital becomes the future.

eSign is one of the most important digital and paperless solutions. The Indian government has been laying strong focus on eSign which is part of the Digital India campaign. eSign is an online electronic signature service which can be integrated with service delivery applications via an open API to facilitate an Aadhaar holder/eKYC compliant user to digitally sign a document. It is an innovative initiative for allowing easy, efficient and secure signing of electronic documents by authenticating signer using eKYC services. By using this service, a user can digitally sign an electronic document without the need to obtain a physical digital signature dongle. Application Service Providers (ASPs) can integrate the eSign API with their application to enable a user to sign electronic forms or documents. Government agencies, Banks, Financial Institutions and Educational Institutions are the major users of eSign services.

## Digital Enablers

**Aadhaar:** Aadhaar is primarily used as a sole identification proof and serves as a basis for KYC (Know Your Customers) norms used by banks, financial institutions, telecom operators, income tax and GST, and other businesses that maintain customer profiles. In a recent move, the Indian Government has asked its citizens to link Aadhaar with PAN, Ration Card, Bank Accounts, etc.

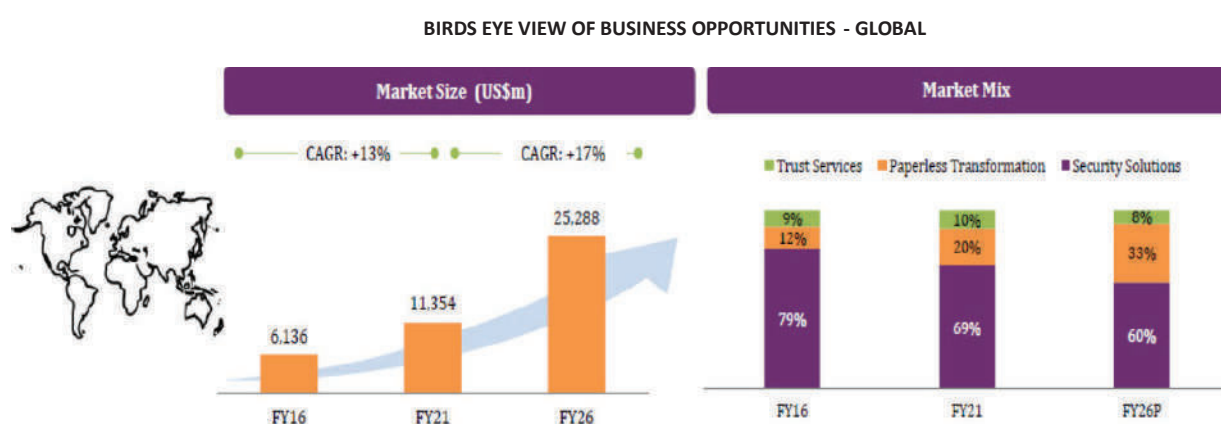
eSign has a strong relevance for online electronic signatures. eSign facilitates Aadhaar holders to digitally sign a document by using eSign services provided by Certifying Authorities (CAs). The unique identity card holders can sign documents using biometric or one time password (OTP) as a part of digital authentication which does not require any paper-based application or document. Authentication of the signer is carried out by e KYC services of UIDAI. Application Service Providers (ASPs) use Open APIs to easily integrate eSign facility into their applications which enables them to accept legally valid and non-repudiable digitally signed documents.

India remains one of the fastest growing Digital Security and Paperless Transformation markets in the world. The Government of India has been aggressive in terms of leveraging digital transformation in its various initiatives. The aim is to bring down corruption, red tapism, improve process efficiency and quicker turn arounds on service delivery without compromising on security. The Digital India (DI) program is a flagship programme of the Government of India with a vision to transform India into a digitally empowered society and knowledge economy. The DI schemes make use of advanced technologies like automation, artificial intelligence, paperless workflows, and digital signatures to streamline processes and achieve error free outcomes. Paperless workflows are designed to improve the overall user experience while creating a single source of truth for compliance. Through the concept of paperless workplace; convenience, compliance and cost can be taken into account. In the

entire chain of processes, authentication remains the most critical factor. Aadhaar linked accounts make sure identity fraud is avoided. From filing GST, income tax returns to passport renewal and ration cards; digital identity is a pivotal instrument.

BFSI is another industry segment that has seen early success/usage of digital security and paperless transformation. Both public and private sector banks in India have started to replace traditional processes of paper-based applications and transactions with digital processes. Digitization in banks enable better customer experience, improve digital presence, and refine internal process alignment with minimal manual intervention. eKYC and Aadhaar Enabled Payment Systems are two of the most important applications of authentication in the Indian banking system.

## B. Global



Our growth strategy, in addition to continued focus on India, contemplates increased presence in international markets for the expansion of our user base. As of March 31, 2022, we had end users in regions such as the Americas, Europe, Middle East and Africa and Asia Pacific. While we have steadily increased our focus on enterprise solution partner efforts to drive new user acquisitions outside India, there is a large opportunity for us to leverage our technology infrastructure and expand to international markets.

The global Digital Security Solutions market is the biggest among the three followed by global Paperless Transformation and global Digital Trust Services market. Identity and Access Management (which includes authentication) is the strongest contributor for the Digital Security Solutions market.

Americas (which includes North America and South America) currently contributes to 54.4% of the global digital security and paperless transformation market. Strong growth at CAGR 14.9% is expected in the next 5 years. Other regions like APAC and Europe are likely to also grow fast. India is expected to be one among the fastest growing markets at CAGR 27.5%, ahead of the developed economies. MEA (Middle East and Africa) is likely to grow at CAGR 17.8% till FY 2026 – faster than the growth recorded in the last 5 years. The GCC countries (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates) are likely to be the strongest contributors.



As of FY 2021, Americas remains the biggest market, contributing 48.0% of the Global Digital Trust Services market with an estimated value of \$560.7 Mn. Growth is expected to be in the lines of CAGR 9.3% till FY 2026, making it still the largest market. The existing revenue base for the region remains strong and near double digit revenue growth is considered healthy. USA is the biggest market contributor in the region as enterprises remain conscious over cybersecurity and digital identity. Europe remains the second biggest market with close competition from APAC. China, South Korea, Japan, Singapore and Australia are also big markets for global trust services. India remains one among the fastest growing in the region. Africa (except for South Africa) remains behind in terms of adoption, thereby contributing less to the MEA market share.

Americas currently contributes to 55.9% of the overall Digital Security Solutions market and is valued at \$4402.6 Mn. Double digit growth (CAGR 11.7%) is expected to continue till the end of FY 2026. The higher level of maturity of companies in USA has pushed forward the demand for authentication and IAM solutions. As other regions have started to focus strongly on digital initiatives, the need for IAM solutions will increase globally. APAC is likely to be the fastest growing region with a CAGR of 18.9%. Driven by strong growth in Western Europe, the region (Europe) will see strong adoption and is likely to hold on to its market share at 20.3% for the next 5 years. Smart Cities initiatives in the Middle East would push forward the demand for IAM and PKI solutions.

In the paperless transformation market, Americas currently has a market share of 52.7% and is valued at \$1217.6 Mn. In the last year, the market has grown at 25.9%. US based enterprises have been strongly focusing on automation and finding ways to introduce paperless workflows within their customer onboarding and internal processes. Paperless workflows eliminate the need for physical presence of customers and improve turnarounds. Europe currently has a revenue share of 26.0% which is expected to grow even further to 28.5% in the next 5 years. APAC currently has a market contribution of \$389.1 Mn and is expected to be the fastest growing (CAGR 33.2%) geography during the forecast period.

### **III. Opportunities for our Solutions**

#### **Market Size and Forecast by Digital Trust Service Applications**

##### **SSL/TLS Certificates Market in India**

The Indian SSL/TLS Certificates market is valued at INR. 1932.8 Mn. in FY 2021. As enterprises increase their online presence and create a digital footprint, it becomes obvious to make sure that websites are secured. Large Volume of data reside on these websites and users rely on them to transact. Without a website, companies often lose to have a mind share among customers. eCommerce and digital banking are significant digital trends that India has seen in the recent past. SSL/TLS help encrypt information sent over the internet and they provide identity assurance, both of which help online consumers to positively identify and trust websites that are safe to transact with. Today, most of the secured websites of the world have 's' included after using 'HTTP' to convey that the site is secured and digitally trusted. Browsers now issue strong warnings to visitors who try to enter websites that are not secured by HTTPS. SSL/TLS

certificates also help websites achieve better SEO ranking which is critical in the competitive world.

eMudhra has been quick to identify the huge market opportunity that lies in the Indian SSL/TLS certificates market. It has recently started selling SSL certificates to all type of customers. The Secure DV (domain validation) certificates are aimed at websites, blogs, personal sites and non-business websites. It comes with HTTPS and secure padlock. The Secure OV (organization validation) certificates are meant for small business and organizations and comes with HTTPS, secure padlock and business information authentication services. The last variant, Secure EV (extended validation) is meant for e-commerce websites or websites holding sensitive information and comes with HTTPS, secure padlock and organization details in the address bar. Most of these certificates come with 1 year validity and at a price point that makes it affordable for most.

The biggest advantage that eMudhra has over its competitors is the fact that it is the largest licensed CA in India with strong DSC expertise which would make eMudhra penetrate into the market much easily than its competitors. eMudhra is the only Indian company to be directly recognized by renowned browsers and document processing software companies such as Microsoft, Mozilla, Google, Apple and Adobe allowing eMudhra to sell digital identities to individual/organization and issue SSL/TLS certificates for website authentication, globally. Also, eMudhra is accredited by WebTrust (again the only Indian company) that makes its digital signature certificates directly recognized by browsers across the world allowing eMudhra to issue digital signature certificates in many countries (the aim of WebTrust is to promote confidence and trust between consumers and businesses on the Internet).

### **Digital Signature Certificates Market in India**

The Certifying Authorities (CAs) issue Digital Signature Certificates to enterprises and users. As per the Information Technology Act 2000, documents submitted in electronic form need to have Digital Signatures to ensure security and authenticity of the documents filed electronically. DSCs are mandatory while filing income tax returns, GST, e-tendering, patent and trademark filing, MCA e-filing, LLP registration, customs e-filing, e-procurement, e-bidding, and e-auction. It is allowed to use Digital Signatures issued to a particular individual and is illegal to use Digital Signatures of some other person. DSCs are typically issued with one year and two years validity. These certificates can be renewed on expiry of the period of initial issue. DSC applicants can directly approach CAs with original supporting documents and self-attested copies or by using Aadhaar eKYC based authentication.

Frost & Sullivan estimates the Digital Signature Certificates market in India to be valued at INR. 1774.5 Mn. by the end of FY 2021 at the OEM level. The market is estimated to have grown by 13.4% in the last 5 years and expected to growth at CAGR 19.4% till FY 2026. Currently there are 15 licensed CAs in India as per the cca.gov.in website. While the global CAs have a strong market share worldwide, they do not have the license to operate in India.

DSC is one of the very few markets where resellers/channel partners buy DSCs from licensed CAs in bulk at low price points and sell them to end customers at high values making big profits. The margins could be as big as 5x the original price at which they buy DSCs from the

CAs. The retail model works as CAs sell DSCs directly to the end customer through their websites.

eMudhra remains the largest CA in India with 37.9% market share in the Digital Signature Certificates market space in FY 2021. The company has grown at 19.6% in FY 2021 (based on eMudhra's financial reporting) as against a market average of 15.1% at the OEM level. In FY 2022, the company has achieved growth rate of 25.7% in digital trust services on consolidated basis. The high growth has enabled eMudhra improve on its earlier market share of 36.5% in FY 2020. eMudhra is the only Indian company to be admitted as a member of the European Cloud Signature Consortium as well as Certifying Authority/Browser Forum, a global forum that governs the use of SSL/TLS certificates. Being a member of the aforementioned global forums is a matter of pride for any vendor thereby making eMudhra unique and different from others in the segment.

### **IoT Device Certificates Market in India**

IoT is believed to be one of the strongest pillars of Digital Transformation. The number of IoT connected devices is estimated to be around 10.07 Bn. in 2021 and 25.44 Bn. by 2030. IoT would find use cases into all major industries starting from commercial to industrial, smart cities and consumer. Opportunities remain huge in IoT.

Cyber threats remain the biggest concern for these IoT devices. Cyber criminals are likely to target unsecured IoT devices that are placed in remote locations. Miscreants could also plant unauthorized IoT devices into networks to steal data. IoT device certificates help to verify and grant device access to the network. No device can be synced in with the enterprise network without the right authorization. While the market for IoT device certificate is currently small, potential remains high and the opportunity is likely to increase with higher customer awareness over the period of time. The Indian IoT device certificate market is estimated to be around INR. 70.0 Mn. by the end of FY 2021 and expected to grow at CAGR 29.7% in the next 5 years.

IoT Device Certificate solution providers in India take a channel driven strategy to reach out to end customers. Enterprises are the major users of IoT device certificates, not consumers. IoT Device Certificates are often sold to enterprises as part of larger transformation deals where System Integrators participate.

The global players are the major stakeholders of the IoT Device Certificate market in India. This includes players like GlobalSign, Digicert, Entrust, etc. Indian companies have limited expertise in IoT device certificates with no major focus. eMudhra is aspirational in terms of investing in the market due to the high growth opportunity. Since the market is still niche in India, an early mover advantage could be beneficial for eMudhra. Being a major player in the domestic Digital Certificates Market, it won't be difficult for the digital security provider to enter into the space. IoT Device Certificate Market is a near term market opportunity area for eMudhra.

***The Digital Security and Paperless Transformation market can be tracked at 2 levels:***

**(1) at the OEM level** ( revenue that the OEM/solution providers generate): This is revenue registered at the solution provider's India book of accounts.

**(2) at the end-user level** ( revenue that the channel partners clock in by reselling the solution to the end users): Most of the Digital Security and Paperless Transformation market solution providers take a channel driven approach to sell products to end users in India. The additional markup cost that channel partners add to the original cost of the product includes applicable taxes. In few cases (like digital signature certificates), the channel partners buy the solution in bulk at a much lower price and sell it off to the end-users in the retail market at much higher rates.

The Indian Digital Security and Paperless Transformation market at the OEM level stands at INR. 18635.5 Mn. by the end of FY 2021. Historically the market has grown at CAGR 15.3% since FY 2016 and likely to grow at CAGR 27.5% in the next 5 years.

At the end-user level, the market is currently valued at INR. 32180.7 Mn. in FY 2021, a value much higher than the actual OEM level market. The huge difference is due to high cost difference at which digital signature certificates are sold to the end-users by the channel partners. Till FY 2026, the market at the end-user level is likely to grow at CAGR 25.1%.

The Indian Digital Security Solutions market (which includes IAM and PKI) is the biggest contributor of the Digital Security and Paperless Transformation market. IAM is the single largest revenue pocket within all sub-segments of the market. Digital Trust and Paperless Transformation contribute to 20.3% and 15.1% of the overall market respectively. Growth of Digital Trust Services is expected to be 17.1% in the next 5 years as against 15.9% in the last 5. This high growth will primarily be driven by strong use of digital signature certificates across industries like Govt. and BFSI in India. Also, as the number of IoT devices increase, enterprises would be bothered about their security and hence look towards IoT device certificates. The growing number of cyber-attacks would be a strong growth driver for the Indian SSL/TLS market in the years to come.

### **Industry Vertical Analysis**

The Contribution from the Government industry vertical has become the largest in last few years. Its revenue share has increased from 22.3% in FY 2016 to 24.0% in FY 2021 and likely to become 27.3% in the next 5 years. The various central and state government initiatives have pushed forward the demand for Digital Trust Services. DSC has strong use cases in the Government industry and is used while filing income tax return, GST, MCA e-filing, LLP registration, customs e-filing, e-procurement, e-bidding, and e-auction. Similar strong use case of trust services is seen in the BFSI sector as well. Instead of physically visiting banks, customers can open bank accounts easily through eSign services. While doing eKYC, trust services are often used by customers. Investments on digitalization has increased in the healthcare sector which as a whole would push forward the demand for trust services.

### **Market Size and Forecast**

While the Indian government and enterprises focus on various digital initiatives, authentication and IAM remains as a fundamental area of focus. It is important that identity-based frauds are minimized through the use of right authentication techniques. MFA, SSO,

OTP, Digital Signatures, and biometric are few of the authentication modes prevalent in digital interfaces.

Frost & Sullivan estimates the Digital Security Solutions market which includes Authentication, IAM and PKI is currently valued at INR. 12045.4 Mn. in FY 2021 and expected to grow at CAGR of 28.6% during the forecast period. Last year, the market grew at 23.0% amidst the COVID 19 pandemic. Strong growth is expected to sustain in similar range in the next 5 years.

#### **IV. Our Strategy**

##### **Maintain Leadership in Indian Trust Services Market and Capitalize on Industry Opportunities**

Increasing threats to data security and the prevalent trend of working from home during the ongoing pandemic, has opened up new opportunities for digital security and digital signature solutions industry. Digital identity is foundational to the growth of enterprises in the era of digital transformation because it enables enterprises to create frictionless user experiences that are both simple and secure. Enterprises are under ever-increasing competitive pressure to deliver personalized and seamless omnichannel experiences and often compromise on experience or security to achieve these outcomes. This competitive pressure is driving enterprises to focus on digital trust, security and transformation as a key strategic initiative to provide differentiated experiences to increase loyalty with consumers, enhance productivity for employees and mitigate risk and fraud in a secure environment. Data security, trust services and enterprise solution are still an underpenetrated sector in India and across the world. Initiatives under the Digital India programme are examples of how technology is being leveraged to power India's transition to a presence-less and paperless society.

To capture the opportunities arising out of such initiatives, the changing regulatory requirements and the growing demand for data privacy, data protection and digital transformation, our Company is proposing to further penetrate the domestic and international market and further expand and diversify our customer base to cater to diverse industries through expansion of our channel partner and enterprise solution partner network, enabling more customers to buy directly through online channels and continuous innovation in solutions related to our industry. We further propose to integrate our product and service offering with renowned software products including in the ERP, CRM and BFSI space to enable easy adoption of our products. We plan to further adapt our products to various international local market requirements to allow us to expand.



## **Leveraging Existing Data Centre Infrastructure and Set Up New Data Centres in Overseas locations**

Our customers use our data centers and digital solutions to access business systems and store data concerning their employees, contractors, partners and customers, among other things. With the growing need of digital signature services in the Indian and international markets, we propose to invest in enhancing our existing data centre infrastructure and setting up new data centres. As part of our strategic initiatives, we propose to enhance our data centers in India and set up additional data centers at overseas locations to support our technological infrastructure and our plan of venturing into foreign jurisdictions for future growth.

We propose to utilise approximately ₹463.64 million of the Net Proceeds of the Offer towards purchasing of equipments and funding of other related costs for the data centre proposed to be set up in Bengaluru and Chennai in India and in overseas locations, including but not limited to, European Union in countries like Netherlands and Germany and in Asia Pacific in countries like, Indonesia. The investments in domestic and overseas data centres will enable us to meet customer volume, transaction, SLA requirements and data residency requirements and set up physical and logical security controls, climate control and monitoring systems, servers, various computing and storage devices, virtualization, networking, power backup and internet redundancy facilities.

## **Enhance Solution Offerings to Tap Growing Needs of Digital Transformation**

We believe that adoption of digital identity, security and paperless transformation solutions are now forming part of strategic initiatives for global enterprises to meet the increasing need for personalized and omnichannel experiences. As enterprises compete with new age technology, they have to quickly adopt and implement solutions that are plug and play, offer high level of scalability and support compliance with regulatory needs. The market offers opportunities with respect to emSigner (eSignature workflow), emAS (Identity and Access Management) and emCA (PKI solutions) to cater to enterprise digital transformation needs. We have been working relentlessly with several large and small businesses to build seamless digital and paperless experiences with their clients without compromising on security by leveraging most advanced technologies in AI, ML and Automation. We have been consistently designing and developing diverse products under various product lines – Digital Trust Services, digital security solutions and paperless transformation – by understanding customer requirements and implementing solutions to address their challenges. Most of the products come with in-depth features and easy to infer User Experience making it easily deployable. Our solutions come with on-premise and cloud versions making it a solution of choice for the highly regulated industry verticals like BFSI and Government. Our products are developed by adhering to various industry regulations and mandates.

Digital identity is a unique identifier assigned to users in cyberspace. The user can be an individual, an organization, or a device. The digital identity is linked to multiple sub-identifiers such as email account, social login, department, or privilege. The Digital Trust Services market which includes SSL/TLS certificates, Digital Signature Certificates and IoT device certificates

has strong growth potential. In view of the above, we plan to invest in enhancement and development of our product portfolio by developing new products in areas, namely, IoT Certificate Management, Certificate Discovery and Remote Signing that are complementary to our business. To develop such products, we propose to utilize ₹150.30 million from the Net Proceeds of this Offer to hire large technical teams with the right skillset to develop, support and manage these products and also propose to invest and buy the right tools and platforms to support the proposed product development. We have constantly invested into augmenting product capabilities to build ourselves as a 'one stop shop' player in digital transformation, innovating and developing new products in the areas of digital identity management, authentication and authorization or digital signatures for our customers. Our Company, in order to achieve consistent growth, needs to continuously invest in our R&D team and resources to develop new and diverse products around digital security and paperless transformation.

We also plan to further expand our product portfolio and our research and development team by hiring qualified professionals to develop and devise new and innovative solutions in upcoming technologies such as Blockchain, IoT, Quantum Computing, Web 3.0, etc.

### **Grow Presence in Overseas Markets**

While we continue to innovate and provide better products and services to our customers in India, there is a large opportunity for us to leverage our technology infrastructure and expand to international markets. North America remains the largest in the Digital Security and Paperless Transformation market space. Americas (which includes North America and South America) currently contributes 54.4% of the global market. Strong growth at CAGR 14.9% is expected in the next 5 years .

As on FY 2021, Americas remains the biggest market contributing to 48.0% of the Global Digital Trust Services market to value \$560.7 million. Growth is expected to be in the lines of CAGR 9.3% till FY 2026 making it still the largest market. The existing revenue base for the region remains strong and near double digit revenue growth is considered healthy. USA is the biggest market contributor in the region as enterprises remain conscious over cybersecurity and digital identity. Americas currently contributes to 55.9% of the overall Digital Security Solutions market and is valued at \$4402.6 Mn. Double digit growth (CAGR 11.7%) is expected to continue till the end of FY 2026. The higher level of maturity of companies in USA has pushed forward the demand for authentication and IAM solutions. In the global paperless transformation solutions market, Americas currently has a market share of 52.7% and is valued at \$1217.6 Mn. In the last year, the market has grown at 25.9%. US based enterprises have been strongly focusing on automation and finding ways to introduce paperless workflows within their customer onboarding and internal processes. Paperless workflows eliminate the need for physical presence of customers and improve turnarounds.

In pursuit to tap these opportunities and to harbour the benefits offered by the market in the United States of America to companies functioning in the IT sector, we propose to invest ₹152.67 million out of the Net Proceeds in our Subsidiary, eMudhra INC for the purpose of augmenting its business development, sales, marketing and other related costs for future growth. Pursuant to such investment, we propose to build a local infrastructure of technical and skilled staff who will aid us in marketing and selling our solutions to end users, channel partners and enterprise solution partners and develop products and solutions in-house for the specific data security challenges faced by the customers. We intend to utilise the Net Proceeds of the Offer to create a local hosting of our Digital Trust Service and Enterprise Solutions platforms in the United States of America and develop a local IP/integration/interface with local software platforms. We also propose to incur costs relating to hiring and engaging personnel for application development, maintenance and support and investing and buying in right tools and platforms. We also propose to invest in a dedicated sales team and marketing initiatives by recruiting, retaining and training sales personnel as well as equipping them with the necessary technology. As part of the sales and support expansion, we may also need to lease appropriate office space in the United States of America, engage with market research firms and incur costs towards database subscriptions for demand generation, conducting training programs for end customers and channel partners.

We propose to expand our Digital Trust Service backbone to international markets either directly using our global root or through setup of local trust service operations or through various trust service and enterprise solution partners. We will continue to explore international opportunities, especially in the developed markets including, the United States of America, where we can either launch our services and solutions independently or collaborate with partners to launch diverse digital products and services specific to digital certification and signature requirements.

#### **Expand Share of Revenues among Existing Customers and Broaden our Partner Network and Customer Base**

Our Company has a wide and diversified customer base in the domestic and international markets. We also have a large network of channel and enterprise solution partners who are integral to our Company's business operations. We presently cater to customers operating in various industries such as banking, eGovernment, automotive, information technology, consumer durables, *etc.* and propose to enhance our presence in various other industries such as manufacturing, logistics, healthcare, *etc.*

We also intend to cater to new age industries which are significantly more dependent upon an enhanced cyber security framework and would therefore require our trust and digital signature services on a regular basis. These include use cases in the Electric Vehicle space and Smart Cities where devices connected to the internet need to be identified and authenticated securely. We also plan to continue to expand our channel and enterprise solution partner

network while also deepening our partnerships with existing enterprise partners. We will continue to expand our service offerings and innovate to offer wider selection of trust and Enterprise Solutions some of which may be verticalized to cater to domain specific needs. While we already have a large and diversified customer and partner base, we believe that there is continuous scope for expansion given the under-penetration of the various products and services we offer. We endeavor to continue to increase the engagement and retention of our consumers and merchants on our ecosystem by offering them better products.

### ***R&D and Product Development***

The market for digital secure products and solutions is competitive and characterised by rapid changes in technology, user requirements, industry standards and frequent new product introductions and improvements. As a result, our revenue growth has been steered by our R&D efforts to design and develop new digital products and solutions with the latest technology and augment our resources in the form of skilled and technical staff that can respond to the needs of our end users. Constant innovation and customisation of our digital products and solutions to meet user requirements and updates to existing products and our R&D resources, aimed at helping our users in their digital transformation initiatives and at the same time protecting them from evolving threats has helped us to grow the number of new users and retain existing users, which drives our revenue. We seek to strengthen our R&D capability continuously by expanding our R&D team with relevant skills and expertise. For the year ended March 31, 2022, we spent ₹43.06 million (March 31,2021: ₹30.94 million) on our product development costs which formed 2.4% (March 31,2021: 2.4%) of our revenue from operations (net) in this period.

The number of our R&D employees increased from 219 employees as of March 31, 2021 to 240 employees as of March 31, 2022. We expect that our ability to anticipate technological advances, retain and recruit qualified and talented R&D staff and develop innovative solutions for our users to meet their requirements in a timely and cost-effective manner will have a significant effect on our results of operations.

Adoption of digital identity, security and paperless transformation solutions are now forming part of strategic initiatives for global enterprises to meet the increasing need for personalized and omnichannel experiences. The market offers opportunities with respect to emAS (Identity and Access Management), emSigner (eSignature workflow) and emCA (PKI solutions) to cater to enterprise digital transformation needs. To capitalise these opportunities, we propose to invest in enhancement and development of our product portfolio by developing new products in areas, namely, IoT Certificate Management, Certificate Discovery and Remote Signing, that are complementary to our business.

We have constantly invested into augmenting product capabilities to build ourselves as a 'one stop shop' player in digital transformation, innovating and developing new products in the

areas of digital identity management, authentication and authorization or digital signatures for our customers.

Our revenue from operations grew 38.8% during the fiscal 2022 which reflects the market acceptance of our existing products such as emSigner, emCA and emAS, which in turn has provided the necessary growth impetus to our Company. We have invested in large technical teams with relevant skillsets to build, support and manage our existing products and have also invested in the required tools and platforms to make such products user friendly and easily available to our end users.

Our Company, in order to achieve consistent growth needs to continuously invest in our R&D team and resource to develop new and diverse products around digital security and paperless transformation.

## **V. Results of our Operations**

### **COVID 19**

The ongoing COVID 19 pandemic and efforts to mitigate its impact have significantly curtailed the movement of people, goods and services worldwide, including in the geographic areas in which we conduct our business operations and from which we generate our revenue. It has also caused societal and economic disruption and financial market volatility, resulting in business shutdowns and reduced business activity. We believe that the COVID 19 pandemic has had a modest negative impact on our business, financial condition, and results of operations, primarily as a result of:

- Certain enterprises, delaying or pausing digital transformation and expansion projects and negatively impacting IT spending, which has caused some potential customers to delay or forgo purchases of our services and solutions and some existing customers to reduce their usage or fail to expand their usage of our platform due to the COVID 19 pandemic's impact on their business;
- Restricting our sales operations and marketing efforts, reducing the effectiveness of such efforts in some cases and delaying or lengthening our sales cycles; and
- Delaying the delivery of our services and solutions to our customers

The COVID 19 pandemic may cause us to continue to experience the foregoing challenges in our business in the future and could have other effects on our business, including disrupting our ability to develop new offerings and enhance existing offerings, market and sell our products and conduct business activities generally.

In the longer term, we expect positive impacts on our business as a result of the COVID 19 pandemic. We believe the COVID 19 pandemic has accelerated the trend of enterprises pursuing digital transformation initiatives in order to remain competitive, with identity being a key enabler of such transformation. Further, the COVID 19 pandemic has led to a rapid expansion of digital identities, as more consumer transactions are being undertaken over the internet and more employees are working remotely. We believe that these impacts of the COVID 19 pandemic will benefit our business in the future.



While COVID 19 pandemic still continues, and there are lockdowns and other restrictions, our Company's business continuity plans and work from home plans are working well and are able to take care of most of the requirements. The COVID 19 pandemic has also driven some temporary cost savings to our business.

## Financial Results

Please refer to our Standalone and Consolidated Financial Statements in this Annual Report for detailed schedules and notes.

The function-wise classification of the Consolidated and Standalone Statement of Profit and Loss is as follows:

### Consolidated Statement of Profit and Loss

	March 31,2022	%	March 31,2021	%
<b>Income</b>				
Revenue from operations	1,826.37	100%	1,315.93	100%
Other income, net	10.98	0.6%	8.61	0.7%
<b>Total revenue</b>	<b>1,837.35</b>		<b>1,324.54</b>	
<b>Expenses</b>				
Operating expenses	119.93	6.6%	129.12	9.8%
Purchase of stock-in -trade	311.33	17.0%	179.56	13.6%
Changes in stock of finished goods	(14.26)	-0.8%	7.50	0.6%
Employee benefit expenses	468.15	25.6%	417.11	31.7%
Finance costs	52.71	2.9%	8.41	0.6%
Depreciation and amortization expense	130.71	7.2%	87.67	6.7%
Other expenses	264.20	14.5%	183.37	13.9%
<b>Total expenses</b>	<b>1,332.76</b>		<b>1,012.74</b>	
<b>Profit/(Loss) before exceptional items and tax</b>	<b>504.59</b>		<b>311.80</b>	
Exceptional items	-		-	
<b>Profit/(Loss) before tax</b>	<b>504.59</b>		<b>311.80</b>	
<b>Tax expense</b>				
Current tax	88.94	4.9%	52.15	4.0%
Deferred tax	4.28	0.2%	6.06	0.5%
<b>Total tax expenses</b>	<b>93.22</b>		<b>58.21</b>	
<b>Profit/(Loss) for the year</b>	<b>411.37</b>	<b>22.5%</b>	<b>253.59</b>	<b>19.3%</b>

## Standalone Statement of Profit and Loss

	March 31,2022	%	March 31,2021	%
<b>Income</b>				
Revenue from operations	1,530.21	100%	1,093.67	100%
Other income, net	7.18	0.5%	3.90	0.4%
<b>Total revenue</b>	<b>1,537.39</b>		<b>1,097.57</b>	
<b>Expenses</b>				
Operating expenses	139.55	9.1%	162.01	14.8%
Purchase of stock-in -trade	302.28	19.8%	180.52	16.5%
Changes in stock of finished goods	(14.25)	-0.9%	3.37	0.3%
Employee benefit expenses	373.33	24.4%	328.09	30.0%
Finance costs	52.56	3.4%	8.41	0.8%
Depreciation and amortization expense	105.07	6.9%	66.66	6.1%
Other expenses	188.37	12.3%	142.24	13.0%
<b>Total expenses</b>	<b>1,146.92</b>		<b>891.30</b>	
<b>Profit/(Loss) before exceptional items and tax</b>	<b>390.47</b>	<b>25.5%</b>	<b>206.27</b>	<b>18.9%</b>
Exceptional items	-		-	
<b>Profit/(Loss) before tax</b>	<b>390.47</b>	<b>25.5%</b>	<b>206.27</b>	<b>18.9%</b>
<b>Tax expense</b>				
Current tax	86.99	5.7%	50.77	4.6%
Deferred tax	3.11	0.2%	3.93	0.4%
<b>Total tax expenses</b>	<b>90.10</b>		<b>54.70</b>	
<b>Profit/(Loss) for the year</b>	<b>300.37</b>	<b>19.6%</b>	<b>151.57</b>	<b>13.9%</b>

### 1. Revenue

	Standalone			Consolidated		
	FY 2022	FY 2021	% Change	FY 2022	FY 2021	% Change
Revenue from operation	1,530.21	1,093.67	39.9%	1,826.37	1,315.93	38.8%

The increase in revenues was primarily attributable to considerable increase in enterprise revenues, wins of large deals.

The consolidated revenues from trust services and enterprise solutions for fiscals 2022 and 2021 are as follows:

INR in million	Consolidated		
	FY 2022	FY 2021	% Change
Trust Services	845.60	672.50	25.7%
Enterprise Solutions - India	631.86	388.62	62.6%
Enterprise Solutions - Global	348.91	254.81	36.9%

The revenue growth across segments is due to winning large business deals in the last fiscal and was also due to increased revenue from global markets as we started billing the customers in Europe and Americas region during the last fiscal.

During the period, our enterprise solution customer base has increased from 518 in the financial year 2021 to 714 for the year ended March 31, 2022. Also, our partner base for the enterprise solutions have also increased to 572 while comparing with the previous fiscal. This comprise of 288 partners in India and 284 partners globally as well.

Our trust service business partners have also increased from 88,467 in the previous year to 95,877.

## **2. Expenditure**

### **Cost of Goods Sold**

The cost of goods sold, comprises of commission expenses, direct personnel cost, purchase cost of inventories and movement of inventories. Cost of goods sold on a consolidated basis marginally declined from 23.9% in FY 2021 to 22.7% as a percentage in FY 2022 to the total revenue of the respective year. The commission expenses have reduced as a percentage of total revenue from 4.9% to 3.9% in the fiscal 2022 on standalone basis. The cost of our direct personnel, has decreased as a percentage of total revenue from 1.3% in fiscal 2021 to 0.5% in fiscal 2022 on a standalone basis and has increased from 1.1% in fiscal 2021 to 1.8% in fiscal 2022 on a consolidated basis. The purchase cost of inventories has increased as a percentage to total revenue from 13.6% to 16.9% in the fiscal 2022 on consolidated basis and has increased from 16.4% to 19.7% on standalone basis. This was mainly a result of augmenting the purchases towards supply of materials related to certain large orders won during the fiscal 2022.

### **Employee Benefit Expenses**

Our employee benefit expenses has reduced as a percentage of total revenue from 29.9% to 24.3% in the fiscal 2022 on standalone basis and has reduced from 31.5% to 25.5% in the fiscal 2022 on consolidated basis. The reduction is on account of operational leverage we have in our operations. Our number of employees increased to 659 employees as of March 31, 2022 from 547 employees as of March 31, 2021.

### **Financial Costs**

Our financial cost consists of interest expenses on term loans, overdraft accounts and interest on lease liabilities. Our financial costs increased as a percentage of total revenue from 0.8% to 3.4% in the fiscal 2022 on standalone basis and also has increased from 0.6% to 2.9% on consolidated basis. The increase in finance cost in the current financial year is due to non-capitalisation of finance cost since we have completed the construction of our new digital campus office building.

## Other Income

Other income primarily includes foreign exchange gains on consolidation, interest income of fixed deposits, profit on sale of assets, write back of provisions no longer required and miscellaneous income. The other income as a percentage of total revenue has reduced from 0.7% to 0.6% on a consolidated basis and has increased to 0.5% from 0.4% in the fiscal 2022 on standalone basis. This is primarily due to write back provisions no longer required amounting to INR 4.07 million and due to increase in interest income by INR 2.37 million in the standalone basis as well as on consolidated basis. This increase has been partially offset in consolidated financials by decrease in foreign exchange gain on transactions amounting to INR 5.48 million.

## Depreciation and Amortization Expenses

Our depreciation expense as a percentage of total revenue has increased from 6.7% to 7.2% on consolidated basis and has increased from 6.1% to 6.9% in the fiscal 2022 on standalone basis. The increase is predominantly due to increase in depreciation of property, plant and equipment as result of capitalization of our new office building amounting to INR 9.40 million and also due to increase in amortization of right to use of assets by INR 24.32 million and the due to increase in amortization cost of intangible assets by INR 9.32 million.

Increase on standalone basis is primarily due to increase in depreciation of property, plant and equipment by INR 9.39 million, increase in amortization expenses by INR 4.7 million, and due to increase in depreciation of right to use assets by INR 24.32 million.

## Provision for Tax

We have provided for our tax liability in India. As on March 31, 2022, there was no tax on international income by virtue of non-tax regions as well as on account of tax adjustments/set offs. The applicable Indian corporate statutory tax rate for both the years ended March 31, 2022, and March 31, 2021 is 25.52%.

INR in million	Standalone		Consolidated	
	FY 2022	FY 2021	FY 2022	FY 2021
Income tax expenses	90.10	54.70	93.21	58.21
Effective tax rate (in %)	23.1%	26.5%	17.9%	17.5%

Effective tax rate is generally influenced by various factors such as differential tax rates, non-deductible expenses, etc.

## VI. Financial Condition

### Equity Share Capital

We have only one class of equity shares of par value INR 5 each. During the year, there is no movement in share capital.

### Other Equity Comprises mainly Reserves and Surplus and other Comprehensive Income

The movement in retained earnings was on account of profit earned during the year and due to foreign exchange translation reserve. On a standalone level, other reserves

include profit on transfer of business transactions between entities under common control. Other equity also consists of preference share capital of INR 86 million held by the promotor group.

### **Capital Work-in-Progress**

During the year the company had INR 429.16 million on consolidated basis and INR 306.39 million on standalone basis in this towards continuous development of tangible as well as intangible assets which is pending to be put into the operational and hence to be capitalized.

### **Inventory**

The inventory of the company stood at INR 21.38 million as against INR 7.14 million for the FY 2021 on consolidated basis and increased by INR14.25 million and stood at INR 17.25 on standalone basis compared to FY 2021 which are convertible in the normal course of business.

### **Financial Assets**

#### a) Trade receivables

Days sales outstanding has increased to 88 days for FY 2022 from 41 days in the previous year on consolidated basis and increased to 73 days from 45 days on a Standalone basis. However, management is not foreseeing any threat to the collection in spite of steep increase in high value billings. The increase in outstanding days were due to extension of credit period to few of the strategic government customers.

#### b) Cash and cash equivalents

Our cash and cash equivalents comprise of balance with current account as well as deposit accounts with banks within India as well as outside India. The closing cash and cash equivalents are INR 132.55 million and INR 91.81 million on consolidated and standalone basis respectively.

#### c) Loans

We have provided personal loans to very limited number of employees and loans to employee's stock options trust. Loans, amounted to INR 30.64 million on consolidated basis and INR 35.04 million on standalone basis as on March 31, 2022.

#### d) Other financial assets

This represents unbilled revenues, rent and other deposits, prepaid expenses, advances to capex vendors as well as to regular suppliers, etc. This has increased by INR 119.63 million and INR 106.79 million on consolidated and standalone basis respectively. The increase is primarily due to increase in unbilled revenue amounting to INR 91.39 million and INR 95.07 million respectively on consolidated and standalone basis.



### **Deferred Tax Assets/liabilities**

Net deferred tax liabilities comprising deferred tax liabilities less deferred tax assets it has increased during the fiscal 2022 primarily on account of temporary difference on depreciation/amortization expenses of the company while comparing with income tax depreciation/amortization. The net increase is INR 4.28 million and INR 3.11 million respectively on consolidated and standalone basis in fiscal 2022.

### **Financial Liabilities**

This represents borrowing from banks as well as from the directors or from the group company. This will also include advances from customers towards various services, provision for income tax in India, employee benefits payable, both gratuity and leave encashment, amount payable to expenses/capital creditors and employee benefits payable and lease liabilities towards equipment as well. This increased by INR 82.29 million and INR 49.03 million for FY 2022 on consolidated and standalone basis respectively.

## **VII. Liquidity**

Our principal source of liquidity are cash and cash equivalents and cash flow that we generate from operations. Our growth has been partially financed from net cash flow from the operating activities as well as from the specific term loans obtained for the same purpose. Our total cash and cash equivalents stood at INR 132.55 million as at March 31,2022. This grew by 71.8% as compared to the previous year cash and cash equivalents. Our current ratio in the fiscal stood at 1.33 times, which measures our ability to pay short-term obligation or those dues within one year. This way, we can satisfy current debts as well as other payables.

## **VIII. Related Party Transactions**

These have been discussed in detailed in Annexure 37 to the consolidated financial statements of the Company.

## **IX. Events occurring after Balance Sheet date**

The Company has completed its public issue of shares during May 2022 and has been listed in BSE and NSE on June 01,2022. The Company has raised INR 1610.00 million through IPO and has also made a preferential allotment of INR 390.00 million through pre-IPO in the same month. The promoter and the promoter group including their family members of the company has also made offer for sale in the IPO worth INR 2517.86 million and has diluted the stake from 91.37% to 69.44%. This transaction has increased the paid-up equity share capital of the company from INR 350.90 million to INR 390.36 million and will increase the securities premium by INR 1861.98 million. We have also made application to our monitoring agency, Kotak Mahindra Bank Limited, to close our term loans and overdraft facilities amounting to INR 350 million. This will considerably strengthen the company's financial position and make it into zero debt company. Other than this there is no significant event after the balance sheet date which is likely to affect financial position/result of the company.

## X. Key Financial Ratios

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediate previous financial year) in key sector-specific financial ratios. The Company has identified the following ratios as key financial ratios:

Particulars	March 31,2022	March 31, 2021
(a) Current ratio [times]	1.33	1.32
(b) Total Debt-Equity Ratio	18.7%	23.3%
(c) Debt Service Coverage Ratio [times]	8.55	10.91
(d) Return on Equity Ratio	30.4%	24.2%
(e) Inventory turnover ratio[times]	20.83	17.18
(f) Trade receivables turnover ratio	24.2%	11.3%
(g) Trade payables turnover ratio	4.9%	2.7%
(h) Net capital turnover ratio	1.35	1.26
(i) Net profit ratio	22.5%	19.3%
(j) Return on Capital employed	34.3%	24.1%

Net profit for the year has increased from INR 253.59 million to INR 411.37 million on a consolidated basis and from INR 151.57 million to INR 300.36 million on a standalone basis which has resulted in increase in the average return on equity.

## XI. Enterprise Risk Management

Listed below are some of the key risks, anticipated impact on the company and strategies. mitigation

Key Risk	Impact on the Company	Mitigation
Business risk	<p>eMudhra operates in two business segments: Trust Services comprising of</p> <ul style="list-style-type: none"> <li>• Issuing digital signature certificates for individuals, organizations under license from Government of India. The operations are audited yearly and license is renewed every 5 years</li> <li>• Individual, Organization under emSign Root (accredited under WebTrust) and empaneled/licensed by various Governments (UAE, Kenya, Mauritius etc.)</li> <li>• SSL/TLS certificates under emSign Root (governed by CA Browser Forum)</li> <li>• WebTrust Audits are conducted every year</li> </ul> <p>Enterprise Solutions comprising of</p> <ul style="list-style-type: none"> <li>• emSigner – eSignature Workflow Platform</li> </ul>	<ul style="list-style-type: none"> <li>• As our revenue from global markets including trust service and SSL business grows, concentration risk associated with revenues from a single geography or regulator or type of certificate will reduce</li> <li>• Newer areas of certificate issuance for IoT devices while classified under Trust</li> </ul>

Key Risk	Impact on the Company	Mitigation
	<ul style="list-style-type: none"> <li>• emAS – Authentication and Access Management</li> <li>• emCA – PKI Solution</li> </ul> <p>The revenue split between Trust Services and Enterprise Solutions is 46.3% : 53.7% for the year ended March 31, 2022.</p> <p>The revenue split between India and International is 80.9% : 19.1% for the year ended March 31, 2022.</p> <ul style="list-style-type: none"> <li>• The trust services business is a licensed business and is predominantly generated from India. This exposes 46.3% of our yearly revenue of fiscal 2022 to risks inherent with operating a licensed activity in a single geography</li> <li>• Enterprise Solutions are not operated under or subject to licensing requirements and to this extent are directly correlated to the demand for cybersecurity and digital transformation solutions</li> </ul>	<p>Services are not subject to regulation</p> <ul style="list-style-type: none"> <li>• Over time, we anticipate enterprise solutions to grow faster and this will change the revenue mix in favor of Enterprise Solutions</li> </ul>
<p>Disruption and uncertainty in business due to the COVID 19 pandemic</p>	<p>The COVID 19 pandemic is a global humanitarian and health crisis, which continues to impact some of the operating geographies/segments that we operate in. The actions taken by various state governments as well as countries to contain the pandemic, such as closing of borders and lockdown restrictions, has resulted in significant disruption to people as well as businesses. While vaccines have been made available, there are increased instances of variants and infections, and consequential stress on the health sector. India, where most of our operations are located, has experienced multiple waves of infections, including new variants of the COVID 19 virus. There was marked increase in the number of cases across regions where our development centers are located, and a small percentage of our employees or their families were adversely affected. However, the continued stress on the medical infrastructure and any increase in the cases in India may impact the health and safety of our employees. The COVID 19 pandemic has impacted, and may</p>	<ul style="list-style-type: none"> <li>• Ensure all the employees and their families are vaccinated</li> <li>• Empower employees to return to workspace by providing a flexibility through hybrid model.</li> <li>• Leveraging the use of apt technology to face the upcoming COVID 19 waves/variants.</li> <li>• Regular communication with customers about measures taken to maintain business services and</li> </ul>

Key Risk	Impact on the Company	Mitigation														
	<p>further impact, all our stakeholders – employees, clients, vendors, investors and the communities we operate in. During fiscal 2022, the impact on our revenue due to supply and demand risks we experienced from the COVID 19 pandemic was not significant.</p>	<p>reporting of their operations status.</p> <ul style="list-style-type: none"> <li>Regular connection with the key suppliers for uninterrupted supply of services/goods</li> </ul>														
<p>Coemption Risk</p>	<p>We are faced with competition from global payers as listed below:</p> <table border="1" data-bbox="368 696 1043 1809"> <thead> <tr> <th data-bbox="368 696 708 734">Type of Service</th> <th data-bbox="708 696 1043 734">Global Player</th> </tr> </thead> <tbody> <tr> <td data-bbox="368 734 708 817"><b>Digital Trust Services</b></td> <td data-bbox="708 734 1043 817"></td> </tr> <tr> <td data-bbox="368 817 708 976">SSL/TLS Certificates</td> <td data-bbox="708 817 1043 976">DigiCert (USA), Entrust (USA), Sectigo (USA)</td> </tr> <tr> <td data-bbox="368 976 708 1176">Digital Signature Certificates</td> <td data-bbox="708 976 1043 1176">DigiCert (USA), eMudhra (India), Entrust (USA), GlobalSign (Belgium)</td> </tr> <tr> <td data-bbox="368 1176 708 1335">IoT Device Certificates</td> <td data-bbox="708 1176 1043 1335">DigiCert (USA), Entrust (USA), GlobalSign (Belgium)</td> </tr> <tr> <td data-bbox="368 1335 708 1453"><b>Digital Security Solutions</b></td> <td data-bbox="708 1335 1043 1453"></td> </tr> <tr> <td data-bbox="368 1453 708 1809">Identity and Access Management</td> <td data-bbox="708 1453 1043 1809">Microsoft (USA), IBM (USA), Ping Identity (USA), Okta (USA), Sailpoint (USA), Ilantus technologies (USA), Saviynt (USA), Thales (France), Broadcom (USA)</td> </tr> </tbody> </table>	Type of Service	Global Player	<b>Digital Trust Services</b>		SSL/TLS Certificates	DigiCert (USA), Entrust (USA), Sectigo (USA)	Digital Signature Certificates	DigiCert (USA), eMudhra (India), Entrust (USA), GlobalSign (Belgium)	IoT Device Certificates	DigiCert (USA), Entrust (USA), GlobalSign (Belgium)	<b>Digital Security Solutions</b>		Identity and Access Management	Microsoft (USA), IBM (USA), Ping Identity (USA), Okta (USA), Sailpoint (USA), Ilantus technologies (USA), Saviynt (USA), Thales (France), Broadcom (USA)	<ul style="list-style-type: none"> <li>In terms of global competition, we are the Only Indian player to have the range of capabilities in our space</li> <li>In Trust Services in India, we continue to maintain market leadership</li> <li>Our product suite and trust services position us as a One Stop Shop giving us a unique positioning</li> <li>Our products have several marquee reference customers and featured in many global market research reports</li> <li>Our technology is fully in-house and proprietary allowing us to be flexible and nimble both from a delivery and pricing standpoint</li> <li>Our delivery centers are in Bangalore at lower cost as compared to global players who have a substantially higher cost of delivery</li> </ul>
Type of Service	Global Player															
<b>Digital Trust Services</b>																
SSL/TLS Certificates	DigiCert (USA), Entrust (USA), Sectigo (USA)															
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Key Risk	Impact on the Company		Mitigation																																														
	Public Key Infrastructure	Hardware: Thales (France), HID Global (USA), Keyfactor (USA) Software: Entrust (USA), Nexus Group (Sweden)																																															
	Certificate Discovery	DigiCert (USA), Sectigo (USA), AppViewX (USA), Venafi (USA)																																															
	Cloud Infrastructure	Google (USA), AWS (USA)																																															
	<b>Paperless Transformation Solutions</b>																																																
	Paperless Transformation/ Workflow Solutions	Adobe (USA), OneSpan (USA), DocuSign (USA), Alpha Trust (USA), WISEKey (Switzerland)																																															
<p>In the digital signature certificate/CA market, we are faced with the following competition in Indian markets:</p>																																																	
	<table border="1"> <thead> <tr> <th>Licensed CAs</th> <th>Class 1-3 DSCs</th> <th>eSign</th> <th>SSL and Code Signing Certificates</th> <th>Time Stamping</th> </tr> </thead> <tbody> <tr> <td>eMudhra</td> <td>Yes</td> <td>Yes</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>Safecrypt</td> <td>Yes</td> <td>Yes</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>IDRBT</td> <td>Yes^</td> <td>No</td> <td>Yes^</td> <td>Yes^</td> </tr> <tr> <td>(n)Code Solutions</td> <td>Yes</td> <td>Yes</td> <td>Yes*</td> <td>Yes</td> </tr> <tr> <td>CDAC</td> <td>No</td> <td>Yes</td> <td>No</td> <td>No</td> </tr> <tr> <td>Capricorn</td> <td>Yes</td> <td>Yes</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>NSDL e-Gov</td> <td>No</td> <td>Yes</td> <td>No</td> <td>No</td> </tr> <tr> <td>V Sign (Verasys)</td> <td>Yes</td> <td>Yes</td> <td>No</td> <td>No</td> </tr> </tbody> </table>	Licensed CAs	Class 1-3 DSCs	eSign	SSL and Code Signing Certificates	Time Stamping	eMudhra	Yes	Yes	Yes	Yes	Safecrypt	Yes	Yes	No	Yes	IDRBT	Yes^	No	Yes^	Yes^	(n)Code Solutions	Yes	Yes	Yes*	Yes	CDAC	No	Yes	No	No	Capricorn	Yes	Yes	No	Yes	NSDL e-Gov	No	Yes	No	No	V Sign (Verasys)	Yes	Yes	No	No			
Licensed CAs	Class 1-3 DSCs	eSign	SSL and Code Signing Certificates	Time Stamping																																													
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Key Risk	Impact on the Company	Mitigation																																			
	<table border="1" data-bbox="368 286 1059 685"> <tr> <td>Indian Air Force</td> <td>Yes^</td> <td>Yes^</td> <td>No</td> <td>Yes^</td> </tr> <tr> <td>CSC</td> <td>No</td> <td>Yes</td> <td>No</td> <td>No</td> </tr> <tr> <td>RISL (RajComp)</td> <td>Yes</td> <td>Yes</td> <td>Yes*</td> <td>Yes</td> </tr> <tr> <td>Indian Army</td> <td>Yes^</td> <td>Yes^</td> <td>Yes^</td> <td>Yes^</td> </tr> <tr> <td>ID Sign</td> <td>Yes</td> <td>Yes</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>CDSL Ventures</td> <td>No</td> <td>Yes</td> <td>No</td> <td>No</td> </tr> <tr> <td>Pantasign</td> <td>Yes</td> <td></td> <td>No</td> <td>No</td> </tr> </table> <p data-bbox="368 725 1059 920"> <i>*The Root CA Certificate of India is listed only in Microsoft products (including IE)</i>  <i>** Accredited to all leading browsers like Microsoft, Mozilla and Apple</i>  <i>^ only for private use</i> </p>	Indian Air Force	Yes^	Yes^	No	Yes^	CSC	No	Yes	No	No	RISL (RajComp)	Yes	Yes	Yes*	Yes	Indian Army	Yes^	Yes^	Yes^	Yes^	ID Sign	Yes	Yes	No	Yes	CDSL Ventures	No	Yes	No	No	Pantasign	Yes		No	No	
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Pantasign	Yes		No	No																																	
<b>Technology Risk</b>	<ul data-bbox="368 965 1059 1816" style="list-style-type: none"> <li>eMudhra is heavily dependent on technology for the delivery of services to its customers.</li> <li>eMudhra develops proprietary IP for the delivery of trust services and enterprise solutions and manages <ul data-bbox="456 1160 1059 1308" style="list-style-type: none"> <li>Application Development Lifecycle</li> <li>Product Customization, Maintenance and Upgrades</li> <li>Product Security</li> </ul> </li> <li>The technology delivery also can be broadly categorized into <ul data-bbox="512 1391 1059 1816" style="list-style-type: none"> <li>Delivery of services through eMudhra’s data centers – This includes trust service applications, eSign service and portals for partner, customer management</li> <li>Delivery of services through Cloud hosting providers – This includes eSignature workflow offerings</li> <li>Applications hosted on customer data centers – This includes emSigner, emAS and emCA</li> </ul> </li> </ul> <p data-bbox="408 1861 943 1895">This presents us with the following risks:</p> <ul data-bbox="368 1899 863 2007" style="list-style-type: none"> <li>Technology Obsolescence</li> <li>Talent Risk</li> <li>Risk of using open source software</li> </ul>	<ul data-bbox="1094 965 1410 2085" style="list-style-type: none"> <li>Our technology teams are constantly upgrading the products with release roadmaps planned well in advance</li> <li>Use of open source software is studied with respect to the usage rights and only those software which are usable without redistribution of our source code is used. All other software is distributed only through commercial redistributable licenses</li> <li>Our infrastructure is setup for High Availability and Redundancy and continuously being upgraded in line with recommendations from Board Technology Committee</li> </ul>																																			

Key Risk	Impact on the Company	Mitigation
	<ul style="list-style-type: none"> <li>Physical infrastructure management (in the context of applications hosted and offered by us through a Software as Subscription)</li> <li>Product, Infra security and Cyber Risks</li> </ul>	<ul style="list-style-type: none"> <li>All products and infrastructure undergo regular internal and external VAPT assessments</li> <li>Key members of the technology team are retained through a combination of salary, incentives and ESOPs. For the other members, we have a strong lateral/fresher hiring system combined with adequate training for them to get upto speed quickly</li> </ul>
Legal/Regulatory Risk	<p>eMudhra’s Trust Service and Enterprise Solutions business is reliant on Licenses being obtained from regulators for the issuance of digital signature certificates for individuals/organizations. Ongoing Webtrust accreditation, compliance with CA/Browser Forum requirements and acceptance of our Root Certificate by the Browsers for the continued issuance of SSL certificates.</p> <ul style="list-style-type: none"> <li>Verification, storage and processing of identity data of individuals/organizations and therefore compliance with relevant privacy regulations</li> <li>Acceptance of digital signature certificates by relying parties such as Governments, Banks etc. for authentication, signing and other use cases</li> <li>Signing of contracts with customers with potentially stringent clauses including liability and indemnity</li> </ul> <p>In the above context, eMudhra faces the following legal/regulatory risks:</p> <ul style="list-style-type: none"> <li>Inability to comply with changes in guidelines, audit requirements or maintain its license in India or other geographies</li> <li>Being subject to request for evidence, litigation in case of digital signature mis-use</li> <li>Insufficient regulatory push, adverse changes to Electronic Transactions Act or lack of relying party adoption</li> </ul>	<ul style="list-style-type: none"> <li>Digital Signature acceptance is driven by UNCITRAL Model Law on eSignatures 2000 which has been incorporated into most countries Electronic Transactions Act or Information Technology Act. Thus, the acceptance of technology has been there for &gt; 20 years</li> <li>eMudhra maintains strong document archival/retrieval system coupled with audit trails to be able to respond to information requests in an expedited manner. eMudhra has had clean audits for the last 14 years of operations</li> </ul>

Key Risk	Impact on the Company	Mitigation
	<ul style="list-style-type: none"> <li>• Local data storage requirements for operation of trust services in geographies such as European Union, Indonesia etc.</li> <li>• Inability to comply on an ongoing basis with privacy guidelines such as GDPR</li> <li>• eMudhra is bound by contractual obligations for timely delivery, support, fulfillment of SLA obligations, IP infringement protection, confidentiality and other clauses. Material breach of these clauses typically triggers service credits, liability and indemnity cover that we provide to our customers</li> </ul>	<ul style="list-style-type: none"> <li>• eMudhra continuously maintains various ISO certifications for Information Security, privacy certifications for GDPR and HIPAA</li> <li>• Being an early mover in the space, eMudhra regularly conducts/participates in global bodies that drive digital signature adoption. eMudhra works with global regulators to build awareness and use cases for technology adoption</li> <li>• Generally, in our agreements, we limit our liabilities to actual damages only and indemnity cap of previous 12 months fee received from the client. The only exclusions include IP infringement, confidentiality, gross negligence and willful misconduct</li> </ul>
Operations Risk	<p>eMudhra’s operations are broadly split into the following areas:</p> <ul style="list-style-type: none"> <li>• Identity Verification or Validation Operations</li> <li>• Customer Support</li> <li>• IT Operations</li> </ul> <p>In the above context, eMudhra faces the following risks:</p> <ul style="list-style-type: none"> <li>• In terms of identity verification, eMudhra is responsible for following appropriate guidelines for identity verification for issuance of digital signature certificates. Incorrect interpretation of guidelines or inaccurate vetting could result in potential audit violations</li> </ul>	<ul style="list-style-type: none"> <li>• Identity verification personnel form part of a Trusted Personnel List who undergo onboarding training, skill assessment and periodic reassessment to ensure they are fully aware of guidelines</li> <li>• In terms of customer support, eMudhra</li> </ul>

Key Risk	Impact on the Company	Mitigation
	<ul style="list-style-type: none"> <li>In terms of customer support, eMudhra deals with a large set of retail customers and partners for trust services business and supporting them requires a dedicated team of experts. Continuous poor experience in delivering support could result in brand and reputation risk and risk of renewal</li> <li>eMudhra also deals with several large and mid-size Enterprise customers who demand timely delivery and support for products supplied. Poor support experience could result in reputation risk</li> <li>eMudhra runs internal IT Operations teams for managing user infrastructure, source code systems, secure network connections etc. Improper management could result in service disruptions that affects our ability to deliver services effectively to our clients</li> </ul>	<p>has a strong training program to ensure customer support agents for both trust service/enterprise solutions are adequately trained and are able to support customers effectively. This is further enhanced to quality and audit initiatives to assess and recalibrate support effectiveness and resolution.</p> <ul style="list-style-type: none"> <li>eMudhra maintains redundancy/backups for critical internal systems ensuring minimal service disruption for internal IT systems</li> </ul>
Financial and Compliance Risk	<p>The following financial risks could typically affect eMudhra’s ability to maintain profitability and cash flows</p> <ul style="list-style-type: none"> <li>Receivables Risk, eMudhra provides credit period to its partners and customers for sale of its products. These are unsecured credit and typically based on history of association of customer with eMudhra.</li> <li>eMudhra also deals with certain sectors in certain countries across emerging markets which may be considered risky from a payment recoverability standpoint</li> <li>Any non-recoverability of amounts could result in provisioning in P/L and consequent reduction in profitability and cash flows</li> <li>Foreign Exchange risk, eMudhra derives 19.1% of its FY 22 revenues from international operations where realization happens in USD, EUR, AED and other currencies. Adverse movements in currencies as compared to INR could result lower</li> </ul>	<ul style="list-style-type: none"> <li>eMudhra follows a robust mechanism for collection of receivables and extends credit only to trust worthy parties or parties with whom eMudhra has a history of association.</li> <li>eMudhra regularly transfer prices foreign exchange collections and brings the money to India to minimize the impact of currency movements from time of receipt</li> <li>With the IPO net proceeds, eMudhra</li> </ul>

Key Risk	Impact on the Company	Mitigation
	<p>realization in INR where substantial costs are incurred</p> <ul style="list-style-type: none"> <li>Leverage risk, eMudhra has been borrowing term loans, working capital loans on an ongoing basis to fund construction of its office campus, working capital gap. Any reduction in profitability, inability to meet covenants could trigger loan recall</li> </ul> <p>The following financial risks could typically affect eMudhra’s ability to maintain profitability and cash flows</p> <ul style="list-style-type: none"> <li>Compliance Risk, as a public company, eMudhra is subject to various laws and guidelines such as SEBI guidelines, Income Tax Act, Companies Act, FEMA guidelines etc. which involve several monthly, quarterly and annual compliance and reporting. Lack of timely compliance could involve penalties, tax notices etc.</li> </ul>	<p>will repay its borrowings in full essentially making eMudhra a debt free company</p> <ul style="list-style-type: none"> <li>eMudhra has a strong compliance team with oversight through secretarial audit, internal audit, external audit and committees of the Board for supervisory duty</li> </ul>
Human Resource Risk	<p>Being a technology focussed company, eMudhra is dependent heavily on its people for:</p> <ul style="list-style-type: none"> <li>Building innovative products</li> <li>Delivering these products as services or solutions to its customers</li> <li>Supporting them</li> <li>Like other IT companies, eMudhra faces the risk of continuously being able to attract and retain talent and cost pressures as a result of high compensation hikes</li> </ul>	<ul style="list-style-type: none"> <li>eMudhra’s key employees at management level, 2<sup>nd</sup> and 3<sup>rd</sup> level from Chairman are incentivized through a combination of healthy salary, bonus and ESOP and a conducive working environment creating a high level of stickiness</li> <li>As a player operating in a niche but growing space, eMudhra provides a strong career path for those associated with the company</li> <li>eMudhra maintains a robust fresher hiring and training program helping us mitigate effects of employees leaving the company</li> </ul>



Key Risk	Impact on the Company	Mitigation
		<ul style="list-style-type: none"> <li>eMudhra also continues to invest in automation of various processes through tools reducing the dependence on manpower for certain processes to a significant extent</li> </ul>

## XII. Internal Financial Control Systems and their Adequacy

eMudhra Limited has aligned its current systems of internal financial control with the requirement of Companies Act 2013. The Internal Control – Integrated Framework (the 2013 framework) is intended to increase transparency and accountability in an organization’s process of designing and implementing a system of internal control. The framework requires a company to identify and analyze risks and manage appropriate responses. The company has successfully laid down the framework and ensured its effectiveness. Our internal controls are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance with corporate policies. eMudhra has a well-defined delegation of power with authority limits for approving contracts as well as expenditure. Processes for formulating and reviewing annual and long-term business plans have been laid down. eMudhra uses centralized Tally. ERP to record data for accounting, consolidation and management information purposes.

eMudhra’s management assessed the effectiveness of the company’s internal control over financial reporting (as defined in Regulation 17 of SEBI LODR Regulations 2015) as of March 31, 2022. Manohar Chowdhary and Associates, the statutory auditors of eMudhra have audited the financial statements included in this annual report and have issued an attestation report on the company’s internal control over financial reporting (as defined in section 143 of Companies Act 2013).

We have appointed Suri and Co. to carry out internal audit of its activities. The audit is based on an internal audit plan, which is reviewed each year in consultation with the statutory auditors and approved by the audit committee. In line with this, the conduct of internal audit is oriented towards the review of internal controls and risks in the company’s operations such as software delivery, accounting and finance, procurement, employee engagement, travel and insurance.

eMudhra also undergoes periodic audit by specialized third party consultants and professionals for business specific compliances such as quality management, service management, information security, etc.

The audit committee reviews reports submitted by the management and audit reports submitted by internal auditors and statutory auditors. Suggestions for improvement are considered and the audit committee follows up on corrective action. The audit committee also meets the statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the board of directors informed of its major observations periodically.

Based on its evaluation (as defined in section 177 of Companies Act 2013 and Regulation 18 of SEBI LODR Regulations 2015), the audit committee has concluded that, as of March 31, 2022, the company's internal financial controls were adequate and operating effectively.

### **XIII. Conclusion**

eMudhra continuously evaluates risks applicable to its business on an ongoing basis and takes corrective measures to mitigate the effect of such risks. At a high level, the key focus of the company from a de-risking standpoint would be on:

- Product Innovation
- Geographical Diversification
- Segment Diversification
- Strong Financial/Operational MIS with highlight on exceptions on a real time basis
- Compliance Management
- Talent acquisition and retention through Strong HR/Recruitment program



# CORPORATE GOVERNANCE

# Corporate Governance Report

## I. Brief Statement on Company's Philosophy on Code of Corporate Governance

Company's philosophy on Corporate Governance is to create and conduct sustainable growth in business with highest standards of integrity, transparency and accountability to maximize stakeholders' value while duly complying with all applicable laws and regulations. Company firmly believes that Corporate Governance is critical to success of its business and its governance practices are reflected in its strategy, plan, culture, policies and relationship with stakeholders.

## II. Board of Directors

The Board of Directors of the Company as on March 31, 2021, comprised of six (6) Directors with optimum combination of Executive and Non-Executive Directors i.e., two Executive Directors and four Non-Executive Independent Directors including one-woman Director and each of them are professionals in their respective areas of specialization and have held eminent positions. The Board Members are not related to each other, and the number of Directorships/Committee memberships held by Executive and Non- Executive Independent Directors are within the permissible limits under SEBI (LODR), Regulations, 2015 and Companies Act, 2013.

### (a) Composition of Board of Directors

The composition and category of Directors as on March 31, 2022:

Sl. No.	Name of the Director	Category	Number of other Directorships held in other public companies	Number of Committee membership held in other public companies (limited to only Audit and Stakeholders' Relationship Committees)		No and % of Equity Shares held in the Company (%)
				As Chairperson	As Member	
1	Venkatraman Srinivasan	Executive Chairman	2	Nil	Nil	3,04,11,800 (43.33%)
2	Nandlal Sarda	Non-Executive Independent Director	1	Nil	Nil	Nil
3	Manoj Kunkalienkar	Non-Executive Independent Director	Nil	Nil	Nil	Nil
4	Chandra Iyer*	Non-Executive Independent Director	2	1	Nil	Nil
5	Chandrasekar Padmanabhan**	Non-Executive Independent Director	Nil	Nil	Nil	Nil
6	Venu Madhava	Whole-Time Director	2	Nil	Nil	Nil

\*Appointed with effect from August 13, 2021

\*\*Appointed with effect from November 03, 2021



**Directorship in other listed entities as on March 31, 2022:**

Sl. No.	Name of the Director	Directorship in other listed entities	Category of Directorship
1	Venkatraman Srinivasan	Nil	NA
2	Nandlal Sarda	1	NA
3	Manoj Kunkalienkar	Nil	NA
4	Chandra Iyer	Nil	NA
5	Chandrasekar Padmanabhan	Nil	NA
6	Venu Madhava	Nil	NA

During the financial year 2021-22, nine (9) meetings of the Board were held and the gap between two meetings did not exceed one hundred and twenty days. The Board Meetings are pre-scheduled, and adequate notice is given for the Board Meetings.

These Board Meetings were held on April 02, 2021; May 21, 2021; July 16, 2021; August 13, 2021; September 16, 2021; October 14, 2021; November 03, 2021; November 12, 2021; February 23, 2022; March 18, 2022 and March 25, 2022. The necessary quorum was present for all the meetings.

**(b) Core Skills/Expertise/Competencies of the Board of Directors**

The Directors of the Company bring with them a wide range of skills and experience to the Board, which enhances the quality of the Board's decision-making process. The following are the core skills, expertise and competencies for effective functioning of the Board which are currently available with all the Directors of the Company:

- (i) Interpersonal skills and personal qualities/values;
- (ii) Information Technology business & Industry knowledge;
- (iii) Legal, regulatory and financial knowhow;
- (iv) Strategic and analytical mindset; and
- (v) Leadership, Management & Governance skills.

**(c) Attendance of Directors at the Board Meetings and Annual General Meeting (AGM) held during the financial year 2021-22:**

Name of the Director	Board Meetings entitled to attend	Board Meetings attended	Whether present at AGM held on July 22, 2021
Venkatraman Srinivasan	9	9	Yes
Nandlal Sarda	9	9	Yes
Manoj Kunkalienkar	9	9	Yes
Chandra Iyer*	6	6	No
Chandrasekar Padmanabhan**	5	5	No
Venu Madhava	9	9	Yes

\*Appointed with effect from August 13, 2021

\*\*Appointed with effect from November 03, 2021



(d) **Independent Directors**

The Board is of the opinion that the Independent Directors fulfil the conditions specified in the Companies Act, 2013 and SEBI (LODR), Regulations, 2015 and that they are independent of the management.

During the financial year 2021-22, one (1) meeting of the Independent Directors was held on May 21, 2021, inter alia to review the following and the meeting was attended by all the Independent Directors:

- (i) Review performance of non-independent directors and the Board of Directors as a whole;
- (ii) Review performance of the Chairperson of the Company;
- (iii) Assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board of Directors that is necessary for the Board to effectively and reasonably perform its duties.

No Independent Director has resigned during the financial year 2021-22

(e) **Executive Chairman/CFO Certification**

As required under Regulation 17 (8) of SEBI (LODR) Regulations, Executive Chairman/CFO have certified to the Board that the Financial Statements for the financial year ended March 31, 2022 do not contain any untrue statements and that these statements represent a true and fair view of the Company's affairs and other matters as specified thereunder. Copy of the Certificate is attached to this report.

(f) **Code of conduct for Directors and Senior Management**

The Company has adopted a Code of Conduct for the Board of Directors and Senior Management Personnel to ensure that the business of the Company is conducted with the highest standards of ethics and values in accordance with the applicable laws, regulations and rules and is critical to the success of the Company. The Code is available on the Company's website at <https://emudhra.com/investors.jsp#policies>.

All the Board Members and Senior Management Personnel have affirmed compliance with the Code. A declaration signed by the Executive Chairman/CFO to this effect is enclosed as part of **Annexure I** to this Report.

### III. **Audit Committee**

(a) **Terms of Reference**

The Audit Committee has inter alia the following mandate:

1. Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;
3. Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;
4. Examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

- i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;
  - iii. Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
  - iv. Significant adjustments made in the financial statements arising out of audit findings;
  - v. Compliance with listing and other legal requirements relating to financial statements;
  - vi. Disclosure of any related party transactions; and
  - vii. Qualifications / modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly, half yearly and annual financial statements before submission to the board for approval;
  6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the issue document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  8. Formulating a policy on related party transactions, which shall include materiality of related party transactions;
  9. Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
  10. Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
  11. Scrutiny of inter-corporate loans and investments;
  12. Undertaking or supervising valuation of undertakings or assets of the company, wherever it is necessary;
  13. Evaluation of internal financial controls and risk management systems;
  14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  15. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  16. Discussion with internal auditors of any significant findings and follow up thereon;
  17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

18. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
20. Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
21. Reviewing the functioning of the whistle blower mechanism;
22. Monitoring the end use of funds raised through public offers and related matter;
23. Approval of the appointment of the Chief Financial Officer of the Company (“CFO”) (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;
24. Carrying out any other functions as provided under the provisions of the Companies Act, the SEBI Listing Regulations and other applicable laws;
25. To formulate, review and make recommendations to the Board to amend the Terms of Reference of Audit Committee from time to time;
26. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
27. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
28. Reviewing the utilization of loans and/or advances/investment by Company in the subsidiaries exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments as may be applicable;
29. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc. on the Company and its shareholders and;
30. Carrying out any other functions as may be required/mandated and/or delegated by the Board as per the provisions of the Companies Act, 2013, SEBI Listing Regulations, uniform listing agreements and/or any other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties.

(b) **Number of Meetings:** During the financial year 2021-22, three (3) meetings were held i.e., on May 21, 2021, October 14, 2021 and March 18, 2022.

(c) **Composition of the Committee and Meetings attended by each member:**

Name of the Member	Category	Position	Meetings	
			Held	Attended
Manoj Kunkalienkar	Non-Executive Independent Director	Chairperson	3	3
V Srinivasan	Executive Chairman	Member	3	3
Nandlal Sarda	Non-Executive Independent Director	Member	3	3

#### IV. Nomination, Remuneration and Board Governance Committee

##### (a) Terms of Reference

The Nomination, Remuneration and Board Governance Committee has inter alia the following mandate:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

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

- (i) The level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
  - (ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (iii) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short-and long-term performance objectives appropriate to the working of the Company and its goals.
- (b) Formulation of criteria for evaluation of performance of independent directors and the Board;
  - (c) Devising a policy on Board diversity;
  - (d) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
  - (e) Analyzing, monitoring and reviewing various human resource and compensation matters, including the compensation strategy;
  - (f) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
  - (g) Recommending the remuneration, in whatever form, payable to non-executive directors and the senior management personnel and other staff (as deemed necessary);
  - (h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
  - (i) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
  - (j) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (k) Administering the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("**ESOP Scheme**") including the following:
    - i. Determining the eligibility of employees to participate under the ESOP Scheme;
    - ii. Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;
    - iii. Date of grant;
    - iv. Determining the exercise price of the option under the ESOP Scheme;

- v. The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
  - vi. The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
  - vii. The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
  - viii. The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
  - ix. Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;
  - x. The grant, vest and exercise of option in case of employees who are on long leave;
  - xi. Allow exercise of unvested options on such terms and conditions as it may deem fit;
  - xii. The procedure for cashless exercise of options;
  - xiii. Forfeiture/cancellation of options granted;
  - xiv. Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard the following shall be taken into consideration:
    - The number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
    - For this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.
- (l) Construing and interpreting the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan (“ESOP Scheme”) and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;
- (m) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
- a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
  - b. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended, by the Company and its employees, as applicable;
- (n) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee;
- (o) For every appointment of an independent director, evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. Ensure that the person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may: i) use the services of external agencies, if required; ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and iii) consider the time commitments of the candidates; and
- (p) Such terms of reference as may be prescribed under the Companies Act, SEBI Listing Regulations or other applicable laws or by any other regulatory authority.
- (b) **Number of Meetings:** During the financial year 2021-22, Four (4) meetings were held i.e., on May 21, 2021, August 13, 2021, October 14, 2021 and November 03, 2021.



(c) **Composition of the Committee and Meetings attended by each member:**

Name of the Member	Category	Position	Meetings	
			Held	Attended
Nandlal Sarda	Independent Director	Chairperson	4	4
Manoj Kunkalienkar	Independent Director	Member	4	4
Chandra Iyer	Independent Director	Member	4	4

**V. Remuneration to Directors:**

(a) **Criteria of making payments to Non-Executive Directors**

Non-Executive Directors are paid sitting fees for attending the Meetings of the Board and of Committees of which they are members at the rate of 50,000/- (Rupees Fifty Thousand Only) per Board meeting, 25,000/- (Rupees Twenty Five Thousand Only) per Committee Meeting and commission based on their performance provided, however that the aggregate remuneration including commission other than sitting fee, so paid to such Directors in a financial year shall not exceed 1% of the net profits of the Company.

(b) **Criteria of making payments to Executive Directors**

The Executive Directors are paid as per the remuneration approved by the Shareholders at the time of their appointment which are in line with the statutory requirements and Company's policies. The revision in remuneration, if any is recommended by the Nomination Remuneration and Board Governance Committee to the Board for its consideration by taking into account their individual performance and as well as performance of the Company in a given year. Perquisites, performance linked incentives and retirement benefits are paid in accordance with the Company's compensation policies, as applicable to all employees, which also details criteria for such payments. As per the current terms of their appointment, none of the Executive Directors are entitled to commission on the net profits of the Company.

(c) **Details of Remuneration paid to directors for the financial year 2021-22**

Name of the Director	Salary & Perquisites (In Rs. million)	Sitting Fees & Commission (In Rs. million)	Shares Issued under ESOPs	Details of Service Contracts, Notice Period & Severance fees
Venkatraman Srinivasan	4.87	-	-	*
Nandla Sarda	-	1.76	-	-
Manoj Kunkalienkar	-	1.76	-	-
Chandra Iyer	-	0.38	-	-
Chandrasekar Padmanabhan	-	0.25	-	-
Venu Madhava	4.68	-	3,00,000	**

\* Appointed as Executive Chairman for period of 5 years with effect from November 03, 2021. Not drawing any remuneration from the Company but continue to draw remuneration from eMudhra DMCC, subsidiary company within range of AED 20,000 to AED 40,000 per month. Further accommodation and transport is provided by the company. The notice period would be Three (3) months in writing and in case Company terminates, such termination has to be approved by shareholders in general meeting.

\*\* Re-appointed as Whole-Time Director for a period of 3 years with effect from April 01, 2020 for the remuneration within the range 45,00,000 to 75,00,000 per annum. The notice period would be one month in writing.

## VI. Stakeholders Relationship Committee

### (a) Terms of Reference

The Stakeholders Relationship Committee has inter alia the following mandate:

1. Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc., and assisting with quarterly reporting of such complaints;
2. Reviewing of measures taken for effective exercise of voting rights by the shareholders;
3. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
4. Giving effect to all transfer/transmission of shares and debentures, dematerialization of and re-materialization to shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements, related debentures and other securities from time to time;
5. Reviewing the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
6. Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services;
7. Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

**(b) Number of Meetings:** The Committee was constituted on October 14, 2021 and during the financial year 2021-22, no meeting was held as the Company got listed only on June 01, 2022.

### (c) Composition of the Committee and Meetings attended by each member:

Name of the Member	Category	Position	Meetings	
			Held	Attended
Manoj Kunkalienkar	Independent Director	Chairperson	0	0
V Srinivasan	Executive Chairman	Member	0	0
Chandra Iyer	Independent Director	Member	0	0

**(d) Name and Designation of Compliance Officer:** Mr. Johnson Xavier, Company Secretary & Compliance Officer

## VII. Corporate Social Responsibility Committee

### (a) Terms of Reference

The Corporate Social Responsibility Committee has inter alia the following mandate:

1. To formulate and recommend to the board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board;
2. To Identify corporate social responsibility policy partners and corporate social responsibility policy programs;
3. To recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programs undertaken by the Company;
4. To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
5. To review and monitor the implementation of corporate social responsibility programs and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programs; and
6. To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act.

(b) **Number of Meetings:** During the financial year 2021-22, two (2) meetings were held i.e., on May 21, 2021 and September 16, 2021.

### (c) Composition of the Committee and Meetings attended by each member:

Name of the Member	Category	Position	Meetings	
			Held	Attended
Chandra Iyer	Independent Director	Chairperson	2	2
V Srinivasan	Executive Chairman	Member	2	2
Nandlal Sarda	Independent Director	Member	2	2

## VIII. Technology Committee

### a. Terms of Reference

Technology Committee has been set up to analyze the overall role of technology in executing the business strategy of the Company and also for the management and administration of the specific technical matters of the Company.

(b) **Number of Meetings:** During the financial year 2021-2022, three(3) meetings were held i.e., on May 28, 2021, July 16, 2021 and December 15, 2021

### c. Composition of the Committee and Meetings attended by each member:

Name of the Member	Category	Position	Meetings	
			Held	Attended
N L Sarda	Independent Director	Chairperson	3	3
Manoj Kunkalienkar	Independent Director	Member	3	3
V Srinivasan	Executive Chairman	Member	3	3
Kaushik Srinivasan	Sr. VP – Product Delivery	Member	3	3
Vijay Kumar	Sr. VP – Technology	Member	3	3

## IX. Management Committee

### (a) Terms of Reference

The Management Committee has inter alia the following mandate:

To exercise all powers for the management and administration of the company in all matters of the Company except those matters which require specific approval of the Board of Directors or any Committee thereof or Members of the Company as per the applicable provisions of the Companies Act, 2013 (erstwhile Companies Act, 1956).

Without limiting the generality of the foregoing powers, following powers are specifically granted to the Management Committee:

1. Decisions in respect of all day to day business related matters including:
  - a. Purchase
  - b. Sales
  - c. Capital Expenditure
  - d. Employee recruitment, confirmation and cessation
2. Opening of Bank Accounts
  - a. Savings Accounts
  - b. Current Accounts
  - c. Fixed Deposit Accounts
  - d. Any other accounts
3. Closing of Bank Accounts
4. Delegation of Authority to various employees and outsiders

**(b) Number of Meetings:** During the financial year 2021-22, Six (6) meetings were held i.e., on April 07, 2021, May 31, 2021, July 05, 2021, September 22, 2021, January 19, 2022 and March 09, 2022.

**(c) Composition of the Committee and Meetings attended by each member:**

Name of the Member	Category	Position	Meetings	
			Held	Attended
V Srinivasan	Executive Chairman	Chairperson	6	6
Venu Madhava	Whole-Time Director	Member	6	6
Saji K Louiz	Chief Financial Officer	Member	6	6

## X. Risk Management Committee

### a. Terms of Reference

The Risk Management Committee has inter alia the following mandate:

1. To assist the Board in fulfilling its responsibilities with regard to the identification, evaluation and mitigation of strategic, operational, and external environment risks.
2. Formulating, monitoring and overseeing the risk management plan and policy of the Company
3. Review the Cyber Security Functions of the Company on regular intervals
4. Approve/recommend to the Board for its approval/review of the policies, risk assessment models, strategies and associated frameworks for the management of risk
5. To perform such other duties and functions as the Board may require or as may be prescribed by applicable law, from time to time

**b. Number of Meetings:** The Committee was constituted on October 14, 2021 and during the financial year 2021-2022, no meetings were held as the Company got listed only on June 01, 2022.

**c. Composition of the Committee and Meetings attended by each member:**

Name of the Member	Category	Position	Meetings	
			Held	Attended
V Srinivasan	Executive Chairman	Chairperson	0	0
Chandra Iyer	Independent Director	Member	0	0
Saji K Louiz	Chief Financial Officer	Member	0	0

## XI. General Body Meetings

The Annual General Meetings of the Company were held in the registered office of the Company. Details of last three AGMs held are as below:

Financial Year	Date	Time (IST)
2018-2019	July 22, 2019	11:00 a.m.
2019-2020	July 22, 2020	11:00 a.m.
2020-2021	July 22, 2021	11:00 a.m.

The Extra-Ordinary General Meetings of the Company were held in the registered office of the Company. Details of the meetings held during the financial year 2021-2022 are as below:

Meeting	Date	Time (IST)
EGM	October 26, 2021	11:00 a.m.
EGM	November 05, 2021	03:00 p.m.

## XII. Means of Communication

**a. Website**

The Company maintains an active website at <https://emudhra.com/investors.jsp> wherein all the information relevant for the Shareholders are displayed.

**b. Annual Report**

Annual Report containing audited standalone and consolidated financial statements together with Board's Report, Auditors' Report and other reports/information are circulated to members entitled there to and is also made available on the Company Website at <https://emudhra.com/investors.jsp>.

## XIII. Other Disclosures

### Vigil Mechanism/Whistle-Blower Policy

The Company has adopted a Whistle Blower Policy and has established necessary Vigil Mechanism as required under Regulation 22 of the SEBI (LODR) Regulations, the details of which have been provided in the Board's Report. The Company affirms that no personnel has been denied access to the Audit Committee.

### Details of compliance with mandatory requirements and adoption of the non-mandatory requirements in the Board's Report.

The Company has complied with all the applicable mandatory requirements of SEBI (LODR) Regulations.

### Weblink for Policy on determination of Material Subsidiary and Policy on Related Party Transactions

Both the policies can be accessed at <https://emudhra.com/investors.jsp#policies>.

### Certificate from Practicing Company Secretary on Non-Disqualification of Directors

The Company has obtained a certificate from a Practicing Company Secretary that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the



SEBI/Ministry of Corporate Affairs or any such statutory authority in accordance with SEBI (LODR) Regulations. Copy of the Certificate is attached as **Annexure II**.

#### Recommendation of Committees

During the financial year ended March 31, 2022, the Board of Directors of the Company had accepted recommendation of all the committees of the Board, which were mandatorily required.

#### Auditors' Remuneration

The details of total fees for all services paid by the Company during FY 2021-22, to the Statutory Auditors are as follows:

Particulars	Amount (in Rs. million)
Payment to Statutory Audit fees (including out of pocket expenses)	0.70
Certification fees	0.16
<b>Total</b>	<b>0.86</b>

#### (i) Disclosures as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place a gender neutral Anti-Sexual Harassment Policy at workplace which is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the applicable rules, the details of which have been provided in the Board's Report.

Details of sexual harassment complaints received:

- (i) No. of complaints received during financial year 2021-22: NIL
- (ii) No. of complaints disposed of during financial year 2021-22: NA
- (iii) No. of complaints pending as on end of the financial year 2021-22: NA

#### **XIV. Non-compliance of Regulations relating to Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, if any**

The Company is fully compliant with SEBI (LODR) Regulations and there are no such non-compliances to report.

#### **XV. Discretionary Requirements**

The Company has adopted the following discretionary requirements as provided in the SEBI (LODR) Regulations:

##### **(a) Modified opinion(s) in Audit Report**

The Company is in the regime of unmodified opinions on financial statements and that the Auditors of the Company have issued Audit Reports with unmodified opinion on the standalone and consolidated financial statements for the financial year ended March 31, 2022.

##### **(b) Reporting of Internal Auditor**

The Internal Auditors of the Company report directly to the Audit Committee and are invited to be present as invitees at the Audit Committee meetings.

#### **XVI. Disclosures with respect to Demat Suspense Account/Unclaimed Suspense Account**

The Company does not have any unclaimed shares and hence the disclosure pursuant to SEBI (LODR) Regulations are not applicable.

#### **XVII. Compliance**

The Company is in compliance with all the mandatory requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR), Regulations, 2015 as applicable with regards to Corporate Governance.

The Company has obtained a certificate from a Practicing Company Secretary on compliance of conditions of Corporate Governance as stipulated in SEBI (LODR) Regulations. Copy of the Certificate is attached to the Board's Report.

## ANNEXURE TO CG REPORT

### EXECUTIVE CHAIRMAN/CFO CERTIFICATION

June 11, 2022

The Board of Directors

eMudhra Limited

Bangalore

We, V Srinivasan, Executive Chairman and Saji K Louiz, Chief Financial Officer of eMudhra Limited to the best of our knowledge and belief, certify that:

(a) We have reviewed the financial statements and the cash flow statement for the quarter and financial year ended March 31, 2022 and confirm that:

- (i) These financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These financial statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations;

(b) There is, to the best of our knowledge and belief, no transaction entered into by the Company during the quarter and financial year ended March 31, 2022, which is fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining Internal Controls for financial reporting and that we have evaluated the effectiveness of Internal Control Systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such Internal Controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the Auditors and the Audit committee that for the quarter and financial year ended March 31, 2022, there were:

- (i) No significant changes in Internal Control over financial reporting;
- (ii) No significant changes in accounting policies and that the same have been disclosed in the notes to the financial statement; and
- (iii) No instances of significant fraud of which we have become aware and there has been no involvement therein of the management or an employee having a significant role in the Company's Internal Control System over financial reporting.

We further declare that all the Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct in respect of the financial year ended March 31, 2022.

Sd:- V Srinivasan  
Executive Chairman

Sd:- Saji K Louiz  
Chief Financial Officer

**S. P. NAGARAJAN** M.Com., A.C.S., L.L.B.  
Company Secretary in Whole time Practice

S-818, Eighth Floor,  
South Block - Manipal Centre,  
47, Dickenson Road,  
Bangalore - 560 042  
Telefax: 080- 41136320, 41141544  
Mobile: 98453 84585  
Email: [cs@nagarajsp818.com](mailto:cs@nagarajsp818.com)  
[www.spncs818.com](http://www.spncs818.com)

### Compliance Certificate on Corporate Governance

To,  
The Members,  
**EMUDHRA LIMITED**  
No.56, 3rd Floor, Sai Arcade,  
Outer Ring Road, Devarabeesanahalli  
Bangalore - 560103

I have examined the compliance of the conditions of Corporate Governance by eMudhra Limited ('the Company') for the financial year ended on 31 March 2022 as stipulated under the provisions of Companies Act, 2013 and of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V) and amendments thereof.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance.

I have examined the books of account and other relevant records maintained by the Company for the purpose of providing limited assurance on the compliance with Corporate Governance requirements by the Company. My examination was carried out in accordance with the Guidance Note on certification of Corporate Governance (as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), issued by The Institute of Company Secretaries of India (ICSI) and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliances of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. Further, this Certificate is also required to be annexed with the Directors' Report of the Company which forms part of the Annual Report as required under para E of Schedule V of the Listing Regulations.

I have verified the conditions of Corporate Governance to the extent possible since as at the end of the Financial Year 2021-2022, the Company was an unlisted public company and was in the process of listing through Initial Public Offer (IPO). The Company has been listed with Stock Exchanges with effect from 1st June 2022.

Thus, my examination and assurance with regard to compliance of the conditions of Corporate Governance is limited to the extent below:

- (a) Composition of the Board of Directors;
- (b) Code of conduct for all members of the Board of Directors and Senior Management;
- (c) Adoption of Succession Plan for appointment to the Board of Directors and Senior Management;
- (d) Evaluation of the performance of Independent Directors based upon the minutes shared with us;

**S. P. NAGARAJAN**  
Company Secretary

Contd...

- (e) Maximum number of directorships of all directors of the company in other listed entities;
- (f) Composition of the Audit Committee;
- (g) Composition of the Nomination and Remuneration Committee;
- (h) Composition of Stakeholders Relationship Committee;
- (i) Formulation of Vigil Mechanism;
- (j) Formulation of Policy on materiality of Related Party Transactions and on dealing with related party transactions;
- (k) Formulation of policy for determining material subsidiary and consequent appointment of one Independent Director on the board of its one material subsidiary;
- (l) Maximum number of memberships and chairmanship in Audit and Stakeholders' Relationship committees in all public limited companies whether listed or not; and
- (m) Website disclosures.

Further, my examination of records did not include verification of the compliances of condition of Corporate Governance with respect to periodic filing of returns, reports, documents and other information with the stock exchanges, compliances which are based on market capitalization and other compliances which are triggered on some material events since the Company was not required to comply with the SEBI Listing Regulations.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us, I hereby certify that the Company to the extent possible has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on 31st March 2022.

I further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

The Corporate Governance Certificate shall be read in the context of the fact that the Company was unlisted through the Financial Year 2021-2022 and this certificate is furnished as on even date when the Company is listed and is required to comply with SEBI Listing Regulations and the circulars/ guidelines issued thereunder (including any amendments, modifications or re-enactments thereof for the time being in force).

This Certificate is to be read with my letter of even date which is annexed as "**Annexure A**" and forms an integral part of this report.



**S. P. NAGARAJAN**  
Company Secretary

Contd...

<b>Place: Bangalore</b>	<b>Signature : Sd/-</b> <b>Name of the Company Secretary: S.P.NAGARAJAN</b>
<b>Date: 11/06/2022</b>	<b>ACS Number : 10028</b> <b>CP Number : 4738</b> <b>UDIN : A010028D000485470</b>
<b>Peer reviewed Unit - bearing Unique Identification Number: I2002KR300400</b>	

Note: As per the guidance issued by the Institute of Company Secretaries of India (ICSI) for carrying out professional assignments, the Compliance Certificate on Corporate Governance was conducted by using appropriate Information Technology tools by virtual data sharing to access and examine relevant documents for completion of the audit.

**S. P. NAGARAJAN** M.Com., A.C.S., L.L.B.  
Company Secretary in Whole time Practice

S-818, Eighth Floor,  
South Block - Manipal Centre,  
47, Dickenson Road,  
Bangalore - 560 042  
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[www.spncs818.com](http://www.spncs818.com)

#### Annexure - A

To,  
The Members of **EMUDHRA LIMITED**

My Certificate of even date is to be read along with this letter.

1. Compliance of conditions of Corporate Governance is the responsibility of the management of the Company. My responsibility is to express an opinion on these compliances.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in records. I believe that the processes and practices I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. I have carried out the examination of documents, registers, forms, etc., that were made available to me by the Company through electronic medium. Further, wherever possible I have also taken confirmations from the Company.
5. My Certificate is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd:/- **S.P. NAGARAJAN**

ACS:10028  
CP: 4738  
Place: Bengaluru  
Date: June 11, 2022

**S.P. Nagarajan M.Com., A.C.S., L.L.B.**  
Company Secretary in Whole time Practice

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**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(Pursuant to Regulation 34(3) of Clause 10(i) of Part C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015**

To,  
The Members,  
**EMUDHRA LIMITED**  
No.56, 3rd Floor, Sai Arcade,  
Outer Ring Road, Devarabeesanahalli  
Bangalore - 560103

CIN: U72900KA2008PLC060368  
Authorized Capital: Rs. 86,50,00,000/-

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **EMUDHRA LIMITED** (hereinafter referred to as 'the Company'), a Company incorporated under the Companies Act, 1956 vide Corporate Identity Number (CIN) U72900KA2008PLC060368 and having its Registered Office at No.56, 3rd Floor, Sai Arcade, Outer Ring Road, Devarabeesanahalli, Bangalore - 560103, produced before me for issuance of this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the MCA portal - [www.mca.gov.in](http://www.mca.gov.in)) and on the basis of the written representation/declaration received from the directors to be taken on record by the Board of Directors and explanations furnished to me by the Company & its officers, I, hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Ministry of Corporate Affairs or any such other Statutory Authority.

**S.P. NAGARAJAN**  
Company Secretary

Contd...

SL. NO.	DIN	NAME	DESIGNATION	DATE OF APPOINTMENT
1.	00019200	MANOJ PUNDALIK KUNKALIENKAR	Director	23/03/2015
2.	00147782	NANDLAL LAXMINARAYAN SARD	Independent Director	19/06/2018
3.	00503673	CHANDRASEKAR PADMANABHAN	Independent Director	03/11/2021
4.	00640646	VENKATRAMAN SRINIVASAN	Executive Chairman	16/06/2008
5.	06748204	VENU MADHAVA	Wholetime Director	10/01/2014
6.	08111743	CHANDRA LAKSHMINARAYAN IYER	Independent Director	13/08/2021

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

It may be noted that at the end of the Financial Year 2021-2022, the Company was an unlisted public company and was in the process of listing through Initial Public Offer (IPO). The Company has been listed with Stock Exchanges with effect from 1st June 2022.

The Certificate of Non-Disqualification of Directors shall be read in the context of the fact that the Company was unlisted through the Financial Year 2021-2022 and this certificate is furnished as on even date when the Company is listed and is required to comply with SEBI Listing Regulations and the circulars/ guidelines issued thereunder (including any amendments, modifications or re-enactments thereof for the time being in force).

<b>Place: Bangalore</b>	<b>Signature : Sd/-</b>  <b>Name of the Company Secretary: S.P.NAGARAJAN</b>
<b>Date: 11/06/2022</b>	<b>ACS Number : 10028</b>  <b>CP Number : 4738</b>  <b>UDIN : A010028D000485481</b>
<b>Peer reviewed Unit - bearing Unique Identification Number: I2002KR300400</b>	

Note: As per the guidance issued by the Institute of Company Secretaries of India (ICSI) for carrying out professional assignments, the Certificate of Non-Disqualification of Directors in term of Regulation 34(3) of Clause 10(i) of Part C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 was conducted by using appropriate Information Technology tools by virtual data sharing and examine relevant documents for completion of the audit.





INDEPENDENT AUDITOR'S REPORT ON THE  
CONSOLIDATED FINANCIAL STATEMENTS



**Independent Auditor's Report  
To the Members of eMudhra Limited**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the Consolidated Financial Statements of **eMudhra Limited** (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding company and its subsidiaries together referred to as "the Group") which comprise the consolidated balance sheet as at March 31, 2022, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, and its consolidated profit, and other comprehensive profit, consolidated changes in equity and consolidated cash flows for the year then ended.

**Basis for Opinion**

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

**Key Audit Matter**

Key Audit Matters ("KAM") are those matters that, in our professional judgement, were most significant in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be key audit matters to be communicated in our report.

Key Audit Matter	How the matter was addressed in our audit
<p>Revenue Recognition:</p> <p>The Group’s contracts/sales orders with customers include promises to transfer multiple products/services (“performance obligations”) to a customer. Revenues from customer contracts/sales orders (“transaction price”) are considered for recognition and measurement when the contracts/sales orders have been accepted, expressed/implied, by the parties to the contract, the parties to contract/sales order are committed to perform their respective obligations under the contract/sales order, and the contract/sales order is legally enforceable.</p> <p>Revenue from fixed-price maintenance contracts is recognized by estimating the percentage-of-completion method when the pattern of benefits from the services rendered to the customer and the Group’s costs to fulfil the contract is not even through the period of the contract because the services are generally discrete in nature and not repetitive. Revenues in excess of billing are classified as unbilled revenue in the financial statements.</p> <p>Arrangements to deliver software products generally have three elements viz. license fee, implementation/integration fee and Annual maintenance contracts (“AMC”). Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a</p>	<p>Our audit procedures included the following:</p> <p>Identification of distinct performance obligations, whether the fixed price maintenance revenue is recognized on a straight-line basis or using the percentage completion method.</p> <p>We tested the effectiveness of controls relating to the identification of distinct performance obligations, determination of whether fixed price maintenance revenue for certain contracts is recognized on straight line basis or using the percentage of completion method.</p> <p>We selected a sample of contracts with customers and performed the following procedures:</p> <p>Obtained and read contract documents for each selection, including master service agreements, and other documents that were part of the contract.</p> <p>Identified significant terms and deliverables in the contract to assess management’s conclusion regarding the identification of distinct performance obligations and whether fixed price maintenance revenue is recognized on a straight-line basis or using the percentage completion method.</p> <p>Evaluated management’s ability to reasonably estimate the progress towards satisfying the performance obligation by assessing the actual efforts and costs incurred. Also, tested the estimate for consistency with the status of delivery of milestones and customer acceptances and sign offs to evaluate whether there is any delay in achieving the milestones.</p>

<p>single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. AMC revenue is recognized ratably on a straight-line basis over the period in which the services are rendered except in those cases where contract/sales order value is less than INR 1 million.</p> <p>In trust services, the revenues are recognized as and when the performance obligations are transferred for negotiated price, transaction price and it is highly probable that the Group will be able to collect the transaction price due under the contract/sales orders or otherwise.</p> <p>As certain contracts with customers involved management’s judgement in identifying the distinct performance obligations, whether fixed price maintenance revenue is recognized on straight line basis or using the percentage of completion method and these judgements were identified as a key audit matter.</p>	
<p>Related Party Transactions:</p> <p>Refer Note 37 to the financial statements</p> <p>We identified the accuracy and completeness of disclosure of related party transactions as set out in respective notes to the financial statements as a key audit matter.</p> <p>The significance of transactions with the related parties during the year ended March 31, 2022.</p> <p>Compliance with applicable laws and regulatory directives.</p>	<p>Our audit procedures included the following:</p> <p>Obtaining an understanding of the Group’s policies and procedures in respect of the capturing of related party transactions and how management ensures all transactions and balances with related parties have been disclosed in the Financial Statements.</p> <p>Obtaining an understanding of the Group’s policies and procedures in respect of evaluating arms-length pricing and approval process by the audit committee and the board of directors.</p> <p>Designing and performing audit procedures in accordance with the guidelines laid down by ICAI in the Standard on Auditing (SA 550) to identify,</p>

<p>The fact that the related party transactions are subject to the compliance requirement under the Companies Act 2013 and SEBI (LODR) 2015.</p>	<p>assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose material related party transactions which includes obtaining necessary approvals at appropriate stages of such transactions as mandated by applicable laws and regulations.</p> <p>Assessing the management evaluation of compliance with the provisions under section 177 and section 188 of the Act and SEBI LODR (2015)</p> <p>Evaluating the disclosures through the reading of statutory information, books, records and other documents obtained during the course of our audit.</p>
<p><b>Intangibles and Impairment:</b></p> <p>Intangible assets are stated at the acquisition price including directly attributable costs for bringing the asset into use. The group capitalizes the direct expenditure if any incurred for the internally developed intangibles from which the future economic benefits are expected to flow over the period of time is treated as intangible asset.</p> <p>The intangibles are stated at acquisition cost less accumulated depreciation and impairment in the financial statements.</p>	<p>Our audit procedures included the following:</p> <p>Obtaining an understanding of the intangible whether it is self-generated or acquired.</p> <p>For the acquired intangible assets, we have performed audit procedures by reading the purchase orders, invoices and the contracts entered for the acquisition of the intangible assets and capitalisation thereof.</p> <p>The internally developed intangibles involve personnel costs which comprises of salaries and allowances. During the year the internally developed intangibles are classified under capital work in progress as the feasibility tests have yet to be confirmed.</p> <p>Evaluation of management's internal product performance reports of the products and the factors indicate that there is no impairment of intangible assets during the year.</p>

### Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but

does not include the financial statements and our auditor's report thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

### **Responsibility of Management and Board of Directors for the Consolidated Financial Statements**

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified under section 133 of the Act, read with relevant rules issued there under. The respective Management and Board of Directors of the Companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the Companies included in the Group are also responsible for overseeing financial reporting process of each Company.

### **Auditor's Responsibility for the Audit of Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.



Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other Companies included in the consolidated financial statements of which we are independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1) As required by Section 143(3) of the Act, based on our audit, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid Consolidated Financial Statements comply with the IND AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors of Company and reports of statutory auditors of subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "**Annexure A**"

which is based on the auditor's reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Consolidated Financial Statements disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no. 42 to the financial statements.
- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2) With respect to the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2020 ( the "Order"/"CARO") to the extent applicable issued by the Central Government in terms of section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

Sd:/- For Manohar Chowdhry & Associates  
Chartered Accountants  
FRN: 001997S

Sd:/- Ashok Kumar Doddi  
Partner  
M N: 217909

Place: Bengaluru  
Date: June 11, 2022  
UDIN: 22217909AKTEZB4556

**ANNEXURE – A to the Independent Auditor’s Report on the Consolidated  
Financial Statements of eMudhra Limited for the year ended 31st March 2022**

**Report on the Internal Financial controls over financial statements under  
clause (i) of sub section (3) of section 143 of the Companies Act, 2013 (“the Act”)**

### **Opinion**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of eMudhra Limited (hereinafter referred to as the “Holding Company”) and its subsidiary companies, which are companies incorporated in India, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31st March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

### **Management’s Responsibility for Internal Financial Controls**

The respective Company’s Management and Board of Directors of the Company are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on criteria established by the respective Companies considering the essential components of internal controls stated in the Guidance note on Audit of Internal Financial Controls over Financial reporting issued by the Institute of Chartered Accountants of India ( ‘ICAI’ ). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as “the Act”).

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan & perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls with reference to Consolidated Financial Statements**

A Company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that:

- i. Pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- ii. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- iii. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to the Consolidated Financial Statements**

Because of the inherent limitations of the internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Sd:/- For Manohar Chowdhry & Associates  
Chartered Accountants  
FRN: 001997S

Sd:/- Ashok Kumar Doddi  
Partner  
M N: 217909

Place: Bengaluru  
Date: June 11, 2022  
UDIN: 22217909AKTEZB4556



# CONSOLIDATED FINANCIAL STATEMENTS

**eMudhra Limited**

**Consolidated cash flow statement for the year**

(All amounts are in INR million, unless otherwise stated)

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
<b>A. Operating activities</b>		
Profit before tax	504.59	311.80
<b>Adjustments to reconcile profit/(loss) before tax to net cash flows:</b>		
Depreciation and amortisation expense	130.70	87.67
Gain/premium on redemption of shares	-	(0.12)
Interest paid on lease liabilities	16.41	2.30
Interest income from bank deposits and others	(3.11)	(6.77)
<b>Working capital adjustments:</b>		
Decrease/(Increase) in inventories	(14.24)	7.50
Decrease/(Increase) in other non-current and current assets	(91.74)	(41.75)
Decrease/(Increase) in trade receivable	(293.13)	84.89
Decrease/(Increase) in loans	(0.03)	0.40
Increase/(Decrease) in current other financial liabilities	47.51	21.61
Increase/(Decrease) in non-current and current provision	33.47	18.76
Increase/(Decrease) in other current and non-current liabilities	11.41	(5.63)
Increase/(Decrease) in trade payables	53.62	(42.89)
<b>Total cash from operations</b>	<b>395.46</b>	<b>437.77</b>
Income taxes refund/(paid)	(45.27)	(28.33)
<b>Net Cash flow from operating Activities (A)</b>	<b>350.19</b>	<b>409.44</b>
<b>B. Investing activities</b>		
Purchase of property, plant and equipment	(236.59)	(181.08)
Purchase of intangible assets*	(230.51)	(27.98)
Proceeds from sale of intangible assets	-	3.02
Goodwill on consolidation	23.63	(1.05)
Movement in right to use assets	-	(138.62)
Gain/premium on redemption of shares	-	0.12
Investments in mutual funds/subsidiaries**	138.49	(136.99)
Movement in minority interest	(76.95)	4.23
Interest received	1.61	7.55
<b>Net cash used in investing activities (B)</b>	<b>(380.32)</b>	<b>(470.80)</b>
<b>C. Financing Activities</b>		
Proceeds from short term borrowing, net	168.68	(37.86)
Proceeds from long term borrowings, net	(23.21)	(41.44)
Proceeds(payment) of public issue expenditures	(51.93)	-
Movement in Other comprehensive income	7.98	(3.35)
Proceeds of securities premium	(0.63)	-
Foreign exchange movement on consolidation	30.59	(16.07)
Payment of preference dividend	(2.72)	(6.56)
Payment towards principal portion of lease liability	(26.79)	154.21
Interest paid on lease liabilities	(16.41)	(2.30)
<b>Net cash (used)/raised in financing activities(C)</b>	<b>85.56</b>	<b>46.63</b>
<b>Net increase in cash and cash equivalents(D=A+B+C)</b>	<b>55.43</b>	<b>(14.73)</b>
<b>Cash and cash equivalents at the beginning of the financial year E)</b>	<b>77.13</b>	<b>91.86</b>
<b>Cash and cash equivalents at the end of the year (D+E)</b>	<b>132.55</b>	<b>77.13</b>
<b>Components of cash and cash equivalents as at end of the year</b>		
<b>Balance with banks:</b>		
- On current account	82.29	36.97
-Deposit accounts [pledged with bank]	50.00	40.00
- Cash on hand	0.26	0.16
<b>Total cash and cash equivalents as per Balance Sheet</b>	<b>132.55</b>	<b>77.13</b>
<b>Cash and cash equivalents as per Statement of Cash Flow</b>	<b>132.55</b>	<b>77.13</b>

\* This includes consolidation adjustment of INR 122.77 million

\*\* This includes setting off subsidiary investment of INR 137.87 million

The accompanying notes are an integral part of the financial statements

As per our report of even date

Sd:- **Manohar Chowdhry & Associates**  
Chartered Accountants  
**Firm Registration Number: 0019975**

**For and on behalf of the Board of Directors  
of eMudhra Limited**

Sd:- Ashok Kumar Doddi  
**Partner**  
Membership No: 217909  
UDIN: 22217909AKTEZB4556

Sd:- V Srinivasan  
**Executive Chairman**  
DIN: 00640646

Sd:- Venu Madhava  
**Whole time Director**  
DIN:06748204

Place:Bengaluru  
Date: June 11,2022

Sd:- Saji K Louiz  
**Chief Financial Officer**

Sd:- Johnson Xavier  
**Company Secretary**



**eMudhra Limited**
**Consolidated statement of assets and liabilities as at March 31, 2022**

(All amounts are in INR million, unless otherwise stated)

Particulars	Notes	As at	
		March 31,2022	March 31,2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	658.50	657.12
Right-of-Use Assets	4	104.65	133.79
Capital work-in-progress	3,4	429.16	44.98
Intangible assets	5	382.25	402.28
Goodwill		29.28	52.91
<b>Financial assets</b>			
Investments	6	-	137.87
Other non-current assets	7	63.02	37.47
<b>Total Non-current assets</b>		<b>1,666.86</b>	<b>1,466.42</b>
<b>Current assets</b>			
Inventories	8	21.38	7.14
<b>Financial assets</b>			
Investments	9	-	0.62
Trade receivables	10	442.23	149.10
Cash and cash equivalents	11	132.55	77.13
Loan	12	30.63	30.61
Other current assets	13	307.75	188.12
<b>Total current assets</b>		<b>934.54</b>	<b>452.72</b>
<b>Total assets</b>		<b>2,601.40</b>	<b>1,919.14</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	350.90	350.90
Other equity	15	1,171.92	722.68
Non-controlling interests		12.96	92.59
<b>Total equity</b>		<b>1,535.78</b>	<b>1,166.17</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	16	197.69	220.91
Lease Liabilities	17	103.27	127.87
Deferred tax liabilities (Net)	18	17.92	13.64
Provision	19	27.49	32.65
Other non-current liabilities	20	15.51	14.68
<b>Total Non-current liabilities</b>		<b>361.88</b>	<b>409.75</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	21	255.88	87.15
Lease Liabilities	22	24.13	26.33
Trade payables	23		
Dues to Micro Enterprises and Small Enterprises		0.55	0.73
Dues to Creditors other than Micro Enterprises and Small Enterprises		88.04	34.25
Other financial liabilities	24	113.69	66.18
Provision	25	174.89	92.60
Other current liabilities	26	46.56	35.98
<b>Total current liabilities</b>		<b>703.74</b>	<b>343.22</b>
<b>Total liabilities</b>		<b>1,065.62</b>	<b>752.97</b>
<b>Total equity and liabilities</b>		<b>2,601.40</b>	<b>1,919.14</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date

**Sd:/- Manohar Chowdhry & Associates**  
 Chartered Accountants  
**Firm Registration Number: 001997S**

**For and on behalf of the Board of Directors**  
**of eMudhra Limited**

Sd:/- Ashok Kumar Doddi  
**Partner**  
 Membership No: 217909  
 UDIN: 22217909AKTEZB4556

Sd:/- V Srinivasan  
**Executive Chairman**  
 DIN: 00640646

Sd:/- Venu Madhava  
**Whole time Director**  
 DIN:06748204

Place:Bengaluru  
 Date: June 11,2022

Sd:/- Saji K Louiz  
**Chief Financial Officer**

Sd:/- Johnson Xavier  
**Company Secretary**

**eMudhra Limited**
**Consolidated statement of profit and loss for the year**

(All amounts are in INR million, unless otherwise stated)

Particulars	Notes	For the year ended	
		March 31,2022	March 31, 2021
<b>Income</b>			
Revenue from operations	27	1,826.37	1,315.93
Other income, net	28	10.98	8.61
<b>Total revenue</b>		<b>1,837.35</b>	<b>1,324.54</b>
<b>Expenses</b>			
Operating expenses	29	119.93	129.12
Purchase of stock-in-trade	30	311.32	179.56
Changes in stock of finished goods	31	(14.26)	7.50
Employee benefit expenses	32	468.15	417.11
Finance costs	33	52.72	8.41
Depreciation and amortisation expense	34	130.70	87.67
Other expenses	35	264.20	183.37
<b>Total expenses</b>		<b>1,332.76</b>	<b>1,012.74</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>504.59</b>	<b>311.80</b>
Exceptional items		-	-
<b>Profit/(Loss) before tax</b>		<b>504.59</b>	<b>311.80</b>
<b>Tax expense</b>			
Current tax		88.94	52.15
Deferred tax		4.28	6.06
<b>Total tax expenses</b>		<b>93.22</b>	<b>58.21</b>
<b>Profit/(Loss) for the year</b>		<b>411.37</b>	<b>253.59</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss:			
Remeasurement (loss)/gain on defined benefit plan		7.98	(3.31)
<b>Other comprehensive income/(loss) for the year</b>		<b>7.98</b>	<b>(3.31)</b>
<b>Total comprehensive income for the year</b>		<b>419.35</b>	<b>250.28</b>
<b>Profit is attributable to</b>			
Owners of eMudhra Limited		414.05	174.60
Non-controlling interests		(2.68)	78.99
<b>Other comprehensive income attributable to</b>			
Owners of eMudhra Limited		7.98	(3.35)
Non-controlling interests		-	0.04
<b>Total comprehensive income attributable to</b>			
Owners of eMudhra Limited		422.03	171.25
Non-controlling interests		(2.68)	79.03
<b>Earnings per share (Nominal value of share INR 5/- each)</b>	36		
Basic		5.86	3.61
Diluted		5.86	3.61
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements  
As per our report of even date

Sd:/- **Manohar Chowdhry & Associates**  
Chartered Accountants  
Firm Registration Number: 001997S

For and on behalf of the Board of Directors  
of eMudhra Limited

Sd:/- Ashok Kumar Doddi  
**Partner**  
Membership No: 217909  
UDIN: 22217909AKTEZB4556

Sd:/- V Srinivasan  
**Executive Chairman**  
DIN: 00640646

Sd:/- Venu Madhava  
**Whole time Director**  
DIN:06748204

Place:Bengaluru  
Date: June 11,2022

Sd:/- Saji K Louiz  
**Chief Financial Officer**

Sd:/- Johnson Xavier  
**Company Secretary**



## eMudhra Limited

### Notes forming part of the consolidated financial information

#### 1. General Information

eMudhra Limited (“the company” or eMudhra) and its subsidiaries (collectively referred to as “Group”) provides various solutions and services like digital signatures, authentication solutions, paperless office solutions and other solutions around PKI technology. eMudhra is a licensed certifying authority under the Information Technology Act, 2000.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Sai Arcade, No. 56, 3<sup>rd</sup> Floor, Devarabeesanahalli, Bengaluru 560103, Karnataka India.

Founded in 2008 from the seed of digital signatures, eMudhra has since grown to establish strong roots in solutions providing security to enterprises and end consumers for online transactions. eMudhra strives to stay relevant in the PKI and online security space by optimizing a market-based approach to drive solutions that address our customers’ financial and statutory needs. eMudhra’s products include digital signature certificates, authentication solutions, paperless office solutions, Certifying Authority solutions, solutions for securing data at rest and data in transit, solutions for Internet of Things (IoT), etc.

The consolidated financial statement of eMudhra Limited represent the financials of eMudhra Ltd with its foreign subsidiaries, eMudhra (MU) Ltd, eMudhra PTE Ltd, eMudhra INC, eMudhra DMCC, eMudhra B.V, PT eMudhra Technologies Indonesia and Indian subsidiaries, eMudhra Technologies Limited and eMudhra Consumer Services Limited.

All the foreign subsidiaries have been established to provide eMudhra’s products and services in respective territories apart from providing their own products/ services or any other third-party products. eMudhra Consumer Services Limited owns and develops IP related to paperless office solution (emSigner) and eMudhra Technologies Limited has set up emSign PKI for issuance of various types of digital certificates including SSL globally.

The financial statements are approved for issue by the Company’s Board of Directors on June 11, 2022.

#### 2. Summary of Significant Accounting Policies

##### i. Basis of Preparation of Accounts

These financial statements have been prepared in accordance with the Indian Accounting Standards (IND AS) prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India.

##### Use of estimates

The preparation of financial statements in conformity with Indian Accounting Standards (IND AS) under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values, the provisions of Companies Act, 2013 (“the Act”) as notified under the Companies (Indian Accounting Standards) Rules, 2015. The IND AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in this financial information have been disclosed. Accounting estimates could change from period to period and also actual results could differ from those estimates. Any revision to accounting

estimates is recognized prospectively in current and future periods, if material, their effects are disclosed in the notes to the financial statements.

The company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these consolidated financial information including recoverability of the carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's consolidated financial information may differ from that estimate as at the date of these financial statements.

#### **ii. Current Versus Non - Current Classification**

The company presents assets and liabilities in the balance sheet based on current/non-current classification. All the assets and liabilities have been classified as current/non-current as per the Company's normal operating cycle and other criteria set out in Division II to Schedule III of the Companies Act, 2013.

Based on the nature of services and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and noncurrent classification of assets and liabilities.

Deferred tax assets and liabilities are classified as non-current only.

### **3. Significant Accounting Policies**

#### **A. Revenue Recognition and Expenses**

The Company's contracts/sales orders with customers include promises to transfer multiple products/services ("performance obligations") to a customer. Revenues from customer contracts/sales orders ("transaction price") are considered for recognition and measurement when the contracts/sales orders have been accepted, expressed /implied, by the parties to the contract, the parties to the contract/sales order are committed to perform their respective obligations under the contract/sales order, and the contract/sales order is legally enforceable.

Revenue from fixed-price maintenance contracts is recognized by estimating the percentage-of-completion method when the pattern of benefits from the services rendered to the customer and the Company's costs to fulfil the contract is not even through the period of the contract because the services are generally discrete in nature and not repetitive. Revenues in excess of billing are classified as unbilled revenue in our financial statements.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses. Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer.

Arrangements to deliver software products generally have three elements viz. license fee, implementation/integration fee and Annual maintenance contracts ("AMC"). Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the

percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. AMC revenue is recognized rateably on a straight-line basis over the period in which the services are rendered except in those cases where contract/sales order value is less than INR 1 million. For cases where it is less than INR 1 million, the same is recognised in the period in which it is billed.

In trust services and in SaaS based offering, the revenues are recognised as and when the performance obligations are transferred for negotiated price, called as transaction price, and it is highly probable that the company will be able to collect the transaction price due under the contract/sales orders or otherwise.

**Interest Income:**

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

**Dividend Income:**

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

**Other Income:**

Other income is accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

**Expenses:**

Expenses are accounted for on accrual basis and provisions are made for all known liabilities and losses. Those expenses spread across multiple financial years have been amortised on straight line basis over the period in which the services are received except in those cases where the contract/purchase order value is less than INR 1 million. For cases where it is less than INR 1 million, the same is expensed off in the period in which it is billed.

**B. Income Taxes**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

**Current Income Tax**

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current tax assets and liabilities are offset only if, the Company:

- i Has a legally enforceable right to set off the recognized amounts; and
- ii Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously

**Deferred Income Tax**

Deferred tax is recognised on temporary timing differences between the expenses/income in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

#### **Minimum Alternate Tax**

Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as deferred tax in the Statement of Profit and Loss. The credit available under the Income Tax Act, 1961 in respect of MAT paid is recognised as an asset only when and to the extent it is probable that future taxable profit will be available against which these tax credit can be utilised. Such an asset is reviewed at each Balance Sheet date.

#### **C. Property, Plant and Equipment**

Property, plant and equipment's (PPE) are stated at cost less accumulated depreciation and impairment losses, if any. Cost of acquisition includes directly attributable costs for bringing the assets to its present location and use.

The cost of an item of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying assets up to the date the asset is ready for its intended use. Subsequent expenditures on the qualifying assets are capitalized only if it is probable that the future economic benefits will flow to the company.

On transition to IND AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1st April 2017, measured as per the Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the assets get derecognized.

The useful life of the assets and residual value are reviewed at every balance sheet date.

Depreciation on PPE is provided as per straight line method as per the useful life prescribed in Schedule II of the Companies Act, 2013. However, the leasehold improvements are depreciated at lower of useful life mentioned in schedule II of the above said act or over the lease period.

#### **D. Intangible Assets**

Intangibles are stated at the acquisition price including directly attributable costs for bringing the asset into use, less accumulated amortization and impairment. Direct expenditure, if any, incurred for internally developed intangibles from which future economic benefits are expected to flow over a period of time is treated as intangible asset.

Intangible assets are amortised on straight-line basis over a period of 10 years, based on management estimate. The amortization period and the amortization method are reviewed at the end of each financial year. Depreciation/Amortization is charged on a pro-rata basis on assets purchased/sold during the year, with reference to date of installation/disposal.

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use.

#### **E. Borrowings and Borrowing costs**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### **F. Financial Instruments**

##### **Initial measurement**

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition except for the trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to or deducted from the fair value on initial recognition.

##### **Subsequent measurement [non-derivative financial instruments]**

##### **Financial assets carried at amortized cost**

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely for payments of principal and interest on the principal amount outstanding.

##### **Financial assets at fair value through other comprehensive income [FVTOCI]**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely for payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

##### **Financial assets at fair value through profit or loss [FVTPL]**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.



**Financial Liabilities at amortized cost**

Financial liabilities are subsequently carried at amortized cost using the effective interest method except financial liabilities carried at fair value through profit and loss or an entity had opted to measure a liability at fair value through profit or loss.

**Financial liability at fair value through profit or loss [FVTPL]**

A Financial Liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition.

**Investment in Subsidiaries and associates**

Investment in Subsidiaries and Associates are measured at cost less impairment.

**Share Capital – Ordinary Shares**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all its liabilities. Equity instruments recognized by the company at the proceeds received net of direct issue cost.

**De-recognition of financial instruments**

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under IND AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**Fair value measurement of financial instruments**

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i In the principal market for the asset or liability, or
- ii In the absence of a principal market, in the most advantageous market which can be accessed by the Company for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- i Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- ii Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- iii Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## **G. Impairment of Assets**

### **Financial Assets**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

### **Non-Financial Assets**

#### **Intangible assets and property, plant and equipment**

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

## **H. Leases**

The company assess whether a contract contains lease at the inception of the contract. A contract is or contains lease if the contract conveys the right to control the use of the identifiable assets for a period of time in exchange of consideration. To assess, whether a contract contains the right of control of the identifiable assets, the company identifies the following matters

- i the contract involves the use of identifiable assets
- ii the company has substantially all the economic benefits from the use of assets through the period of lease
- iii the company has the right to direct the use of assets

At the date of commencement of lease, the company recognises right-of-use [ROU] asset and corresponding lease liability for all such arrangements. However, in case of leases for a period of duration which is below of 12 months or less [ short-term leases] and low value leases, the company recognises the lease payments as an expense on straight line basis over the lease period.

ROU assets are initially recognised at cost, which comprises of the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of lease plus any additional direct costs less lease incentives. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### **I. Foreign Currency Transactions**

All transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date when the relevant transactions take place.

Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss of the year. Monetary assets and liabilities in the form of Loans, Current Assets and Current Liabilities in foreign currency, which are outstanding as at the year-end, are translated at the year-end closing exchange rate and the resultant exchange differences are recognized in the Statement of Profit and Loss.

The premium or discount arising at the inception of the forward exchange contracts related to underlying receivables and payables, if any, are amortized as an expense or income recognized over the period of the contracts. Gains or losses on renewal or cancellation of foreign exchange forward contracts are recognized as income or expense for the period.

Investments in overseas entity are recognized at the relevant exchange rates prevailing on the date of investments.

All transactions of the foreign branch during the year are included in the accounts at the rate of exchange prevailing at the end of the month in which the transactions took place. Net Gain/Loss in foreign currency transactions are recognized in the Statement of Profit and Loss. Monetary assets and liabilities are translated at the rates prevailing on the balance sheet date.

#### **J. Employee Benefits**

**Short-term employee benefits** – Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognized in the period in which the employee renders the related service.

**Post-employment benefits (defined benefit plans)** – The employees' gratuity scheme is a defined benefit plan. In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity for the eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The present value of the obligation under such defined benefit plan is determined at each Balance Sheet date based on an actuarial valuation using projected unit credit method. The discount rate is based on the prevailing market yields of Indian government securities. Gains and Losses through re-measurement of the net defined benefit liability/(asset) are recognized in Other Comprehensive Income.

**Post-employment benefits (defined contribution plans)** – Contributions to the provident fund is defined contribution plan and is recognized as an expense in the Statement of Profit and Loss in the period in which the contribution is due. Both the employee and the Company make monthly contributions to the provident fund scheme equal to the specified percentage of the covered employees' basic salary.

**Long-term employee benefits** – Long-term employee benefits comprise of compensated absences and other employee incentives, if any. These are measured based on an actuarial valuation carried out by an independent actuary at each Balance Sheet date unless they are insignificant. Actuarial gains and losses and past service costs are recognized in the Statement of Profit and Loss.

**K. Earnings per Share (EPS)**

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

**L. Cash and Cash Equivalents**

Cash and Cash equivalents comprises in hand, cash at bank & demand deposit with banks and corporations. The Company considers all short term highly liquid investment, which are readily convertible into cash and have original maturities of three months or less from the date of purchase which are subject to insignificant risk in change of value to be cash equivalent.

**M. Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

**N. Dividends**

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

**O. Provisions and Contingencies**

Provisions are recognized when the Company has a present obligation as a result of a past event, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provision is not discounted to its present value and is determined based on the last estimate required to settle the obligation at the year end.

Contingent liabilities are not provided for and are disclosed by way of notes to accounts, where there is an obligation that may, but probably will not, require outflow of resources.

Where there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are neither recognized nor disclosed in the financial statements.

**P. Inventories**

Inventories are valued at the lower of first in first out [FIFO] cost basis and estimated net realisable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises of cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work-in-progress, incurred in bringing such inventories to their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value

represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

**Q. Segment Reporting**

The Group is engaged in the business of providing trust services and enterprises solutions to end users in India and abroad. The Group distinguishes revenues and direct costs associated with those revenues between segments in its internal reporting and reports all other overhead costs which cannot be bifurcated as a whole. The chief operating decision makers (CODM) review the results on this basis when making decisions about allocating resources and assessing performance of the segments and hence, the group has two reportable segments.

**Recent Accounting Pronouncement**

The Ministry of Corporate Affairs (MCA) has notified new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

IND AS 16, Property Plant and Equipment – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from directly attributable costs considered as part of cost of an item of Property, Plant and Equipment. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

IND AS 37, Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The Company has evaluated the amendment and there is no significant impact in the financial statements.

**Events occurring after Balance Sheet date**

The company have completed its public issue of shares during May 2022 and has been listed in BSE and NSE on June 01,2022. The company has raised INR 1610.00 million through IPO and has also made a preferential allotment of INR 390.00 million through pre-IPO in the same month. The promoter and the promoter group including their family members of the company has also made offer for sale in the IPO worth INR2517.86 million and has diluted the stake from 91.37% to 69.44%. This transaction has increased the paid up equity share capital of the company from INR 350.90 million to INR 390.36 million and will increase the securities premium by INR 1861.98 million. We have also made application to our monitoring agency, Kotak Mahindra Bank Limited, to close our term loans and overdraft facilities amounting to INR 350 million. This will considerably strengthen the company’s financial position and make it into a zero debt company. Other than this there are no significant event after the balance sheet date which is likely to affect financial position/result of the company.

The accompanying notes are an integral part of the financial statements  
As per our report of even date

Sd:- **Manohar Chowdhry & Associates**  
Chartered Accountants  
**Firm Registration Number: 0019975**

**For and on behalf of the Board of Directors  
of eMudhra Limited**

Sd:- Ashok Kumar Doddi  
**Partner**  
Membership No: 217909  
UDIN: 22217909AKTEZB4556

Sd:- V Srinivasan  
**Executive Chairman**  
DIN: 00640646

Sd:- Venu Madhava  
**Whole time Director**  
DIN:06748204

Place:Bengaluru  
Date: June 11,2022

Sd:- Saji K Louiz  
**Chief Financial Officer**

Sd:- Johnson Xavier  
**Company Secretary**



**eMudhra Limited**
**Notes forming part of the consolidated financial statements**

(All amounts are in INR million, unless otherwise stated)

**3 Property, Plant and Equipment and capital work-in-progress**

Particulars	Leasehold land*	Building	Building on leasehold land	Computer and hardware	Motor vehicles	Office equipment's	Total	Capital work-in-progress
<b>Period ended March 31, 2022</b>								
<b>Gross Carrying Amount</b>								
<b>As at April 01, 2020</b>	89.25	31.97	7.24	63.83	6.21	33.86	232.36	384.83
Additions	-	-	510.74	9.81	-	0.21	520.76	712.74
Disposals/capitalisation	-	-	-	-	-	-	-	(1,052.59)
Exchange fluctuation	-	-	-	(0.14)	-	-	(0.14)	-
<b>As at March 31, 2021</b>	89.25	31.97	517.98	73.50	6.21	34.07	752.98	<b>44.98</b>
Additions	-	2.58	-	12.79	-	9.26	24.63	<b>238.97</b>
Disposals/capitalisation	-	-	-	-	-	-	-	<b>(27.02)</b>
Exchange fluctuation	-	-	-	0.28	-	-	0.28	-
<b>As at March 31, 2022</b>	89.25	34.55	517.98	86.57	6.21	43.33	777.89	<b>256.93</b>
<b>Depreciation</b>								
<b>As at April 01, 2020</b>	3.38	4.29	1.54	50.11	3.74	19.21	82.27	-
Charge for the year	0.85	1.07	0.18	6.93	0.55	4.14	13.72	-
Disposals	-	-	-	-	-	-	-	-
Exchange fluctuation	-	-	-	(0.14)	-	-	(0.14)	-
<b>As at March 31, 2021</b>	<b>4.23</b>	<b>5.36</b>	<b>1.72</b>	<b>56.90</b>	<b>4.29</b>	<b>23.35</b>	<b>95.85</b>	-
Charge for the year	0.85	1.14	8.24	7.86	0.40	4.75	23.25	-
Disposals	-	-	-	-	-	-	-	-
Exchange fluctuation	-	-	-	0.29	-	-	0.29	-
<b>As at March 31, 2022</b>	<b>5.08</b>	<b>6.50</b>	<b>9.96</b>	<b>65.05</b>	<b>4.69</b>	<b>28.10</b>	<b>119.39</b>	-
<b>Net Block</b>								
<b>As at March 31, 2021</b>	<b>85.02</b>	<b>26.61</b>	<b>516.26</b>	<b>16.60</b>	<b>1.92</b>	<b>10.72</b>	<b>657.13</b>	<b>44.98</b>
<b>As at March 31, 2022</b>	<b>84.17</b>	<b>28.05</b>	<b>508.02</b>	<b>21.52</b>	<b>1.52</b>	<b>15.23</b>	<b>658.50</b>	<b>256.93</b>

**Notes:**

\*Note: Out of this land worth Rs.8,30,01,213 is the the lease hold land measuring 12140.00 Sq. Mtrs located at plot no. 12- P1- A & 12 -P1-B(Corner) of Bengaluru IT Park Industrial Area in SY nos. 95/P & 7 (Block no.21,22 &24- Part) of B K Palya Village, Jala Hobli, Bengaluru North Taluk, has been allotted to our company by Karnataka Industrial Areas Development Board as per the allotment letter no. KIADB/HO/Allot/AS/30017/8927/15-16 dated 23.09.2015. The company has later obtained possession certificate vide letter no. IADB/AE/30017/1158/2015-16 dated 29.03.2016. This has been allotted for a leasehold period of 99 years beginning from possession date. This land is mortgaged against term loan of Rs. 25,00,00,000 by **Kotak Mahindra Bank**.

Another land worth Rs.62,51,000 is the lease hold land measuring 2.5 acres in the ELCOSEZ- Jagirampalayam, Salem is also under 99 year lease.

eMudhra Limited

Notes forming part of the consolidated financial statements

(All amounts are in INR million, unless otherwise stated)

3A Details of Property Plant and Equipment

1 For the year ended March 31,2022

Relevant line item in the Balance sheet	Description of item of property	Gross Value as at March 31,2022	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Lease hold land	Lease hold land from KIADB,Devenahalli	83.00	eMudhra Limited	NA	March 29,2016	NA
Lease hold land	Lease hold land from ELCOT,Salem	6.25	eMudhra Limited	NA	August 13,2018	NA
Office building	Hubtown Solaris,Mumbai	31.97	eMudhra Limited	NA	August 01,2014	NA
Office building	Chennai data centre,Thoraiakkam	2.58	eMudhra Limited	NA	July 21,2021	NA
Building on leasehold land	NA	7.34	eMudhra Limited	NA	Various dates	NA
Building on leasehold land	Building on Lease hold land from KIADB,Devenahalli	510.74	eMudhra Limited	NA	March 31,2021	NA
Computer and hardware	NA	86.14	eMudhra Limited	NA	Various dates	NA
Motor vehicles	NA	6.21	eMudhra Limited	NA	Various dates	NA
Office equipments	NA	43.67	eMudhra Limited	NA	Various dates	NA
	<b>Total</b>	<b>777.90</b>				

2 For the year ended March 31,2021

Relevant line item in the Balance sheet	Description of item of property	Gross value as at March 31,2021	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Lease hold land	Lease hold land from KIADB,Devenahalli	83.00	eMudhra Limited	NA	March 29,2016	NA
Lease hold land	Lease hold land from ELCOT,Salem	6.25	eMudhra Limited	NA	August 13,2018	NA
Office building	Hubtown Solaris,Mumbai	31.97	eMudhra Limited	NA	August 01,2014	NA
Building on leasehold land	NA	7.24	eMudhra Limited	NA	Various dates	NA
Building on leasehold land	Building on Lease hold land from KIADB,Devenahalli	510.74	eMudhra Limited	NA	March 31,2021	NA
Computer and hardware	NA	73.50	eMudhra Limited	NA	Various dates	NA
Motor vehicles	NA	6.21	eMudhra Limited	NA	Various dates	NA
Office equipments	NA	34.07	eMudhra Limited	NA	Various dates	NA
	<b>Total</b>	<b>752.98</b>				

**eMudhra Limited**

**Notes forming part of the consolidated financial statements**

(All amounts are in INR million, unless otherwise stated)

**4 Right-of-Use Assets**

Particulars	Leasehold assets
<b>Year ended March 31, 2022</b>	
<b>Gross Carrying Amount</b>	
As at April 01, 2020	-
Additions	138.62
Disposals/capitalisation	-
<b>As at March 31, 2021</b>	<b>138.62</b>
Additions	-
Disposals/capitalisation	-
<b>As at March 31, 2022</b>	<b>138.62</b>
<b>Depreciation</b>	
As at April 01, 2020	-
Charge for the year	4.83
Disposals	-
<b>As at March 31, 2021</b>	<b>4.83</b>
Charge for the year	29.14
Disposals	-
<b>As at March 31, 2022</b>	<b>33.97</b>
<b>Net Block</b>	
As at March 31, 2021	<b>133.79</b>
As at March 31, 2022	<b>104.65</b>

Depreciation has been charged to ROU Assets on a straight line method based on the lease term and is included under depreciation and amortization expense in the statement of Profit and Loss.

Particulars	March 31,2022	March 31,2021
<b>Opening Lease Liability</b>	136.56	-
Add: Additions on lease during the year	-	138.62
Add: Accretion of Interest	16.41	2.30
Less: Lease Payments	(20.71)	(4.36)
<b>Lease Liability*</b>	<b>132.26</b>	<b>136.56</b>
Current	23.28	20.85
Non-Current	108.98	115.71
<b>Total</b>	<b>132.26</b>	<b>136.56</b>

\*Refer note 17 to the financial information

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 and March 31, 2021 on an undiscounted basis:

Particulars	March 31,2022	March 31,2021
Less than one year	29.60	40.94
One to two years	65.88	58.38
More than two years	31.92	101.00
<b>Total</b>	<b>127.40</b>	<b>200.32</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

**eMudhra Limited**
**Notes forming part of the consolidated financial statements**

(All amounts are in INR million, unless otherwise stated)

**5 Intangible assets and capital work in progress**

Particulars	Computer Software	Capital work-in-progress
<b>Period ended March 31, 2022</b>		
<b>Gross carrying amount</b>		
<b>As at April 01, 2020</b>	<b>839.61</b>	19.85
Additions	57.24	33.94
Disposals/capitalisation	(20.48)	(53.91)
Effect of exchange fluctation	(9.28)	0.12
<b>As at March 31, 2021</b>	<b>867.09</b>	-
Additions*	40.13	172.23
Disposals/capitalisation	-	-
Effect of exchange fluctation	(0.21)	-
<b>As at March 31, 2022</b>	<b>907.01</b>	172.23
<b>Accumulated Amortisation</b>		
<b>As at April 01, 2020</b>	416.71	-
Charges for the year	69.12	-
Disposals	(17.46)	-
Effect of exchange fluctation	(3.56)	-
<b>As at March 31, 2021</b>	<b>464.81</b>	-
Charges for the year	78.32	-
Disposals	-	-
Effect of exchange fluctation	(18.36)	-
<b>As at March 31, 2022</b>	<b>524.76</b>	-
<b>Net block</b>		
<b>As at March 31, 2021</b>	<b>402.28</b>	-
<b>As at March 31, 2022</b>	<b>382.25</b>	172.23

**Note:**

\*Out of intangible addition of INR 172.23 million, INR 122.77 million relates to work in progress in PT eMudhra Technologies, Indonesia as on March 31, 2021. Upon PT eMudhra Technologies, Indonesia, becoming a subsidiary during FY 2021-22, this amount is also shown under additions.

**eMudhra Limited**

**Notes forming part of the consolidated financial statements**

(All amounts are in INR million, unless otherwise stated)

**Note no 3.1 and 5.1 to Annexure 3 and 5**

**1 For the period ended March 31,2022**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in Progress	297.30	122.77	9.09	-	429.16
Projects temporarily suspended	-	-	-	-	-

**Tangible/Intangible assets under development:**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Remote Signing	10.53	-	-	-	10.53
emSigner	19.92	-	-	-	19.92
emAS IAM	8.55	-	-	-	8.55
emCA	10.46	-	-	-	10.46
Salem ELCOT, office building	-	-	9.09	-	9.09
EMCA-APAC	-	122.77	-	-	122.77
Digital Signature campus, Devenahalli campus	247.84	-	-	-	247.84
<b>Total</b>	<b>297.30</b>	<b>122.77</b>	<b>9.09</b>	<b>-</b>	<b>429.16</b>

**2 For the year ended March 31,2021**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in Progress	36.41	6.60	1.97	-	44.98
Projects temporarily suspended	-	-	-	-	-

**Intangible assets under development:**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
emPower	7.58	-	-	-	7.58
Other assets	9.35	-	-	-	9.35
Salem ELCOT, office building	-	6.60	1.97	-	8.57
Digital Signature campus, Devenahalli campus	19.48	-	-	-	19.48
<b>Total</b>	<b>36.41</b>	<b>6.60</b>	<b>1.97</b>	<b>-</b>	<b>44.98</b>



**eMudhra Limited**  
**Notes forming part of the consolidated financial statements**  
 (All amounts are in INR million, unless otherwise stated)

Note	Particulars	March 31,2022	March 31,2021
<b>6</b>	<b>Financial assets</b>		
	<b>Investment carried at cost:</b>		
	<b>a) Non-current investment</b>		
	Investment in units of mutual funds	-	-
	[Units of canara robeco mutual fund units @ Rs.10 per unit] (NIL (2021:51,000) equity shares of face value of EURO 1 each)		
	Investment in PT eMudhra Technologies Indonesia (NIL (2021:147,500) equity shares of face value of USD 1 each)	-	22.01
	Investment in PT eMudhra Technologies Indonesia NIL(2021:16,00,000) preference shares of face value of USD 1 each)	-	115.86
	<b>Total</b>	<b>-</b>	<b>137.87</b>
	<b>Aggregate amount invested in quoted mutual funds at cost</b>	<b>-</b>	<b>-</b>
	<b>Aggregate amount invested in unquoted shares at cost</b>	<b>-</b>	<b>137.87</b>
<b>7</b>	<b>Other non-current assets</b>		
	Balance with government authorities	2.30	1.10
	Balances with bank held as margin money deposits as against bank guarantees	5.23	21.67
	Other receivables	52.19	0.16
	Prepaid expenses	3.30	14.54
	<b>Total</b>	<b>63.02</b>	<b>37.47</b>
<b>8</b>	<b>Inventories</b>		
	Crypto token/hardware security module/SSL	21.38	7.14
	<b>Total</b>	<b>21.38</b>	<b>7.14</b>
<b>9</b>	<b>Investments</b>		
	Investment in units of mutual funds	-	0.62
	<b>Total</b>	<b>-</b>	<b>0.62</b>
<b>10</b>	<b>Trade receivables</b>		
	Unsecured trade receivables	446.97	149.10
	Less: Allowance for doubtful debts	4.74	-
	<b>Total</b>	<b>442.23</b>	<b>149.10</b>
	<b>Undisputed Trade Receivables - Considered good</b>		
	Less than 6 months	310.42	128.77
	6 months - 1 year	120.47	12.96
	1-2 years	11.33	4.12
	2-3 years	1.88	1.84
	More than 3 years	2.86	1.41
	<b>Total</b>	<b>446.96</b>	<b>149.10</b>
<b>11</b>	<b>Cash and cash equivalents</b>		
	Balance with banks:		
	- On current account	82.29	36.97
	-Deposit accounts [pledged with bank]	50.00	40.00
	Cash on hand	0.26	0.16
	<b>Total</b>	<b>132.55</b>	<b>77.13</b>
<b>12</b>	<b>Loan</b>		
	<b>Loans considered good - Unsecured</b>		
	Loans to employees	0.46	0.25
	Loan to eMudhra employees stock options trust	30.17	30.36
	<b>Total</b>	<b>30.63</b>	<b>30.61</b>
<b>13</b>	<b>Other financial assets</b>		
	<b>Other financial assets at amortised cost</b>		
	Advance to capital creditors	17.64	11.55
	Advance to suppliers	4.89	3.45
	Balance with government authorities	-	1.02
	Interest accrued on fixed deposits	3.05	1.54
	Other short term deposits	1.20	1.03
	Prepaid expenses (short term)	17.78	9.72
	Rent deposit	11.65	8.44
	Security deposits	21.31	13.14
	Staff advance	0.06	0.01
	Tender deposit	1.53	0.97
	Unbilled revenue	228.64	137.25
	<b>Total</b>	<b>307.75</b>	<b>188.12</b>

**eMudhra Limited**  
**14 Notes forming part of the consolidated financial statements**  
 (All amounts are in INR million, unless otherwise stated)

	As at	
	March 31, 2022	March 31, 2021
<b>(i) Authorised</b>		
123 Million (2021: 123 Million, 2020: 123 Million, 2019: 123 Million) equity shares of INR 5 each	615.00	615.00
<b>(ii) Issued, Subscribed and Paid - Up</b>		
70.18 Million (2021: 70.18 Million, 2020: 70.18 Million, 2019: 70.18 Million) equity shares of INR 5 each	350.90	350.90

The company has only one class of equity shares having par value of INR 5 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(iii) Reconciliation of the equity share outstanding at the beginning and at the end of the year:**

Particulars	As at			
	March 31, 2022		March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Share outstanding at the beginning of the year	7,01,79,692	350.90	7,01,79,692	350.90
Share issued during the year	-	-	-	-
Share outstanding at the end of the year	7,01,79,692	350.90	7,01,79,692	350.90

**(iv) Details of shareholders holding more than 5% shares in the Company**

Name of the Shareholder	As at			
	March 31, 2022		March 31, 2021	
	No. of Shares	% Holding	No. of Shares	% Holding
V Srinivasan	3,04,11,800	43.33%	2,79,71,264	39.86%
Taarav Pte Ltd	1,83,59,123	26.16%	1,83,59,123	26.16%
Lakshmi Kaushik	62,01,466	8.84%	62,01,466	8.84%
Arvind Srinivasan	66,36,515	9.46%	66,36,515	9.46%
eMudhra Employees Stock Option Trust	60,57,801	8.63%	60,57,801	8.63%

**eMudhra Limited**

Notes forming part of the consolidated financial statements

(All amounts are in INR million, unless otherwise stated)

Note	Particulars	March 31,2022	March 31,2021
<b>15</b>	<b>Other equity</b>		
	Capital redemption reserve [refer note 15.1 below]	197.43	200.26
	Preference share capital	86.00	86.00
	Securities premium [refer note 15.2 below]	-	0.63
	Retained earnings [refer note 15.3 below]	860.02	447.29
	Foreign currency translation reserve[ refer note 15.4 below]	19.83	(12.16)
	Other comprehensive income [refer note 15.5 below]	8.64	0.66
		<b>1,171.92</b>	<b>722.68</b>
<b>15.1</b>	<b>Capital redemption reserve</b>		
	Balance at the beginning of the year	200.26	89.00
	Add: Adjusted against securities premium	(2.83)	111.26
	<b>Balance as at the end of the year</b>	<b>197.43</b>	<b>200.26</b>
<b>15.2</b>	<b>Securities premium</b>		
	Balance at the beginning of the year	0.63	0.63
	Add: Transactions	-	-
	Less: Adjusted against buy-back of preference shares	0.63	-
	<b>Balance as at the end of the year</b>	<b>-</b>	<b>0.63</b>
<b>15.3</b>	<b>Retained earnings</b>		
	Balance at the beginning of the year	447.29	390.51
	Profit/ (Loss) for the year	414.05	174.60
	Less: Transfer to capital redemption reserve	-	111.26
	Less: Adjusted from opening balance	1.40	-
	Less: Dividend paid [including dividend distribution tax]	2.72	6.56
	<b>Balance as at the end of the year</b>	<b>860.02</b>	<b>447.29</b>
<b>15.4</b>	<b>Foreign currency translation reserve</b>		
	Balance at the beginning of the year	(12.16)	0.35
	Add: Exchange difference on translation of foreign operation	31.99	(12.51)
	<b>Balance as at the end of the year</b>	<b>19.83</b>	<b>(12.16)</b>
<b>15.5</b>	<b>Other comprehensive income for the year</b>		
	Balance at the beginning of the year	0.66	4.01
	Add: Other comprehensive income for the year	7.98	(3.35)
	<b>Balance as at the end of the year</b>	<b>8.64</b>	<b>0.66</b>

**eMudhra Limited**
**Notes forming part of the consolidated financial statements**

(All amounts are in INR million, unless otherwise stated)

Note	Particulars	March 31,2022	March 31,2021
<b>16</b>	<b>Borrowings</b>		
	<b>Secured</b>		
	Term loan from bank (See note A below)	288.03	271.85
	Total borrowings	288.03	271.85
	Less: Current maturities of long term loans (clubbed under other financial liabilities)	90.34	50.94
	<b>Total</b>	<b>197.69</b>	<b>220.91</b>
<b>17</b>	<b>Lease Liabilities</b>		
	Lease Liability [refer note below]	127.40	154.20
	Less: Current Liability of Lease	24.13	26.33
	<b>Total</b>	<b>103.27</b>	<b>127.87</b>
	Out of the total lease liability, the rights of use of assets amounting to INR 11.85 million and INR 17.32 million for the year ended March 31,2022 and March 31,2021 respectively, is not fully handed over and hence the same is not disclosed in Note 4 to the financials.		
<b>18</b>	<b>Deferred tax liabilities (Net)</b>		
	<b>Deferred tax asset/liability, net</b>		
	On account of timing difference of depreciation and other expenses	17.92	13.64
	<b>Total</b>	<b>17.92</b>	<b>13.64</b>
<b>19</b>	<b>Provisions</b>		
	Provision for Leave Benefits [refer note 38 of annexure]	1.43	6.07
	Provision for gratuity [refer note 38 of annexure]	26.06	26.58
	<b>Total</b>	<b>27.49</b>	<b>32.65</b>
<b>20</b>	<b>Other non-current liabilities</b>		
	Prepaid Income	2.98	12.15
	Security deposit from customers	12.53	2.53
	<b>Total</b>	<b>15.51</b>	<b>14.68</b>
<b>21</b>	<b>Borrowings</b>		
	<b>Secured</b>		
	Working capital demand loan [See note B below]	125.24	43.35
	<b>Unsecured</b>		
	Short-term loan from associates/subsidiaries	11.13	6.36
	Short-term loan from director	119.51	37.44
	<b>Total</b>	<b>255.88</b>	<b>87.15</b>
<b>22</b>	<b>Lease Liabilities</b>		
	Current Liability of Lease	24.13	26.33
	<b>Total</b>	<b>24.13</b>	<b>26.33</b>
<b>23</b>	<b>Trade payables</b>		
	Dues to Micro Enterprises and Small Enterprises	0.55	0.73
	Dues to Creditors other than Micro Enterprises and Small Enterprises	88.04	34.25
	<b>Total</b>	<b>88.59</b>	<b>34.98</b>
	Less than 1 year		
	(i)MSME	0.55	19.29
	(ii)Others*	86.70	11.36
	(iii)Disputed dues - MSME	-	-
	(iv) Disputed dues - Others	-	-
		<b>87.25</b>	<b>30.65</b>
	1-2 years		
	(i)MSME	-	-
	(ii)Others	1.04	4.33
	(iii)Disputed dues - MSME	-	-
	(iv) Disputed dues - Others	-	-
		<b>1.04</b>	<b>4.33</b>
	2-3 years		
	(i)MSME	-	-
	(ii)Others	0.29	-
	(iii)Disputed dues - MSME	-	-
	(iv) Disputed dues - Others	-	-
		<b>0.29</b>	<b>-</b>

**eMudhra Limited**
**Notes forming part of the consolidated financial statements**

(All amounts are in INR million, unless otherwise stated)

Note	Particulars	March 31,2022	March 31,2021
	More than 3 years		
	(i)MSME	-	-
	(ii)Others	-	-
	(iii)Disputed dues - MSME	-	-
	(iv) Disputed dues - Others	-	-
	<b>Grand total</b>	<b>88.58</b>	<b>34.97</b>
	*We have considered few MSME creditors amounting to INR 2.07 million as at March 31, 2022 and INR 18.56 million as at March 31,2021 under this heading where we have mutually agreed payment cycle.		
<b>24</b>	<b>Other financial liabilities</b>		
	DSC Portal deposit	9.01	9.11
	Current maturities of long term debts	90.34	50.94
	Interest accrued but not due	1.20	-
	Other advances from customers	0.30	-
	Capital creditors	12.84	6.13
	<b>Total</b>	<b>113.69</b>	<b>66.18</b>
<b>25</b>	<b>Provision</b>		
	Provision for tax,	67.47	23.80
	Other payables towards contractual obligations	56.63	33.34
	Employee benefits payable	50.01	30.36
	Provision for leave benefits [refer note 38 of annexure]	2.37	3.40
	Provision for gratuity [refer note 38 of annexure]	(1.59)	1.70
	<b>Total</b>	<b>174.89</b>	<b>92.60</b>
<b>26</b>	<b>Other current liabilities</b>		
	Prepaid Income	27.29	10.38
	Statutory dues	19.27	25.60
	<b>Total</b>	<b>46.56</b>	<b>35.98</b>

**A** The company has obtained term loan of INR 150 million (Term loan-1) for construction of digital signature campus at Devanahalli KIADB IT park, Bengaluru from M/s Canara Bank and later this loan facility was taken over by M/s Kotak Mahindra Bank Limited (referred as "lender") during May 2019 with an enhancement of INR 100 million (Term loan-2) loan towards the same purpose. During FY 2021, lender has sanctioned additional working capital term loan of INR 55.8 million (WCTL) under ECLGS scheme(Emergency Credit Line Guarantee Scheme).These loans are fully secured and the details of the same are as below:

- 1.)Primary Security: First and exclusive charge on all existing and future current assets, movable assets, movable fixed assets, tangible and intangible assets of the company.
- 2.) Collateral Security: Memorandum of deposit of title deeds of lease hold property (leased for 99 years) KIADB land located at plot no 12-P1-A & 12-P1-B of Bengaluru Industrial area in Sy No 95/P & 7 (Block no 21, 22 & 24) of B K Palya village, Jala Hobli, Bangalore North taluk, Bengaluru Urban Dist. measuring land 3 acres standing in the name of the company.

**Term loan 1(INR 150.00 million):** The repayment of this loan began from June 2019 with a monthly instalment of INR 2.61 million for a period of 81 months. Company has made a repayment of INR 43.41 million till March 31, 2022 towards the principal.

**Term loan 2(INR 100.00 million):** The repayment began from June 2020 with a monthly instalment of INR 2.46 million for a period of 48 months. Company has made a repayment of INR 31.29 million till March 31, 2022 towards the principal.

**Term loan 3(INR 55.80 million):** The repayment began from January 2022 with a monthly instalment of INR 1.75 million for a period of 48 months[including moratorium period]. Company has made a repayment of INR 4.17 million till March 31, 2022 towards the principal.

**Term loan 4(INR 70.00 million):** The repayment began from November 2021 with a monthly instalment of INR 2.16 million for a period of 36 months. Company has made a repayment of INR 8.90 million till March 31, 2022 towards the principal.

**Interest Rate:** The applicable interest rates on these facilities are linked to 6 months repo rate along with a spread of 2.80%, which undergo change in every 6 months except for WCTL loan facility(Term loan 3), which is fixed at 8.00% per annum. The present applicable interest rate on the rest of the 2 term loans are 6.80% per annum.

**B** The company had working capital facility from M/s Canara Bank and which was taken over by M/s Kotak Mahindra Bank Limited with a limit of INR 80.00 million. Company has taken an adhoc unsecured loan of INR 20 million from M/s Kotak Mahindra Bank in August 2021 and has been fully repaid during September 2021. In additions to this, company has taken two working capital limits against deposits from M/s ICICI Bank Limited with an overall limit of INR 47.50 million during February 2021 and July 2021.These loans are repayable on demand.

Nature of Security[Kotak Mahindra Bank Limited]:

1. Primary Security: Secured against receivables and inventory of the company.
2. Collateral Security: (a) Proposed memorandum of deposit of title deeds of lease hold property (leased for 99 years) KIADB land located at plot no 12-P1-A & 12-P1-B of Bengaluru Industrial area in Sy No 95/P & 7 (Block no 21, 22 & 24) of B K Palya village, Jala Hobli, Bangalore North taluk, Bengaluru Urban Dist. measuring land 3 acres standing in the name of the company.

Nature of Security[ICICI Bank Limited]:

This facility is 100% secured on fixed deposit made with this bank amounting to INR 50.00 million.



**eMudhra Limited**  
**Notes forming part of the consolidated financial statements**

(All amounts are in INR million, unless otherwise stated)

Note	Particulars	March 31,2022	March 31,2021
<b>27</b>	<b>Revenue from operations</b>		
	Sale of software solutions/services	1,536.08	1,153.33
	Sale of accessories	290.29	162.60
	<b>Total</b>	<b>1,826.37</b>	<b>1,315.93</b>
<b>28</b>	<b>Other income, net</b>		
	Foreign exchange gain/loss on consolidation	2.27	0.52
	Foreign exchange gain/loss on transactions	1.29	6.77
	Gain/premium on redemption of shares	-	0.12
	Interest income of fixed deposit	3.11	0.71
	Interest income on income tax refund	0.21	0.31
	Other miscellaneous income	0.03	0.18
	Provisions no longer required written back(see note 28.1 below)	4.07	-
	<b>Total</b>	<b>10.98</b>	<b>8.61</b>
<b>28.1</b>	This consist of erstwhile provisions created by the company to meet provident fund liabilities, which was later turned into non-payable since exemption forms had been collected from the beneficiaries. Since, the amount was fully, both employer and employee portions, contributed by the company, this is not payable and hence written back to other income.		
<b>29</b>	<b>Operating expenses</b>		
	Commission expenses	65.09	71.68
	Other direct operating expenses	43.91	46.91
	Payment gateway charges	4.60	4.33
	Postage and courier charges	6.33	6.20
	<b>Total</b>	<b>119.93</b>	<b>129.12</b>
<b>30</b>	<b>Purchase of stock-in-trade</b>		
	Purchase of crypto token/hardware	302.89	169.83
	Purchase of SSL Certificates	8.43	9.73
	<b>Total</b>	<b>311.32</b>	<b>179.56</b>
<b>31</b>	<b>Changes in stock of finished goods</b>		
	<b>Finished Goods:</b>		
	<b>Opening stock:</b>		
	Crypto token/HSM/SSL	7.13	14.63
		<b>7.13</b>	<b>14.63</b>
	<b>Closing stock:</b>		
	Crypto token/HSM/SSL	21.38	7.13
	Closing stock	21.38	7.13
	<b>Total</b>	<b>(14.25)</b>	<b>7.50</b>
<b>32</b>	<b>Employee benefit expenses</b>		
	Contribution to provident and other funds	14.34	12.08
	Employee insurance expenses	7.55	5.13
	Gratuity	6.73	7.84
	Leave compensation	(0.87)	5.31
	Salaries, allowances and bonus	433.12	382.33
	Staff welfare expenses	7.28	4.42
	<b>Total</b>	<b>468.15</b>	<b>417.11</b>

**eMudhra Limited**  
**Notes forming part of the consolidated financial statements**  
(All amounts are in INR million, unless otherwise stated)

Note	Particulars	March 31,2022	March 31,2021
<b>33</b>	<b>Finance costs</b>		
	<b>Interest and finance charges on financial liabilities carried at amortised cost</b>		
	Interest on term loans	21.79	17.24
	Interest on lease liabilities	16.41	2.30
	Interest on overdraft/cash credit facilities	7.40	6.03
	Less: interest amount capitalised	-	17.24
	Total interest on financial liabilities carried at amortised cost	45.60	8.33
	Interest on delayed payment of statutory dues	7.12	0.08
	<b>Total</b>	<b>52.72</b>	<b>8.41</b>
<b>34</b>	<b>Depreciation and amortisation expense</b>		
	Amortisation on intangible assets	78.44	69.12
	Depreciation on right to use assets	29.14	4.83
	Depreciation on plant, property and equipment	23.12	13.72
	<b>Total</b>	<b>130.70</b>	<b>87.67</b>
<b>35</b>	<b>Other expenses</b>		
	Auditors' remuneration [refer note 35.1 below]	3.79	2.59
	Business promotion and advertisements	67.12	25.97
	Communication expenses	15.02	9.89
	Contribution for corporate social responsibility expenses [refer note 35.2 below]	2.41	2.18
	Power and fuel expenses	9.39	7.13
	Fees rates and taxes	14.99	9.99
	Information technology expenses	15.43	6.21
	Insurance expenses	2.37	3.41
	Legal and professional expenses	47.92	58.81
	Local conveyance	0.87	0.82
	Meeting and conference expenses	0.13	-
	Membership charges	0.01	3.85
	Miscellaneous expense	0.36	0.35
	Office maintenance expense	12.04	10.05
	Printing and stationary	1.33	1.28
	Recruitment and training expenses	9.66	2.56
	Rent	43.46	33.48
	Repair and maintenance		
	- Plant and machinery	1.60	1.46
	- Buildings	-	0.17
	- Others	1.30	0.10
	Provision for doubtful debts	4.74	-
	Travelling, boarding and lodging expenses	10.26	3.07
	<b>Total</b>	<b>264.20</b>	<b>183.37</b>
<b>35.1</b>	<b>Payment to statutory auditors included above</b>		
	As Auditor towards:		
	Statutory audit	0.81	0.81
	Other matters	0.16	0.41
		<b>0.97</b>	<b>1.22</b>
<b>35.2</b>	<b>Corporate social responsibility expense[CSR expense]</b>		
	Amount required to be spent	2.41	1.97
	Amount spent during the year on		
	a.Promoting of education	2.41	2.18
	<b>Total CSR expenses</b>	<b>2.41</b>	<b>2.18</b>

**eMudhra Limited**

**36 Notes forming part of the consolidated financial statements**

(All amounts are in INR million, unless otherwise stated)

SI No	Particulars	For the year ended		
		March 31,2022	March 31, 2021	
<b>1</b>	<b>Earnings per share</b>			
	<b>Basic:</b>			
	Profit after tax	A	411.37	253.59
	Weighted average number of shares outstanding	B	7,01,79,692	7,01,79,692
	Basic EPS	A/B	5.86	3.61
<b>2</b>	<b>Diluted</b>			
	Profit after tax	C	411.37	253.59
	Weighted average number of shares outstanding	D	7,01,79,692	7,01,79,692
	Diluted EPS	C/D	5.86	3.61
<b>3</b>	<b>Ratios</b>			
	(a) Current ratio [times]		1.33	1.32
	(b) Total Debt-Equity Ratio		18.75%	23.31%
	(c) Debt Service Coverage Ratio [times]		8.55	10.91
	(d) Return on Equity Ratio		30.45%	24.19%
	(e) Inventory turnover ratio[times]		20.83	17.18
	(f) Trade receivables turnover ratio		24.21%	11.33%
	(g) Trade payables turnover ratio		4.85%	2.66%
	(h) Net capital turnover ratio[times]		1.35	1.26
	(i) Net profit ratio		22.52%	19.27%
	(j) Return on Capital employed		34.10%	24.10%

eMudhra Limited  
37 Notes forming part of the consolidated financial information  
(All amounts are in INR million, unless otherwise stated)

A. Disclosure related to subsidiary, associate and group companies

1 Particulars of subsidiary, associate and group companies :

Sl No	Name of the company	Address	Relationship	March 31,2022	March 31,2021
1	eMudhra (MU) Limited	10, Frere Felix de Valois Steet, Port Louis, Mauritius.	Subsidiary company	100%	100%
2	eMudhra Technologies Limited	#56, Sai Arcade, DeverabesenaHalli, Bangalore, Karnataka.	Subsidiary company	100%	51%
3	eMudhra Consumer Services Limited	#56, Sai Arcade, DeverabesenaHalli, Bangalore, Karnataka.	Subsidiary company	100%	76%
4	eMudhra DMCC	3006, One Lake Plaza, Cluster T Jumeriah Lake Towers PO Box no.32620, Dubai UAE	Subsidiary company [September 30,2021: directly 5.1% and through eMudhra (MU) Limited 94.9%(NIL for previous financial years)]	100%	51%
5	eMudhra PTE Limited	#03-01,1 Phillip Street Royal one Phillip Singapore 486592	Subsidiary company [September 30,2021: directly 51% and through eMudhra (MU) Limited 49%(NIL for previous financial years)]	100%	51%
6	eMudhra INC	97 Cedar Grove Lane Suite 202 Somerset, NJ 08873	Subsidiary company [September 30,2021: directly 51% and through eMudhra (MU) Limited 49%(NIL for previous financial years)]	100%	51%
7	eMudhra BV	Wilhelmina Van Pruisenwg 0014, 2595AN- 'Sgravenhage The Netherlands	Subsidiary company [September 30,2021: directly 51% and through eMudhra (MU) Limited 49%(NIL for previous financial years)]	100%	51%
8	PT eMudhra Technologies Indonesia	Ruko Pondasi, Jl. Pondasi Raya No. 21 Unit. H,Kayu Putih Pulogadung,Kota Adm. Jakarta Timur DKI Jakarta Indonesia	Subsidiary company [September 30,2021:Directly 29.5%(March 31,2021:29.5%) and through eMudhra DMCC 29.5%(March 31,2021: 15.05%)	59%	44.55%
9	Taarav PTE Limited	#03-01,1 Phillip Street Royal one Phillip Singapore 486592	Group Company	NA	NA
10	Smart Craft Private Limited	#56, Sai Arcade, DeverabesenaHalli, Bangalore, Karnataka.	Group Company	NA	NA
11	Cedar Grove Real Estates Private Limited	#56, Sai Arcade, DeverabesenaHalli, Bangalore, Karnataka.	Group Company	NA	NA
12	Bluesky Infotech [Partnership firm]	#56, Sai Arcade, DeverabesenaHalli, Bangalore, Karnataka.	Group entity	NA	NA
13	eMudhra employees stock option trust (Seperately managed by the outside trustees)	#56, Sai Arcade, DeverabesenaHalli, Bangalore, Karnataka.	Group entity	NA	NA

Note: Subsidiary company means, the company in which eMudhra Limited holds, directly/indirectly, 51% or more shares in their respective issued share capital.

Group company means, the companies which are managed by the same promoter/promoter group.

Group entity means, partnership firms or trusts which are managed by the same promoter/promoter group.

eMudhra Limited

Notes forming part of the consolidated financial information

(All amounts are in INR million, unless otherwise stated)

2 Particulars of key managerial person

Sl No	Entity Name	Name of the key managerial person		
		March 31,2022	March 31,2021	Relationship
1	eMudhra Limited	V. Srinivasan	V. Srinivasan	Promoter and director
		Kaushik Srinivasan	Kaushik Srinivasan	Promoter group
		Venu Madhava	Venu Madhava	Whole time director
		Saji K Louiz	Saji K Louiz	Chief financial officer
		Johnson Xavier	Johnson Xavier	Company secretary
		Biju Varghese	Biju Varghese	Sr. VP Enterprise Security
		AM Kiran	AM Kiran	Vice President -operations
		Vijay Kumar	Vijay Kumar	Sr. Vice President Product & Technology
		Ashwin Jhansale	Ashwin Jhansale	SVP - Sales & Business Strategy
		Janarthanan	Janarthanan	Sr. Vice President - Customer support
		Arvind Srinivasan	Arvind Srinivasan	Sr. Vice President & Head International Business
2	eMudhra (MU) Limited	Arvind Srinivasan	Arvind Srinivasan	Director
		Ashish Droowanand Bheekharry	Ashish Droowanand Bheekharry	Director
3	eMudhra Technologies Limited	V. Srinivasan	V. Srinivasan	Director
		Vijay Kumar	Vijay Kumar	Director
		Venu Madhava	Venu Madhava	Director
4	eMudhra Consumer Services Limited	V. Srinivasan	V. Srinivasan	Director
		Kaushik Srinivasan	Kaushik Srinivasan	Director
		Venu Madhava	Venu Madhava	Director
		NA	NA	NA
5	eMudhra DMCC	Arvind Srinivasan	Arvind Srinivasan	Director
		Manoj Kunkalienkar	NA	Director
6	eMudhra INC	V. Srinivasan	V. Srinivasan	Director
		Kaushik Srinivasan	Kaushik Srinivasan	Director
		Arvind Srinivasan	Arvind Srinivasan	Director
7	eMudhra PTE Limited	V. Srinivasan	V. Srinivasan	Director
		Arvind Srinivasan	Arvind Srinivasan	Director
		Barkes Bte Abdul Fazil	Barkes Bte Abdul Fazil	Director
8	eMudhra BV	Arvind Srinivasan	Arvind Srinivasan	Director
10	PT eMudhra Technologies Indonesia	V. Srinivasan	NA	Director
		Gita Kao	NA	Director
		Andrew Pangestu	NA	Director



**eMudhra Limited**  
**37 Notes forming part of the consolidated financial information**  
 (All amounts are in INR million, unless otherwise stated)

**Related party disclosures**

**II Disclosure related to subsidiary, associate and group company transactions**

Sl No	Nature of transaction	Accounting entity	Related party	Nature of relationship	March 31,2022	March 31,2021	
1	Purchase of Fixed Assets	eMudhra (MU) Limited					
		eMudhra DMCC	eMudhra PTE Limited	Group/Associate Company		38.97	
			eMudhra (MU) Limited	Group Company		78.44	
2	Sales of Fixed Asset	eMudhra (MU) Limited					
			eMudhra DMCC	Group/Associate Company	-	83.23	
			eMudhra (MU) Limited	Group/Associate Company	-	37.42	
3	Sales of Products/Services	eMudhra Limited					
			Bluesky Infotech [Partnership firm]	Group entity	107.44	109.53	
			eMudhra DMCC	Subsidiary company	-	7.43	
			eMudhra Consumer Services Limited	Subsidiary company	-	25.00	
			eMudhra Consumer Services Limited	Bluesky Infotech [Partnership firm]	Group entity	1.41	-
			eMudhra Technologies Limited				
			eMudhra Limited	Holding Company	10.00	11.41	
			eMudhra DMCC	PT eMudhra Technologies Indonesia	Group/Associate Company	-	118.23
			eMudhra BV	eMudhra DMCC	Group/Associate Company	1.73	-
		4	Sales of Software Licencing fees	eMudhra Limited			
	eMudhra Consumer Services Limited			Subsidiary company	9.00	0.59	
	eMudhra INC			Subsidiary company	1.40	2.95	
	eMudhra BV			Subsidiary company	1.65	-	
	eMudhra PTE Limited			Subsidiary company	2.14	-	
	eMudhra DMCC			Subsidiary company	54.73	4.84	
	eMudhra Consumer Services Limited						
				eMudhra PTE Limited	Group Company	0.57	0.10
				eMudhra DMCC	Group Company	(2.13)	33.25
				eMudhra Limited	Holding Company	37.91	36.60
				eMudhra INC	Group Company	9.63	-
				eMudhra Technologies Limited			
				eMudhra INC	Group Company	0.92	0.78
				eMudhra DMCC	Group Company	7.26	2.71
				eMudhra PTE Limited	Group Company	0.02	-
				eMudhra Limited	Holding Company	0.06	-
				eMudhra (MU) Limited			
		eMudhra DMCC	Group/Associate Company	5.24	-		
		eMudhra (MU) Limited	Group/Associate Company	-	55.05		
5	Purchase of Products/Services	eMudhra Limited					
			eMudhra Technologies Limited	Subsidiary company	10.00	11.41	
			Smart Craft Private Limited	Group Company	-	0.01	
			Bluesky Infotech [Partnership firm]	Group entity	38.68	78.27	
			eMudhra Consumer Services Limited				
				eMudhra Limited	Holding Company	-	25.00
			eMudhra DMCC				
				eMudhra Limited	Holding Company	-	7.43
				eMudhra (MU) Limited	Group/Associate Company	4.92	-
				eMudhra BV	Group/Associate Company	1.65	-
6	Purchase of Software Licencing fees	eMudhra Limited					
			eMudhra Consumer Services Limited	Subsidiary company	37.91	36.60	
			eMudhra Technologies Limited	Group Company	0.06	-	
			eMudhra Consumer Services Limited				
				eMudhra Limited	Holding Company	9.00	0.59
			eMudhra (MU) Limited				
				eMudhra DMCC	Group/Associate Company	-	53.65
			eMudhra DMCC				
				eMudhra Consumer Services Limited	Group Company	(2.47)	33.74
				eMudhra Limited	Holding Company	54.16	4.91
				eMudhra Technologies Limited	Group Company	7.26	2.76
			eMudhra PTE Limited				
				eMudhra Consumer Services Limited	Group Company	0.58	0.10
				eMudhra Limited	Holding Company	2.17	-
				eMudhra Technologies Limited	Group Company	0.02	-
			eMudhra INC				
				eMudhra Consumer Services Limited	Group Company	9.68	-
		eMudhra Limited	Holding Company	1.40	2.97		
		eMudhra Technologies Limited	Group Company	0.92	0.78		
		eMudhra BV					
		eMudhra Limited	Holding Company	1.86	-		

**eMudhra Limited**

**37 Notes forming part of the consolidated financial information**  
(All amounts are in INR million, unless otherwise stated)

**Related party disclosures**

**II Disclosure related to subsidiary, associate and group company transactions**

Sl No	Nature of transaction	Accounting entity	Related party	Nature of relationship	March 31, 2022	March 31, 2021
7	Receipt (repayment) of loan, net	eMudhra Limited				
			Bluesky Infotech (Partnership firm)	Group entity		(21.60)
			eMudhra employees stock option trust(ne	Group entity	(0.19)	0.33
		eMudhra (MU) Limited				
			eMudhra DMCC	Group/Associate Company	(24.21)	-
		eMudhra DMCC				
			eMudhra (MU) Limited	Group Company	(74.40)	80.75
			PT eMudhra Technologies Indonesia	Group Company	11.04	-
			eMudhra BV	Group Company	6.45	-
			eMudhra INC	Group Company	17.19	-
		eMudhra PTE Limited				
			Taarav PTE Limited	Group Company	6.83	(1.74)
		eMudhra BV				
			eMudhra DMCC	Group Company	-	(0.15)
		eMudhra Technologies Limited				
			eMudhra Limited	Holding Company	4.40	-
8	Loan Provided(received) Net	eMudhra DMCC				
			eMudhra PTE Limited	Group Company	2.25	-
			eMudhra INC	Group Company	-	(3.64)
			eMudhra BV	Group Company	-	(0.15)
			eMudhra (MU) Limited	Group/Associate Company	26.66	-
			Taarav PTE Limited	Group Company	2.28	-
		eMudhra (MU) Limited				
			eMudhra DMCC	Group/Associate Company	(64.73)	(74.57)
		PT eMudhra Technologies Indonesia				
			eMudhra DMCC	Group Company	10.92	-
		eMudhra Limited				
			eMudhra Technologies Limited	Group Company	4.40	-
		eMudhra BV				
			eMudhra DMCC	Group Company	6.50	-
		eMudhra INC				
			eMudhra DMCC	Group Company	17.13	(3.67)
9	Commission paid	eMudhra Limited				
			Bluesky Infotech	Group entity	13.97	16.99

**2 Detailed transactions with key managerial persons**

Sl No	Nature of transaction	Accounting entity	Related party	Nature of relationship	March 31, 2022	March 31, 2021
1	Receipt(repayment) of loan, net	eMudhra INC				
			V. Srinivasan	Director	3.79	2.21
		eMudhra DMCC				
			V. Srinivasan	Director	39.78	19.82
		eMudhra Limited				
			V. Srinivasan	Chairman and director	41.06	-
		eMudhra PTE Limited				
			V. Srinivasan	Director	-0.25	-
		eMudhra Technologies Limited				
			V. Srinivasan	Director	-3.60	(4.00)
2	Receipt of services	eMudhra (MU) Limited	Ashish droowanand bheekharry	Director	0.07	0.05
		eMudhra PTE Limited	Barkes bte Abdul Fazil	Director	0.14	0.10
3	Salary and allowances paid	eMudhra Limited				
			Venu Madhava	Whole time director	4.68	4.37
			Kaushik Srinivasan	Promoter group	5.17	6.01
			Saji K Louiz	Chief financial officer	4.07	3.95
			Johnson Xavier	Company secretary	1.89	1.49
			Biju Varghese	Sr. VP Enterprise Security	5.33	5.26
			AM Kiran	Vice President - operations	3.66	3.36
			Vijay Kumar	Sr. Vice President Product & Technology	7.26	6.46
			Ashwin Jhansale	SVP - Sales & Business Strategy	4.77	4.42
			Janarthanan	Sr. Vice President - Customer support	4.69	4.36
		eMudhra DMCC				
			Arvind Srinivasan	Director	8.09	8.70
			V. Srinivasan	Promoter group	4.87	5.26
4	Preference dividend paid	eMudhra Limited				
			V. Srinivasan	Chairman and director	2.00	1.61
			Mythili Srinivasan	Promoter group	-	0.39
			Kaushik Srinivasan	Promoter group	-	0.29
			Lakshmi Kaushik	Promoter group	0.29	-
			Arvind Srinivasan	Promoter group	-	0.29
			Aishwarya Arvind	Promoter group	0.29	-

eMudhra Limited  
 37 Notes forming part of the consolidated financial information  
 (All amounts are in INR million, unless otherwise stated)

Related party disclosures

III Disclosure related to subsidiary, associate, group company and KMP balances

SI No	Particulars	Accounting entity	Related party	Nature of relationship	March 31,2022	March 31,2021
1	Due to					
		eMudhra DMCC				
			eMudhra Limited	Holding Company	17.01	5.54
			eMudhra Consumer Services Limited	Group Company	0.04	33.06
			eMudhra Technologies Limited	Group Company	0.02	2.70
			PT eMudhra Technologies Indonesia	Group Company	11.04	-
			V. Srinivasan	Promoter Group	60.45	19.82
			eMudhra (MU) Limited	Group/Associate Company	5.01	72.26
			eMudhra BV	Group/Associate Company	8.13	-
			eMudhra INC	Group/Associate Company	17.19	-
		eMudhra INC				
			eMudhra Technologies Limited	Group Company	-	0.78
			V. Srinivasan	Director	18.00	13.78
		eMudhra Limited				
			eMudhra Consumer Services Limited	Subsidiary company	40.23	-
			eMudhra Technologies Limited	Subsidiary company	11.63	-
			V. Srinivasan	Director	41.06	-
		eMudhra PTE Limited				
			eMudhra Limited	Holding Company	-	-
			eMudhra Consumer Services Limited	Group Company	-	0.10
			V. Srinivasan	Director	-	0.24
			Taarav PTE Limited	Group Company	13.41	-
		eMudhra Technologies Limited				
			V. Srinivasan	Director	-	3.60
			eMudhra Limited	Holding Company	4.40	-
		eMudhra (MU) Limited				
			eMudhra DMCC	Group/Associate Company	27.34	-
			eMudhra PTE Limited	Group Company	0.17	-
		eMudhra employees stock option trust				
			eMudhra Limited	Group entity	30.17	30.36
2	Due From					
		eMudhra Consumer Services Limited				
			eMudhra Limited	Holding Company	40.23	-
			eMudhra DMCC	Group Company	-	33.25
			eMudhra PTE Limited	Group Company	-	0.10
		eMudhra Limited				
			eMudhra DMCC	Subsidiary company	17.04	5.55
			eMudhra employees stock option trust	Group entity	30.17	30.36
			eMudhra Technologies Limited	Group Company	4.40	-
			eMudhra DMCC	Group Company	-	2.71
			eMudhra INC	Group Company	-	0.78
			eMudhra Limited	Holding Company	11.63	-
		eMudhra DMCC				
			eMudhra (MU) Limited	Group/Associate Company	25.72	-
			Taarav PTE Limited	Group Company	2.28	-
		eMudhra PTE Limited				
			eMudhra (MU) Limited	Group/Associate Company	0.19	-
		eMudhra (MU) Limited				
			eMudhra DMCC	Group/Associate Company	5.01	61.91
		PT eMudhra Technologies Indonesia				
			eMudhra DMCC	Group Company	10.92	-
		eMudhra BV				
			eMudhra DMCC	Group Company	8.19	-
		eMudhra INC				
			eMudhra DMCC	Group Company	17.13	-

**eMudhra Limited**

**37 Notes forming part of the consolidated financial information**  
(All amounts are in INR million, unless otherwise stated)

**IV The following are the details of eliminated Transactions:**

Sl No	Nature of transaction	Accounting entity	Related party	Nature of relationship	March 31,2022	March 31,2021	
1	Purchase of Fixed Assets	eMudhra (MU) Limited	eMudhra PTE Limited	Group/Associate Company	-	38.97	
			eMudhra DMCC	Group/Associate Company	-	-	
			eMudhra (MU) Limited	Group Company	-	78.44	
2	Sales of Fixed Asset	eMudhra (MU) Limited	eMudhra DMCC	Group/Associate Company	-	83.23	
			eMudhra PTE Limited	Group/Associate Company	-	37.42	
			eMudhra (MU) Limited	Group/Associate Company	-	-	
3	Sales of Products/Services	eMudhra Limited	eMudhra DMCC	Subsidiary company	-	7.43	
			eMudhra Consumer Services Limited	Subsidiary company	-	25.00	
			eMudhra Technologies Limited				
			Smart Craft Private Limited	Group Company		-	
			eMudhra Limited	Holding Company	10.00	11.41	
			eMudhra DMCC				
			PT eMudhra Technologies Indonesia	Group/Associate Company		118.23	
			eMudhra BV				
			eMudhra DMCC	Group/Associate Company	1.73	-	
4	Sales of Software Licencing fees	eMudhra Limited	eMudhra Consumer Services Limited	Subsidiary company	9.00	0.59	
			eMudhra INC	Subsidiary company	1.40	2.95	
			eMudhra BV	Subsidiary company	1.65	-	
			eMudhra PTE Limited	Subsidiary company	2.14	-	
			eMudhra DMCC	Subsidiary company	54.73	4.84	
			eMudhra Consumer Services Limited				
			eMudhra PTE Limited	Group Company	0.57	0.10	
			eMudhra DMCC	Group Company	(2.13)	33.25	
			eMudhra Limited	Holding Company	37.91	36.60	
			eMudhra INC	Group Company	9.63	-	
			eMudhra Technologies Limited				
			eMudhra INC	Group Company	0.92	0.78	
			eMudhra DMCC	Group Company	7.26	2.71	
			eMudhra PTE Limited	Group Company	0.02	-	
			eMudhra Limited	Holding Company	0.06	-	
eMudhra (MU) Limited							
eMudhra DMCC	Group/Associate Company	5.24	-				
eMudhra (MU) Limited	Group/Associate Company	-	55.05				
5	Purchase of Products/Services	eMudhra Limited	eMudhra Technologies Limited	Subsidiary company	10.00	11.41	
			eMudhra Consumer Services Limited	Subsidiary company	-	-	
			eMudhra (MU) Limited	Subsidiary company	-	-	
			eMudhra Consumer Services Limited				
			eMudhra Limited	Holding Company	-	25.00	
			eMudhra DMCC				
			eMudhra Limited	Holding Company	-	7.43	
			eMudhra (MU) Limited	Group/Associate Company	4.92	-	
eMudhra BV	Group/Associate Company	1.65	-				
6	Purchase of Software Licencing fees	eMudhra Limited	eMudhra Consumer Services Limited	Subsidiary company	37.91	36.60	
			eMudhra Technologies Limited	Group Company	0.06	-	
			eMudhra Consumer Services Limited				
			eMudhra Limited	Holding Company	9.00	0.59	
			eMudhra (MU) Limited				
			eMudhra DMCC	Group/Associate Company	-	53.65	
			eMudhra Consumer Services Limited	Group Company	(2.47)	33.74	
			eMudhra Limited	Holding Company	54.16	4.91	
			eMudhra Technologies Limited	Group Company	7.26	2.76	
			eMudhra PTE Limited				
eMudhra Consumer Services Limited	Group Company	0.58	0.10				
eMudhra Limited	Holding Company	2.17	-				
eMudhra Technologies Limited	Group Company	0.02	-				

**eMudhra Limited**

**37 Notes forming part of the consolidated financial information**  
(All amounts are in INR million, unless otherwise stated)

**IV The following are the details of eliminated Transactions:**

Sl No	Nature of transaction	Accounting entity	Related party	Nature of relationship	March 31,2022	March 31,2021
		eMudhra INC				
			eMudhra Consumer Services Limited	Group Company	9.68	-
			eMudhra Limited	Holding Company	1.40	2.97
			eMudhra Technologies Limited	Group Company	0.92	0.78
		eMudhra BV				
			eMudhra Limited	Holding Company	1.86	-
7	Receipt (repayment) of loan, net	eMudhra (MU) Limited				
			eMudhra DMCC	Group/Associate Company	(24.21)	-
		eMudhra DMCC				
			eMudhra (MU) Limited	Group Company	(74.40)	(80.75)
			PT eMudhra Technologies Indonesia	Group Company	11.04	-
			eMudhra BV	Group Company	6.45	-
			eMudhra INC	Group Company	17.19	-
		eMudhra BV				
			eMudhra DMCC	Group Company	-	(0.15)
		eMudhra Technologies Limited				
			eMudhra Limited	Holding Company	4.40	-
8	Loan Provided(received) Net	eMudhra DMCC				
			eMudhra PTE Limited	Group Company	2.25	-
			eMudhra INC	Group Company	-	(3.64)
			eMudhra BV	Group Company	-	(0.15)
			eMudhra (MU) Limited	Group/Associate Company	26.66	-
		eMudhra (MU) Limited				
			eMudhra DMCC	Group/Associate Company	(64.73)	(74.57)
		PT eMudhra Technologies Indonesia				
			eMudhra DMCC	Group Company	10.92	-
		eMudhra Limited				
			eMudhra Technologies Limited	Group Company	4.40	-
		eMudhra BV				
			eMudhra DMCC	Group Company	6.50	-
		eMudhra INC				
			eMudhra DMCC	Group Company	17.13	(3.67)



eMudhra Limited

37 Notes forming part of the consolidated financial information  
(All amounts are in INR million, unless otherwise stated)

V The following are the details of balances eliminated

SI No	Particulars	Accounting entity	Related party	Nature of relationship	March 31,2022	March 31,2021
1	Due to					
		eMudhra DMCC				
			eMudhra Limited	Holding Company	17.01	5.54
			eMudhra Consumer Services Limited	Group Company	0.04	33.25
			eMudhra Technologies Limited	Group Company	0.02	2.70
			PT eMudhra Technologies Indonesia	Group Company	11.04	-
			eMudhra (MU) Limited	Group/Associate Company	5.01	72.26
			eMudhra BV	Group/Associate Company	8.13	-
			eMudhra INC	Group/Associate Company	17.19	-
		eMudhra INC				
			eMudhra Technologies Limited	Group Company	-	0.78
		eMudhra Limited				
			eMudhra Consumer Services Limited	Subsidiary company	40.23	-
			eMudhra Technologies Limited	Subsidiary company	11.63	-
		eMudhra PTE Limited				
			eMudhra Consumer Services Limited	Group Company	-	0.10
		eMudhra Technologies Limited				
			eMudhra Limited	Holding Company	4.40	-
		eMudhra (MU) Limited				
			eMudhra DMCC	Group/Associate Company	27.34	-
			eMudhra PTE Limited	Group Company	0.17	-
2	Due From					
		eMudhra Consumer Services Limited				
			eMudhra Limited	Holding Company	40.23	-
			eMudhra DMCC	Group Company	-	33.25
			eMudhra PTE Limited	Group Company	-	0.10
		eMudhra Limited				
			eMudhra DMCC	Subsidiary company	17.04	5.55
			eMudhra Technologies Limited	Group Company	4.40	-
		eMudhra Technologies Limited				
			eMudhra DMCC	Group Company	-	2.71
			eMudhra INC	Group Company	-	0.78
			eMudhra Limited	Holding Company	11.63	-
		eMudhra DMCC				
			eMudhra (MU) Limited	Group/Associate Company	25.72	-
		eMudhra PTE Limited				
			eMudhra (MU) Limited	Group/Associate Company	0.19	-
		eMudhra (MU) Limited				
			eMudhra DMCC	Group/Associate Company	5.01	61.91
		PT eMudhra Technologies Indonesia				
			eMudhra DMCC	Group Company	10.92	-
		eMudhra BV				
			eMudhra DMCC	Group Company	8.19	-
		eMudhra INC				
			eMudhra DMCC	Group Company	17.13	-

eMudhra Limited

38 Notes forming part of the consolidated financial information

(All amounts are in INR million, unless otherwise stated)

A) Employee benefits

a) Post Retirement Benefit- Defined Contribution Plans

The company has recognised an amount of INR 12.96 million (March 31,2021:INR 11.71 million) as expenses under the defined contribution plans in the Statement of Profit and Loss in respect of contribution to Provident Fund for the year ended

b) Post Retirement Benefit- Defined Benefit Plan

The Company makes provision for gratuity based on actuarial valuation done on projected unit credit method at each balance sheet date.

The Company makes annual contribution to the Gratuity Fund Trust which is maintained by LIC of India, a defined benefit plan for qualifying employees. The Scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment as per provisions of Payment of Gratuity Act, 1972.

The present value of the defined benefit obligation and the related current service cost are measured using the projected unit credit method with actuarial valuation being carried out at the balance sheet date.

	March 31, 2022	March 31, 2021
<b>(i) Present Value of Defined Benefit Obligation - Gratuity</b>		
<b>Balance at the beginning of the period/year</b>	36.04	26.25
On account of consolidation	-	-
Current service cost	5.61	6.00
Interest cost	1.63	1.12
Actuarial (gain)/loss	(7.60)	4.84
Benefits paid	(1.73)	(2.17)
<b>Balance at the end of the period/ year</b>	<b>33.95</b>	<b>36.04</b>
<b>(ii) Fair value of Plan Assets</b>		
<b>Balance at the beginning of the period/year</b>	7.76	7.00
Expected return on plan assets	0.41	0.42
Contribution	2.36	1.53
Actuarial gain/(loss)	0.38	0.02
Benefits paid	(1.42)	(1.21)
<b>Balance at the end of the period/ year</b>	<b>9.49</b>	<b>7.76</b>
<b>(iii) Assets and liabilities recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	33.95	36.04
Present value of plan assets	9.49	7.76
<b>Amount recognised as assets/(liability)</b>	<b>(24.46)</b>	<b>(28.28)</b>
<b>Recognised under:</b>		
Long term provision (Refer Note 19)	(26.06)	(26.58)
Short term provision (Refer Note 25)	1.59	(1.70)
<b>Total</b>	<b>(24.47)</b>	<b>(28.28)</b>
<b>(iv) Expenses recognised in the Statement of Profit and Loss</b>		
Current service cost	5.61	5.99
Interest cost	1.63	1.28
Expected return plan assets	(0.41)	(0.42)
<b>Total expenses</b>	<b>6.83</b>	<b>6.85</b>
<b>(V) Expenses recognised in the other comprehensive income</b>		
Actuarial (gain)/loss	(7.60)	4.84
Return on Plan Assets	(0.38)	(0.02)
	<b>(7.98)</b>	<b>4.82</b>

**eMudhra Limited**

**38 Notes forming part of the consolidated financial information**

(All amounts are in INR million, unless otherwise stated)

Particulars	March 31, 2022	March 31, 2021
<b>(vi) Major Category of Plan Assets as % of total Plan Assets</b>		
<b>Insurer managed funds</b>		
eMudhra Limited	100%	100%
eMudhra Technologies Limited	100%	100%
eMudhra Consumer Services Limited	100%	100%
eMudhra DMCC	0%	0%
<b>(vii) Actuarial assumptions</b>		
<b>Discount rate</b>		
eMudhra Limited	5.77%	5.26%
eMudhra Technologies Limited	5.54%	6.88%
eMudhra Consumer Services Limited	5.41%	5.04%
eMudhra DMCC	2.86%	2.36%
<b>Salary growth</b>		
eMudhra Limited	10.00%	10.00%
eMudhra Technologies Limited	5.00%	5.00%
eMudhra Consumer Services Limited	10.00%	10.00%
eMudhra DMCC	5.00%	5.00%
<b>Attrition rate</b>		
eMudhra Limited	30.00%	30.00%
eMudhra Technologies Limited	36.00%	1.00%
eMudhra Consumer Services Limited	41.00%	33.00%
eMudhra DMCC	10.00%	10.00%
<b>(viii) Amounts recognised in current period and previous five years</b>		
	<b>As at</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Present value of obligation	33.95	36.04
Present value of plan assets	9.49	7.76
Amount recognised in balance sheet (Liability)/asset	(24.46)	(28.28)

**(ix) Expected contribution to the fund for the year March 31, 2023 is INR 7.03(March 31, 2022 is INR 7.97)**

**Notes:**

- 1) The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligation
  - 2) Expected rate of return on plan assets is based on our expectation of the average long term rate of return expected on investment of the fund during the estimated term of the obligations.
  - 3) The salary escalation rate is the estimate of future salary increase considered taking into account the inflation, seniority, promotion and other relevant factors.
- Other employee benefit plan: The liability for leave encashment and compensated balances as at the year end is INR 3.80 million (March 31,2021:INR 9.47 million)

**B) Employee stock option plan**

Pursuant to the resolution passed by the Shareholders at the Extraordinary General Meeting held on March 23, 2016, the Company had introduced ESOP scheme for eligible employees of the Company. Under the scheme, 6,132,801 equity shares were irrevocably allotted to eMudhra employees stock options trust. The vesting period of the options granted by the company is not earlier than one year and not later than 4th (fourth) year from the date of grants. The fair value of the shares as of each grant date has been taken at the average of net asset value and discounted cash flow method and fair value of options are estimated by the management at the grant date using Black and Scholes model, taking into account the terms and conditions upon which the share options were granted.

The company has provided for the stock options expenses of INR 5.21 million for the year ended March 31,2022, INR 5.45 million for the year ended March 31,2021 which has been included under salaries allowances and bonus of annexure 32 to the notes of restated consolidated financial information and this amount is made part of the provisions mentioned in annexure 25 to the restated consolidated financial information.

**eMudhra Limited**

**38 Notes forming part of the consolidated financial information**

(All amounts are in INR million, unless otherwise stated)

	For the year ended	
	March 31, 2022	March 31, 2021
<b>Options granted 2016-17</b>		
Total options outstanding as at the beginning of the period	34,25,000	34,25,000
Total options granted	-	-
Exercise price of options in INR per share (as on the date of grant options)	5	5
Options forfeited/lapsed/cancelled	-	-
Variation of terms of options	No	No
Money realized by exercise of options (INR in absolute figures)	-	3,75,000
Total number of options outstanding in force	34,25,000	34,25,000
Options vested (excluding the options that have been exercised)	-	-
Options exercised (since implementation of the ESOP Scheme)	-	75,000
The total number of Equity Shares arising as a result of exercise of granted options (including options that have been exercised)	-	75,000
<b>Options granted - 2017-18</b>		
Total options outstanding as at the beginning of the period	6,25,000	6,75,000
Total options granted	-	-
Exercise price of options in INR per share (as on the date of grant options)	5	5
Options forfeited/lapsed/cancelled	12,500	50,000
Variation of terms of options	No	No
Money realized by exercise of options (INR in absolute figures)	1,87,500	-
Total number of options outstanding in force	5,75,000	6,25,000
Options vested (excluding the options that have been exercised)	-	2,06,250
Options exercised (since implementation of the ESOP Scheme)	37,500	-
The total number of Equity Shares arising as a result of exercise of granted options (including options that have been exercised)	37,500	-
<b>Options granted- 2018-19</b>		
Total options outstanding as at the beginning of the period	56,250	75,000
Total options granted	-	-
Exercise price of options in INR per share (as on the date of grant options)	5	5
Options forfeited/lapsed/cancelled	-	75,000
Variation of terms of options	No	No
Money realized by exercise of options (INR in absolute figures)	-	-
Total number of options outstanding in force	-	-
Options vested (excluding the options that have been exercised)	56,250	56,250
Options exercised (since implementation of the ESOP Scheme)	-	-
The total number of Equity Shares arising as a result of exercise of granted options (including options that have been exercised)	-	-
<b>Options granted- 2019-20</b>		
Total options outstanding as at the beginning of the period	5,00,000	7,25,000
Total options granted	-	-
Exercise price of options in INR per share (as on the date of grant options)	5	5
Options forfeited/lapsed/cancelled	-	2,25,000
Variation of terms of options	NIL	NIL
Money realized by exercise of options (INR in absolute figures)	-	-
Total number of options outstanding in force	5,00,000	5,00,000
Options vested (excluding the options that have been exercised)	1,87,500	1,87,500
Options exercised (since implementation of the ESOP Scheme)	-	-
The total number of Equity Shares arising as a result of exercise of granted options (including options that have been exercised)	-	-

**eMudhra Limited**

**38 Notes forming part of the consolidated financial information**

(All amounts are in INR million, unless otherwise stated)

<b>Options granted- 2020-21</b>	3,05,000	-
Total options outstanding as at the beginning of the period	-	-
Total options granted	-	3,05,000
Exercise price of options in INR per share (as on the date of grant options)	5	5
Options forfeited/lapsed/cancelled	50,000	-
Variation of terms of options	No	No
Money realized by exercise of options (INR in absolute figures)	-	-
Total number of options outstanding in force	2,55,000	3,05,000
Total options vested (excluding the options that have been exercised)	76,250	-
Options exercised (since implementation of the ESOP Scheme)	-	-
The total number of Equity Shares arising as a result of exercise of granted options (including options that have been exercised)	-	-
<b>Options granted-2021-22</b>		
Total options outstanding as at the beginning of the period	-	NA
Total options granted	7,84,000	NA
Exercise price of options in INR per share (as on the date of grant options)	5	NA
Options forfeited/lapsed/cancelled	47,500	NA
Variation of terms of options	No	NA
Money realized by exercise of options (INR in absolute figures)	-	NA
Total number of options outstanding in force	7,36,500	NA
Options vested (excluding the options that have been exercised)	-	NA
Options exercised (since implementation of the ESOP Scheme)	-	NA
The total number of Equity Shares arising as a result of exercise of granted options (including options that have been exercised)	-	NA

**The fair value of options granted have the following assumptions**

Particulars	Grants issued during	
	2021-22	2020-21
Dividend yield (%)	Nil	Nil
Risk free interest rate (%)	5%	5%
Volatility (%)	20%	20%
Strike price (INR)	5.00	5.00
Fair value of the shares at the time of grant (INR)	23.32	23.32
Fair value of the options at the time of grant	INR 8.29 to INR 19.23 (From 2017-18* to 2021-22)	
Expected life of options	4 years	

\*from the date on which company adopted IND AS



**eMudhra Limited**

**Notes forming part of the consolidated financial statements**

(All amounts are in INR million, unless otherwise stated)

**39 Previous period figures**

Previous period/ year figures have been re-grouped / re-classified/restated, wherever necessary

**40 Contribution for corporate social responsibility expenses**

Financial Year	Net Profit Amount
2018-19*	100.89
2019-20*	111.76
2020-21*	149.22
Average Net profits	120.62
2% of Avg. Net profit	2.41
Total amount spent during financial year 2021-22	2.41
Unspent amount	-

\* the above computation is based on Standalone Financials of eMudhra Limited

**eMudhra Limited**

**41 Notes forming part of the consolidated financial information**

(All amounts are in INR million, unless otherwise stated)

**Contingent Liabilities**

<b>Particulars</b>	<b>March 31,2022</b>	<b>March 31,2021</b>
Bank guarantees (secured against fixed deposits of March 2022:INR 5.23 million, March 31,2021: 21.67 million)	12.06	25.76
Income tax Appeal(refer note (a))	32.29	32.29
	<b>44.35</b>	<b>58.05</b>

(a)The company has filed writ petition (WP 52898/2019) which is pending with Honourable High Court of Karnataka against Dy. Commissioner of Income Tax Circle2(1)(2), Bangalore against their Assessment Order for the AY 2012-13 to levy income tax under section 143 r.w.s. 147 of Income Tax Act,1961.

(b)The company have 2 legal cases (March 31,2022: 2 cases,March 31,2021: 3 cases) against the company in various courts in the country.In all these cases, we do not foresee any financial implications.

eMudhra Limited

**42 Notes forming part of the consolidated financial information**

(All amounts are in INR million, unless otherwise stated)

**Segment Information**

Business Segment *	March 31, 2022				March 31, 2021			
	Trust Services	Enterprise Solutions		Total	Trust Services	Enterprise Solutions		Total
	India	India	Outside India		India	India	Outside India	
<b>Segment Revenue</b>								
External Sales	845.60	631.86	348.91	1,826.37	672.50	388.62	254.81	1,315.93
Unidentified segments	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>845.60</b>	<b>631.86</b>	<b>348.91</b>	<b>1,826.37</b>	<b>672.50</b>	<b>388.62</b>	<b>254.81</b>	<b>1,315.93</b>
<b>Result</b>								
Segment Result	532.27	257.97	172.87	963.11	509.44	210.97	147.90	868.30
Unallocated Corporate expenses (less income)	-	-	-	405.82	-	-	-	548.10
<b>Operating Profit</b>	<b>532.27</b>	<b>257.97</b>	<b>172.87</b>	<b>557.29</b>	<b>509.44</b>	<b>210.97</b>	<b>147.90</b>	<b>320.20</b>
Add: Interest Income	-	-	-	-	-	-	-	-
Less: unallocated interest expenses	-	-	-	52.71	-	-	-	8.40
<b>Profit/(loss) before taxation and exceptional items</b>	<b>532.27</b>	<b>257.97</b>	<b>172.87</b>	<b>504.58</b>				<b>311.80</b>
Exceptional items	-	-	-	-	-	-	-	-
<b>Profit/(loss) before taxation</b>	<b>532.27</b>	<b>257.97</b>	<b>172.87</b>	<b>504.58</b>				<b>311.80</b>
Less: Income Taxes (Net)	-	-	-	93.21	-	-	-	58.21
<b>Net Profit</b>				<b>411.37</b>				<b>253.59</b>
<b>Other Information</b>								
Segment Assets	309.33	575.64	545.14	1,430.11	178.52	147.05	340.94	666.51
Add: Unallocated Corporate Assets	-	-	-	1,171.29	-	-	-	1,252.63
<b>Total Assets</b>	<b>309.33</b>	<b>575.64</b>	<b>545.14</b>	<b>2,601.40</b>	<b>178.52</b>	<b>147.05</b>	<b>340.94</b>	<b>1,919.14</b>
Segment Liabilities	17.34	30.56	102.14	150.05	-	14.07	6.80	20.87
Add: Unallocated Corporate Liabilities	-	-	-	915.57	-	-	-	732.10
<b>Total Liabilities</b>	<b>17.34</b>	<b>30.56</b>	<b>102.14</b>	<b>1,065.62</b>	<b>-</b>	<b>14.07</b>	<b>6.80</b>	<b>752.97</b>

\*The CODM (Chief Operating Decision Maker) analyses the primary reportable business segments into two, trust services and enterprise solutions and the secondary segments are India and outside India. In line with this, revenue from sale of digital signature certificates in India are classified as trust services and rest of the revenue from operations of all the subsidiary companies are classified as enterprise solutions and further classified into from India and outside India based on the location of the billing entity.

The accompanying notes are an integral part of the financial statements

As per our report of even date

Sd:- Manohar Chowdhry & Associates  
Chartered Accountants  
Firm Registration Number: 001997S

For and on behalf of the Board of Directors  
of eMudhra Limited

Sd:- Ashok Kumar Doddi  
Partner  
Membership No: 217909  
UDIN: 22217909AKTDEK2881

Sd:- V Srinivasan  
Executive Chairman  
DIN: 00640646

Sd:- Venu Madhava  
Whole time Director  
DIN:06748204

Place: Bengaluru  
Date: June 11, 2022

Sd:- Saji K Louiz  
Chief Financial Officer

Sd:- Johnson Xavier  
Company Secretary



INDEPENDENT AUDITOR'S REPORT ON THE  
STANDALONE FINANCIAL STATEMENTS



**Independent Auditor's Report  
To the Members of eMudhra Limited**

**Report on the Audit of Standalone Financial Statements**

**Opinion**

We have audited the Standalone Financial Statements of **eMudhra Limited** ("the Company") which comprise the Standalone Balance Sheet as at March 31, 2022, and the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flow for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information ("standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

Key Audit Matters are those matters that, in our professional judgement, were most significant in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be key audit matters to be communicated in our report.



Key Audit Matter	How the matter was addressed in our audit
<p>Revenue Recognition:</p> <p>The Company’s contracts/sales orders with customers include promises to transfer multiple products/services (“performance obligations”) to a customer. Revenues from customer contracts/-sales orders (“transaction price”) are considered for recognition and measurement when the contracts/sales orders have been accepted, expressed/implicit, by the parties to the contract, the parties to contract/sales order are committed to perform their respective obligations under the contract/sales order, and the contract/sales order is legally enforceable.</p> <p>Revenue from fixed-price maintenance contracts is recognized by estimating the percentage-of-completion method when the pattern of benefits from the services rendered to the customer and the Company’s costs to fulfil the contract is not even through the period of the contract because the services are generally discrete in nature and not repetitive. Revenues in excess of billing are classified as unbilled revenue in the financial statements.</p> <p>Arrangements to deliver software products generally have three elements viz. license fee, implementation/integration fee and Annual maintenance contracts (“AMC”). Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. AMC revenue is recognized ratably on a straight-line basis over the period in which the services are rendered except in those cases where contract/sales order value is less than INR 1 million.</p>	<p>Our audit procedures included the following:</p> <p>Identification of distinct performance obligations, whether the fixed price maintenance revenue is recognized on a straight-line basis or using the percentage completion method.</p> <p>We tested the effectiveness of controls relating to the identification of distinct performance obligations, determination of whether fixed price maintenance revenue for certain contracts is recognized on straight line basis or using the percentage of completion method.</p> <p>We selected a sample of contracts with customers and performed the following procedures:</p> <p>Obtained and read contract documents for each selection, including master service agreements, and other documents that were part of the contract.</p> <p>Identified significant terms and deliverables in the contract to assess management’s conclusion regarding the identification of distinct performance obligations and whether fixed price maintenance revenue is recognized on a straight-line basis or using the percentage completion method. Evaluated management’s ability to reasonably estimate the progress towards satisfying the performance obligation by assessing the actual efforts and costs incurred. Also, tested the estimate for consistency with the status of delivery of milestones and customer acceptances and sign offs to evaluate whether there is any delay in achieving the milestones.</p>

<p>In trust services, the revenues are recognized as and when the performance obligations are transferred for negotiated price, transaction price and it is highly probable that the company will be able to collect the transaction price due under the contract/sales orders or otherwise.</p> <p>As certain contracts with customers involved management’s judgement in identifying the distinct performance obligations, whether fixed price maintenance revenue is recognized on straight line basis or using the percentage of completion method and these judgements were identified as a key audit matter.</p>	
<p>Related Party Transactions:</p> <p>Refer Note 38 to the standalone financial statements</p> <p>We identified the accuracy and completeness of disclosure of related party transactions as set out in respective notes to the financial statements as a key audit matter.</p> <p>The significance of transactions with the related parties during the year ended March 31, 2022.</p> <p>Compliance with applicable laws and regulatory directives.</p>	<p>Our audit procedures included the following:</p> <p>Obtaining an understanding of the Company’s policies and procedures in respect of the capturing of related party transactions and how management ensures all transactions and balances with related parties have been disclosed in the Financial Statements.</p> <p>Obtaining an understanding of the Company’s policies and procedures in respect of evaluating arms-length pricing and approval process by the audit committee and the board of directors.</p> <p>Designing and performing audit procedures in accordance with the guidelines laid down by ICAI in the Standard on Auditing (SA 550) to identify,</p>

<p>The fact that the related party transactions are subject to the compliance requirement under the Companies Act 2013 and SEBI (LODR) 2015.</p>	<p>assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose material related party transactions which includes obtaining necessary approvals at appropriate stages of such transactions as mandated by applicable laws and regulations.</p> <p>Assessing the management evaluation of compliance with the provisions section 177 and 188 of the Act of SEBI LODR (2015).</p> <p>Evaluating the disclosures through the reading of statutory information, books, records and other documents obtained during the course of our audit.</p>
<p>Intangibles and Impairment:</p> <p>Intangible assets are stated at the acquisition price including directly attributable costs for bringing the asset into use. The company capital-izes the direct expenditure if any incurred for the internally developed intangibles from which the future economic benefits are expected to flow over the period of time is treated as intangible asset.</p> <p>The intangibles are stated at acquisition cost less accumulated depreciation and impairment in the financial statements.</p>	<p>Our audit procedures included the following:</p> <p>Obtaining an understanding of the intangible whether it is self-generated or acquired.</p> <p>For the acquired intangible assets, we have performed audit procedures by reading the purchase orders, invoices and the contracts entered for the acquisition of the intangible assets and capitalisation thereof.</p> <p>The internally developed intangibles involve personnel costs which comprises of salaries and allowances. During the year the internally developed intangibles are classified under capital work in progress as the feasibility tests have yet to be confirmed.</p> <p>Evaluation of management's internal product performance reports of the products and the factors indicate that there is no impairment of intangible assets during the year.</p>

### Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Company's annual report, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

### **Responsibility of Management and Board of Directors for the Standalone Financial Statements**

The Company's Management and Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the stand-alone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibility for the Audit of Standalone Financial Statements**

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

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements of the current period and are therefore the key audit matters.



We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1) As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of sub-section (11) of section 143 of Companies Act, 2013 of India (the Act), we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the order to the extent applicable.

2) As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), and Standalone Statement of Changes in Equity and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in **"Annexure B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls with reference to financial statements.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- h. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no.42 to the Standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Sd:/- For Manohar Chowdhry & Associates  
Chartered Accountants  
FRN: 001997S

Sd:/- Ashok Kumar Doddi  
Partner  
M N: 217909

Place: Bengaluru  
Date: June 11, 2022  
UDIN: 22217909AKTDEK2881

## ANNEXURE – A to the Independent Auditor’s Report

Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory requirement’ of our report to the members of **eMudhra Limited** of even date.

i. a) A) The company has maintained reasonable records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

B) The company has maintained proper records showing full particulars of the intangible assets.

ii. The company has a program of verification to cover all the items of Property, Plant and Equipment in a phased manner at regular intervals which, in our opinion, is reasonable having regards to the size of the company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

iii. According to the information and explanations given to us, the records examined by us and based on the examination of the deeds provided to us, we report that the title deeds, comprising all the immovable properties of land and buildings which are freehold, are in the name of the Company as at the Balance sheet date. In respect of the immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the company.

iv. Company has not revalued its Property, Plant and Equipment (Including Right of use assets) or intangible assets or both during the year

v. According to information and explanation given to us and result of our audit procedures, in our opinion, no proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. a) According to the information and explanations provided by the management, physical verification of inventory during the year has been done. In our opinion the frequency of verification, coverage and procedure of such verification by the management is appropriate.

b) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from the banks on the basis of security of current assets. In our opinion, the monthly returns or statements filed by the Company with such banks are in agreement with the books of account of the company.

iii. a) According to the information and explanations given to us on the basis of our examination of the records of the Company, the Company has made investments and also provided loans or advances in the nature of loans to a subsidiary company, the details are as below.

Particulars	Amount (in million)
Aggregate amount during the year – Subsidiary Company	10.51
Balance Outstanding as at the Balance Sheet date- Subsidiary Company	4.40

Particulars	Amount (in million)
Aggregate amount during the year – Group Entity	Nil
Balance outstanding as at balance sheet date – Group Entity	30.17

b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions on which loans have been granted by the Company during the year aggregating to INR 10.51 million and balance outstanding as at the balance sheet date, INR 4.4 million are not prejudicial to the interest of the company.

c) According to the information and explanations given to us and on the basis of examination of the records of the company, in case of loans given, the repayment of principal has been stipulated and repayments or receipts have been regular.

d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, INR 4.4 million is overdue for more than ninety days in respect of loans given.

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended fresh loans given to settle the overdues of existing loans given to the same party.

f) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has granted loans and advances in the nature of loans repayable on demand or without specifying any period of repayment to the following related party as defined in clause (76) of section 2 of the Companies Act, 2013:

Particulars (in Millions)	All Parties	Promoters	Related Parties
Aggregate of loans and advances in the nature of loan	35.04	Nil	34.57
Repayable on demand & Agreement does not specify any terms or period of repayment	-	-	10.51
Percentage of loans /advances in the nature of loan to total loans	-	-	30.40%

iv. According to the information and explanation given to us, the company has complied with provisions of Section 185 and 186 of the Act, with respect to the investment made.

v. According to the information and explanation given to us, the company has not accepted any deposits within the meaning of section 73 to 76 of the Act or any other relevant provisions of the companies Act, 2013.

vi. The provisions of section 148(1) of companies Act, 2013 with regards to maintenance of cost records are not applicable to the company.

vii. a) According to the information and explanation given to us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income Tax and other material statutory dues as may be applicable to it from time to time. According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees State Insurance, Income Tax were in arrears as at 31st March 2022 for a period of more than six months from the date they became payable

b) Statutory dues which have not been deposited as at 31st March 2022 on account of dispute are given below:

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax	Appeal	3,22,90,170	Assessment year 2012-13	High court



viii. According to the information and explanations given to us, there was no transaction found unrecorded in the books of account of the company which have been surrendered or disclosed as income during the year in the tax assessment under the income tax act, 1961.

ix. a) According to the information and explanation and as verified from books of account, the company has not defaulted in repayment of loans or interest thereon to any lender.

b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) In our opinion and according to the information and explanations given to us, the company has utilised the money obtained by way of term loans during the year for the purpose for which they were obtained.

d) According to the information and explanations given to us and the procedure performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short term basis have been used for long term purpose by the company.

e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint venture.

f) According to the information and explanations given to us and the procedure performed applied by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. As per the explanation provided to us, the company did not raise any money by way of initial public offer/further public offer (including debt instruments) or preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible).

xi. a) During the course of our examination of the books of records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud, nor we have been informed of such case by the management.

b) To the best of our knowledge and information with us there is no instance of fraud reportable under sub section (12) of section 143 of companies Act has been filed by the auditors in Form ADT – 4 as prescribed under rule 13 of companies (Audit and Auditors) rules, 2014 with Central Government.

c) As per the information and explanations given by management and/or audit committee there were no whistle blower complaints received by the company during the year.

xii. In our opinion and according to the information and explanations given to us the company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.

xiii. According to the information and explanations, all transactions with the related parties are in compliance with section 177 and 188 of companies Act, 2013 where ever applicable and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

xiv. a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.

b) We have considered the internal audit reports of the company issued till date, for the period under audit.

xv. According to the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the companies Act, 2013 are not applicable to the company.

xvi. a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

b) The company is not Non-Banking Financial Company, hence the reporting in this clause is not required.

c) This clause is not applicable to the company as it is not Core Investment Company (CIC).

xvii. The company is generally profit-making company and there was no cash loss in the last financial year also.

xviii. There being no resignation of the statutory auditors during the year, this clause is not applicable.

xix. According to the information and explanations given to us and on the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. The company spent CSR expenses in accordance of CSR policy of the company and in accordance of companies Act, 2013. As per the information provided to us, the company did not have any unspent amount to transfer to Fund specified in Schedule VII to the companies Act 2013.

xxi. There are no qualifications or adverse remarks related to components, including in the consolidated financial statements of the companies.

Sd:/- For Manohar Chowdhry & Associates  
Chartered Accountants  
FRN: 001997S

Sd:/- Ashok Kumar Doddi  
Partner  
M N: 217909

Place: Bengaluru  
Date: June 11, 2022  
UDIN: 22217909AKTDEK2881

**ANNEXURE – B to the Independent Auditor’s Report on the  
Standalone Financial Statements of eMudhra Limited for the  
year ended March 31, 2022**

**Report on the Internal Financial controls over financial statements  
under clause (i) of sub section (3) of section 143 of the Companies Act, 2013.**

## **Opinion**

We have audited the internal financial controls with reference to standalone financial statements of the **eMudhra Limited** (“the Company”) as of March 31, 2022, in conjunction with our audit of the standalone financial statements of the company as at and for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at March 31, 2022, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“the Guidance Note”).

## **Management’s and Board of Director’s Responsibilities for Internal Financial Controls**

The Company’s Management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial reporting issued by the Institute of Chartered Accountants of India ( ‘ICAI’ ). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to the standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section of 143(10) of the Companies Act 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan & perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls with reference to Standalone Financial Statements**

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that:

- i. Pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- ii. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- iii. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements**

Because of the inherent limitations of the internal financial controls with reference to the standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Sd:/- For Manohar Chowdhry & Associates  
Chartered Accountants  
FRN: 001997S

Sd:/- Ashok Kumar Doddi  
Partner  
M N: 217909

Place: Bengaluru  
Date: June 11, 2022  
UDIN: 22217909AKTDEK2881





# THE STANDALONE FINANCIAL STATEMENTS

**eMudhra Limited**
**Standalone Cash flow statement for the year**

(All amounts are in INR million, unless otherwise stated)

Particulars	March 31,2022	March 31, 2021
<b>A. Operating activities</b>		
Profit before tax	390.47	206.27
<b>Adjustments to reconcile profit/(loss) before tax to net cash flows:</b>		
Depreciation and amortisation expense	105.06	66.66
Interest income from bank deposits and others	(3.08)	(0.71)
Interest on lease liabilities	16.41	2.30
<b>Working capital adjustments:</b>		
Decrease/(Increase) in other non-current and current financial assets	(88.11)	(35.81)
Decrease/(Increase) in inventories	(14.25)	3.37
Decrease/(Increase) in trade receivable	(168.52)	40.69
Decrease/(Increase) in loans	(4.43)	0.40
Increase/(Decrease) in non-current and current other financial liabilities	47.51	28.69
Increase/(Decrease) in non-current and current provision	8.96	14.11
Increase/(Decrease) in non-current and current liabilities	2.51	(13.87)
Increase/(Decrease) in trade payables	110.11	(5.94)
<b>Total cash from operations</b>	<b>402.64</b>	<b>306.16</b>
Income taxes refund/(paid)	(55.25)	(11.69)
<b>Net Cash flow from operating Activities (A)</b>	<b>347.39</b>	<b>294.47</b>
<b>B. Investing activities</b>		
Purchase of property, plant and equipment	(236.08)	(180.41)
Purchase of intangible assets	(52.33)	(0.15)
Increase in Right- of Use of asset	-	(138.62)
Investment in subsidiaries	(33.54)	21.28
Investments in mutual funds	0.62	0.88
Interest received	1.58	0.07
<b>Net cash used in investing activities (B)</b>	<b>(319.75)</b>	<b>(296.95)</b>
<b>C. Financing Activities</b>		
Proceeds(repaysment) from short term borrowing, net	122.95	(57.48)
Proceeds(repaysment) from long term borrowings, net	(23.21)	(48.51)
Proceeds(repaysment) from lease liabilities, net	(26.79)	154.20
Proceeds(payment) of public issue expenditures	(51.93)	-
Payment of dividend	(2.72)	(6.56)
Movement in Other comprehensive income	7.38	(3.86)
Interest paid on lease liabilities	(16.41)	(2.30)
<b>Net cash used in financing activities(C)</b>	<b>9.27</b>	<b>35.49</b>
<b>Net increase in cash and cash equivalents(D=A+B+C)</b>	<b>36.91</b>	<b>33.01</b>
<b>Cash and cash equivalents at the beginning of the financial year E)</b>	<b>49.67</b>	<b>16.66</b>
<b>Cash and cash equivalents at the end of the period/year (D+E)</b>	<b>86.58</b>	<b>49.67</b>
<b>Components of cash and cash equivalents as at end of the year</b>		
	March 31,2022	March 31, 2021
Balance with banks:		
- On current account	36.34	9.51
- Deposits with original maturity of less than 3 months	50.00	40.00
- Cash on hand	0.24	0.16
<b>Total cash and cash equivalents as per Balance Sheet</b>	<b>86.58</b>	<b>49.67</b>
<b>Cash and cash equivalents as per Statement of Cash Flow</b>	<b>86.58</b>	<b>49.67</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date

 Sd:/- Manohar Chowdhry & Associates  
 Chartered Accountants  
 Firm Registration Number: 001997S

 For and on behalf of the Board of Directors  
 of eMudhra Limited

 Sd:/- Ashok Kumar Doddi  
 Partner  
 Membership No: 217909  
 UDIN: 22217909AKTDEK2881

 Sd:/- V Srinivasan  
 Executive Chairman  
 DIN: 00640646

 Sd:/- Venu Madhava  
 Whole time Director  
 DIN:06748204

 Place:Bengaluru  
 Date: June 11,2022

 Sd:/- Saji K Louiz  
 Chief Financial Officer

 Sd:/- Johnson Xavier  
 Company Secretary

**eMudhra Limited**
**Standalone statement of assets and liabilities as at March 31, 2022**

(All amounts are in INR million, unless otherwise stated)

Particulars	Notes	As at	
		March 31,2022	March 31,2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	657.53	656.26
Right-of-Use Assets	4	104.65	133.79
Capital work-in-progress	3,4	306.39	44.96
Intangible assets	5	195.74	245.93
<b>Financial assets</b>			
Investments	6	224.98	191.44
Other non-current assets	7	61.07	26.31
<b>Total Non-current assets</b>		<b>1,550.36</b>	<b>1,298.69</b>
<b>Current assets</b>			
Inventories	8	17.25	3.00
<b>Financial assets</b>			
Investments	9	-	0.62
Trade receivables	10	306.11	137.59
Cash and cash equivalents	11	86.58	49.67
Loan	12	35.03	30.61
Other financial assets	13	228.82	122.04
<b>Total current assets</b>		<b>673.79</b>	<b>343.53</b>
<b>Total assets</b>		<b>2,224.15</b>	<b>1,642.22</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	350.90	350.90
Other equity	15	914.71	609.66
<b>Total equity</b>		<b>1,265.61</b>	<b>960.56</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	16	197.69	220.91
Lease Liabilities	17	103.27	127.87
Deferred tax liabilities (Net)	18	11.97	8.86
Provision	19	20.36	28.68
Other non-current liabilities	20	22.04	14.68
<b>Total Non-current liabilities</b>		<b>355.33</b>	<b>401.00</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	21	166.30	43.35
Lease Liabilities	22	24.13	26.33
Trade payables	23		
Total outstanding dues to Micro Enterprises and Small Enterprises		0.55	0.73
Total outstanding dues to Creditors other than Micro and Small Enterprises		138.97	28.68
Other financial liabilities	24	113.69	66.18
Provision	25	137.62	88.59
Other current liabilities	26	21.95	26.80
<b>Total current liabilities</b>		<b>603.21</b>	<b>280.66</b>
<b>Total liabilities</b>		<b>958.54</b>	<b>681.66</b>
<b>Total equity and liabilities</b>		<b>2,224.15</b>	<b>1,642.22</b>
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

 Sd:- Manohar Chowdhry & Associates  
 Chartered Accountants  
 Firm Registration Number: 0019975

 For and on behalf of the Board of Directors  
 of eMudhra Limited

 Sd:- Ashok Kumar Doddi  
 Partner  
 Membership No: 217909  
 UDIN: 22217909AKTDEK2881

 Sd:- V Srinivasan  
 Executive Chairman  
 DIN: 00640646

 Sd:- Venu Madhava  
 Whole time Director  
 DIN:06748204

 Sd:- Place:Bengaluru  
 Date: June 11,2022

 Sd:- Saji K Louiz  
 Chief Financial Officer

 Sd:- Johnson Xavier  
 Company Secretary



**eMudhra Limited**
**Standalone statement of profit and loss for the year**

(All amounts are in INR million, unless otherwise stated)

Particulars	Notes	For the year ended	
		March 31,2022	March 31, 2021
<b>Income</b>			
Revenue from operations	27	1,530.21	1,093.67
Other income, net	28	7.18	3.90
<b>Total revenue</b>		<b>1,537.39</b>	<b>1,097.57</b>
<b>Expenses</b>			
Operating expenses	29	139.55	162.01
Purchase of stock-in -trade	30	302.28	180.52
Changes in stock of finished goods	31	(14.25)	3.37
Employee benefit expenses	32	373.33	328.09
Finance costs	33	52.56	8.41
Depreciation and amortisation expense	34	105.06	66.66
Other expenses	35	188.39	142.24
<b>Total expenses</b>		<b>1,146.92</b>	<b>891.30</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>390.47</b>	<b>206.27</b>
Exceptional items		-	-
<b>Profit/(Loss) before tax</b>		<b>390.47</b>	<b>206.27</b>
<b>Tax expense</b>			
Current tax		86.99	50.77
Deferred tax		3.11	3.93
<b>Total tax expenses</b>		<b>90.10</b>	<b>54.70</b>
<b>Profit/(Loss) for the year</b>		<b>300.37</b>	<b>151.57</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss:			
Remeasurement (loss)/gain on defined benefit plan		7.38	(3.86)
<b>Other comprehensive income/(loss) for the year</b>		<b>7.38</b>	<b>(3.86)</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>307.75</b>	<b>147.71</b>
<b>Earnings per share (Nominal value of share INR 5/- each)</b>	36		
Basic		4.28	2.16
Diluted		4.28	2.16
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

 Sd:- Manohar Chowdhry & Associates  
 Chartered Accountants  
 Firm Registration Number: 0019975

 For and on behalf of the Board of Directors  
 of eMudhra Limited

 Sd:- Ashok Kumar Doddi  
 Partner  
 Membership No: 217909  
 UDIN: 22217909AKTDEK2881

 Sd:- V Srinivasan  
 Executive Chairman  
 DIN: 00640646

 Sd:- Venu Madhava  
 Whole time Director  
 DIN:06748204

 Place:Bengaluru  
 Date: June 11,2022

 Sd:- Saji K Louiz  
 Chief Financial Officer

 Sd:- Johnson Xavier  
 Company Secretary

# eMudhra Limited

## Notes forming part of the Standalone Financial Statements

### 1. Corporate Information

eMudhra Limited (“the company” or eMudhra) provides various solutions and services like digital signatures, authentication solutions, paperless office solutions and other solutions around PKI technology. eMudhra stands for enabling a digital future with a foundation built on digital identity and trust.

The company is a public limited company incorporated and domiciled in India and has its registered office at Sai Arcade, No.56, 3rd Floor, Deverabeesanahalli, Bengaluru 560103, Karnataka, India.

eMudhra is a licensed certifying authority under the Information Technology Act, 2000, founded in 2008 from the seed of digital signatures. eMudhra has since grown to establish strong roots in solutions providing security to enterprises and end consumer for online transactions. eMudhra strives to stay relevant in the PKI and online security space by optimizing a market-based approach to drive solutions that address our customers’ financial and statutory needs. eMudhra’s products include digital signature certificates, authentication solutions, paperless office solutions, Certifying Authority solutions, solutions for securing data at rest and data in transit, solutions for Internet of Things (IoT), etc.

The standalone financial statements are approved for issue by the Company’s Board of Directors on June 11, 2022.

### 2. Significant Accounting Policies

#### Basis of Preparation of Accounts

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015.

The standalone financial statements up to year ended 31 March, 2017 were prepared in accordance with the requirements of the previous Indian GAAP which includes accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

The standalone financial statements have been prepared under historical cost convention basis except for certain financial assets and financial liabilities measured at fair value (refer accounting policies for financial instruments).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### Critical Estimates and Judgments

##### I. Use of Estimates

The preparation of standalone financial statements in conformity with generally accepted accounting principles in India requires management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the standalone financial statements. The application of accounting policies that require critical accounting policies that require critical accounting estimates, judgements and the use of assumptions in these standalone financial statements and therefore actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

The company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these standalone financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements.

## **II. Current Versus Non-current Classification**

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. All the assets and liabilities have been classified as current/non-current as per the Company's normal operating cycle and other criteria set out in Division II to Schedule III of the Companies Act, 2013.

Based on the nature of services and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non - current classification of assets and liabilities.

## **III. Critical Accounting Estimates and Judgments**

### **a. Revenue Recognition and Expenses**

The Company's contracts/sales orders with customers include promises to transfer multiple products/services ("performance obligations") to a customer. Revenues from customer contracts/sales orders ("transaction price") are considered for recognition and measurement when the contracts/sales orders have been accepted, expressed/implied, by the parties to the contract, the parties to contract/sales order are committed to perform their respective obligations under the contract/sales order, and the contract/sales order is legally enforceable.

Revenue from fixed-price maintenance contracts is recognized by estimating the proportionate completion method when the pattern of benefits from the services rendered to the customer and the Company's costs to fulfil the contract is not even through the period of the contract because the services are generally discrete in nature and not repetitive. Revenues in excess of billing are classified as unbilled revenue in our standalone financial statements.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses. Revenue from licenses where the customer obtains a "right to use" the license is recognized at the time the license is made available to the customer.

Arrangements to deliver software products generally have three elements viz. license fee, implementation/integration fee and Annual maintenance contracts ("AMC"). Where the license is required to be substantially customized, as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. AMC revenue is recognized ratably on a straight-line basis over the period in which the services are rendered except in those cases where contract/sales order value is less than INR 1 million.



In trust services, the revenues are recognised as and when the performance obligations are transferred for negotiated price, transaction price and it is highly probable that the company will be able to collect the transaction price due under the contract/sales orders or otherwise.

**Interest Income:**

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

**Dividend Income:**

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

**Other Income:**

Other income is accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

**Expenses:**

Expenses are accounted for on accrual basis and provisions are made for all known liabilities and losses. Those expenses spread across multiple financial years have been amortised on straight line basis over the period in which the services are received except in those cases where the contract/purchase order value is less than INR 1 million.

**b. Income Taxes**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

**Current Income Tax**

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current tax assets and liabilities are offset only if, the Company:

- Has a legally enforceable right to set off the recognized amounts; and
- Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

## **Deferred Income Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### **Minimum Alternate Tax:**

Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as deferred tax in the Statement of Profit and Loss. The credit available under the Income Tax Act, 1961 in respect of MAT paid is recognised as an asset only when and to the extent it is probable that future taxable profit will be available against which these tax credit can be utilised. Such an asset is reviewed at each Balance Sheet date.

### **c. Property, Plant and Equipment**

Property, plant and equipments (PPE) are stated at cost less accumulated depreciation and impairment losses, if any. Cost of acquisition includes directly attributable costs for bringing the assets to its present location and use.

The cost of an item of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying assets up to the date the asset is ready for its intended use.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1st April 2017, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, Plant and equipment.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the assets are derecognized.

Depreciation on PPE is provided as per straight line method as per the useful life prescribed in Schedule II of the Companies Act, 2013. However, the leasehold improvements are depreciated at lower of useful life mentioned in schedule II of the above said act or over the lease period.

However, the leasehold improvements are depreciated at lower of useful life mentioned in schedule II of the above said act or over the lease period.

#### **d. Intangible Assets**

Intangibles are stated at the acquisition price including directly attributable costs for bringing the asset into use, less accumulated amortization and impairment. Direct expenditure, if any, incurred for internally developed intangibles from which future economic benefits are expected to flow over a period of time is treated as intangible asset as per the Indian Accounting Standard on Intangible Assets.

Intangible assets are amortised on straight-line basis over a period of 10 years, based on management estimate. The amortization period and the amortization method are reviewed at the end of each financial year. Depreciation/Amortization is charged on a pro-rata basis on assets purchased/sold during the year, with reference to date of installation/disposal.

#### **e. Borrowings and Borrowing Costs**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for Capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### **f. Financial Instruments**

##### **Initial Measurement**

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition except for the trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to or deducted from the fair value on initial recognition.

Subsequent measurement [non-derivative financial instruments]

##### **Financial Assets Carried at Amortized Cost**

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise

on specified dates to cash flows that are solely for payments of principal and interest on the principal amount outstanding.

#### **Financial Assets at Fair Value through other Comprehensive Income [FVTOCI]**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely for payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

#### **Financial Assets at Fair Value through Profit or Loss [FVTPL]**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

#### **Financial Liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

#### **Investment in Subsidiaries and Associates**

Investment in subsidiaries and Associates are measured at cost less impairment.

#### **Share Capital – Ordinary Shares**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all its liabilities. Equity instruments recognized by the company are recognized at the proceeds received net of direct issue cost.

#### **De-recognition of Financial Instruments**

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

#### **Fair Value Measurement of Financial Instruments**

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market which can be accessed by the Company for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Company

uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### **g. Impairment of Assets**

##### **Financial Assets**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

##### **Non-Financial Assets**

##### **Intangible Assets and Property, Plant and Equipment**

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable

amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

#### **h. Leases**

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease payments under operating leases are recognized as an expense on a straight-line basis in net profit in the Statement of Profit and Loss over the lease term.

#### **i. Foreign Currency Transactions**

All transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date when the relevant transactions take place.

Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss of the year. Monetary assets and liabilities in the form of Loans, Current Assets and Current Liabilities in foreign currency, which are outstanding as at the year-end, are translated at the year-end closing exchange rate and the resultant exchange differences are recognized in the Statement of Profit and Loss.

The premium or discount arising at the inception of the forward exchange contracts related to underlying receivables and payables, if any, are amortized as an expense or income recognized over the period of the contracts. Gains or losses on renewal or cancellation of foreign exchange forward contracts are recognized as income or expense for the period.

Investments in overseas entity are recognized at the relevant exchange rates prevailing on the date of investments.

All transactions of the foreign branch during the year are included in the accounts at the rate of exchange prevailing at the end of the month in which the transactions took place. Net Gain/Loss in foreign currency transactions are recognized in the Statement of Profit and Loss. Monetary assets and liabilities are translated at the rates prevailing on the balance sheet date.

#### **j. Employee Benefits**

**Short-term employee benefits** – Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised in the period in which the employee renders the related service.

**Post-employment benefits (defined benefit plans)** – The employees' gratuity scheme is a defined benefit plan. In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity for the eligible employees.



The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The present value of the obligation under such defined benefit plan is determined at each Balance Sheet date based on an actuarial valuation using projected unit credit method. The discount rate is based on the prevailing market yields of Indian government securities. Gains and Losses through re-measurement of the net defined benefit liability/(asset) are recognized in Other Comprehensive Income.

**Post-employment benefits (defined contribution plans)** – Contributions to the provident fund is defined contribution plan and is recognized as an expense in the Statement of Profit and Loss in the period in which the contribution is due. Both the employee and the Company make monthly contributions to the provident fund scheme equal to the specified percentage of the covered employees' basic salary.

**Long-term employee benefits** – Long-term employee benefits comprise of compensated absences and other employee incentives, if any. These are measured based on an actuarial valuation carried out by an independent actuary at each Balance Sheet date unless they are insignificant. Actuarial gains and losses and past service costs are recognized in the Statement of Profit and Loss.

#### **Employee Options**

The fair value of the options granted under the value of the Company; Employee Option Plan is recognised as employee benefits expense with the corresponding increase in equity. The total amount to be expensed is determined by the reference to the fair value of the options granted:

- Including any market conditions (e.g., the entity's share price)
- Excluding the impact of any service and non-market performance vesting conditions (profitability, sales growth targets and remaining an employee of the entity over the specified period), and
- Including the impact of any non-vesting conditions (e.g., the requirement for the employee to save or hold shares for the specific period of time)

The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied.

At the end of each period, the entity revises its estimate of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with the corresponding adjustments to equity.

#### **k. Earnings Per Share (EPS)**

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

### **I. Cash and Cash Equivalents**

Cash and Cash equivalents comprises cash and calls on deposit with banks and corporations. The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalent.

### **m. Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### **n. Dividends**

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

### **o. Provisions and Contingencies**

Provisions are recognized when the Company has a present obligation as a result of a past event, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provision is not discounted to its present value and is determined based on the last estimate required to settle the obligation at the year end.

Contingent liabilities are not provided for and are disclosed by way of notes to accounts, where there is an obligation that may, but probably will not, require outflow of resources.

Where there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are neither recognized nor disclosed in the standalone financial statements.

### **p. Inventories**

Inventories are valued at the lower of first in first out [FIFO] cost basis and estimated net realisable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises of cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work-in-progress, incurred in bringing such inventories to their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

## Transition to Ind AS

These are the Company's first standalone financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 2 have been applied in preparing the standalone financial statements for the year ended 31 March, 2019, the comparative information presented in these standalone financial statements for the year ended 31 March, 2018 and in the preparation of an opening Ind AS balance sheet at 01 April, 2017 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in standalone financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous Indian GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

### A. Exemptions and Exceptions Availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

#### 1) Ind AS Optional Exemptions

##### a) Deemed Cost

The Company has elected to measure all of its Property, Plant and Equipment and intangible assets at their previous GAAP carrying value.

##### b) Leases

The Company has elected to assess whether a contract or arrangement contains a lease on a prospective basis i.e., on the basis of facts and circumstances existing at the date of transition to Ind AS.

##### c) Investments in Subsidiaries/Joint Ventures Including the Assets and Liabilities

On transition, Ind AS 101 allows the entity to measure investments in subsidiary either at cost determined in accordance with Ind AS 27 or deemed cost. Accordingly, the Company has elected to treat cost as deemed cost for its investments held in a subsidiary.

#### 2) Ind AS Mandatory Exceptions

##### a) Estimates

On assessment of estimates made under the Previous GAAP standalone financial statements, the Company has concluded that there is no necessity to revise such estimates under Ind AS, as there is no objective evidence of an error in those estimates except impairment of financial asset based on expected credit loss model as the same was not required under previous GAAP.

##### b) Classification and Measurement of Financial Assets

The Company has done the assessment of classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

### c) Investments in Subsidiaries and Associates

INDAS 101 allows an entity to account for investment in subsidiaries and associates at cost or in accordance with INDAS 109. The Company has opted to recognise these investments at cost.

### d) Impairment of Financial Assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

### Recent Accounting Pronouncement

The Ministry of Corporate Affairs (MCA) has notified new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

Ind AS 16, Property Plant and Equipment – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from directly attributable costs considered as part of cost of an item of Property, Plant and Equipment. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts. The Company has evaluated the amendment and there is no significant impact in the standalone financial statements.

### Events Occurring after Balance Sheet Date

The company has completed its public issue of shares during May 2022 and has been listed in BSE and NSE on June 01, 2022. The company has raised INR 1610.00 million through IPO and has also made a preferential allotment of INR 390.00 million through pre-IPO in the same month. The promoter and the promoter group including their family members of the company has also made offer for sale in the IPO worth INR 2517.86 million and has diluted the stake from 91.37% to 69.44%. This transaction has increased the paid-up equity share capital of the company from INR 350.90 million to INR 390.36 million and will increase the securities premium by INR 1861.98 million. We have also made application to our monitoring agency, Kotak Mahindra Bank Limited, to close our term loans and overdraft facilities amounting to INR 350 million. This will considerably strengthen the company's financial position and make it into a zero debt company. Other than this there are no significant events after the balance sheet date which are likely to affect financial position/result of the company.

The accompanying notes are an integral part of the financial statements  
As per our report of even date

Sd:- Manohar Chowdhry & Associates  
Chartered Accountants  
Firm Registration Number: 0019975

For and on behalf of the Board of Directors  
of eMudhra Limited

Sd:- Ashok Kumar Doddi  
Partner  
Membership No: 217909  
UDIN: 22217909AKTDEK2881

Sd:- V Srinivasan  
Executive Chairman  
DIN: 00640646

Sd:- Venu Madhava  
Whole time Director  
DIN:06748204

Place: Bengaluru  
Date: June 11, 2022

Sd:- Saji K Louiz  
Chief Financial Officer

Sd:- Johnson Xavier  
Company Secretary

**eMudhra Limited**
**Notes forming part of the standalone financial statements**

(All amounts are in INR million, unless otherwise stated)

**3 Property, Plant and Equipment and capital work-in-progress**

Particulars	Leasehold land*	Building	Building on leasehold land	Computer and hardware	Motor vehicles	Office equipments	Total	Capital work-in-progress
<b>Period ended March 31, 2022</b>								
<b>Gross Carrying Amount</b>								
As at April 01, 2020	89.25	31.97	1.92	62.11	6.21	33.85	225.31	384.83
Additions	-	-	510.74	9.33	-	0.21	520.28	712.74
Disposals/capitalisation	-	-	-	-	-	-	-	(1,052.59)
As at March 31, 2021	89.25	31.97	512.66	71.44	6.21	34.06	745.59	44.98
Additions	-	2.58	-	12.36	-	9.19	24.13	238.97
Disposals/capitalisation	-	-	-	-	-	-	-	(27.02)
As at March 31, 2022	89.25	34.55	512.66	83.80	6.21	43.25	769.72	256.93
<b>Depreciation</b>								
As at April 01, 2020	3.37	4.30	1.54	43.68	3.74	19.21	75.84	-
Charge for the year	0.85	1.07	0.18	6.69	0.55	4.13	13.47	-
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2021	4.22	5.37	1.72	50.37	4.29	23.34	89.31	-
Charge for the period	0.85	1.14	8.24	7.50	0.40	4.75	22.88	-
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2022	5.07	6.51	9.96	57.87	4.69	28.09	112.19	-
<b>Net Block</b>								
As at March 31, 2021	85.03	26.60	510.94	21.07	1.92	10.72	656.28	44.98
As at March 31, 2022	84.18	28.04	502.70	25.93	1.52	15.16	657.53	256.93

**Notes:**

\*Note: Out of this land worth Rs.8,30,01,213 is the lease hold land measuring 12140.00 Sq. Mtrs located at plot no. 12- P1- A & 12 -P1-B(Corner) of Bengaluru IT Park Industrial Area in SY nos. 95/P & 7 (Block no.21,22 &24- Part) of B K Palya Village , Jala Hobli, Bengaluru North Taluk, has been allotted to our company by Karnataka Industrial Areas Development Board as per the allotment letter no. KIADB/HO/Allot/AS/30017/8927/15-16 dated 23.09.2015. The company has later obtained possession certificate vide letter no. IADB/AE/30017/1158/2015-16 dated 29.03.2016. This has been allotted for a leasehold period of 99 years beginning from possession date.This land is mortgaged against term loan of Rs. 25,00,00,000 by **Kotak Mahindra Bank**.

Another land worth Rs.62,51,000 is the lease hold land measuring 2.5 acres in the ELCOSEZ- Jagirammalayam,Salem is also under 99 year lease.

## eMudhra Limited

### Notes forming part of the standalone financial statements

(All amounts are in INR million, unless otherwise stated)

#### 3A Details of Property plant and equipment

##### 1 For the year ended March 31,2022

Relevant line item in the Balance sheet	Description of item of property	Gross Value as at March 31,2022	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter*/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company**
Lease hold land	Lease hold land from KIADB,Devenahalli	83.00	eMudhra Limited	NA	March 29,2016	NA
Lease hold land	Lease hold land from ELCOT,Salem	6.25	eMudhra Limited	NA	August 13,2018	NA
Office building	Hubtown Solaris,Mumbai	31.97	eMudhra Limited	NA	August 01,2014	NA
Office building	Chennai data centre,Thoraipakkam	2.57	eMudhra Limited	NA	July 21,2021	NA
Building on leasehold land	NA	1.93	eMudhra Limited	NA	Various dates	NA
Building on leasehold land	Building on Lease hold land from KIADB,Devenahalli	510.74	eMudhra Limited	NA	March 31,2021	NA
Computer and hardware	NA	83.80	eMudhra Limited	NA	Various dates	NA
Motor vehicles	NA	6.21	eMudhra Limited	NA	Various dates	NA
Office equipments	NA	43.25	eMudhra Limited	NA	Various dates	NA
	<b>Total</b>	<b>769.72</b>				

##### 2 For the year ended March 31,2021

Relevant line item in the Balance sheet	Description of item of property	Gross value as at March 31,2021	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter*/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company**
Lease hold land	Lease hold land from KIADB,Devenahalli	83.00	eMudhra Limited	NA	March 29,2016	NA
Lease hold land	Lease hold land from ELCOT,Salem	6.25	eMudhra Limited	NA	August 13,2018	NA
Office building	Hubtown Solaris,Mumbai	31.97	eMudhra Limited	NA	August 01,2014	NA
Building on leasehold land	NA	1.93	eMudhra Limited	NA	Various dates	NA
Building on leasehold land	Building on Lease hold land from KIADB,Devenahalli	510.74	eMudhra Limited	NA	March 31,2021	NA
Computer and hardware	NA	71.44	eMudhra Limited	NA	Various dates	NA
Motor vehicles	NA	6.21	eMudhra Limited	NA	Various dates	NA
Office equipments	NA	34.05	eMudhra Limited	NA	Various dates	NA
	<b>Total</b>	<b>745.59</b>				



**eMudhra Limited**

**Notes forming part of the standalone financial statements**

(All amounts are in INR million, unless otherwise stated)

**4 Right-of-Use Assets**

Particulars	Leasehold assets
<b>Year ended March 31, 2022</b>	
<b>Gross Carrying Amount</b>	
As at April 01, 2020	-
Additions	138.62
Disposals/capitalisation	-
<b>As at March 31, 2021</b>	<b>138.62</b>
Additions	-
Disposals/capitalisation	-
<b>As at March 31, 2022</b>	<b>138.62</b>
<b>Depreciation</b>	
As at April 01, 2020	-
Charge for the year	4.83
Disposals	-
<b>As at March 31, 2021</b>	<b>4.83</b>
Charge for the year	29.14
Disposals	-
<b>As at March 31, 2022</b>	<b>33.97</b>
<b>Net Block</b>	
As at March 31, 2021	<b>133.79</b>
As at March 31, 2022	<b>104.65</b>

Depreciation has been charged to ROU Assets on a straight line method based on the lease term and is included under depreciation and amortization expense in the statement of Profit and Loss.

Particulars	March 31,2022	March 31,2021
<b>Opening Lease Liability</b>	136.56	-
Add: Additions on lease during the year	-	138.62
Add: Accretion of Interest	16.41	2.30
Less: Lease Payments	(20.71)	(4.36)
<b>Lease Liability</b>	<b>132.26</b>	<b>136.56</b>
Current	23.28	20.85
Non-Current	108.98	115.71
Total	<b>132.26</b>	<b>136.56</b>

\*Refer note 17 to the financial information

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 and March 31, 2021 on an undiscounted basis:

Particulars	March 31,2022	March 31,2021
Less than one year	29.60	40.94
One to two years	65.88	58.38
More than two years	31.92	101.00
<b>Total</b>	<b>127.40</b>	<b>200.32</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

**eMudhra Limited**

**Notes forming part of the standalone financial statements**

(All amounts are in INR million, unless otherwise stated)

**5 Intangible assets and capital work in progress**

Particulars	Computer Software	Capital work-in-progress
<b>Period ended March 31, 2022</b>		
<b>Gross carrying amount</b>		
<b>As at April 01, 2020</b>	<b>619.76</b>	<b>5.93</b>
Additions	6.10	0.15
Disposals/capitalisation	-	(6.08)
<b>As at March 31, 2021</b>	<b>625.86</b>	<b>0.00</b>
Additions	2.86	49.46
Disposals/capitalisation	-	-
<b>As at March 31, 2022</b>	<b>628.72</b>	<b>49.46</b>
<b>Accumulated Amortisation</b>		
<b>As at April 01, 2020</b>	331.59	-
Charges for the year	48.34	-
Disposals	-	-
<b>As at March 31, 2021</b>	<b>379.93</b>	-
Charges for the year	53.05	-
Disposals	-	-
<b>As at March 31, 2022</b>	<b>432.98</b>	-
<b>Net block</b>		
<b>As at March 31, 2021</b>	<b>245.93</b>	<b>0.00</b>
<b>As at March 31, 2022</b>	<b>195.74</b>	<b>49.46</b>

**eMudhra Limited**

**Notes forming part of the standalone financial statements**

(All amounts are in INR million, unless otherwise stated)

**Note no 3.1 and 5.1 to Annexure 3 and 5**

**1 For the period ended March 31,2022**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in Progress	297.30	-	9.09	-	306.39
Projects temporarily suspended	-	-	-	-	-

**Tangible/Intangible assets under development:**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Remote Signing	10.53	-	-	-	10.53
emSigner	19.92	-	-	-	19.92
emAS IAM	8.55	-	-	-	8.55
emCA	10.46	-	-	-	10.46
Salem ELCOT, office building	-	-	9.09	-	9.09
Digital Signature campus,Devenahalli campus	247.84	-	-	-	247.84
<b>Total</b>	<b>297.30</b>	<b>-</b>	<b>9.09</b>	<b>-</b>	<b>306.39</b>

**2 For the year ended March 31,2021**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in Progress	36.39	6.60	1.97	-	44.96
Projects temporarily suspended	-	-	-	-	-

**Intangible assets under development:**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
emPower	7.58	-	-	-	7.58
Other assets	9.35	-	-	-	9.35
Salem ELCOT, office building	-	6.60	1.97	-	8.57
Digital Signature campus,Devenahalli campus	19.46	-	-	-	19.46
<b>Total</b>	<b>36.39</b>	<b>6.60</b>	<b>1.97</b>	<b>-</b>	<b>44.96</b>

**eMudhra Limited**  
**Notes forming part of the standalone financial statements**  
(All amounts are in INR million, unless otherwise stated)

Note	Particulars	March 31, 2022	March 31, 2021
6	<b>Financial assets</b>		
	<b>Investment carried at cost:</b>		
	<b>a) Non-current investment</b>		
	Investment in mutual funds	-	-
	[Units of canara robeco mutual fund units @ Rs.10 per unit]		
	<b>b) Investment in unquoted equity share capital of subsidiary companies</b>		
	Investment in EMudhra (MU) Limited	108.98	108.98
	(5,158,477 (2021:5,158,477) equity shares of face value of MUR10 each)		
	Investment in Emudhra Technology Ltd.	27.47	13.01
	(29,50,558 (2021:15,04,782) equity shares of face value of Rs.10 each)		
	Investment in Emudhra Consumer Services Limited	57.08	38.00
	(50,00,000 (2021:38,000,000) equity shares of face value of Rs.10 each)		
	Investment in Emudhra DMCC	1.01	1.01
	(51 (2021: 51) equity shares of face value of AED 1000 each)		
	Investment in Emudhra INC	8.39	8.39
	(1,05,000 (2021: 105,000) equity shares of face value of USD 1 each)		
	Investment in Emudhra PTE Limited	6.54	6.54
	(1,27,500 (2021:127,500) equity shares of face value of SGD 1 each)		
	Investment in Emudhra BV	4.61	4.61
	(51,000 (2021:51,000) equity shares of face value of EURO 1 each)		
	Investment in PT eMudhra Technologies Indonesia	10.90	10.90
	(147,500 (2021:147,500) equity shares of face value of USD 1 each)		
	<b>Total</b>	<b>224.98</b>	<b>191.44</b>
	<b>Aggregate amount invested in quoted mutual funds at cost</b>		-
	<b>Aggregate amount invested in unquoted shares at cost</b>	<b>224.98</b>	<b>191.44</b>
7	<b>Other non-current assets</b>		
	Balance with government authorities	0.55	0.55
	Balances with bank held as margin money deposits as against bank guarantees	5.23	21.67
	Other receivables	52.19	0.00
	Prepaid expenses	3.10	4.09
	<b>Total</b>	<b>61.07</b>	<b>26.31</b>
8	<b>Inventories</b>		
	Crypto token/hardware security module/SSL	17.25	3.00
	<b>Total</b>	<b>17.25</b>	<b>3.00</b>
9	<b>Investment</b>		
	Investment in units of mutual funds	-	0.62
	<b>Total</b>	<b>-</b>	<b>0.62</b>
10	<b>Trade receivables</b>		
	Unsecured trade receivables	294.35	132.04
	Unsecured trade receivables from related parties	16.50	5.55
	Less: Allowance for doubtful debts	4.74	-
	<b>Total</b>	<b>306.11</b>	<b>137.59</b>
	<b>Current portion</b>	306.11	137.59
	<b>Non-current portion</b>	-	-
	<b>Breakup of security details:</b>		
	Unsecured, considered good	310.85	137.59
	<b>Gross Trade Receivables</b>	<b>310.85</b>	<b>137.59</b>
	<b>Undisputed Trade Receivables - Considered good</b>		
	Less than 6 months	208.07	115.98
	6 months - 1 year	86.81	13.77
	1-2 years	11.24	4.15
	2-3 years	1.88	2.27
	More than 3 years	2.86	1.42
	<b>Total</b>	<b>310.86</b>	<b>137.59</b>
11	<b>Cash and cash equivalents</b>		
	<b>Particulars</b>		
	Balance with banks:		
	- On current account	36.34	9.51
	Balances with bank held as margin money deposits as against bank guarantees	-	-
	Cash on hand	0.24	0.16
	-Deposit accounts [pledged with bank]	50.00	40.00
	<b>Total</b>	<b>86.58</b>	<b>49.67</b>
12	<b>Loan</b>		
	<b>Loans considered good - Unsecured</b>		
	Loans to employees	0.46	0.25
	Short-term loan to associates/subsidiaries	4.40	-
	Loan to eMudhra employees stock options trust	30.17	30.36
	<b>Total</b>	<b>35.03</b>	<b>30.61</b>
13	<b>Other financial assets</b>		
	Interest accrued on fixed deposits	3.05	1.54
	Advance to capital creditors	17.64	11.55
	Advance to suppliers	4.29	3.45
	Balance with government authorities	-	1.02
	Other deposits	1.20	1.03
	Prepaid expenses	12.06	9.72
	Rent deposit	11.44	8.36
	Security deposits	10.41	12.28
	Tender deposit	1.53	0.97
	Unbilled revenue	167.20	72.12
	<b>Total</b>	<b>228.82</b>	<b>122.04</b>

**eMudhra Limited**

**14 Notes forming part of the standalone financial statements**

(All amounts are in INR million, unless otherwise stated)

	As at	
	March 31,2022	March 31,2021
<b>(i)Authorised</b>		
123 Million (2021: 123 Million, 2020: 123 Million, 2019: 123 Million) equity shares of INR 5 each	615.00	615.00
<b>(ii)Issued, Subscribed and Paid - Up</b>		
70.18 Million (2021: 70.18 Million, 2020: 70.18 Million, 2019: 70.18 Million) equity shares of INR 5 each	350.90	350.90

The company has only one class of equity shares having par value of INR 5 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(iii) Reconciliation of the equity share outstanding at the beginning and at the end of the year:**

Particulars	As at			
	March 31, 2022		March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Share outstanding at the beginning of the year	7,01,79,692	350.90	7,01,79,692	350.90
Share issued during the year	-	-	-	-
Share outstanding at the end of the year	7,01,79,692	350.90	7,01,79,692	350.90

**(iv) Details of shareholders holding more than 5% shares in the Company**

Name of the Shareholder	As at			
	March 31, 2022		March 31, 2021	
	No. of Shares	% Holding	No. of Shares	% Holding
V Srinivasan	3,04,11,800	43.33%	2,79,71,264	39.86%
Taarav Pte Ltd	1,83,59,123	26.16%	1,83,59,123	26.16%
Lakshmi Kaushik	62,01,466	8.84%	62,01,466	8.84%
Arvind Srinivasan	66,36,515	9.46%	66,36,515	9.46%
eMudhra Employees Stock Option Trust	60,57,801	8.63%	60,57,801	8.63%

**eMudhra Limited**
**Notes forming part of the standalone financial statements**

(All amounts are in INR million, unless otherwise stated)

Note	Particulars	March 31,2022	March 31,2021
<b>15</b>	<b>Other equity</b>		
	Capital redemption reserve [refer note 15.1 below]	164.00	164.00
	Preference share capital	86.00	86.00
	Retained earnings [refer note 15.2 below]	657.33	359.66
	Total other comprehensive income [refer note 15.3 below]	7.38	-
		<b>914.71</b>	<b>609.66</b>
<b>15.1</b>	<b>Capital redemption reserve</b>		
	Balance at the beginning of the year	164.00	89.00
	Add: Adjusted against securities premium	-	-
	Add: transferred from retained earnings	-	75.00
	<b>Balance as at the end of the year</b>	<b>164.00</b>	<b>164.00</b>
<b>15.2</b>	<b>Retained earnings</b>		
	Balance at the beginning of the year	359.68	289.65
	Profit/ (Loss) for the year	300.37	151.57
	Less: Transfer to capital redemption reserve	-	75.00
	Less: Dividend paid [including dividend distribution tax]	2.72	6.56
	<b>Balance as at the end of the year</b>	<b>657.33</b>	<b>359.66</b>
<b>15.3</b>	<b>Other comprehensive income for the year</b>		
	Other comprehensive income for the year	-	3.86
	Add: Other comprehensive income for the year	7.38	(3.86)
	<b>Balance as at the end of the year</b>	<b>7.38</b>	<b>-</b>



**eMudhra Limited**
**Notes forming part of the standalone financial statements**

(All amounts are in INR million, unless otherwise stated)

Note	Particulars	March 31,2022	March 31,2021
<b>16</b>	<b>Borrowings</b>		
	<b>Secured</b>		
	Term loan from bank	288.03	271.85
	Total borrowings	288.03	271.85
	Less: Current maturities of long term loans (clubbed under other financial liabilities)	90.34	50.94
	<b>Total</b>	<b>197.69</b>	<b>220.91</b>
<b>17</b>	<b>Lease Liability</b>		
	Lease Liability	127.40	154.20
	Less: Current Liability of Lease	24.13	26.33
	<b>Total</b>	<b>103.27</b>	<b>127.87</b>
	Out of the total lease liability, the rights of use of assets amounting to INR 11.85 million and INR 17.32 million for the year ended March 31,2022 and March 31,2021 respectively, is not fully handed over and hence the same is not disclosed in Note 4 to the financials.		
<b>18</b>	<b>Deferred tax assets (Net)</b>		
	<b>Deferred tax asset/liability, net</b>		
	On account of timing difference of depreciation and other expenses	11.97	8.86
	<b>Total</b>	<b>11.97</b>	<b>8.86</b>
<b>19</b>	<b>Provisions</b>		
	Provision for Leave Benefits [refer note 39]	1.28	5.81
	Provision for gratuity [refer note 39]	19.08	22.87
	<b>Total</b>	<b>20.36</b>	<b>28.68</b>
<b>20</b>	<b>Other non-current liabilities</b>		
	Prepaid Income	9.51	12.15
	Security deposit from customers	12.53	2.53
	<b>Total</b>	<b>22.04</b>	<b>14.68</b>
<b>21</b>	<b>Borrowings</b>		
	<b>Secured</b>		
	Working capital demand loan[See note B below]	125.24	43.35
	Short-term loan from director	41.06	-
	<b>Total</b>	<b>166.30</b>	<b>43.35</b>
<b>22</b>	<b>Lease Liabilities</b>		
	Current Liability of Lease	24.13	26.33
	<b>Total</b>	<b>24.13</b>	<b>26.33</b>
<b>23</b>	<b>Trade payables</b>		
	Total outstanding dues to Micro Enterprises and Small Enterprises	0.55	0.73
	Total outstanding dues to Creditors other than Micro Enterprises and Small Enterprises	87.10	28.68
	Due to related parties	51.87	-
	<b>Total</b>	<b>139.52</b>	<b>29.41</b>

**eMudhra Limited**
**Notes forming part of the standalone financial statements**

(All amounts are in INR million, unless otherwise stated)

Note	Particulars	March 31,2022	March 31,2021
	Less than 1 year		
	(i)MSME	0.55	0.73
	(ii)Others*	137.64	24.22
	(iii)Disputed dues - MSME	-	-
	(iv) Disputed dues - Others	-	-
		<b>138.19</b>	<b>24.95</b>
	1-2 years		
	(i)MSME	-	-
	(ii)Others	1.04	4.47
	(iii)Disputed dues - MSME	-	-
	(iv) Disputed dues - Others	-	-
		<b>1.04</b>	<b>4.47</b>
	2-3 years		
	(i)MSME	-	-
	(ii)Others	0.29	-
	(iii)Disputed dues - MSME	-	-
	(iv) Disputed dues - Others	-	-
		<b>0.29</b>	-
	More than 3 years		
	(i)MSME	-	-
	(ii)Others	-	-
	(iii)Disputed dues - MSME	-	-
	(iv) Disputed dues - Others	-	-
		-	-
	<b>Grand total</b>	<b>139.53</b>	<b>29.42</b>
	*We have considered few MSME creditors amounting to INR 2.07 million as at March 31, 2022 and INR 18.56 million as at March 31,2021 under this heading where we have mutually agreed payment cycle.		
<b>24</b>	<b>Other financial liabilities</b>		
	DSC Portal deposit	9.01	9.11
	Current maturities of long term debts	90.34	50.94
	Interest accrued but not due	1.20	-
	Other advances from customers	0.30	-
	Capital creditors	12.84	6.13
	<b>Total</b>	<b>113.69</b>	<b>66.18</b>
<b>25</b>	<b>Provision</b>		
	Provision for tax,net	59.41	27.67
	Other payables towards contractual obligations	28.59	32.43
	Employee benefits payable	47.53	24.86
	Provision for Leave Benefits	2.09	3.26
	Provision for gratuity [Refer note 39]	-	0.37
	<b>Total</b>	<b>137.62</b>	<b>88.59</b>
<b>26</b>	<b>Other current liabilities</b>		
	Prepaid Income	2.61	4.46
	Statutory dues	19.34	22.34
	<b>Total</b>	<b>21.95</b>	<b>26.80</b>

**eMudhra Limited**

**Notes forming part of the standalone financial statements**

(All amounts are in INR million, unless otherwise stated)

Note	Particulars	March 31,2022	March 31,2021
A	<p>The company has obtained term loan of INR 150 million(Term loan-1) for construction of digital signature campus at Devanahalli KIADB IT park, Bengaluru from M/s Canara Bank and later this loan facility was taken over by M/s Kotak Mahindra Bank Limited ( referred as "lender")during May 2019 with an enhancement of INR 100 million (Term loan-2) loan towards the same purpose. During FY 2021, lender has sanctioned additional working capital term loan of INR 55.8 million (WCTL) under ECLGS scheme(Emergency Credit Line Guarantee Scheme).These loans are fully secured and the details of the same are as below:</p> <p>1.)Primary Security: First and exclusive charge on all existing and future current assets, movable assets, movable fixed assets, tangible and intangible assets of the company.</p> <p>2.) Collateral Security: Memorandum of deposit of title deeds of lease hold property (leased for 99 years) KIADB land located at plot no 12-P1-A &amp; 12-P1-B of Bengaluru Industrial area in Sy No 95/P &amp; 7 ( Block no 21, 22 &amp; 24) of B K Palya village, Jala Hobli, Bangalore North taluk, Bengaluru Urban Dist. measuring land 3 acres standing in the name of the company.</p> <p><b>Term loan 1(INR 150.00 million):</b> The repayment of this loan began from June 2019 with a monthly instalment of INR 2.61 million for a period of 81 months. Company has made a repayment of INR 43.41 million till March 31, 2022 towards the principal.</p> <p><b>Term loan 2(INR 100.00 million):</b> The repayment began from June 2020 with a monthly instalment of INR 2.46 million for a period of 48 months. Company has made a repayment of INR 31.29 million till March 31, 2022 towards the principal.</p> <p><b>Term loan 3(INR 55.80 million):</b> The repayment began from January 2022 with a monthly instalment of INR 1.75 million for a period of 48 months[including moratorium period]. Company has made a repayment of INR 4.17 million till March 31, 2022 towards the principal.</p> <p><b>Term loan 4(INR 70.00 million):</b> The repayment began from November 2021 with a monthly instalment of INR 2.16 million for a period of 36 months. Company has made a repayment of INR 8.90 million till March 31, 2022 towards the principal.</p> <p>Interest Rate: The applicable interest rates on these facilities are linked to 6 months repo rate along with a spread of 2.80%, which undergo change in every 6 months except for WCTL loan facility(Term loan 3), which is fixed at 8.00% per annum. The present applicable interest rate on the rest of the 2 term loans are 6.80% per annum.</p>		
B	<p>The company had working capital facility from M/s Canara Bank and which was taken over by M/s Kotak Mahindra Bank Limited with a limit of INR 80.00 million. Company has taken an adhoc unsecured loan of INR 20 million from M/s Kotak Mahindra Bank in August 2021 and has been fully repaid during September 2021. In additions to this, company has taken two working capital limits against deposits from M/s ICICI Bank Limited with an overall limit of INR 47.50 million during February 2021 and July 2021.These loans are repayable on demand. Nature of Security[Kotak Mahindra Bank Limited]:</p> <p>1. Primary Security: Secured against receivables and inventory of the company.</p> <p>2. Collateral Security: (a) Proposed memorandum of deposit of title deeds of lease hold property (leased for 99 years) KIADB land located at plot no 12-P1-A &amp; 12-P1-B of Bengaluru Industrial area in Sy No 95/P &amp; 7 ( Block no 21, 22 &amp; 24) of B K Palya village, jala Hobli, Bangalore North taluk, Bengaluru Urban Dist. measuring land 3 acres standing in the name of the company.</p> <p>Nature of Security[ICICI Bank Limited]:</p> <p>This facility is 100% secured on fixed deposit made with this bank amounting to INR 50.00 million.</p>		

**eMudhra Limited**
**Notes forming part of the standalone financial statements**

(All amounts are in INR million, unless otherwise stated)

Note	Particulars	March 31,2022	March 31,2021
<b>27</b>	<b>Revenue from operations</b>		
	Sale of software solutions/services	1,241.29	931.07
	Sale of accessories	288.92	162.60
	<b>Total</b>	<b>1,530.21</b>	<b>1,093.67</b>
<b>28</b>	<b>Other income, net</b>		
	Gain/premium on redemption of shares	-	2.70
	Interest income of fixed deposit	3.08	0.71
	Interest income on income tax refund	-	0.31
	Other miscellaneous income	0.03	0.18
	Provisions no longer required written back(see note 28.1 below)	4.07	-
	<b>Total</b>	<b>7.18</b>	<b>3.90</b>
<b>28.1</b>	This consist of erstwhile provisions created by the company to meet provident fund liabilities, which was later turned into non-payable since exemption forms were collected from the beneficiaries. Since, the amount was fully, both employer and employee portions, contributed by the company, this is not payable and hence written back to other income.		
<b>29</b>	<b>Operating expenses</b>		
	Commission expenses	62.75	68.11
	License fee expenses	47.97	36.60
	Other direct operating expenses	18.52	46.83
	Payment gateway charges	4.09	4.30
	Postage and courier charges	6.22	6.17
	<b>Total</b>	<b>139.55</b>	<b>162.01</b>
<b>30</b>	<b>Purchases of stock-in-trade</b>		
	Purchase of crypto token/hardware	302.22	169.74
	SSL Certificates	0.06	10.78
	<b>Total</b>	<b>302.28</b>	<b>180.52</b>
<b>31</b>	<b>Changes in inventories of stock-in-trade</b>		
	<b>Finished Goods</b>		
	<b>Opening stock:</b>		
	Crypto token/HSM	3.00	6.37
		<u>3.00</u>	<u>6.37</u>
	<b>Closing stock:</b>		
	Crypto token/HSM	17.25	3.00
	Closing stock	<u>17.25</u>	<u>3.00</u>
	<b>Total</b>	<b>(14.25)</b>	<b>3.37</b>
<b>32</b>	<b>Employee benefit expense</b>		
	Contribution to provident and other funds	12.09	9.67
	Gratuity	5.12	6.09
	Leave compensation	(1.12)	5.09
	Employee insurance expenses	7.40	5.13
	Salaries, allowances and bonus	344.54	298.86
	Staff welfare expenses	5.30	3.25
	<b>Total</b>	<b>373.33</b>	<b>328.09</b>

**eMudhra Limited**

**Notes forming part of the standalone financial statements**

(All amounts are in INR million, unless otherwise stated)

Note	Particulars	March 31,2022	March 31,2021
<b>33</b>	<b>Financial costs</b>		
	<b>Interest and finance charges on financial liabilities carried at amortised cost</b>		
	Interest on term loans	21.79	17.24
	Interest on lease liabilities	16.41	2.30
	Interest on overdraft//cash credit facilities	7.40	6.03
	Less: interest amount capitalised	-	17.24
		<hr/>	<hr/>
	Total interest on financial liabilities carried at amortised cost	45.60	8.33
	Interest on delayed payment of statutory dues	6.96	0.08
	<b>Total</b>	<b>52.56</b>	<b>8.41</b>
		<hr/>	<hr/>
<b>34</b>	<b>Depreciation and amortisation expense</b>		
	Amortisation on intangible assets	53.04	48.34
	Depreciation on right to use assets	29.14	4.83
	Depreciation on plant, property and equipment	22.88	13.49
	<b>Total</b>	<b>105.06</b>	<b>66.66</b>
		<hr/>	<hr/>
<b>35</b>	<b>Other expenses</b>		
	Auditors' remuneration [refer note 35.1 below]	3.11	2.03
	Business promotion and advertisements	36.55	24.62
	Communication expenses	13.69	8.48
	Contribution for corporate social responsibility expenses[refer note 35.2 below]	2.41	2.18
	Power and fuel expenses	9.39	7.13
	Fees rates and taxes	9.64	7.77
	Information technology expenses	15.00	6.02
	Insurance expenses	0.12	2.13
	Legal and professional expenses	18.21	28.74
	Local conveyance	0.66	0.53
	Membership charges	0.01	1.82
	Miscellaneous expense	0.36	0.34
	Office maintenance expense	11.22	8.55
	Printing and stationery	1.31	1.28
	Recruitment and training expenses	9.59	2.23
	Rent	42.64	33.19
	-Plant and machinery	1.60	1.46
	-Buildings	-	0.17
	-others	1.30	0.10
	Provision for doubtful debts	4.74	-
	Travelling, boarding and lodging expenses	6.20	2.47
	Foreign exchange loss	0.64	1.00
	<b>Total</b>	<b>188.39</b>	<b>142.24</b>
		<hr/>	<hr/>
<b>35.1</b>	<b>Payment to statutory auditors</b>		
	As Auditor towards:		
	Statutory audit	0.70	0.70
	Other matters	0.16	0.20
		<hr/>	<hr/>
		<b>0.86</b>	<b>0.90</b>
<b>35.2</b>	<b>Corporate social responsibility expense</b>		
	Amount required to be spent as per section 135 of the Companies Act,2013	2.41	1.97
	<b>Amount spent during the year on</b>		
	a. Promoting of education	2.41	2.18
	<b>Total CSR expenses</b>	<b>2.41</b>	<b>2.18</b>

**eMudhra Limited**
**Notes forming part of the standalone financial statements**

(All amounts are in INR million, unless otherwise stated)

Note	Particulars		March 31,2022	March 31, 2021
<b>36</b>	<b>Earnings per share</b>			
	<b>Basic:</b>			
	Profit after tax	A	300.37	151.57
	Weighted average number of shares outstanding	B	7,01,79,692	7,01,79,692
	Basic EPS	A/B	4.28	2.16
	<b>Diluted</b>			
	Profit after tax	A	300.37	151.57
	Weighted average number of shares outstanding	B	7,01,79,692	7,01,79,692
	Diluted EPS	A/B	4.28	2.16
<b>37</b>	<b>Foreign Exchange Earnings / Expenses</b>			
	Foreign exchange earned		64.01	12.46
	Foreign exchange used		4.93	72.41
	<b>Ratios</b>			
	(a) Current ratio [times]		1.12	1.22
	(b) Total Debt-Equity Ratio		22.76%	28.30%
	(c) Debt Service Coverage Ratio [times]		6.81	7.52
	(d) Return on Equity Ratio		26.99%	17.07%
	(e) Inventory turnover ratio[times]		28.44	39.21
	(f) Trade receivables turnover ratio		20.00%	12.58%
	(g) Trade payables turnover ratio		9.12%	2.62%
	(h) Net capital turnover ratio[times]		1.37	1.23
	(i) Net profit ratio		19.63%	13.86%
	(j) Return on Capital employed		31.80%	18.37%



**eMudhra Limited**

**38 Notes forming part of the standalone financial information**

(All amounts are in INR million, unless otherwise stated)

**A. Disclosure related to subsidiary, associate and group companies**

**1 Particulars of subsidiary, associate and group companies :**

SI No	Name of the company	Address	Relationship	% of shares held	
				March 31,2022	March 31,2021
1	eMudhra (MU) Limited	10, Frere Felix de Valois Steet, Port Louis, Mauritius.	Subsidiary company	100%	100%
2	eMudhra Technologies Limited	#56, Sai Arcade, Deverabesenahalli, Bangalore, Karnataka.	Subsidiary company	100%	51%
3	eMudhra Consumer Services Limited	#56, Sai Arcade, Deverabesenahalli, Bangalore, Karnataka.	Subsidiary company	100%	76%
4	eMudhra INC	97 Cedar Grove Lane Suite 202 Somerset, NJ 08873	Subsidiary company [September 30,2021: directly 51% and through eMudhra (MU) Limited 49%[NIL for previous financial years]]	100%	51%
5	eMudhra PTE Limited	#03-01,1 Phillip Street Royal one Phillip Singapore 486592	Subsidiary company [September 30,2021: directly 51% and through eMudhra (MU) Limited 49%[NIL for previous financial years]]	100%	51%
6	Taarav PTE Limited	#03-01,1 Phillip Street Royal one Phillip Singapore 486592	Group Company	NA	NA
7	eMudhra DMCC	3006,One Lake Plaza, Cluster T Jumeriah Lake Towers PO Box no.32620, Dubai UAE	Subsidiary company [September 30,2021: directly 51% and through eMudhra (MU) Limited 49%[NIL for previous financial years]]	100%	51%
8	eMudhra BV	Wilhelmina Van Pruisenwg 0014, 2595AN- 'Sgravenhage The Netherlands	Subsidiary company [September 30,2021: directly 51% and through eMudhra (MU) Limited 49%[NIL for previous financial years]]	100%	51%
9	PT eMudhra Technologies Indonesia	Ruko Pondasi, Jl. Pondasi Raya No. 21 Unit. H,Kayu Putih Pulogadung,Kota Adm. Jakarta Timur <del>Djakarta</del>	Subsidiary company [September 30,2021:Directly 29.5%[March 31,2021:29.5%] and through eMudhra DMCC 29.5%[March 31,2021:15.05%	59%	44.55%
10	Smart Craft Private Limited	#56, Sai Arcade, Deverabesenahalli, Bangalore, Karnataka.	Group Company	NA	NA
11	Cedar Grove Real Estates Private Limited	#56, Sai Arcade, Deverabesenahalli, Bangalore, Karnataka.	Group Company	NA	NA
12	Bluesky Infotech [Partnership firm]	#56, Sai Arcade, Deverabesenahalli, Bangalore, Karnataka.	Group entity	NA	NA
13	eMudhra employees stock option trust (Seperately managed by the outside trustees)	#56, Sai Arcade, Deverabesenahalli, Bangalore, Karnataka.	Group entity	NA	NA

**2 Particulars of key managerial person**

SI No	Entity Name	Name of the key managerial person		
		March 31,2022	March 31,2021	Relationship
1	eMudhra Limited	V. Srinivasan	V. Srinivasan	Promoter and director
		Kaushik Srinivasan	Kaushik Srinivasan	Promoter group
		Venu Madhava	Venu Madhava	Whole time director
		Saji K Louiz	Saji K Louiz	Chief financial officer
		Johnson Xavier	Johnson Xavier	Company secretary
		Biju Varghese	Biju Varghese	Sr. VP Enterprise Security
		AM Kiran	AM Kiran	Vice President -operations
		Vijay Kumar	Vijay Kumar	Sr. Vice President Product & Technology
		Ashwin Jhansale	Ashwin Jhansale	SVP - Sales & Business Strategy
		Janarthan	Janarthan	Sr. Vice President - Customer support

**eMudhra Limited**

**38 Notes forming part of the standalone financial information**

(All amounts are in INR million, unless otherwise stated)

**Related party disclosures**

**1 Disclosure related to subsidiary, associate and group company transactions**

SI No	Nature of transaction	Related party	Nature of relationship	Transactions	
				March 31,2022	March 31,2021
1	Sales of Products/services				
		Bluesky Infotech [Partnership firm]	Group entity	107.44	109.53
		eMudhra DMCC	Subsidiary company	-	7.43
		eMudhra Consumer Services Limited	Subsidiary company	-	25.00
2	Sales of Software Licencing fees				
		eMudhra Consumer Services Limited	Subsidiary company	9.00	0.59
		eMudhra INC	Subsidiary company	1.40	2.95
		eMudhra BV	Subsidiary company	1.65	-
		eMudhra PTE Limited	Subsidiary company	2.14	-
		eMudhra DMCC	Subsidiary company	54.73	4.84
3	Purchase of Products/Services				
		eMudhra Technologies Limited	Subsidiary company	-	11.41
		Smart Craft Private Limited	Group Company	-	0.01
		Bluesky Infotech [Partnership firm]	Group entity	38.68	78.78
4	Purchase of Software Licencing fees				
		eMudhra Consumer Services Limited	Subsidiary company	37.91	36.60
		eMudhra Technologies Limited	Group Company	10.06	-
5	Receipt (repayment) of Loan, net				
		Bluesky Infotech [Partnership firm]	Group entity	-	(21.60)
		eMudhra employees stock option trust(net)	Group entity	(0.19)	0.33
6	Loan Provided(received) Net				
		eMudhra Technologies Limited	Group Company	4.40	-
7	Commission paid				
		Bluesky Infotech	Group entity	13.97	16.99

**2 Detailed transactions with key managerial persons**

SI No	Nature of transaction	Related party	Nature of relationship	March 31,2022	March 31,2021
1	Receipt(repayment) of loan, net				
		V. Srinivasan	Promoter and director	41.06	-
2	Salary and allowances paid				
		Venu Madhava	Whole time director	4.68	4.36
		Kaushik Srinivasan	Promoter group	5.17	6.01
		Saji K Louiz	Chief financial officer	4.07	3.95
		Johnson Xavier	Company secretary	1.89	1.49
		Biju Varghese	Sr. VP Enterprise Security	5.33	5.26
		AM Kiran	Vice President -operations	3.66	3.36
		Vijay Kumar	Sr. Vice President Product & Technology	7.26	6.46
		Ashwin Jhansale	SVP - Sales & Business Strategy	4.77	4.42
		Janarthanan	Sr. Vice President - Customer support	4.69	4.36
3	Preference dividend paid				
		V. Srinivasan	Promoter and director	2.00	1.61
		Mythili Srinivasan	Promoter group	-	0.39
		Kaushik Srinivasan	Promoter group	-	0.29
		Lakshmi Kaushik	Promoter group	0.29	-
		Arvind Srinivasan	Promoter group	-	0.29
		Aishwarya Arvind	Promoter group	0.29	-

eMudhra Limited

**38 Notes forming part of the standalone financial information**

(All amounts are in INR million, unless otherwise stated)

**Related party disclosures**

**Disclosure related to subsidiary, associate, group company and KMP balances**

SI No	Nature of transaction	Related party	Nature of relationship	Balances	
				March 31,2022	March 31,2021
1	<b>Due to</b>				
		eMudhra Consumer Services Limited	Subsidiary company	40.23	-
		eMudhra Technologies Limited	Subsidiary company	11.63	-
		V. Srinivasan	Director	41.06	-
2	<b>Due From</b>				
		eMudhra DMCC	Subsidiary company	17.04	5.55
		eMudhra Employees Stock Option Trust	Subsidiary company	30.17	30.36
		eMudhra Technologies Limited	Subsidiary company	4.40	-

**eMudhra Limited**  
**Notes forming part of the standalone financial information**  
 (All amounts are in INR million, unless otherwise stated)

**39 Disclosures under accounting standard 15**

a) Post Retirement Benefit- Defined Contribution Plans

The Company has recognised an amount of INR 11.77 (2021: INR 9.30) as expenses under the defined contribution plans in the Statement of Profit and Loss in respect of contribution to Provident Fund for the year ended March 31, 2022.

b) Post Retirement Benefit- Defined Benefit Plan

The Company makes provision for gratuity based on actuarial valuation done on projected unit credit method at each balance sheet date. The Company makes annual contribution to the Gratuity Fund Trust which is maintained by LIC of India, a defined benefit plan for qualifying employees. The Scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment as per provisions of Payment of Gratuity Act, 1972.

The present value of the defined benefit obligation and the related current service cost are measured using the projected unit credit method with actuarial valuation being carried out at the balance sheet date.

Particulars	March 31,2022	March 31,2021
<b>(i) Present Value of Defined Benefit Obligation - Gratuity</b>		
Balance at the beginning of the year	30.34	21.66
Current service cost	4.09	4.39
Interest cost	1.40	1.13
Actuarial (gain)/loss	(7.02)	4.37
Benefits paid	(1.27)	(1.21)
<b>Balance at the end of the year</b>	<b>27.54</b>	<b>30.34</b>
<b>(ii) Fair value of Plan Assets</b>		
Balance at the beginning of the year	7.10	7.00
Expected return on plan assets	0.37	0.41
Contribution	1.81	0.87
Actuarial gain/(loss)	0.35	0.03
Benefits paid	(1.27)	(1.21)
<b>Balance at the end of the year</b>	<b>8.36</b>	<b>7.10</b>
<b>(iii) Assets and liabilities recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	27.54	30.34
Present value of plan assets	8.36	7.10
<b>Amount recognised as assets/(liability)</b>	<b>(19.18)</b>	<b>(23.24)</b>
Recognised under:		
Long term provision (Refer Note 19)	(19.18)	(22.87)
Short term provision (Refer Note 25)	-	(0.37)
<b>Total</b>	<b>(19.18)</b>	<b>(23.24)</b>
<b>(iv) Expenses recognised in the Statement of Profit and Loss</b>		
Current service cost	4.09	4.39
Interest cost	1.40	1.13
Expected return plan assets	(0.37)	(0.41)
<b>Total expenses</b>	<b>5.12</b>	<b>5.11</b>
<b>(v) Expenses recognised in the other comprehensive income</b>		
Actuarial (gain)/loss	(7.02)	4.37
Return on Plan Assets	(0.35)	(0.03)
	<b>(7.37)</b>	<b>4.34</b>

**eMudhra Limited**

**Notes forming part of the standalone financial information**

(All amounts are in INR million, unless otherwise stated)

**(vi) Major Category of Plan Assets as % of total Plan Assets**

Particulars	March 31,2022	March 31,2021
Insurer managed funds	100%	100%

**(vii) Actuarial assumptions**

Discount rate	5.77%	5.26%
Salary growth	10.00%	10.00%
Attrition rate	30.00%	30.00%

**(viii) Amounts recognised in current period and previous five years**

Particulars	As at	
	March 31,2022	March 31,2021
Present value of obligation	27.54	30.34
Present value of plan assets	8.36	7.10
Amount recognised in balance sheet (Liability)/asset	(19.18)	(23.24)

**(ix)** Expected contribution to the fund for the year March 31, 2023 is INR 6.96 (March 31, 2022 is INR 7.47)

**Notes:**

- 1) The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligation.
- 2) Expected rate of return on plan assets is based on our expectation of the average long term rate of return expected on investment of the fund during the estimated term of the obligations.
- 3) The salary escalation rate is the estimate of future salary increase considered taking into account the inflation, seniority, promotion and other relevant factors.

**Other employee benefit plan:** The liability for leave encashment and compensated balances as at year end is INR 3.37 (2021: INR 9.07).

**B) Employee stock option plan**

Pursuant to the resolution passed by the Shareholders at the Extraordinary General Meeting held on March 23, 2016, the Company had introduced ESOP scheme for eligible employees of the Company. Under the scheme, 6,132,801 equity shares were irrevocably allotted to eMudhra employees stock options trust. The vesting period of the options granted by the company is not earlier than one year and not later than 4th (fourth) year from the date of grants. The fair value of the shares as of each grant date has been taken at the average of net asset value and discounted cash flow method and fair value of options are estimated by the management at the grant date using Black and Scholes model, taking into account the terms and conditions upon which the share options were granted.

The company has provided for the stock options expenses of INR 5.21 million for the year ended March 31,2022,INR 5.45 million for the year ended March 31,2021 which has been included under salaries allowances and bonus of annexure 32 to the notes of restated consolidated financial information and this amount is made part of the provisions mentioned in annexure 25 to the restated consolidated financial information.

**eMudhra Limited**  
**Notes forming part of the standalone financial information**  
(All amounts are in INR million, unless otherwise stated)

	For the year ended	
	March 31, 2022	March 31, 2021
<b>Options granted - 2016-17</b>		
Total options outstanding as at the beginning of the period	34,25,000	34,25,000
Total options granted		-
Exercise price of options in INR per share (as on the date of grant options)	5	5
Options forfeited/lapsed/cancelled	-	-
Variation of terms of options	No	No
Money realized by exercise of options((INR in absolute figures)	-	3,75,000
Total number of options outstanding in force	34,25,000	34,25,000
Options vested (excluding the options that have been exercised)	-	-
Options exercised (since implementation of the ESOP Scheme)	-	75,000
The total number of Equity Shares arising as a result of exercise of granted options (including options that have been exercised)	-	75,000
<b>Options granted - 2017-18</b>		
Total options outstanding as at the beginning of the period	6,25,000	6,75,000
Total options granted	-	-
Exercise price of options in INR per share (as on the date of grant options)	5	5
Options forfeited/lapsed/cancelled	12,500	50,000
Variation of terms of options	No	No
Money realized by exercise of options((INR in absolute figures)	1,87,500	-
Total number of options outstanding in force	5,75,000	6,25,000
Options vested (excluding the options that have been exercised)	-	2,06,250
Options exercised (since implementation of the ESOP Scheme)	37,500	-
The total number of Equity Shares arising as a result of exercise of granted options (including options that have been exercised)	37,500	-
<b>Options granted- 2018-19</b>		
Total options outstanding as at the beginning of the period	56,250	75,000
Total options granted		
Exercise price of options in INR per share (as on the date of grant options)	5	5
Options forfeited/lapsed/cancelled	-	75,000
Variation of terms of options	No	No
Money realized by exercise of options((INR in absolute figures)	-	-
Total number of options outstanding in force	-	-
Options vested (excluding the options that have been exercised)	56,250	56,250
Options exercised (since implementation of the ESOP Scheme)	-	-
The total number of Equity Shares arising as a result of exercise of granted options (including options that have been exercised)	-	-



**eMudhra Limited**  
**Notes forming part of the standalone financial information**  
(All amounts are in INR million, unless otherwise stated)

	For the year ended	
	March 31,2022	March 31, 2021
<b>Options granted- 2019-20</b>		
Total options outstanding as at the beginning of the period	5,00,000	7,25,000
Total options granted	-	-
Exercise price of options in INR per share (as on the date of grant options)	5	5
Options forfeited/lapsed/cancelled	-	2,25,000
Variation of terms of options	NIL	NIL
Money realized by exercise of options((INR in absolute figures)	-	-
Total number of options outstanding in force	5,00,000	5,00,000
Options vested (excluding the options that have been exercised)	1,87,500	1,87,500
Options exercised (since implementation of the ESOP Scheme)	-	-
The total number of Equity Shares arising as a result of exercise of granted options (including options that have been exercised)	-	-
<b>Options granted- 2020-21</b>		
Total options outstanding as at the beginning of the period	3,05,000	-
Total options granted	-	3,05,000
Exercise price of options in INR per share (as on the date of grant options)	5	5
Options forfeited/lapsed/cancelled	50,000	-
Variation of terms of options	No	No
Money realized by exercise of options((INR in absolute figures)	-	-
Total number of options outstanding in force	2,55,000	3,05,000
Total options vested (excluding the options that have been exercised)	76,250	-
Options exercised (since implementation of the ESOP Scheme)	-	-
The total number of Equity Shares arising as a result of exercise of granted options (including options that have been exercised)	-	-
<b>Options granted-2021-22</b>		
Total options outstanding as at the beginning of the period	-	NA
Total options granted	7,84,000	NA
Exercise price of options in INR per share (as on the date of grant options)	5	NA
Options forfeited/lapsed/cancelled	47,500	NA
Variation of terms of options	No	NA
Money realized by exercise of options(INR in absolute figures)	7,36,500	NA
Total number of options outstanding in force	-	-NA
Total options vested (excluding the options that have been exercised)	-	NA
Options exercised (since implementation of the ESOP Scheme)	-	-
The total number of Equity Shares arising as a result of exercise of granted options (including options that have been exercised)	-	NA
<b>The fair value of options granted have the following assum</b>		
Particulars	Grants issued during	
	2021-22	2020-21
Dividend yield (%)	Nil	Nil
Risk free interest rate (%)	5%	5%
Volatility (%)	20%	20%
Strike price (INR)	5.00	5.00
Fair value of the shares at the time of grant (INR)	23.32	23.32
Fair value of the options at the time of grant	INR 8.29 to INR 19.23 (From 2017-18* to 2021-22)	
Expected life of options	4 years	

\* from the date on which company adopted Ind AS

**eMudhra Limited**
**Notes forming part of the standalone financial statements**

 (All amounts are in INR million, unless otherwise stated)
 

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**40 Previous period figures**

Previous period/ year figures have been re-grouped / re-classified/restated, wherever necessary

**41 Contribution for corporate social responsibility expenses**

Financial Year	Net Profit Amount
2018-19	100.89
2019-20	111.76
2020-21	149.22
Average Net profits	120.62
2% of Avg.Net profit	2.41
Total amount spent during financial year 2021-22	2.41
Unspent amount	-

**eMudhra Limited**

**42 Notes forming part of the standalone financial information**

(All amounts are in INR million, unless otherwise stated)

**Contingent Liabilities**

Particulars	March 31,2022	March 31,2021
Bank guarantees (secured against fixed deposits of March 2022:INR 5.23 million, March 31,2021: 21.67 million)	12.06	25.76
Income tax Appeal(refer note (a))	32.29	32.29
	<b>44.35</b>	<b>58.05</b>

(a)The company has filed writ petition (WP 52898/2019) which is pending with Honourable High Court of Karnataka against Dy.Commissioner of Income Tax Circle2(1)(2), Bangalore against their Assessment Order for the AY 2012-13 to levy income tax under section 143 r.w.s. 147 of Income Tax Act,1961.

(b)The company has 2 legal cases (March 31,2022: 2cases, March 31,2021: 3 cases, March 31,2020: 4 cases, March 31,2019:nil) against the company in various courts in the country. In all these cases, we do not foresee any financial implications.

The accompanying notes are an integral part of the financial statements

As per our report of even date

Sd:- Manohar Chowdhry & Associates  
Chartered Accountants  
Firm Registration Number: 001997S

For and on behalf of the Board of Directors  
of eMudhra Limited

Sd:- Ashok Kumar Doddi  
Partner  
Membership No: 217909  
UDIN: 22217909AKTDEK2881

Sd:- V Srinivasan  
Executive Chairman  
DIN: 00640646

Sd:- Venu Madhava  
Whole time Director  
DIN:06748204

Place:Bengaluru  
Date: June 11,2022

Sd:- Saji K Louiz  
Chief Financial Officer

Sd:- Johnson Xavier  
Company Secretary



## **eMudhra Limited**

CIN - U72900KA2008PLC060368

Plot No 12-P1-A & 12-P1-B, Hi-Tech Defence and Aerospace Park (IT sector), Jala Hobli, BK Palya  
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