



Annual Report 2021

Creating a Unified Ecosystem for
Digital Transformation

Managed PKI | Trust Services | Digital Workflow Platforms

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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 2020-21”



Mr. V Srinivasan
Chairman eMudhra

Chairman's Message

As we reflect on the past year, it's evident that it has been a rather unique period that has had a tremendous impact on the way society exists and how we interact with one another. COVID has brought to the forefront, the importance of establishing 'trust' in a presence-less transaction ecosystem. We see organizations today readily adopting [digital transformation technologies](#), especially those aimed at fulfilling the fundamental need to power transactions that keep the society and economy moving forward. With human safety at the forefront, lockdowns and curfews have necessitated the rapid adoption of trust-driven digital transformation technologies. Needless to say, the past year, has necessitated a fundamental shift in how we interact, and more importantly, transact with one another.

As much as the adoption of technologies around [digital identities and eSignatures](#) are primarily powered by the need to ensure service availability today, organizations are starting to realize the competitive edge offered by such solutions in terms of operational efficiency, customer experience, and commercial benefit. This will be a key driver in the coming era as more organizations adopt such technologies to remain competitive, rather than for reasons associated with COVID alone.

COVID has no doubt been challenging for every organization, including eMudhra. Between the rampant spread of COVID initially, the subsequent spread of Delta variant, and the consequences of the virus on our personal and professional lives, quite a lot of us have undergone trying and emotional times that we would not have predicted a few years ago. Nonetheless, we have come together as a team, family, and organization to cope up with all the surprises and challenges and still maintain strong financial growth in the past year.

We have grown in terms of our geographical reach, client base, employee base, product sophistication and channel engagement. But what makes me most proud, is that all of this numerical growth indicates that each of us has grown in our character, resilience, and commitment to one another and towards our dream, which has come together to strengthen organizational resilience against something grave, impactful, and unpredictable as COVID.

It's extraordinary how the solution and service portfolio we have built over the past decade, is helping many organizations in India and abroad survive this pandemic and offer essential services to citizens and consumers alike. From [Public Key Infrastructure and Trust Services to Identity Management and Signing solutions](#), every aspect of what we offer is fundamental to functioning in the COVID and post-COVID era. The depth we have built in each of these domains, paired with strong domain expertise and effective reach, has helped us hedge the 'Covid Risk' and more importantly, put us on the forefront of a rapid growth journey as Digital Society evolves quicker than ever.

From a product standpoint, emSigner has been recognized in the latest Gartner Market Guide for eSignatures as a **'Global Full Service Enterprise Electronic and Digital Signature'** solution. emSigner has been adopted in the past year by some of the largest banks in the Middle East, or for that matter, several noteworthy entities in Latin America, Far East, and other regions. The product has also been verticalized for Banking and Financial Services thus enabling further penetration into this large industry. emCA has had strong growth not just in India, but also across multiple regions for varied use cases, whether it is to power a public TSP in countries like Malaysia and Peru, or to power smart meter and electric vehicle initiatives in Europe. Further, **emCA is also on the verge of EAL4+ certification which would enhance the solution's credibility across the globe.** emAS is now used by an increasing number of organizations in India for sophisticated and complex large-scale use cases around Identity and Access Management.

At a more strategic level, we have also evolved our offerings significantly in the context of increasing cloud adoption across the globe. We have enhanced our offerings in **Global Trust Services (SSL/TLS, etc.)** and completed our Root Program journey, built emPower Cloud Reseller Platform to bundle our cloud-based offerings, strengthened our managed and cloud PKI architecture and portfolio, and significantly enhanced emSigner to accommodate multiple data residency zones, better privacy and data ownership models, sophisticated reporting functionalities, and other such critical changes that will aid our global expansion.

As an organization, despite our role in helping others adapt to COVID, we have also evolved tremendously to keep up with the circumstances. Our ability to move quickly was very evident at the outset of COVID. Within a very short timeframe, we were able to transform our operational model to support a fully remote workforce. While this may sound easy, it requires tremendous coordination and IT enablement to ensure **secure access, network availability, monitoring,** and other such factors. From a client perspective, the IT team was able to ensure that there were no critical issues and downtime to any of our public services, which impact thousands of downstream organizations and millions of individuals.

From an Enterprise Delivery perspective, employee safety and travel restrictions were without a doubt envisaged to be significant impediments to managing project deliveries. However, the team quickly transformed its processes and models to enable full remote delivery and support, even for very large and critical projects & clients. Considering the range of our products, and the fact that we now **operate across 5 continents,** in multiple languages, and multiple time zones, this transformation is achieved on the back of tremendous planning, dedication, and hard work.

It is also interesting to see that COVID has to some extent, relaxed geographic boundaries around business development processes. Even with virtual-only interactions, our sales teams were able to more than adequately engage with prospects and clients to ensure targets were met. In fact, during COVID, we were still able to grow our India business, significantly expand our MEA business portfolio which now covers almost all regions within the geography, and get noteworthy entries in **Europe, Latin America, and Far East markets** that would serve as strong references in the region.

We have expanded our presence in Latin America with a local team in [Bogota, Colombia](#). We have now, also set up eMudhra in Indonesia to focus on local business opportunities extensively. Our Inside Sales team has grown and effectively contributed a healthy lead pipeline to our various geographies. In the past year, we have also constituted a separate Enterprise Channel Management team supported by a formal Partner Program to manage our [400+ partners](#) who resell our Global Trust Services and Enterprise application portfolio.

In summary, COVID has not curbed our hunger for growth and our passion for what we do. The past year has made us strong on all fronts. We have grown as a team, we have grown in our geographical reach and client engagement, we have grown in our product range and depth, and most importantly, we have grown in our resolve to be a leading global player in the [Digital Transformation](#) space. To me, this is still the beginning of our journey together and I look forward to working with all of you as we take eMudhra to new heights in the coming era.

[Stay safe. Stay healthy.](#)

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'V. Srinivasan'.

V. Srinivasan

Bangalore, May 21, 2021



Global Recognitions



Gartner 2020 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's Market Guide for User Authentication, June 2020

eMudhra is identified as a representative vendor in the field of 'User Authentication.' This is the second time eMudhra is mentioned in the report.

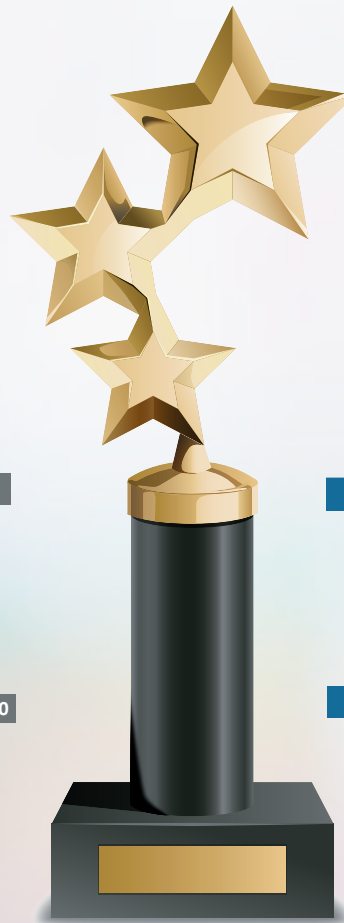


IDC Semiannual Software Tracker (1H 2020)

With a market share of 11%, eMudhra is ranked No. 1 amongst 42 vendors in India under the Identity and Digital Trust Category.

India Security Software Market, 2020

eMudhra is listed among top 5 vendors in IDC's 2020 India Security Software Market report under Identity and Digital Trust category and is ranked #1 in Identity Management for the year.



Gartner's Research Titled, "Manage the Critical Risks of Using Electronic Signature"

eMudhra is mentioned as a Sample Vendor in June 2020 Gartner Research titled 'Manage the Critical Risks of Using Electronic Signature.'

Other Awards and Recognitions

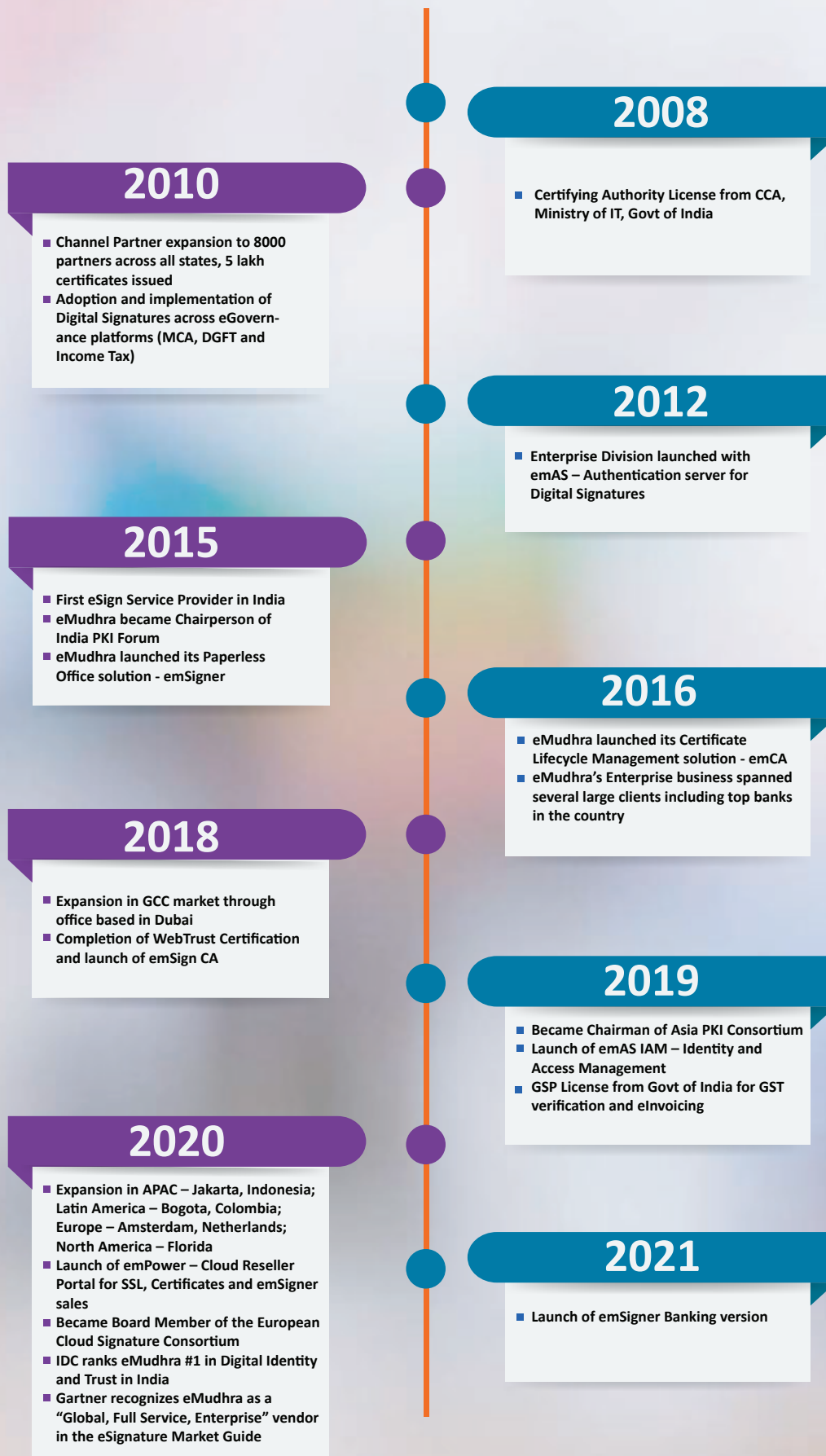




Winner, Insurance



A Decade worth 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.

**50
Million**

**Digital Signature
Consumers**

**10
Million**

**Users
Authenticated**

87K

**Channel
Partners**

654

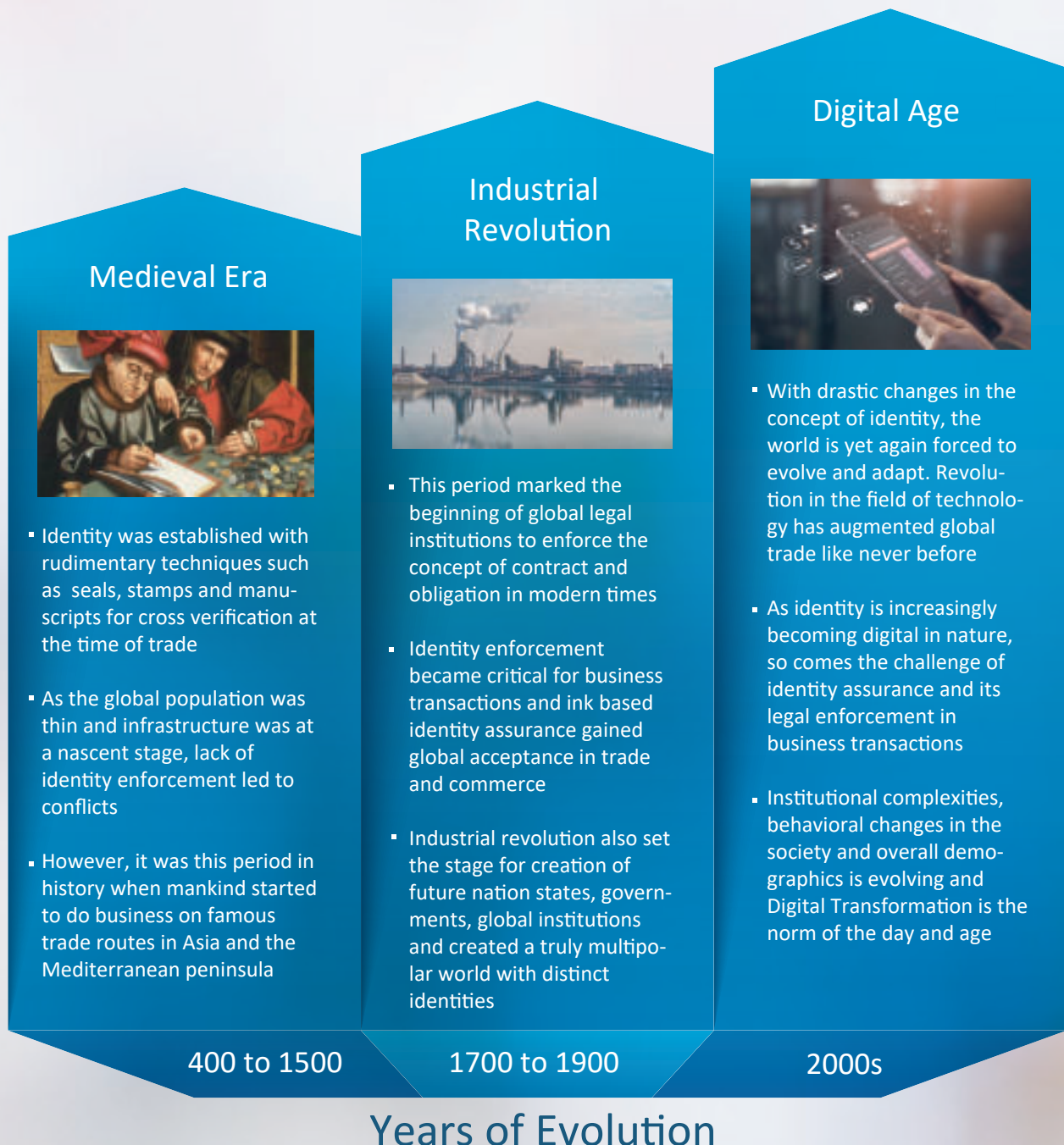
Employees

600+

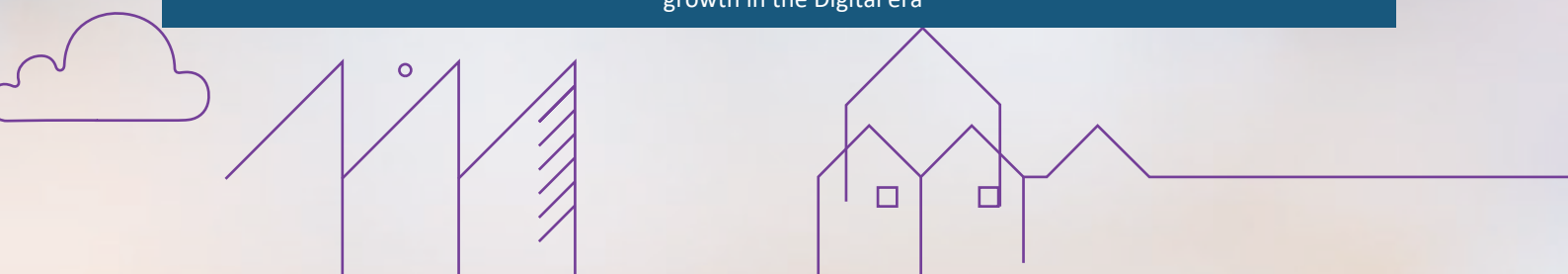
Enterprises

Identity enforcement has been at the core of business transactions since the time mankind started trade and commerce

There are certain pivotal periods in history which are especially significant in terms of the evolution of identity and its applications globally



eMudhra's role in enabling trust in Digital Identity ecosystems will be a significant edge in enabling strong growth in the Digital era



The Fundamentals of our Unified Ecosystem for Digital Trust

Identity in digital age means much more than the fact of being who or what a person or thing is. Today it is about people you know, who work for you, who you do business with, and they could be living in different parts of the world. Today the concept of identity includes various web assets that can expose your image and brand to the public at large. In the context of business, identity refers to all the devices through which your employees, stakeholders, vendors and customers communicate and engage in the nexus of contracts which forms a business entity.

We believe that an all-encompassing Digital Transformation in business involves creating a robust security umbrella over digital identities by deploying technology applications to achieve three core aspects for any successful business transaction.



Establish the Concept
of Identity



Enforce Identity
Verification



Legally bind
Corporate Actions

We at eMudhra are fully convinced of the need for largescale adoption of PKI technology and Digital Workflow Platforms to help build a new foundation on which we can drive secure Digital Transformation in the industry.



Unlocking Value for the Society

Did You Know?

With cloud adoption on the rise and connected devices in billions, identity security becomes critical for a sustainable future. If you look around, we are surrounded by devices on which we communicate, do business on, or use to simply connect with the wider world. How do we ensure our identity and data is never compromised in the World Wide Web or even private networks?

Come 2025, the world may lose \$10.5 trillion to cybercrime annually!

Cyber threats are evolving. Computers, networks, and smartphones are not the obvious targets anymore. People, cars, railways, planes, power grids and anything with a heartbeat or an electronic pulse on the network is vulnerable. It is estimated that businesses across the globe will have to brace against ransomware attacks with one attempt every 22 seconds in the year 2021 alone.*

The idea here is not to set panic but mitigate cybercrime with cutting-edge technology. Change begins in the boardrooms and we are determined to bring about a culture of cybersecurity awareness in the top-down corporate structure globally. In this day and age of digitization, value of a business will largely depend on data security and the level of cybersecurity strength and cyber resilience.

We at eMudhra believe it is paramount to deploy latest technology to mitigate identity fraud in the context of identity evolution. Cyber-attacks, phishing campaigns, malware, and ransomware and so on, the list is long and believe it or not, the solution may not be as complex as perceived. We at eMudhra firmly believe that promoting a cultural shift with a watertight technological solution can offer optimum returns on security investment for humanity at large.

****Source: Special Report: Cyberwarfare In The C-Suite***



Solution Portfolio



Automation



AI



Paperless
Transformation



Identity and
Digital Trust



IoT



Cybersecurity

Digital solutions to meet every emerging trend and succeed



Cybersecurity

- emAS IAM – Identity and Access Management Solution
- emAS MFA – Multi-factor Authentication

Digital Transformation

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

Identity and Digital Trust

PKI

- emCA – Certificate Lifecycle Management
- Managed/Cloud PKI

Trust Services

- Individual/Organization Certificates
- SSL/TLS Certificates
- Code Signing Certificates
- Email Encryption Certificates
- Document Signing Certificates

Building a Global Trust Services Ecosystem

eMudhra is one of the few trust service providers capable of offering a wide range of digital services under country specific accreditations.



Security



Global Exposure



Trust

India

eMudhra is a licensed Certifying Authority under the Ministry of Information Technology, India that has a track record of issuing 50+ million digital certificates across India. The company also holds the distinction of being the first eSign service provider in the country.

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 in the process of becoming 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 powers a local TSP, Soft & Net Solutions, through its globally accredited emSign root of trust. Further, eMudhra's emSigner is also accredited by Indecopi allowing eMudhra to offer an end-to-end paperless transformation value proposition to clients in Peru.

Mauritius

eMudhra is the first Certification Authority to get license from the Controller of Certification Authorities (CCA), Mauritius to operate and issue digital signature certificates to citizens of Mauritius.

The US

eMudhra is in the process of receiving SAFE Identity accreditation for emSigner. This will allow the company to cater to the digital identity and signature requirements of US and global Pharmaceutical Market.

Global Client Base

Serving clients in 20+ countries across the world

Our Strategic Objectives

Providing a Foundation to Enable Digital Adoption

The race for providing better digital experience is well underway. Those businesses winning (and retaining) customers today are those offering stimulating, frictionless, and overall consistent digital experiences.

eMudhra is at the forefront of helping companies create such a winning digital experience. By integrating a range of digital technologies into their operations, we are focusing on helping businesses create new customer experiences, simplify work, change culture, and meet changing business and market requirements with utmost ease.

One of the biggest value propositions of 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 value chain necessary for end-to-end digital adoption. Leveraging this unique value chain, companies can incorporate full-scale, full service digital programs right now, with capabilities required to quickly attract and capture consumer loyalty.



Supporting Secure IoT Revolution

IoT is becoming an increasingly relevant domain to our society as multiple industries are adapting to IoT enabled ecosystems to power smarter and more efficient offerings to their respective client base. However, as we rely more on devices for critical data, downstream automation, and more, the ability to trust the data and point of origin of the data becomes ever more important.

At eMudhra, we focus on helping to bridge the 'Trust' element that IoT ecosystems almost always require. We work on solutions that help identify and trust data through Public Key Infrastructure. We further understand that clients have varying needs in context of solution architecture, commercial models, etc. Hence, we are continually evolving our PKI portfolio to support cloud and on-prem PKI models with the ability to support a wide range of commercial needs. More importantly, our solution is built to support tremendous scalability that is often required in IoT ecosystems. This has certainly helped drive traction and engagement towards interesting use cases in automotive and energy sectors amongst others.



Driving Behavioral Change in Banking

The latest developments have significantly altered customer behavior in banking. Unlike previously, they have started demanding for seamless digital experiences at every touch point. And meeting this expectation can be the difference between success and failure.

eMudhra is focused on helping financial service providers move fast and meet the demands of customers in the digital era. Leveraging a suite of end-to-end digital solutions, we are concentrating on driving customer centric digitization to enable presence-less and paperless banking on top of which banks can embrace automation at various levels.



Global Presence



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|---|--|--|--|
| US eMudhra Inc. 97 Cedar Grove Lane, Suite 202, Somerset New Jersey 08873. Phone: +1 732 678 0110 | Malaysia eMudhra Level 3&4, Wisma Suria, Jalan Teknokrat 6, Cyber 5, CyberJaya, Malaysia - 63000. Phone: +60 (0) 3831 43285 | India eMudhra Limited No.56, 3rd Floor, Sai Arcade, Outer Ring Road, Devarabeesanahalli, Bangalore - 560103. Phone: +91 80 4615 6902 | UAE eMudhra DMCC 3006 One Lake Plaza, Cluster T, JLT, Dubai, UAE. P.O. 32620. Phone: +971 4 578 7155 |
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Global Partners



And many others

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

Global Clients



And many others

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

Key Associations

At eMudhra, we partner and associate with industry-leading organizations that share a joint mission of providing compliant solutions to our esteemed clients.

Technology Associations



Business Associations



Membership Associations



Market Speaks

Over the last year, we have helped nearly every organizational segment that tried to improve business continuity by ensuring productivity and employee safety. As a result, all our customers, for instance, have significantly experienced the benefits of eradicating the inefficiencies of manual, paper-based processes. We are happy to know that our products and services have helped clients retain operational efficiency and remotely conduct business during these trying times. Below are a few client testimonials that prove our technical ingenuity and relentless service in overcoming business disruptions.

"As part of our Company's Digitization Journey & Smart Dubai Initiative, we are in the process of moving away from paper by 2021. emSigner comes with a unique feature to create workflows that have helped us automate processes and acquire faster approvals from management using digital signatures. It has also helped us reduce printing costs. Overall it's convenient and easy to use."

Yousif Marhoon, Head of Information Technology
– dans

"eMudhra has been instrumental in aiding our digitalization journey during the pandemic. This has enabled us to create, modify, maintain, archive, retrieve, and transmit all endorsed and compliant electronic records with verifiable electronic signatures while supporting our resilient and agile operational architecture."

Kalpesh Shah, Digital Risk Officer , CISO,
Cyber security &
Digital Risk Management – CIPLA

"We, Trusted solutions are very glad to work with 'eMudhra'. We availed a spectacular service and the best in class support from you. Appreciate your creative approach and dynamic troubleshooting skills with no compromise in the quality of your products. The way you maintain relations and prioritize attention to detail reflects your values.

We are happily looking forward to growing our business along with your partnership."

Chithra Jayakumar, Business
Development Manager
-Trusted Solutions

"Customer is a king and we all have to understand their business objectives and pain points to provide the best solution instead of selling the product alone. We team up with eMudhra to reach out to our customers to solve their pain points. Our synergy with eMudhra to understand the customer pain points makes our relationship different, unique. We both look for customer delight instead of just converting the lead."

Amit Bhargava, Founder
- Concat Business Consulting Pvt. Ltd.



Client Case Features

Aviation



Since its inception, our client has immensely contributed to the phenomenal growth of aviation sector in Dubai, as well as the UAE. With a grand vision of transforming the sky, they are ensuring safety, capacity and efficiency of air navigation services through cutting-edge technology solutions and expertise. Our client provides air navigation services at multiple airports in the UAE.

They wanted a paperless solution to automate more than 100 processes to augment safety and capacity of air-navigation operations at all the airports under their purview. They also wanted a digital workflow platform to help accelerate their efforts to comply with Dubai Paperless Strategy 2021 and achieve 50% digital transformation on this front by the end of year 2020.

emSigner enabled our client to digitize 100s of workflows with digital signatures, reduced man hours by digitally processing flight manifests and improved flight readiness time by 80%. With emSigner, operators were able to sign documents in bulk with workflows designed to allow signing in both parallel and serial. emSigner also removed any chance of data or identity related breach by enabling Multi-factor Authentication (MFA) based sign-in for the large number of people working in the facility. With emSigner, our client was able to seamlessly comply with Dubai paperless strategy 2021 and significantly augment their operations.

Information Technology



Our client is a multinational information technology (IT) services and consulting company. It is the biggest IT Company in India and is now placed among the most valuable IT services brands world-wide.

Our client was looking for an end-to-end solution to digitize the entire process of filling, signing, storing and managing the I-9 forms, used for both employment eligibility and identity verification in the US. eMudhra devised a two-step process to help achieve this objective. In the first step, emCA was deployed to setup an enterprise CA for issuance, download and registration of US eSign Act compliant electronic signatures. To ensure utmost security and legality in the process, hardware security module (HSM) was deployed to store digital keys and timestamping was used to provide reliable time source for electronic signatures. In the second step, eMudhra provided an electronic signature enabled digital workflow platform to streamline and automate the entire workflow for managing, signing and storing of the I-9 forms.

Using eMudhra's proprietary PKI solution, our client was able to digitize internal processes, enforce legality with electronic signatures and comply with the USCIS norms for processing I-9 forms in the US.

Banking



Our client is one of the largest banks in the United Arab Emirates. It was founded in the late 1960s. Today they provide a vast range of conventional and Islamic personal banking services including deposits, loans and credit cards; conventional and Islamic investment banking service for corporate finance and investment advisory on mergers and acquisitions, initial in public offering and underwriting; conventional and Islamic asset management services for wealth management amongst other things. Our client operates overseas offices globally, including Europe, the United States, Asia and Africa.

They wanted a banking workflow platform supported by digital signatures to transform their entire banking operations. emSigner helped create a paperless banking experience for their customers and provided a technology solution for in-house employees to collaborate better with automated workflows for all the customer facing and internal operations. emSigner also enabled our client to integrate with UAE PASS National Digital Identity for qualified digital signature issuance.

emSigner helped augment the processing time with digitized banking documents and seamlessly integrated with existing systems in use across various departments in the Bank.

Pharma



Our client is a multinational pharmaceutical company and a global market leader in developing medicines for a vast range of conditions including cardiovascular diseases, respiratory illnesses, arthritis, diabetes, weight control and many more. They are one of the first pharmaceutical companies globally to offer generic drugs for AIDS and other life threatening diseases. Headquartered in Mumbai, our client also supplies active pharmaceutical ingredients to other manufacturers in the pharmaceutical sector and personal care products.

They wanted to deploy a zero trust model at scale to establish authenticity and non-repudiation of documents being generated and shared within the organization and outside. emSigner enabled them to leverage Digital Signatures to meet all the compliance requirements and standardize document management globally.

Swift on-prem deployment of emSigner ensured our client's operations were digitally transformed with short time to market and they were well prepared to stay ahead of competition during the pandemic, without any downtime in operations. emSigner helped bridge the gap between business, technology and all other perceived digital risks and this was achieved with excellent Return on Security Investment (ROSI) for the company.

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 processes, project performance, resource utilization, and DevOps process to evaluate how we can upgrade ourselves and what we do so as to 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 currently operates under the Indian CCA Root of Trust in issuing end user certificates, whether SSL or Digital Signature certificates. However, to expand this offering to global markets, it is a requirement to be trusted by Global Trust Stores for which, compliance with WebTrust standards is a mandatory requirement. eMudhra is WebTrust Accredited.



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. EAL 4+ certification, which is currently under process will be 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 currently in the process of receiving SAFE Identity certification. Issued by SAFE Identity, 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



Nancy Yamile Ramírez Garcés

eMudhra has a transparent culture. Every employee, irrespective of their position is given a chance to be heard, and there are ample opportunities available to those who want to build a career here. After joining the company, I have seen myself transform as a professional in more than one ways. eMudhra and its Management places great trust on its employees and this allows you to feel part of a team despite the distance.



Vishwesh S

eMudhra is a place where one can work passionately and dare to dream big. It's an organization, where you can plan your long innings of growth. What I enjoy the most is distinct work culture based on constant learning, thoughtful execution, collaboration, humility and leadership. Moreover, eMudhra is like an extended family and every colleague who is a member of this family shares a sort of camaraderie and bond that is unique in itself.



Norhashimi bin Sharifu

The work environment in eMudhra is enriching, team members are great and it feels more like a second home. I've had the opportunity to work with some great mentors who have always been motivating and supportive. The ample opportunities provided to me have helped me not only grow technologically but also become a true professional. The young brigade here is exuberant and highly talented. eMudhra is definitely one of the best places to set foot into for a positive career start.



Darshana R

It has been great working at eMudhra. eMudhra has a positive vibe to work in and the work culture has always been encouraging and motivating. I appreciate our company's insights and culture. I feel I am growing with the company. Employees get to learn a lot of new things which motivates to work in such a challenging environment in this dynamic world. I also appreciate my team for being supportive at all times.



Jose Fernando Torres

eMudhra has offered me great opportunities to bring my concepts and ideas through an environment that truly emphasizes teamwork. We have the opportunity to make our own decisions, while each and every one of us is not only encouraged to improve our performance but at the same time we help our co-workers to deliver better results as well.



Rajesh Raman

At eMudhra, team work and skills are encouraged and highly valued. Opportunities for growth, recognition and the positive culture of trust, collaboration and innovation ensures success for eMudhra as a global provider of AI and Digital Transformation solutions.

Introducing eMudhra Digital Campus

eMudhra's Digital Campus is conceptualized by Mr. Pierre Elouard, an architect who hails from France. Pierre is a pioneer in environmentally-friendly construction methodologies that combine state-of-the-art French architecture and has also worked on monumental structures such as Auroville in Tamil Nadu.

The Digital Campus is located in a serene environment close to the Bangalore International Airport. It shares its boundaries with prominent organizations such as Just Dial, CIPET, Brigade Group, Amazon Warehouse, BCCI, and Tech Mahindra to name a few.

The building has 2 floors of dedicated underground parking for 200 cars and 10 floors of office space, adding more than 0.2 million (2 Lakhs) square feet in total. It hosts an open structure with water bodies and aqua streams placed aesthetically in the building. Every floor has a green garden concept to ensure occupant health and employee productivity.

The campus building has various systems installed to make it resource-efficient and environment friendly such as - rainwater collection, efficient waste disposal systems, and a 103.62 KW solar power generation system to facilitate the efficient consumption of electricity.



CSR at eMudhra



Creating Next Gen Digital Identity Experts

As part of our CSR initiative to educate aspiring techies about the changing Digital landscape and its applications across industry verticals, experts from eMudhra conducted training session for 110 MCA students from Surana College. A training session was conducted on “Secure Software Development Cycle” for digital security.

Students were made aware about the importance of securing Digital Identity and how technology can help mitigate digital identity based cyber-security risks in the industry and society at large. It was great to see the overwhelming participation of students and their sense of enthusiasm to explore the field of Digital transformation and Identity Security.

Our Promise

eMudhra’s CSR initiatives reflect our commitment towards building a community conscious, socially-responsible and value-driven organization that invests for the larger good of the society we live in. With our CSR initiatives in the field of education and skill based training, we wish to make a meaningful impact in the society and give equal opportunities to deserving individuals.



Company Details

Board of Directors

Mr. V. Srinivasan, Chairman

Dr. Nandlal L. Sarda, Independent Director

Mr. Manoj Kunkalienkar, Independent Director

Mr. Venu Madhava, Whole Time Director

Bankers

Kotak Mahindra Bank (Principal Banker)

Canara Bank Ltd.

HDFC Bank Ltd.

ICICI Bank Ltd.

IDBI 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. V. Srinivasan, Chairman

Mr. AM Kiran, VP & Head - Customer Operations

Mr. Arvind Srinivasan, Sr. VP & Head - International Business

Mr. Ashwin Jansale, Sr. VP & Head - Channel Sales (Digital Signatures)

Mr. Biju Varghese, Sr. VP & Sales Head - India and APAC

Mr. Janarthanan S, Sr. VP & Head - Customer Success

Mr. Johnson Xavier, Company Secretary

Mr. Kaushik Srinivasan, Sr. VP & Head - Products and Delivery

Mr. Saji K Louiz, Sr. VP & CFO

Mr. Venu Madhava, Director and Head - Legal and Human Resources

Mr. Vijay Kumar, Sr. VP & CTO

Corporate Office

eMudhra Limited

3rd Floor, Sai Arcade

56 Outer Ring Road, Deverabeesanahalli,

Bangalore - 560 103, India

Tel: +91 80 4615 6902

Fax: +91 80 4227 5306

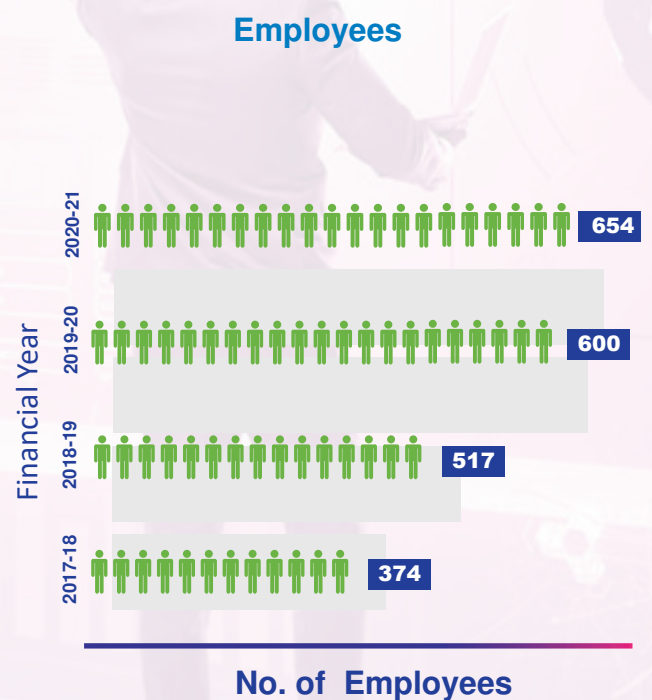
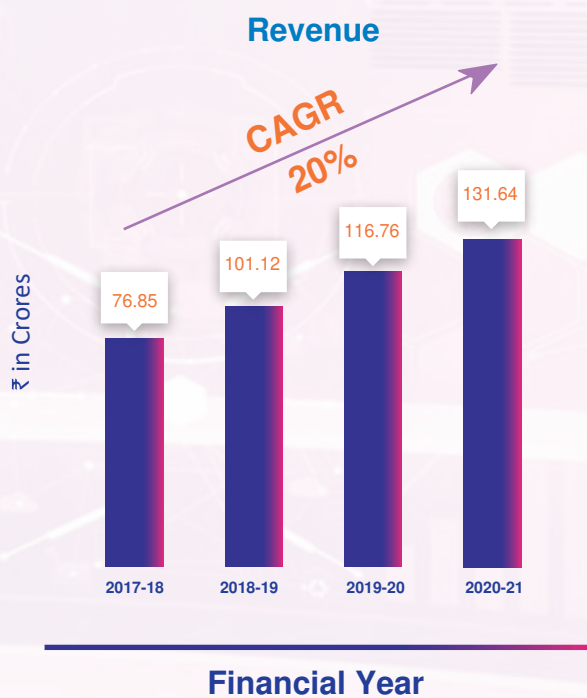
Financial Summary

Consolidated Financials

In Crores.

| Particulars | March 31, 2018 | March 31, 2019 | March 31, 2020 | March 31, 2021 |
|------------------|----------------|----------------|----------------|----------------|
| Total Revenue | 76.85 | 101.12 | 116.76 | 131.64 |
| EBITDA | 21.97 | 31.67 | 34.49 | 39.80 |
| Profit after Tax | 7.90 | 16.89 | 20.66 | 25.10 |

Revenue & Employee Growth



“Always deliver more than expected” — Larry Page

DIRECTOR'S REPORT

To,
 The Members,
 eMudhra Limited

Your directors' take pleasure in presenting the 13th Annual Report on the business and operations of the company and the accounts for the financial year ended March 31, 2021.

1. Financial Summary

a) Standalone Financial Summary

All amounts are in INR unless otherwise specified

| Particulars | Standalone | |
|---|------------------------------|----------------|
| | For the year ended March 31, | |
| Financial Performance | 2021 | 2020 |
| Income | 1,09,75,75,405 | 1,03,38,24,395 |
| Profit before interest and depreciation | 27,17,80,960 | 22,85,96,745 |
| Profit before tax | 20,39,22,005 | 15,69,60,286 |
| Provision for taxes | 5,47,03,000 | 3,91,90,208 |
| Profit after tax | 14,92,19,005 | 11,77,70,078 |
| Dividend paid | 65,64,375 | 60,08,008 |
| Profit after tax and appropriation | 14,26,54,630 | 11,17,62,070 |
| Earnings per share (par value of Rs.5 per share): Basic and diluted | 2.13 | 1.68 |

b) Consolidated Financial Summary

All amounts are in INR unless otherwise specified

| Particulars | Consolidated | |
|---|------------------------------|---------------|
| | For the year ended March 31, | |
| Financial Performance | 2021 | 2020 |
| Income | 1,31,63,03,065 | 116,75,87,219 |
| Profit before interest and depreciation | 39,80,25,497 | 34,48,84,310 |
| Profit before tax | 30,92,33,378 | 25,24,37,914 |
| Provision for taxes | 5,82,12,010 | 4,58,46,206 |
| Profit after tax | 25,10,21,368 | 20,65,91,707 |
| Dividend paid | 65,64,375 | 60,08,008 |
| Profit after tax and appropriation | 24,44,56,993 | 20,05,83,699 |
| Profit (loss) for the year - Minority interest | 5,95,91,658 | 2,85,37,684 |
| Profit (loss) for the year - attributable to eMudhra Limited | 18,48,65,335 | 17,20,46,016 |
| Earnings per share (par value of Rs.5 per share): Basic and diluted | 3.58 | 2.94 |

2. Consolidated Financial Statements

The company has 7 subsidiaries as on March 31, 2021; out of which, 2 are Indian subsidiaries and the rest are foreign subsidiaries.

The company has consolidated the 100% subsidiaries on line by line basis and others are consolidated based on the relevant accounting standards generally followed in India. There has been no change in the nature of business of these subsidiaries.

During the year, the company has acquired 51% stake in one foreign company, viz eMudhra B.V. and 29.5% stake in PT eMudhra Technologies Indonesia. Further during the year, one of the foreign subsidiary, eMudhra MU Ltd has announced capital reduction to the extent of Rs.3,68,00,000.

During the year, eMudhra Limited has redeemed 75,00,000 preference shares of 3i Infotech Limited at the rate of Rs.10 per share and has also paid the dividend for the holding period.

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 Indian subsidiary companies have been duly audited by the respective qualified auditors. However, for foreign subsidiaries the unaudited financial information has been taken onto account for the purpose of consolidation. 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.

3. Dividend

During the year, the Board has approved and paid an interim dividend of Rs.17,34,375 [net of TDS amounting to Rs.140,265] to 3i Infotech Limited.

During the year, your directors recommend a dividend of Rs.25,80,000 on Class A preference shares for the period ended March 31, 2021.

4. 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.

5. Review of Business Operations including Subsidiaries

The consolidated financial statement of the company represents financials of eMudhra Limited with its 100% subsidiary, eMudhra MU Ltd, Mauritius and 51% subsidiaries viz. eMudhra Technologies Limited, eMudhra DMCC, UAE, eMudhra PTE LTD, Singapore, eMudhra INC, USA and eMudhra B.V, The Netherlands, along with 76% subsidiary eMudhra Consumer Services Limited.

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

Our Solutions:

As indicated in last year's 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 of this product.

emSigner, our document signing and workflow 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 also been ranked as a global solution on par with DocuSign and Adobe Sign in Gartner's Market Guide for Electronic Signature. Further during the year several new features have been introduced in the product to make it feature rich. 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. Due to COVID 19, there is an increased need for Digital transformation across the globe, which also provides demand impetus for our emSigner product.

As members are already aware our Core CA solution emCA has been successfully implemented in large installations such as IDRBT in India and Baud Telecom Company in Saudi Arabia. This product has also been selected by large defence establishments in India and Middle East for their own PKI implementation. Using this product we have also started offering PKI in a cloud as we see a good demand for PKI in a cloud model.

Apart from offering these solutions, we have made several improvements with regard to our eSign services and several large organisations in India have today signed up for this service. Last year we also started offering emSign (global signing and timestamping service) to global markets and this has evoked 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% of consolidated revenue was achieved from international operations. In several countries in the Middle East, Far East and South America the company has been able to get large system integrators as partners who bring significant leads. These partnerships with limited direct presence are likely to yield good results in the coming years. The orderbook and lead pipeline in Middle East and South America, has strengthened considerably during the year. Further a large system integrator in Europe has also selected our emCA product and will very soon take it to the European markets. This is expected to give some penetration in the European market in the coming year.

Global Root Accreditation:

We had earlier indicated that the company has completed the procedures for listing its roots (under brand name emSign) in the trust stores with leading browsers such as Microsoft, Adobe, Google etc. The Company has also got the Webtrust seal and its roots have been listed on Microsoft, Adobe and Mozilla Firefox. During the year listing with Google and Android has also been completed. Listing with Apple trust store is in advanced stage of discussion and is expected to be done in the next 2 to 3 months. With this, we will be the only Indian company having our root accredited by major global trust stores. This can open up a huge potential for our SSL business.

Membership of Global Fora:

The company has been a member of CA/Browser forum and a board member of European Cloud Signature Consortium. It is worth noting here that eMudhra is the only Indian company admitted in such global fora relating to the PKI industry. Our chairman continues to be Chairman of Asia PKI Consortium consisting of 10 member countries in Asia. During the year he has been elected as a Board member of European Cloud Signature Consortium and he Chairs the Advocacy committee of the Consortium.

eMudhra Campuses:

1) Devanahalli Digital Signature Campus, Bangalore:

In the previous year's report, we had indicated that in view of the COVID situation the completion of the project is expected to be delayed by one year. However, once the lockdown was lifted the company mobilised all the resources and speeded up the implementation. The Board is happy to report that the project was completed on March 31, 2021 without any major cost overrun and the company is in the process of complying with various procedures relating to obtaining Occupancy certificate from Government Authorities.

2) ELCOT SEZ Campus, Salem:

Though we received all the approvals and started the construction activity in 2019, due to COVID, the activities have stopped. In the meanwhile, the 3 year period stipulated by ELCOT for completion of construction got over during the last year. Hence the company has applied extension for another 3 years for completing the construction. The construction will be restarted upon getting the approval for extension.

Digital Signature Certificates and Crypto Tokens:

The digital signature and token sales have grown to Rs.67,24,69,902 from Rs.56,35,35,526 in the last financial year, reflecting a 19.33% growth year on year.

Enterprise Solution Business (emAS, emCA, emSigner etc.):

While the order book position of Enterprise business improved considerably during the year, on a standalone basis, revenue from our solutions business for the financial year 2020-21 was Rs.42,11,99,933 as against Rs.46,68,40,268 in the previous financial year. The marginal decline was due to our inability to implement certain projects due to logistics related issues arising out of COVID 19 and realise corresponding revenue. On a consolidated basis, the solution business has grown by 7% to Rs.64,25,04,457 from Rs.60,07,01,156. During this year, we have received our first highest purchase order from Indian Defence through one reputed system integrator amounting to Rs.17,46,34,000 in India.

Other Services:

Apart from the core business lines, the company has been providing online tax filling services for many years. These are non-core areas without much potential (as Government provides these services free). The revenue from these activities are continuously dropping and in the reporting period the revenue fell by 50.5% to Rs.24,92,933 (included in Enterprise Solutions) from Rs.49,35,512 in the previous year. We propose to discontinue this activity from the coming year.

General:

The revenue from operation of the company on standalone basis for the year ended 31st March 2021 was Rs.1,09,36,69,835 showing an overall increase of 6.1%, as compared to previous year revenue of Rs.1,03,03,75,794. This has been achieved in spite of considerable loss of business during the first quarter due to the pandemic situation in the country.

The EBITDA has grown by 18.9% from Rs.22,85,96,745 to Rs.27,17,80,960 during the reporting period. EBITDA for the financial year is 24.8% of total revenue as compared to 22.1% in the last financial year.

The profit before tax and appropriations for the year under review is Rs.20,39,22,005 as compared to a profit of Rs.15,69,60,286 during the previous year showing an increase of 29.9%.

The Profit after tax and before appropriations in the Financial Statement for the year is Rs.14,92,19,005 as compared to a profit of Rs.11,77,70,078 during the previous financial year. Further, company has made payment of dividend on preference shares of Rs.65,64,375.

The basic and diluted earnings per share on a standalone basis increased from Rs.1.68 per equity share with a face value of Rs.5 per share to Rs.2.13 per share, showing an increase of 26.7%.

The consolidated income of the company for the reporting period was Rs.1,31,63,03,065 as compared to Rs. 1,16,75,87,219 in FY 2020 showing growth of 12.7% in consolidated income.

The consolidated EBITDA for the year under review is Rs.39,80,25,497 as compared to Rs.34,48,84,310 during the previous year showing a growth of 15.4% as compared to previous year.

The Profit before tax and before appropriations in the consolidated Financial Statement for the year is Rs.30,92,33,378 as compared to a profit of Rs.25,24,37,914 during the previous financial year showing a growth of 22.5%.

The Profit after tax and before appropriations in the consolidated Financial Statement for the year is Rs.25,10,21,368 compared to a profit of Rs.20,65,91,707 during the previous financial year showing a growth of 22%.

The basic and diluted earnings per share on a consolidated basis increased to Rs.3.58 per equity share with a face value of Rs.5 per share from Rs.2.94 per share in the last financial year.

COVID 19 Pandemic:

While COVID 19 Pandemic still continues, with on and off lockdowns and other restrictions, the company's business continuity plans and work from home plans are working well and are able to take care of most of the requirements. However, during the second wave of pandemic in India (i.e., April and May 2021) the operations were considerably affected as the customers and partners were facing huge challenges due to COVID 19. However, based on our last year's experience we expect this to be a short-term phenomenon and operations to comeback in the next few months.

On the positive side, COVID 19 has also created a need for digital transformation to ensure business continuity and work from home ecosystem for large organisations. This has resulted in a huge lead pipeline for our company's products from domestic and international markets.

6. 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

As indicated earlier during April and May 2021, the business has been significantly affected by COVID 19 Pandemic and consequential lockdowns imposed by the Government. Hence uncertainty arising out of COVID 19 is expected to continue for some more time. However as there is no cash burn in the company even at lower levels of operations, and as business is expected to come back to normal in a few months, the directors believe that we will be able to come out successfully from the COVID 19 situation.

7. 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:

| Foreign Exchange | 2020-2021 | 2019-2020 |
|------------------|-------------|-------------|
| Earnings | 3,59,21,683 | 3,92,66,329 |
| Outgo | 98,54,102 | 1,22,34,096 |

8. Corporate Social Responsibility (CSR) Initiatives

The vision of CSR is to be 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 information technology area and arranging socio-economic development programs through training and student empowerment programs. The Annual Report on our CSR activities is appended as **Annexure A** to the Board's report.

9. 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. 15 and note no. 16 of the audited financial statements.

The company has an outstanding investment of Rs.19,14,50,155 [2020:21,27,34,125] in equity shares of various subsidiary/associate companies and also has a loan outstanding of Rs.3,03,59,003 [2020:3,06,84,003] to the eMudhra employees Stock Options Trust.

10. Board of Directors

10.1 Composition

The composition of the board of directors of the company is furnished in **Annexure B (1)** to this report.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. V Srinivasan will retire by rotation at the ensuing AGM and being eligible, offer himself for re-election. The Board has recommended his re-election.

10.2 Number of Board Meetings conducted during the year under review

During the year the board has duly met Four (4) times and the time gap between any two board meetings did not exceed one hundred and twenty days. The board of directors regularly reviews compliance reports pertaining to all the laws applicable to the company. The details of the Board meetings are provided in **Annexure B (2)**.

11. 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 2020-21.

12. Company's policy relating to Director's appointment, payment of remuneration and discharge of their duties

The company appoints director(s) 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 Mr V. Srinivasan.

13. Declaration by Independent Directors

All the independent directors of the company have submitted their disclosure to the Board that they fulfil all the requirements as stipulated in Section 149(6) of the Companies Act, 2013, so as to qualify themselves to be appointed as Independent Directors under the provisions of Companies Act, 2013, and the relevant rules and also have complied with the Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013.

14. Evaluation by Board

The Board has made a formal annual evaluation of its own performance, Committees of the Board, Independent Directors and Individual Directors of the Company.

The performance of the Independent Directors as well as Individual Directors including the Chairman of the Board were evaluated based on Competence, Ethics and Values, Leadership, Knowledge, Diligence and Participation.

The Board of Directors were satisfied with the evaluation process which ensured that the performance of the Board, its Committees, Independent Directors and Individual Directors are adequate.

15. Annual Return

In accordance with the Companies Act, 2013, an extract of the annual return in prescribed format is appended as Annexure C to the Board's Report and available on the Company's website www.emudhra.com.

16. Secretarial Standards

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

17. 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:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) 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;
- c) 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;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) 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.

18. Subsidiaries, Joint Ventures and Associate Companies

During this year, the company has invested in 51,000 equity shares, being 51%, of eMudhra B.V, The Netherlands, a subsidiary company, at a face value of Euro 1 per share amounting to Rs.46,11,650 [2020: NIL]. Further invested in 147,500 equity shares, being 29.5%, of PT eMudhra Technologies Indonesia, an associate company, at a face value of USD 1 per share amounting to Rs.1,09,04,380 [2020:NIL].

The company during the year had also divested its investment in its 100% subsidiary company, eMudhra MU Ltd since the latter has affected capital reduction during quarter 4 of the FY 2020-21 amounting to Rs.3,68,00,000 [2020:NIL] along with redemption premium of Rs.25,76,865 [2020:NIL].

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 D.

| S. NO. | SUBSIDIARY | COMPANY PROFILE |
|--------|-----------------------------------|--|
| 1 | eMudhra Technologies Limited | <ul style="list-style-type: none"> The company is engaged in providing signing solutions and associated services, along with other services around PKI technologies. |
| 2 | eMudhra MU Limited | <ul style="list-style-type: none"> The company is a Certifying Authority in Mauritius and is engaged in providing digital signature and other allied services in and around PKI technologies. |
| 3 | eMudhra Consumer Services Limited | <ul style="list-style-type: none"> 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. |
| 4 | eMudhra DMCC | <ul style="list-style-type: none"> The company is a marketing company for eMudhra products and allied services in Middle East and Africa [MEA] region. During the year it has also built its own product. |
| 5 | eMudhra INC | <ul style="list-style-type: none"> The company is a marketing company for eMudhra products and allied services in Americas region. |
| 6 | eMudhra PTE Ltd | <ul style="list-style-type: none"> The company is a marketing company for eMudhra products and allied services in Asia - Pacific [APAC] region. |
| 7 | eMudhra B.V | <ul style="list-style-type: none"> The company is a marketing company for eMudhra products and allied services in Europe region |

19. Related Party Transactions

The Board of directors have approved related party transactions, all of them are under arm's length basis. The summary of related party transactions is also provided in Note no.34 of the audited 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, are appended as Annexure E to the Board's Report.

20. Deposits

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

21. Auditors

Statutory Auditor

M/s Manohar Chowdhry and Associates were appointed by the shareholders at the Eleventh AGM (AGM 2019), as Statutory Auditors of the Company for the second term of five consecutive years to hold office until the conclusion of the Sixteenth AGM (AGM 2024). The requirement for the annual ratification of auditors' appointment has been omitted pursuant to Companies (Amendment) Act, 2017 notified on May 07, 2018 and that they are free from any disqualification specified in Section 141 of the Companies Act, 2013 and the rules made thereunder.

Statutory Auditors Report

The statutory auditors report to the members for the year ended March 31, 2021 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 secretarial audit report does not contain any qualification, reservation, adverse remark or disclaimer for the year 2020-21.

22. Details in respect of frauds reported by the 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.

23. 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.

24. 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.

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.

25. Credit Ratings

The company has engaged the credit rating agency ICRA limited based on the recommendations of our prime lender, Kotak Mahindra Bank Limited. As per ICRA, the company was awarded long-term rating of [ICRA]BBB (pronounced as ICRA triple B). 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 July 31,2021.

26. 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 34(B.3) 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.

27. 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 once on June 10, 2020, 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.

28. Transfer to Reserves

During the year, we have transferred Rs.7,50,00,000 [2020: NIL] to the capital redemption reserve [refer note 4 to the standalone audited financials].

29. Shares

a. Buy Back of Shares

During the year, the company has redeemed 75,00,000 preference shares of 3i Infotech Limited at the rate of Rs.10 [face value] per share amounting to Rs.7,50,00,000 [2020: NIL].

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 6,55,000 equity shares at par value through the eMudhra Employees' Stock Option Trust and has cancelled 3,50,000 stock options relating to equity shares.

During the year, one ex-employee of the company has exercised the vested stock options for 75,000 equity shares pursuant to the employee stock option scheme against a payment of Rs.3,75,000 to the said trust. These shares have been transferred to her on October 20, 2020 from eMudhra Employee Stock Option Trust.

The unissued closing balance at the year end is 11,77,801 stock options of equity shares out of the 60,57,801 stock options on equity shares at the year end.

Acknowledgements

The board places on record its appreciation for the continued co-operation and support extended to the company by its customers which enables the company to make every effort in understanding their unique needs and deliver maximum Customer 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 and other stakeholders.

**For and on behalf of the Board of Directors
Of eMudhra Limited**

Sd:/- V Srinivasan
Director
DIN: 00640646

Sd:/- Venu Madhava
Director
DIN: 06748204

Date: May 21, 2021
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 Information Technology area and arranging socio-economic development programs through training and student empowerment programs.

In line with the above vision, we have engaged two of our employees to handle this entire function by interacting with colleges/universities for sending students for such courses, which are being conducted at our Bellandur, Bangalore office. During the year we have conducted two workshops. The first workshop was conducted on February 13, 2021 with respect to "Digital Security" with 45 students of Surana College, Bangalore. The second workshop was conducted on March 19, 2021 with respect to "Digital Security-Secure Software Development Life Cycle" with another batch of 45 students of the same college. Further two of our employees who are assigned to this activity continuously interact with students on these subjects to impart more knowledge to them.

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

| S. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year |
|--------|------------------------|--------------------------------------|--|
| 1 | Venkatraman Srinivasan | Chairman | 1 |
| 2 | N L Sarda | Independent Director | 1 |
| 3 | Manoj Kunkalienkar | Independent Director | 1 |
| 4 | Venu Madhava | Whole-Time Director | 1 |
| 5 | Saji K Louiz | Chief Financial Officer | 1 |

3. 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. 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

| S. 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 | | | |
| 2 | | | |
| 3 | | | |
| | Total | | |

6. Average Net Profit of the company as per Section 135(5)

₹9,84,86,984 [Refer note 40 to the audited financials for details]

7.

(a) Two percent of average net profit of the company as per section 135(5)

₹19,69,740

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

₹0

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

₹0

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

₹19,69,740

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

| Total Amount Spent for the Financial Year (in Rs.) | 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 | Date of transfer | Name of the Fund | Amount | Date of transfer |
| ₹21,78,348 | Nil | | Nil | Nil | |

(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 | |
|--------|---------------------|---|---------------------|-------------------------|----------|------------------|---|---|--|--|--|-------------------------|
| S. 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 Implemen- tation - 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 | |
|--------|---|---|----------------------|-------------------------|----------|---------------------------------------|--|--|-------------------------|
| S. 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 Rs.) | Mode of implementation - Direct (Yes/No) | Mode of implementation - Through implementing agency | |
| | | | | State | District | | | Name | CSR registration number |
| 1 | Imparting education for employment by enhancing the vocation skills especially in the information technology area and arranging socio-economic development programs through training and student empowerment programs | Promoting Education | Yes | Bangalore, Karnataka | | ₹ 21,78,348 | Yes | - | - |
| 2 | | | | | | | | | |
| 3 | | | | | | | | | |
| | Total | | | | | ₹ 21,78,348 | | | |

(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)
Rs.21,78,348

(g) Excess amount for set off, if any: Not applicable

| S. No. | Particular | Amount (in Rs.) |
|--------|---|-----------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | 19,69,740 |
| (ii) | Total amount spent for the Financial Year | 21,78,348 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 2,08,608 |
| (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: Not applicable

| S. 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) |
|--------|------------|---------------------|---|------------------|---|---|---|--|
| S. No. | Project ID | Name of the Project | Financial Year in which the project 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: Not applicable

(Asset-wise details)

(a) Date of creation or acquisition of the capital asset(s)

(b) Amount of CSR spent for creation or acquisition of capital asset

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)

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

**For and on behalf of the Board of Directors
Of eMudhra Limited**

Sd:/- V Srinivasan
Director
DIN: 00640646

Sd:/- Venu Madhava
Director
DIN: 06748204

Date: May 21, 2021

Place: Bangalore

ANNEXURE "B" TO DIRECTOR'S REPORT

1. Composition of the Board of Directors of the company was as follows

| S. No. | Name of the Director | | Category | Status |
|--------|----------------------|---------------|----------------------|--------|
| 1 | V. Srinivasan | Promoter | Chairman | Active |
| 2 | Dr. Nandlal L. Sarda | Non-Promoter | Independent Director | Active |
| 3 | Manoj Kunkalienkar | | Independent Director | Active |
| 4 | Venu Madhava | Non- Promoter | Whole- time Director | Active |

2. Attendance of each director at the meeting of Board of Directors and the Annual General Meeting

| S. No | Name of the Director | June 10, 2020 | October 05, 2020 | January 18, 2021 | March 22, 2021 | EGM October 22, 2020 | EGM January 22, 2021 | AGM Meeting July 22, 2020 |
|-------|----------------------|---------------|------------------|------------------|----------------|----------------------|----------------------|---------------------------|
| 1 | V. Srinivasan | √ | √ | √ | √ | √ | √ | √ |
| 2 | Dr. Nandlal L. Sarda | √ | √ | √ | √ | - | - | - |
| 3 | Manoj Kunkalienkar | √ | √ | √ | √ | - | - | - |
| 4 | Venu Madhava | √ | √ | √ | √ | √ | √ | √ |

ANNEXURE "C" TO DIRECTOR'S REPORT

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31.03.2021

Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS

| | | |
|----|---|---|
| 1. | CIN | U72900KA2008PLC060368 |
| 2. | Registration Date | 16/06/2008 |
| 3. | Name of the Company | eMudhra Limited |
| 4. | Category/Sub-category of the Company | Company Limited by Shares/ Indian Non-Government Company |
| 5. | Address of the Registered office & contact details | #56, 3rd Floor, Sai Arcade, Outer Ring Road, Devarabeesanahalli, Bangalore - 560103 |
| 6. | Whether Listed Company | No |
| 7. | Name, Address & Contact Details of the Registrar & Transfer Agent, if any | - |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

| S. No. | Name and Description of main Products / Services | NIC Code of the Product/Service | % to total turnover of the Company |
|--------|--|---------------------------------|------------------------------------|
| 1 | Digital Signature Certificates & Crypto Tokens | 62099 | 61.5% |
| 2 | Enterprise Security Solutions | 62099 | 38.5% |

III.PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

All the business activities contributing 10% or more of the total turnover of the company shall be stated

| S. No. | Name | Address of the Company | CIN | Holding/Subsidiary /Associate | % of Shares held | Applicable Section |
|--------|-----------------------------------|---|-------------------------|-------------------------------|------------------|--------------------|
| 1 | eMudhra (MU) Ltd | 10 Frere Felix De Valois Street, Port Louis, 1116-07 | - | Subsidiary | 100% | Section 2(87) |
| 2 | eMudhra Technologies Limited | #56, 3rd Floor, Sai Arcade, Outer Ring Road, Devarabeesanahalli, Bangalore - 560103 | U72200K A2012PLC 065153 | Subsidiary | 51% | Section 2(87) |
| 3 | eMudhra Consumer Services Limited | #56, 3rd Floor, Sai Arcade, Outer Ring Road, Devarabeesanahalli, Bangalore – 560103 | U72900K A2018PLC 115186 | Subsidiary | 76% | Section 2(87) |
| 4 | eMudhra DMCC | 3006 One Lake Plaza, Cluster T, JLT, Dubai, UAE P.O 32620 | - | Subsidiary | 51% | Section 2(87) |
| 5 | eMudhra INC | 97 Cedar Grove Lane, Suite 202 Somerset, NJ 08873 | - | Subsidiary | 51% | Section 2(87) |
| 6 | eMudhra B V | Wilhelmina Van Pruysenwg 000104 2595AN S-Gravenhague | - | Subsidiary | 51% | Section 2(87) |
| 7 | eMudhra PTE Ltd | 1 Phillip Street, # 03-01 Royal One Phillip, Singapore (048692) | - | Subsidiary | 51% | Section 2(87) |
| 8 | PT eMudhra Technologies Indonesia | Griha Mampang, Lantai 3, Suit 305, Jalan Mampang Prpt Raya, KAV 100, Jakarta Selatan, DKI Jakarta 12760 Indonesia | - | Associate | 29.50% | Section 2(87) |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|----------|----------|-------------------|---|----------|----------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoter s | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 27973964 | 0 | 27973964 | 39.86 | 27973964 | 0 | 27973964 | 39.86 | - |
| b) Others | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| (2) Foreign | | | | | | | | | |
| a) Bodies Corp. | 18359123 | 0 | 18359123 | 26.16 | 18359123 | 0 | 18359123 | 26.16 | - |
| b) Others – Individuals | 10510869 | - | 10510869 | 14.98 | 10510869 | - | 10510869 | 14.98 | - |
| | | | | | | | | | |
| Total shareholding of Promoter (A) | 56843956 | 0 | 56843956 | 81 | 56843956 | 0 | 56843956 | 81 | - |

| | | | | | | | | | |
|----------------------------------|---|---|---|---|---|---|---|---|---|
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | - | - | - | - | - | - | - | - | - |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIIIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (Trust) | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(1):- | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | |
|---|----------|---|----------|-------|----------|---|----------|-------|---|
| 2. Non-Institutions | - | - | - | - | - | - | - | - | - |
| a) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| i) Indian | - | - | - | - | - | - | - | - | - |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | - | - | - | - | - | - | - | - | - |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 7202935 | - | 7202935 | 10.26 | 7277935 | - | 7277935 | 10.37 | - |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | - | - | - | - | - | - | - | - | - |
| c) Others (specify) | - | - | - | - | - | - | - | - | - |
| Non Resident Indians | - | - | - | - | - | - | - | - | - |
| Overseas Corporate Bodies | - | - | - | - | - | - | - | - | - |
| Foreign Nationals | - | - | - | - | - | - | - | - | - |
| Clearing Members | - | - | - | - | - | - | - | - | - |
| Trusts | 6132801 | - | 6132801 | 8.74 | 6057801 | - | 6057801 | 8.63 | - |
| Foreign Bodies - D R | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(2):- | | | | | | | | | |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | - | - | - | - | - | - | - | - | - |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 70179692 | 0 | 70179692 | 100 | 70179692 | 0 | 70179692 | 100 | - |

B) Shareholding of Promoter

| SN | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|----|--------------------|---|----------------------------------|---|-------------------------------------|----------------------------------|---|--|
| | | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | |
| 1 | V Srinivasan | 27973964 | 39.86 | - | 27973964 | 39.86 | - | - |
| 2 | Mythili Srinivasan | 2437836 | 3.47 | - | 2437836 | 3.47 | - | - |
| 3 | Kaushik Srinivasan | 1436518 | 2.05 | - | 1436518 | 2.05 | - | - |
| 4 | Arvind Srinivasan | 6636515 | 9.46 | - | 6636515 | 9.46 | - | - |
| 5 | Taarav Pte Ltd | 18359123 | 26.16 | - | 18359123 | 26.16 | - | - |

C) Change in Promoters' Shareholding (please specify, if there is no change) – No Change

| S. No. | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|-------------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | | | | | |
| | At the beginning of the year | - | - | - | - |
| | Allotment by virtue of amalgamation | - | - | - | - |
| | At the end of the year | - | - | - | - |
| | | - | - | - | - |
| 2 | | - | - | - | - |
| | At the beginning of the year | - | - | - | - |
| | Allotment by virtue of amalgamation | - | - | - | - |
| | At the end of the year | - | - | - | - |
| | | - | - | - | - |

D) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

| S. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | - | - | - | - |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | - | - | - | - |
| | At the end of the year | - | - | - | - |

E) Shareholding of Directors and Key Managerial Personnel

| S. No. | Shareholding of each Director and each Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | V Srinivasan, Chairman | | | | |
| | At the beginning of the year | 27973964 | 39.86 | - | - |
| | Allotment / transfer / bonus/ sweat equity etc. | - | - | - | - |
| | At the end of the year | 27973964 | 39.86 | - | - |
| 2 | Venu Madhava, Whole-Time Director | | | | |
| | At the beginning of the year | - | - | - | - |
| | Allotment / transfer / bonus/ sweat equity etc. | - | - | - | - |
| | At the end of the year | - | - | - | - |
| 3 | N L Sarda, Independent Director | | | | |
| | At the beginning of the year | - | - | - | - |
| | Allotment / transfer / bonus/ sweat equity etc. | - | - | - | - |
| | At the end of the year | - | - | - | - |
| 4 | Manoj Kunkalienkar, Independent Director | | | | |
| | At the beginning of the year | - | - | - | - |
| | Allotment / transfer / bonus/ sweat equity etc. | - | - | - | - |
| | At the end of the year | - | - | - | - |
| 5 | Saji K Louiz | | | | |
| | At the beginning of the year | - | - | - | - |
| | Allotment / transfer / bonus/ sweat equity etc. | - | - | - | - |
| | At the end of the year | - | - | - | - |
| 6 | Johnson Xavier | | | | |
| | At the beginning of the year | - | - | - | - |
| | Allotment / transfer / bonus/ sweat equity etc. | - | - | - | - |
| | At the end of the year | - | - | - | - |

V) INDEBTEDNESS - Indebtedness of the company including interest outstanding/accrued but not due for payment

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|-------------------------------------|--------------------|----------|---------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 29,38,03,575 | 2,16,00,000 | | 31,54,03,575 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 29,38,03,575 | 2,16,00,000 | | 31,54,03,575 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 7,74,34,417 | - | | 7,74,34,417 |
| * Reduction | 5,60,37,487 | 2,16,00,000 | | 7,76,37,487 |
| Net Change | - 2,13,96,930 | 2,16,00,000 | - | 2,03,070 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 31,52,00,505 | - | | 31,52,00,505 |
| ii) Interest due but not paid | - | - | | - |
| iii) Interest accrued but not due | - | - | | - |
| Total (i+ii+iii) | 31,52,00,505 | - | | 31,52,00,505 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

| S. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | | Total Amount |
|--------|---|-------------------------|---|------|-----|--------------|
| | | Venu Madhava | | ---- | --- | |
| 1 | Gross salary | 43,63,729 | | | | 43,63,729 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | - | - | - | - |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | - | - | - | - | - |
| 2 | Stock Option | - | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - | - |
| 4 | Commission - as % of profit - others, specify... | - | - | - | - | - |
| 5 | Others, please specify | - | - | - | - | - |
| | Total (A) | 43,63,729 | - | - | - | 43,63,729 |
| | Ceiling as per the Act | - | - | - | - | - |

B. Remuneration to other directors

| S. No. | Particulars of Remuneration | Name of Directors | | | Total Amount |
|--------|--|-------------------|--------------------|----------|--------------|
| | | | | | |
| 1 | Independent Directors | | Manoj Kunkalienkar | NL Sarda | |
| | Fee for attending board committee meetings | - | 2,25,000 | 2,25,000 | 4,50,000 |
| | Commission | | 7,69,884 | 7,69,884 | 15,39,768 |
| | Others, please specify | - | - | - | |
| | Total (1) | - | 9,94,884 | 9,94,884 | 19,89,768 |
| 2 | Other Non-Executive Directors | - | - | - | |
| | Fee for attending board committee meetings | - | - | - | |
| | Commission | - | - | - | |
| | Others, please specify | - | - | - | |
| | Total (2) | - | - | - | |
| | Total (B)=(1+2) | - | 9,94,884 | 9,94,884 | 19,89,768 |
| | Total Managerial Remuneration | - | - | - | |
| | Overall Ceiling as per the Act | - | - | - | |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

| S. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|--------|---|--------------------------|-----------|-----------|-----------|
| | | CEO | CS | CFO | Total |
| 1 | Gross salary | NA | 14,86,281 | 39,47,377 | 54,33,658 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | - | - | - |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - | - |
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission | - | - | - | - |
| | - as % of profit | - | - | - | - |
| | others, specify... | - | - | - | - |
| 5 | Others, please specify | - | - | - | - |
| | Total | - | 14,86,281 | 39,47,377 | 54,33,658 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NOT APPLICABLE

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| B. DIRECTORS | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |

**For and on behalf of the Board of Directors
Of eMudhra Limited**

Sd:/- V Srinivasan
Director
DIN: 00640646

Sd:/- Venu Madhava
Director
DIN: 06748204

Date: May 21, 2021
Place: Bangalore

ANNEXURE “D” TO DIRECTOR'S REPORT

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.)

| S. No. | Particulars | Details | | | | | | |
|--------|---|------------------------------|--------------------------|-----------------------------------|-----------------------------|----------------------------|--------------------------|--------------------------|
| 1. | Name of the Subsidiary | eMudhra Technologies Limited | eMudhra (MU) Ltd | eMudhra Consumer Services Limited | eMudhra DMCC | eMudhra INC | eMudhra PTE Ltd | eMudhra B V |
| 2. | Reporting Period for the subsidiary concerned, if different from the holding company's reporting period | 01.04.2020 to 31.03.2021 | 01.04.2020 to 31.03.2021 | 01.04.2020 to 31.03.2021 | 01.04.2020 to 31.03.2021 | 01.04.2020 to 31.03.2021 | 01.04.2020 to 31.03.2021 | 08.01.2021 to 31.03.2021 |
| 3. | Reporting Currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | INR [Indian Rupee] | MUR [Mauritian Rupee] | INR [Indian Rupee] | AED [Arab Emirates Dirhams] | USD [United States Dollar] | SGD [Singapore Dollar] | EURO [Euro] |
| 4. | Share Capital | 2,95,05,520 | 5,15,84,770 | 5,00,00,000 | 1,00,000 | 2,05,000 | 2,50,000 | 1,00,000 |
| 5. | Reserves & Surplus | (84,72,422) | 66,16,493 | 2,83,21,772 | 62,69,316 | (3,94,218) | 91,315 | (10,765) |
| 6. | Total Assets | 2,59,31,229 | 5,81,90,209 | 8,66,67,327 | 1,16,64,817 | 4,987 | 4,59,171 | 2,292 |
| 7. | Total Liabilities | 2,59,31,229 | 5,81,90,209 | 8,66,67,327 | 1,16,64,817 | 4,987 | 4,59,171 | 2,292 |
| 8. | Investments | - | - | - | 64,04,856 | - | - | - |
| 9. | Turnover | 1,38,58,944 | (3,22,350) | 7,92,23,726 | 1,27,78,563 | 2,00,233 | 6,904 | 7,500 |
| 10. | Profit before Taxation | (97,47,408) | 2,47,09,179 | 1,08,09,517 | 56,75,693 | (1,49,028) | (42,661) | 1,553 |
| 11. | Provision for Taxation | 7,98,000 | - | 27,11,010 | - | - | - | - |
| 12. | Profit after Taxation | (1,05,45,408) | 2,47,09,179 | 80,98,507 | 56,75,693 | (1,49,028) | (42,661) | 1,553 |
| 13. | Proposed Dividend | - | - | - | - | - | - | - |
| 14. | % of Shareholding | 51% | 100% | 76% | 51% | 51% | 51% | 51% |

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year

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 OF EMUDHRA LIMITED

Sd:/- V. Srinivasan
Director
DIN: 00640646

Sd:/- Venu Madhava
Director
DIN: 06748204

Date: May 21, 2021
Place: Bangalore

ANNEXURE “E” TO DIRECTOR'S REPORT

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

| S. 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

| S. 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 | Date(s) of approval by the Board, if any | Amount paid as advances, if any |
|--------|---|--|---|--|--|---------------------------------|
| 1 | eMudhra Consumer Services Limited | Sale of Product/Services Sale of Software Licensing Fees Purchase of Software Licensing Fees | One time One time One time | Rs. 2,50,00,000 Rs. 5,94,300 Rs. 3,65,95,471 | 10 th June 2020 | - |
| 2 | eMudhra Technologies Limited | Sale of Software Licensing Fees Purchase of Software Licensing Fees | One time One time | Rs. 29,48,403 Rs. 1,14,10,000 | 10 th June 2020 | - |
| 3 | Bluesky Infotech | Sale of Product /Services Purchase of Product /Services Commission Paid | One time One time One time | Rs. 10,96,04,262 Rs. 7,83,19,748 Rs. 1,94,62, 661 | 10 th June 2020 | - |
| 4 | eMudhra DMCC | Sale of Product/Services Sale of Software Licensing Fees | One time One time | Rs. 74,14,742 Rs. 48,37,362 | 10 th June 2020 | - |
| 5 | eMudhra BV | Investment in Equity Shares | One time | Rs. 46,11,650 | 10 th June 2020 | - |
| 6. | PT eMudhra Technologies Indonesia | Investment in Equity Shares | One time | Rs.1,09,04,380 | 10 th June 2020 | - |

**For and on behalf of the Board of Directors
Of eMudhra Limited**

Sd:/- V Srinivasan
Director
DIN: 00640646

Sd:/- Venu Madhava
Director
DIN: 06748204

Date: May 21, 2021
Place: Bangalore

A low-angle photograph of modern glass skyscrapers reaching towards a blue sky with light clouds. The buildings have curved, reflective glass facades.

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS**To the Members of eMudhra Limited****Report on the Audit of 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, 2021, and the consolidated statement of profit and loss, and the consolidated statement of cash flow 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"). We have not audited the financial statements of four subsidiaries of the company (eMudhra MU Limited, eMudhra PTE Ltd, eMudhra INC, eMudhra DMCC and eMudhra BV, hereinafter referred to as foreign subsidiaries).

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 their consolidated state of affairs (financial position) of the Company as at March 31, 2021, and its consolidated profit, and its consolidated 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 Consolidated 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 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures thereto, but does not include the financial statements and our auditor's report thereon. 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 and, in doing so, consider whether the other information is materially inconsistent with financial statements or our knowledge obtained during the course of our audit.

Responsibility of Management and those charged with Governance for the Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the consolidated state of affairs (financial position), consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with relevant rules issued there under. 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors of the companies included in the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors included in the Group are also responsible for overseeing financial reporting process of the Group.

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.

We have not audited the financial statements of eMudhra MU Limited (hereinafter referred as foreign subsidiary) whose financial statements reflect a total revenue of Rs.5.81 lakhs in the consolidated revenue. These financial statements are unaudited and have been furnished to us by management and have been certified by the management and our opinion, in so far as it relates to amounts included in respect of subsidiary solely on the management certified financial statements.

We have not audited the financial statements of eMudhra DMCC (hereinafter referred as foreign subsidiary) whose financial statements reflect a total revenue of Rs. 2,520.62 lakhs in the consolidated revenue. These financial statements are unaudited and have been furnished to us by management and have been certified by the management and our opinion, in so far as it relates to amounts included in respect of subsidiary solely on the management certified financial statements.

We have not audited the financial statements of eMudhra PTE Ltd (hereinafter referred as foreign subsidiary) whose financial statements reflect a total revenue of Rs. 3.74 lakhs in the consolidated revenue. These financial statements are unaudited and have been furnished to us by management and have been certified by the management and our opinion, in so far as it relates to amounts included in respect of subsidiary solely on the management certified financial statements.

We have not audited the financial statements of eMudhra INC (hereinafter referred as foreign subsidiary) whose financial statements reflect a total revenue of Rs. 148 lakhs in the consolidated revenue. These financial statements are unaudited and have been furnished to us by management and have been certified by the management and our opinion, in so far as it relates to amounts included in respect of subsidiary solely on the management certified financial statements.

We have not audited the financial statements of eMudhra BV (hereinafter referred as foreign subsidiary) whose financial statements reflect a total revenue of Rs. 6.50 lakhs in the consolidated revenue. These financial statements are unaudited and have been furnished to us by management and have been certified by the management and our opinion, in so far as it relates to amounts included in respect of subsidiary solely on the management certified financial statements.

However, the financial statements of Indian subsidiaries have been audited by us for the year ended 31-03-2021.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism 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.
- Conclude on the appropriateness of management's 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.

Report on Other Legal and Regulatory Requirements

1) 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 relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards 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, 2021 taken on record by the Board of Directors of Holding company and reports of statutory auditors of subsidiary companies, none of the directors of the group is disqualified as on 31st March, 2021 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”**

g. 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.22 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.

Place: Bangalore
Date: 21-05-2021

For **Manohar Chowdhry & Associates**
Chartered Accountants
Firm Registration No: 001997S

Sd:- **Sumith Rathi**
Partner
Membership No: 239986

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

Report on the Internal Financial Controls over Financial Statements under Clause (i) of sub section (3) of section 143 of the Act.

We have audited the internal financial controls over financial reporting of **eMudhra Limited** (hereinafter referred as the “Holding Company”) and its subsidiaries (Holding company and its subsidiaries together referred to as “the Group”) as of March 31, 2021, in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 (‘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 Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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 Act, 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 and 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting 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 control 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 Company’s internal financial control system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 over Financial Reporting

Because of the inherent limitations of the internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on "the internal control over financial reporting 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".

Place: Bangalore
Date: 21-05-2021

For **Manohar Chowdhry & Associates**
Chartered Accountants
Firm Registration No: 001997S

Sd:- Sumith Rathi
Partner
Membership No: 239986



THE CONSOLIDATED FINANCIAL STATEMENTS

eMudhra Limited
Consolidated Cash Flow Statement

| | Amount in INR | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Cash flow from operating activities | | |
| Profit before tax | 30,92,33,378 | 25,24,37,914 |
| Adjustments for : | | |
| Depreciation | 8,27,66,971 | 8,60,01,541 |
| Interest income | (10,28,955) | (5,11,163) |
| Other income | - | (28,39,373) |
| Other Ince | (1,76,650) | - |
| Interest expenses | 60,25,148 | 64,44,856 |
| Operating profit before working capital changes | 39,68,19,892 | 34,15,33,774 |
| Changes in working capital: | | |
| (Increase)/decrease in inventories | 75,01,936 | (1,18,32,652) |
| (Increase)/decrease in trade receivables | 8,34,09,528 | (2,31,26,985) |
| (Increase)/decrease in loans and advances | (3,55,94,664) | (9,89,19,171) |
| Increase/ (decrease) in current liabilities | 3,01,28,830 | 4,39,23,297 |
| Cash generated from operations | 48,22,65,522 | 25,15,78,262 |
| Direct taxes paid (net of refunds) | (5,21,52,000) | (4,13,68,327) |
| Net cash from operating activities | 43,01,13,522 | 21,02,09,935 |
| Cash flow from investing activities | | |
| Purchase of tangible/intangible assets | (21,31,90,733) | (23,10,76,035) |
| Minority brought on account of consolidation | (24,50,123) | (59,03,234) |
| Retained earnings brought on account of consolidation | (3,00,93,068) | (5,30,18,240) |
| Goodwill on consolidation | 1,08,68,427 | (62,26,258) |
| Investment in equity/preference shares | (13,77,08,289) | - |
| Other income | - | 28,39,373 |
| Interest/other received | 12,05,605 | 5,11,163 |
| Net cash from / (used in) investing activities | (37,13,68,181) | (29,28,73,231) |
| Cash flow from financing activities | | |
| Receipt (payment) of long term borrowing | 3,72,24,973 | 10,12,17,592 |
| Redemption of preference share capital | (7,50,00,000) | - |
| Dividend paid including dividend distribution tax | (65,64,375) | (60,08,008) |
| Foreign Exchange Movement on account of consolidation | 1,17,24,589 | 14,05,923 |
| Proceeds (repayment) from short term borrowings | (1,95,76,682) | 6,05,56,591 |
| Interest paid | (60,25,148) | (64,44,856) |
| Net cash from / (used in) financing activities | (5,82,16,643) | 15,07,27,243 |
| Net increase/decrease in cash and cash equivalents | 5,28,698 | 6,80,63,947 |
| Cash and cash equivalents at the beginning of the period | 9,13,24,029 | 2,32,60,082 |
| Cash and cash equivalents at the end of the period | 9,18,52,727 | 9,13,24,029 |
| Cash and cash equivalents comprises of: | | |
| Cash on hand | 1,72,787 | 2,74,838 |
| Balance with banks | | |
| In current accounts | 3,69,74,941 | 9,10,49,191 |
| Deposit accounts | 5,47,05,000 | - |
| Total | 9,18,52,728 | 9,13,24,029 |

The accompanying notes are an integral part of the financial statements
As per our report of even date

For Manohar Chowdhry & Associates
Firm Registration Number: 0019975
Chartered Accountant

Sd:- Sumith Rathi
Partner
Membership No: 239986

For and on behalf of the Board of Directors
of eMudhra Limited

Sd:- V Srinivasan
Chairman
DIN: 00640646

Sd:- Venu Madhava
Director
DIN: 06748204

Sd:- Saji K Louiz
Chief Financial Officer

Sd:- Johnson Xavier
Company Secretary

Bangalore, May 21, 2021

Bangalore, May 21, 2021

eMudhra Limited
Consolidated Balance Sheet

| | | Amount in INR | |
|--|---------|------------------------|------------------------|
| | Note no | As at March 31,2021 | As at March 31,2020 |
| EQUITY AND LIABILITIES | | | |
| Shareholder's Funds | | | |
| Share capital | 3 | 43,68,98,460 | 51,18,98,460 |
| Reserves and surplus | 4 | 60,25,00,052 | 43,60,03,198 |
| Minority Interest | | 7,97,75,985 | 2,26,34,449 |
| Non-current liabilities | | | |
| Long-term borrowings | 5 | 22,45,27,349 | 18,73,02,377 |
| Other long-term liabilities | 6 | 2,33,91,490 | 1,10,25,860 |
| Deferred tax liabilities (net) | 7 | 1,36,40,023 | 75,80,013 |
| Long- term provisions | 8 | 2,49,16,753 | 1,60,24,287 |
| Current liabilities | | | |
| Short-term borrowings | 9 | 12,82,29,039 | 14,78,05,721 |
| Trade payables | 10 | 3,49,80,706 | 7,46,49,806 |
| Other current liabilities | 11 | 16,90,83,921 | 12,54,43,828 |
| Short-term provisions | 12 | 84,65,803 | 35,66,063 |
| Total | | 1,74,64,09,581 | 1,54,39,34,062 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Fixed assets | | | |
| Tangible assets | 13 | 65,71,15,828 | 15,00,36,757 |
| Intangible assets | 14 | 40,21,93,680 | 41,91,31,274 |
| Tangible assets under development | | 3,74,00,370 | 38,48,25,445 |
| Intangible asset under development | | 75,76,122 | 1,98,68,765 |
| Goodwill on consolidation | | - | 1,08,68,427 |
| Non-current investments | 15 | 13,92,08,289 | 15,00,000 |
| Long term loans and advances | 16 | 6,81,34,007 | 7,29,76,394 |
| Current Assets | | | |
| Inventories | 17 | 71,35,663 | 1,46,37,599 |
| Trade receivables | 18 | 14,91,83,503 | 23,25,93,031 |
| Cash and cash equivalents | 19 | 9,18,52,728 | 9,13,24,029 |
| Short-term loans and advances | 20 | 18,50,65,474 | 14,52,73,365 |
| Other current assets | 21 | 15,43,918 | 8,98,976 |
| Total | | 1,74,64,09,581 | 1,54,39,34,062 |
| Other notes to accounts | 1 & 38 | | |
| Summary of significant accounting policies | 2 | | |
| Contingent liabilities | 22 | | |

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Manohar Chowdhry & Associates
 Firm Registration Number: 0019975
 Chartered Accountant

Sd:- Sumith Rathi
 Partner
 Membership No: 239986

For and on behalf of the Board of Directors
 of eMudhra Limited

Sd:- V Srinivasan
 Chairman
 DIN: 00640646

Sd:- Venu Madhava
 Director
 DIN: 06748204

Sd:- Saji K Louiz
 Chief Financial Officer

Sd:- Johnson Xavier
 Company Secretary

Bangalore, May 21, 2021

Bangalore, May 21, 2021

eMudhra Limited
Consolidated Statement of Profit and Loss

| | | <i>Amount in INR</i> | |
|---|----------------|--|--|
| | Note no | For the Year ended March 31, 2021 | For the Year ended March 31, 2020 |
| INCOME | | | |
| Revenue from operations | | 1,31,49,74,359 | 1,16,42,36,682 |
| Other income | 23 | 13,28,706 | 33,50,537 |
| Total revenue | | 1,31,63,03,065 | 1,16,75,87,219 |
| EXPENSES | | | |
| Operating expenses | 24 | 12,06,17,858 | 12,48,55,055 |
| Purchases of stock-in-trade | 25 | 17,95,07,530 | 25,87,89,532 |
| Changes in inventories of stock-in-trade | 26 | 75,01,936 | (1,18,32,652) |
| Employee benefit expense | 27 | 42,07,53,531 | 28,58,62,760 |
| Financial costs | 28 | 60,25,148 | 64,44,856 |
| Depreciation and amortization expense | 29 | 8,27,66,971 | 8,60,01,541 |
| Other expenses | 30 | 18,98,96,713 | 16,50,28,213 |
| Total Expense | | 1,00,70,69,687 | 91,51,49,305 |
| Profit(loss) before tax | | 30,92,33,378 | 25,24,37,914 |
| Tax Expense: | | | |
| Current tax | | 5,21,52,000 | 4,13,68,327 |
| Deferred tax | | 60,60,010 | 44,77,879 |
| Profit/(loss) after tax | | 25,10,21,368 | 20,65,91,707 |
| Dividend paid on preference shares | | 65,64,375 | 60,08,008 |
| Profit/(loss) for the year | | 24,44,56,993 | 20,05,83,699 |
| Profit(loss) for the year- Minority interest | | 5,95,91,658 | 2,85,37,684 |
| Profit(loss) for the year- attributable to eMudhra Limited | | 18,48,65,335 | 17,20,46,016 |
| Earnings per equity share(Nominal value of Rs.5 per share) | 31 | | |
| Basic | | 3.58 | 2.94 |
| Diluted | | 3.58 | 2.94 |
| Other notes to accounts | 1 | | |
| Summary of significant accounting policies | 2 | | |

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Manohar Chowdhry & Associates
 Firm Registration Number: 0019975
 Chartered Accountant

Sd:- Sumith Rath
 Partner
 Membership No: 239986

For and on behalf of the Board of Directors
 of eMudhra Limited

Sd:- V Srinivasan
 Chairman
 DIN: 00640646

Sd:- Venu Madhava
 Director
 DIN: 06748204

Sd:- Saji K Louiz
 Chief Financial Officer

Sd:- Johnson Xavier
 Company Secretary

Bangalore, May 21, 2021

Bangalore, May 21, 2021

eMudhra Limited

Notes forming part of the Consolidated Financial Statements

1. General Information

eMudhra Limited is a public limited company engaged in providing 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.

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 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 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.

2. Summary of Significant Accounting Policies

I. Basis of Preparation of Accounts

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, the existing Accounting Standards notified under the Companies Act, 2013 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2014, as amended] and other relevant provisions of the Companies Act, 2013.

II. Use of Estimates

The preparation of 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 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 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 arise from the pandemic relating to COVID-19 on the carrying amounts of receivables. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

III. Tangible Assets

Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any, except in case of land. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. The company capitalises all costs relating to the acquisition, installation and construction of fixed assets, up to the date when the assets are ready for commercial use.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are shown separately in the financial statements. Any expected loss is recognised in the Statement of Profit and Loss, losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

Depreciation on additions/ deletions to fixed assets is calculated on pro-rata basis from/upto the date of such additions/ deletions. The Company provides depreciation on straight-line basis method at the rates specified under Schedule II to the Act. 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.

IV. Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. 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.

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 cost which can be capitalized include the cost of material, direct labour and overhead costs that are directly attributable to preparing the assets for the intended use.

V. Investments

Long term investments are carried at cost and necessary provisions are made to recognize any decline, other than temporary, in the value of such investments.

Current investments are carried at the lower of cost and fair value and provision is made to recognize any decline in the carrying value.

VI. Inventories

Inventories are valued at the lower of cost, computed on a FIFO basis and estimated net realizable value.

VII. Revenue Recognition

The company uses the following methods while recognizing revenue for any given period

1. Percentage-of-completion method in accounting for its fixed price assignments
2. Digital signature related revenue is accounted based on billing
3. Revenue from traded materials are accounted on the basis of delivery
4. The prepaid revenues are amortised in the same financial year, if the value is less than or equal to Rs.1,000,000

VIII. Other Income

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

IX. Foreign Currency Transactions

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency is reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. With respect to long-term foreign currency monetary items, from April 1, 2011 onwards, the Company has adopted the following policy:

- Foreign exchange difference on account of a depreciable asset, is adjusted in the cost of the depreciable asset, which would be depreciated over the balance life of the asset.
- In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortised over the balance period of such long-term asset/liability.

A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss.

In Respect of Foreign Subsidiary

All the assets and liabilities, both monetary and non-monetary items, are translated into the reporting currency at the exchange rate in effect at March 31, 2021 and income and expense items are translated at the average rate applicable for the year ended March 31, 2021.

X. Employee Benefits

(a) Defined Contribution Plan

Contribution towards provident fund and pension scheme for employees is made to the regulatory authorities which are recognised by the Income Tax Authorities and administered through appropriate authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

(b) Defined Benefit Plan

The Company provides for gratuity, a defined benefit plan (the “Gratuity Plan”) covering eligible employees in accordance with the Payment of Gratuity Act, 1972. 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. The Company’s liability is actuarially determined by an independent actuary (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

(c) Other Employee Benefits

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long-term employee benefits. The Company’s liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

XI. Borrowing Cost

General and specific 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 or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

XII. Current and Deferred Tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company reassesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

XIII. Provisions and Contingent Liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

XIV. Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents include cash on hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

XV. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

XVI. Impairment of Assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

For Manohar Chowdhry & Associates
 Firm Registration Number: 001997S
 Chartered Accountant

Sd:- Sumith Rathi
 Partner
 Membership No: 239986

Bangalore, May 21, 2021

For and on behalf of the Board of Directors
 of eMudhra Limited

Sd:- V Srinivasan
 Chairman
 DIN: 00640646

Sd:- Saji K Louiz
 Chief Financial Officer

Sd:- Venu Madhava
 Director
 DIN: 06748204

Sd:- Johnson Xavier
 Company Secretary

Bangalore, May 21, 2021

eMudhra Limited
Notes forming part of the Consolidated Financial Statements

| 3 Share capital | | (Amount in INR, unless otherwise stated) | |
|--|---------|--|------------------------|
| | | As at | |
| | Note no | As at March 31,2021 | As at March 31,2020 |
| Authorised | | | |
| 12,30,00,000 (2020:12,30,00,000) equity shares of Rs.5 each | | 61,50,00,000 | 61,50,00,000 |
| 2,50,00,000 (2020: 2,50,00,000) redeemable preference shares of Rs.10 each | | 25,00,00,000 | 25,00,00,000 |
| | | 86,50,00,000 | 86,50,00,000 |
| Issued | | | |
| 7,01,79,692 (2020:7,01,79,692) equity shares of Rs.5 each | | 35,08,98,460 | 35,08,98,460 |
| 86,00,000 (2020: 1,61,00,000) Preference shares of Rs.10 each | | 8,60,00,000 | 16,10,00,000 |
| Subscribed & Paid - up | | | |
| 7,01,79,692 (2020:7,01,79,692) equity shares of Rs.5 each | | 35,08,98,460 | 35,08,98,460 |
| 86,00,000 (2020: 1,61,00,000) Preference shares of Rs.10 each | | 8,60,00,000 | 16,10,00,000 |
| | | 43,68,98,460 | 51,18,98,460 |

(a) Reconciliation of number of shares
Equity Shares:

| | As at March 31,2021 | | As at March 31,2020 | |
|--------------------------------------|------------------------|---------------------|------------------------|---------------------|
| | Number of shares | Amount | Number of shares | Amount |
| Balance at the beginning of the year | 7,01,79,692 | 35,08,98,460 | 7,01,79,692 | 35,08,98,460 |
| Balance at the end of the year | 7,01,79,692 | 35,08,98,460 | 7,01,79,692 | 35,08,98,460 |

Preference Shares:

| | As at March 31,2021 | | As at March 31,2020 | |
|--------------------------------------|------------------------|--------------------|------------------------|---------------------|
| | Number of shares | Amount | Number of shares | Amount |
| Balance at the beginning of the year | 1,61,00,000 | 16,10,00,000 | 1,61,00,000 | 16,10,00,000 |
| Less: Redeemed during the year | 75,00,000 | 7,50,00,000 | - | - |
| Balance at the end of the year | 86,00,000 | 8,60,00,000 | 1,61,00,000 | 16,10,00,000 |

(b) Rights, preferences and restrictions attached to shares
Equity shares

Equity shares : The company has one class of equity shares having a par value of Rs.5 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their share

Preference shares

86,00,000 (2020:1,61,00,000) preference share of Rs.10 each. These shares are 3% cumulative non convertible preference shares of Rs.10 each. During the year, the company has redeemed 75,00,000 preference shares issued to M/s 3i Infotech Limited at the rate Rs.10 per share.

(d)Details of shares held by shareholders holding more than 5% of the aggregate shares in the company
Equity Shares:

| | As at March 31,2021 | % | As at March 31,2020 | % |
|--------------------------------------|------------------------|-----|------------------------|-----|
| V Srinivasan | 2,79,73,964 | 40% | 2,79,73,964 | 40% |
| Taarav Pte Ltd | 1,83,59,123 | 26% | 1,83,59,123 | 26% |
| Lakshmi Kaushik | 62,01,466 | 9% | 62,01,466 | 9% |
| Arvind Srinivasan | 66,36,515 | 9% | 66,36,515 | 9% |
| eMudhra Employees Stock Option Trust | 60,57,801 | 9% | 61,32,801 | 9% |

Preference Shares:

| | | | | |
|---------------------|-----------|-----|-----------|-----|
| 3i Infotech Limited | - | 0% | 75,00,000 | 47% |
| V Srinivasan | 66,53,438 | 77% | 53,55,731 | 33% |
| Mythili Srinivasan | - | 0% | 12,97,707 | 8% |
| Lakshmi Kaushik | 9,73,281 | 11% | - | 0% |
| Aishwarya Arvind | 9,73,281 | 11% | - | 0% |
| Kaushik Srinivasan | - | 0% | 9,73,281 | 6% |
| Arvind Srinivasan | - | 0% | 9,73,281 | 6% |

eMudhra Limited
Notes forming part of the Consolidated Financial Statements

| Note no | Particulars | Amount in INR | |
|----------|---|------------------------|------------------------|
| | | As at March 31,2021 | As at March 31,2020 |
| 4 | Reserves and surplus | | |
| | Capital Reserve | | |
| | Balance at the beginning of the year | - | - |
| | Add: On account of consolidation | 1,90,02,249 | - |
| | Balance as at the end of the year | 1,90,02,249 | - |
| | Securities Premium | | |
| | Balance at the beginning of the year | 6,17,439 | - |
| | Add: Transactions | - | 6,17,439 |
| | Balance as at the end of the year | 6,17,439 | 6,17,439 |
| | Capital redemption reserve | | |
| | Opening balance | 8,90,00,000 | 8,90,00,000 |
| | Add: transferred during the year | 7,50,00,000 | - |
| | Balance as at the end of the year | 16,40,00,000 | 8,90,00,000 |
| | Surplus in the Statement of Profit and Loss | | |
| | Balance at the beginning of the year | 43,08,76,340 | 25,88,30,324 |
| | Profit/ (Loss) for the year/period | 18,48,65,335 | 17,20,46,016 |
| | Deficit brought forward on account of amalgamation | - | - |
| | Transfer to capital redemption reserve | (7,50,00,000) | - |
| | Balance as at the end of the year | 54,07,41,675 | 43,08,76,340 |
| | Opening Balance | (8,44,90,581) | (3,22,60,825) |
| | Retained earnings on consolidation | (4,90,95,317) | (5,36,35,679) |
| | Forex adjustment | 1,17,24,589 | 14,05,923 |
| | Profit/ (Loss) for the year on account of consolidation | (12,18,61,311) | (8,44,90,581) |
| | | 60,25,00,052 | 43,60,03,198 |
| 5 | Long-term borrowings | | |
| | Secured term loans: | | |
| | From Bank | 22,45,27,349 | 18,73,02,377 |
| | | 22,45,27,349 | 18,73,02,377 |

Nature of security and terms of repayment for secured borrowings:

| Nature of security | Terms of Repayment |
|---|--|
| During the year, our banker, Kotak Mahindra Bank Limited, has sanctioned additional loan under ECLGS scheme amounting to Rs.55,800,000/- towards construction of Digital Signature Compus building in KIADB IT Park, Devenahalli, Bangalore, out of which entire amount has been utilised till March 2021. | Term loan 1(Rs.150,000,000): The repayment started from June 2019 with a monthly instalment of Rs.26,07,387 for a period of 81 months. Company has made a repayment of Rs.259,95,117 till March 2021 towards the principal. The unutilised amount lapsed is Rs.11,672 |
| 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 borrower | Term loan 2(Rs.100,000,000): The repayment from June 2020 with a monthly instalment of Rs.24,63,424 for a period of 48 months. Company has made a repayment of Rs.70,32,583 till March 2021 towards the principal. The unutilised amount lapsed is Rs.913,346. |
| 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 Bangaluru 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. Property presently under construction. | Term loan 3(Rs.55,800,000): This facility currently under moratorium and shall start the repayment from December 2021 with a monthly instalment of Rs.17,06,743 for a period of 48 months[including moratorium period]. Interest Rate: repo rate + Spread of 4.95% |
| 3. Collateral Security: Residential flat in "Cedar grove Oasis" apartment, property no.96,Katha no 1374/533/21,Sy.no.25/1,situated at Kaikondanahalli Village,Varthur Village,Bangalore standing in the name of M/s.Cedar Grove Real Estate Private Limited. | |
| 4. Collateral Security: Vacant land situated at, property no.95(old no.15),New Katha no 1368/527/15,old Katha no.527, Sy.no.25/1,situated at Kaikondanahalli Village,Varthur Village,Bangalore standing in the name of Mr.V.Srinivasan. | |

eMudhra Limited
Notes forming part of the Consolidated Financial Statements

| Note no | Particulars | Amount in INR | |
|--|--|------------------------|------------------------|
| | | As at March 31,2021 | As at March 31,2020 |
| 6 | Other long-term liabilities | | |
| | Trade deposits | 25,25,000 | 25,25,000 |
| | Lease liabilities[refer note 37] | 1,18,51,758 | - |
| | Income received in advance | 90,14,732 | 85,00,860 |
| | | <u>2,33,91,490</u> | <u>1,10,25,860</u> |
| 7 | Deferred tax liabilities (net) | | |
| | Deferred tax on account of: | | |
| | Depreciation | 1,36,40,023 | 75,80,013 |
| | | <u>1,36,40,023</u> | <u>75,80,013</u> |
| 8 | Long- term provisions | | |
| | Provision for employee benefits: (refer note 33 and 33.1) | | |
| | Provision for gratuity | 2,13,86,440 | 1,26,57,759 |
| | Provision for compensated absences | 35,30,313 | 33,66,528 |
| | | <u>2,49,16,753</u> | <u>1,60,24,287</u> |
| 9 | Short-term borrowings | | |
| | Unsecured | | |
| | From director | 3,75,55,883 | 1,97,04,523 |
| | From associated enterprise | - | 2,16,00,000 |
| | Secured | | |
| | From scheduled banks* | | |
| | Working capital loan | 4,33,53,224 | 7,92,29,064 |
| | Current maturity of term loan(refer note 5) | 4,73,19,932 | 2,72,72,135 |
| | | <u>12,82,29,039</u> | <u>14,78,05,721</u> |
| <p>* The company has existing working capital facility from Kotak Mahindra Bank Limited with a limit of Rs.80,000,000 and has availed additional facility from ICICI Bank Limited with a limit of Rs.38,000,000. These loans are repayable on demand.</p> | | | |
| <p>Nature of Security:</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 & 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. (b) Residential flat in "Cedar grove Oasis" apartment, property no.96, Katha no 1374/533/21, Sy.no.25/1, situated at Kaikondanahalli Village, Varthur Village, Bangalore standing in the name of M/s.Cedar Grove Real Estate Private Limited. (c) Vacant land situated at, property no.95(old no.15), New Katha no 1368/527/15, old Katha no.527, Sy.no.25/1, situated at Kaikondanahalli Village, Varthur Village, Bangalore standing in the name of Mr.V.Srinivasan.</p> | | | |
| 10 | Trade payables | | |
| | Total outstanding dues of micro and small enterprises (refer note 36) | 1,92,86,201 | |
| | Total outstanding dues of creditors other than micro and small enterprises | 1,56,94,505 | 7,46,49,806 |
| | | <u>3,49,80,706</u> | <u>7,46,49,806</u> |
| 11 | Other current liabilities | | |
| | Advance from Customers | 15,58,670 | 16,32,914 |
| | Capital creditors | 61,31,827 | 70,26,374 |
| | Income received in advance | 1,19,91,700 | 1,36,33,689 |
| | Statutory dues (Including provident fund and tax deducted at source) | 2,57,47,825 | 3,37,90,660 |
| | DSC Portal deposit | 91,12,334 | 1,03,10,767 |
| | Employee benefits payable | 3,10,45,567 | 3,25,57,949 |
| | Lease liabilities[refer note 37] | 54,70,042 | |
| | Due to associated enterprise(net) | 63,74,549 | 8,89,473 |
| | Income tax provision (net of TDS) | 3,56,15,162 | - |
| | Other payables towards contractual obligations | 3,60,36,245 | 2,56,02,002 |
| | | <u>16,90,83,921</u> | <u>12,54,43,828</u> |
| 12 | Short-term provisions | | |
| | Provision for employee benefits: (refer note 33 and 33.1) | | |
| | Provision for gratuity | 25,24,643 | 20,00,000 |
| | Provision for compensated absences | 59,41,160 | 15,66,063 |
| | | <u>84,65,803</u> | <u>35,66,063</u> |

eMudhra Limited

Notes forming part of the Consolidated Financial Statements

13 Tangible assets

Amount in INR

| | Gross Block | | | Depreciation Block | | | | Net Block | | |
|----------------------------|---------------------|---------------------|---------------|---------------------|--------------------|--------------------------------------|--------------------|---------------|--------------------|---------------------|
| | April 1, 2020 | Additions | (Disposals) | March 31, 2021 | April 1, 2020 | Exchange Difference on Consolidation | For the year | (Disposals) | March 31, 2021 | March 31, 2020 |
| Own Assets: | | | | | | | | | | |
| Leasehold land* | 8,92,52,215 | - | - | 8,92,52,215 | 28,77,671 | - | 8,52,212 | - | 37,29,883 | 8,63,74,545 |
| Building | 3,73,43,526 | - | - | 3,73,43,526 | 1,01,37,013 | (8,850) | 10,70,605 | - | 1,11,98,768 | 2,72,06,513 |
| Building on leasehold land | 19,27,716 | 51,07,38,224 | - | 51,26,65,940 | 15,65,998 | - | 1,77,850 | - | 17,43,848 | 3,61,718 |
| Computer and hardware | 6,37,18,220 | 99,15,048 | 46,181 | 7,35,87,087 | 4,47,59,940 | 53,191 | 69,13,508 | 19,316 | 5,17,07,323 | 1,89,58,280 |
| Motor vehicles | 62,05,725 | - | - | 62,05,725 | 37,36,016 | - | 5,51,289 | - | 42,87,305 | 24,69,709 |
| Office equipments | 3,39,65,028 | 2,14,989 | - | 3,41,80,017 | 1,92,99,045 | - | 41,52,510 | - | 2,34,51,555 | 1,46,65,983 |
| Total | 23,24,12,430 | 52,08,68,261 | 46,181 | 75,32,34,510 | 8,23,75,683 | 44,341 | 1,37,17,974 | 19,316 | 9,61,18,682 | 15,00,36,748 |
| March 31, 2020 | 22,00,92,571 | 1,23,19,859 | - | 23,24,12,430 | 6,92,77,108 | 14,282 | 1,30,84,292 | - | 8,23,75,683 | 15,08,15,463 |

14 Intangible assets

| | Gross Block | | | Amortisation Block | | | | Net Block | | |
|---|---------------|-------------|-------------|--------------------|---------------|--------------------------------------|--------------|-------------|----------------|----------------|
| | April 1, 2020 | Additions | (Disposals) | March 31, 2021 | April 1, 2020 | Exchange Difference on Consolidation | For the year | (Disposals) | March 31, 2021 | March 31, 2020 |
| Identity & Transaction Management Application | 72,27,49,179 | 5,38,30,490 | - | 77,65,79,669 | 35,75,47,115 | (18,69,088) | 5,99,69,479 | - | 41,93,85,682 | 36,52,02,064 |
| DSC online trading software | 6,33,77,897 | - | - | 6,33,77,897 | 2,25,82,736 | - | 64,78,510 | - | 2,90,61,246 | 4,07,95,161 |
| Semantic analytics | 2,14,04,050 | - | - | 2,14,04,050 | 1,17,69,295 | - | 21,46,269 | - | 1,39,15,564 | 96,34,755 |
| Computer Software | 1,05,92,502 | 1,50,000 | - | 1,07,42,502 | 72,16,357 | - | 4,32,753 | - | 76,49,111 | 33,76,145 |
| Brand | 8,68,005 | - | - | 8,68,005 | 7,44,856 | - | 21,986 | - | 7,66,842 | 1,23,148 |
| Total | 81,89,91,633 | 5,39,80,490 | - | 87,29,72,123 | 39,98,60,359 | (18,69,088) | 6,90,48,997 | - | 47,07,78,445 | 41,91,31,274 |
| March 31, 2020 | 79,97,79,621 | 3,37,21,934 | 1,45,09,922 | 81,89,91,633 | 34,20,66,101 | (6,13,069) | 7,29,17,249 | 1,45,09,922 | 39,98,60,359 | 45,77,13,519 |

*Note: Out of this land worth Rs.8,30,01,213 is the lease hold land measuring 12,140.00 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, Jajala 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- Jagrammapalayam, Salem is also under 99 year lease.

eMudhra Limited
Notes forming part of the Consolidated Financial Statements

| | | Amount in INR | |
|-----------|--|-------------------------|-------------------------|
| Note | Particulars | As at March 31, 2021 | As at March 31, 2020 |
| 15 | Non-current investments | | |
| | Quoted instruments:- | | |
| | Investment In Mutual Fund: | | |
| | Investment In mutual fund | 6,23,100 | 15,00,000 |
| | (1,50,000 (2019: 15,00,00) units of Canara robeco protection oriented fund - regular growth plan at par value of Rs.10 each) | | |
| | Investment in associate companies by: | - | - |
| | eMudhra Limited | | |
| | (147,500[2020:NIL] equity shares of USD 1 each per share | 1,09,04,380 | - |
| | PT eMudhra Technologies Indonesia | | |
| | eMudhra DMCC | | |
| | (1,47,500[2020:NIL] equity shares of USD 1 each per share | 1,11,64,721 | - |
| | 1,600,000[2020: NIL] preference shares of USD 1 each | 11,65,16,088 | - |
| | | 13,92,08,289 | 15,00,000 |
| 16 | Long term loans and advances | | |
| | Unsecured, considered good | | |
| | Capital advances | | - |
| | Deposits: | | |
| | Security deposits | 2,16,04,164 | 1,77,58,958 |
| | Tender deposits | 9,67,000 | 13,75,276 |
| | | 2,25,71,164 | 1,91,34,234 |
| | Other loans and advances | | |
| | Income Tax (Net of provisions) | 78,84,750 | 1,60,61,926 |
| | MAT Credit Entitlement | 3,57,100 | |
| | Other advances | - | 4,57,706 |
| | | 82,41,850 | 1,65,19,632 |
| | Other non current assets | | |
| | Others | | |
| | Advances to eMudhra employees stock option trust | 3,03,59,003 | 3,06,84,003 |
| | Long term deposits with bank with maturity period more than 12 months [Refer note below] | 69,61,990 | 66,38,525 |
| | | 3,73,20,993 | 3,73,22,528 |
| | | 6,81,34,007 | 7,29,76,394 |
| | Note: Rs.69,61,990 held as lien by banks against bank guarantees. | | |
| 17 | Inventories | | |
| | Details of stock- in- trade | | |
| | Crypto token | 30,04,165 | 63,74,602 |
| | SSL Certificates | 41,31,498 | 82,62,997 |
| | | 71,35,663 | 1,46,37,599 |
| 18 | Trade receivables | | |
| | Unsecured, considered good | | |
| | From Unrealized parties | | |
| | Outstanding for a period exceeding six months from the date they are due for payment | 2,43,92,540 | 3,30,59,022 |
| | Others | 12,47,90,963 | 19,95,34,009 |
| | | 14,91,83,503 | 23,25,93,031 |

eMudhra Limited
Notes forming part of the Consolidated Financial Statements

| Note | Particulars | Amount in INR | |
|--|---------------------------------------|-------------------------|-------------------------|
| | | As at March 31, 2021 | As at March 31, 2020 |
| 19 | Cash and cash equivalents | | |
| | Cash on hand | 1,72,787 | 2,74,838 |
| | Bank Balances : | | |
| | In fixed deposits (refer below note) | 5,47,05,000 | |
| | In current accounts | 3,69,74,941 | 9,10,49,191 |
| | | 9,18,52,728 | 9,13,24,029 |
| <p>Note: Deposit of Rs.14,705,000 held as lien by banks against bank guarantees and another deposit of Rs.40,000,000 is held as lien by bank against overdraft facility.</p> | | | |
| 20 | Short-term loans and advances | | |
| | Unsecured, considered good | | |
| | Other advances | 49,42,103 | 56,64,316 |
| | Unbilled revenue | 13,75,03,789 | 10,52,32,497 |
| | Capital advances | 1,15,51,211 | 16,630 |
| | Balances with government authorities | 58,26,049 | 64,00,893 |
| | Prepaid expenses | 2,52,42,322 | 2,79,59,029 |
| | | 18,50,65,474 | 14,52,73,365 |
| 21 | Other current assets | | |
| | Interest accrued on fixed deposit | 15,43,918 | 8,98,976 |
| | | 15,43,918 | 8,98,976 |

eMudhra Limited

Notes forming part of the Consolidated Financial Statements

| Note No | Particulars | Amount in INR | |
|----------------------------------|---|------------------------|------------------------|
| | | As at March 31,2021 | As at March 31,2020 |
| 22 Contingent liabilities | | | |
| | Bank guarantees (secured against fixed deposits of Rs.21,666,990] | 2,57,63,773 | 1,01,34,493 |
| | Income tax Appeal(refer note (a) below) | 3,22,90,170 | 1,51,50,000 |
| | | 2,57,63,773 | 1,01,34,493 |

Note:

(a)The company has filed write 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 4 legal cases against the company in various courts in the country. In all these cases, we do not foresee any financial implication.

(c) The company has filed one case against M/s Suvidhaa Infoserve Private Limited, which is for soughting compensation to recover the losses suffered by the company on account of breach of terms of the agreement by the defendant. The compensation sought in this case is Rs.500,000,000.

(d) The proposed dividend for the financial year 2021 is Rs.2,580,000 [2020:4,830,000].

eMudhra Limited
Notes forming part of the Consolidated Financial Statements

| Note | Particulars | Amount in INR | |
|--|--|--------------------------------------|--------------------------------------|
| | | For the Year ended March 31, 2021 | For the Year ended March 31, 2020 |
| 23 Other income | | | |
| | Interest Income | 10,28,955 | 5,11,163 |
| | Other income | 1,76,650 | 28,39,373 |
| | Provisions no longer required written back | 1,23,101 | - |
| | Foreign exchange gain | - | - |
| | Total | 13,28,706 | 33,50,537 |
| 24 Operating expenses | | | |
| | Distributor commission | 7,16,58,637 | 5,36,40,195 |
| | DSC collection and verification charges | - | 92,67,164 |
| | Other direct operating expenses | 4,68,31,857 | 6,04,73,836 |
| | Licence fee expenses | - | - |
| | Payment gateway charges | 43,28,228 | 35,22,470 |
| | Postage and courier charges | 61,70,357 | 40,45,291 |
| | Foreign exchange Loss | (83,71,221) | (60,93,902) |
| | | 12,06,17,858 | 12,48,55,055 |
| 25 Purchases of stock-in-trade | | | |
| | Purchase of hardware's | 17,95,07,530 | 22,11,13,957 |
| | SSL Certificates | - | 3,76,75,575 |
| | | 17,95,07,530 | 25,87,89,532 |
| 26 Changes in inventories of stock-in-trade | | | |
| | Finished Goods: | | |
| | Opening stock: | | |
| | Crypto token | 63,74,602 | 28,04,948 |
| | SSL Certificates | 82,62,997 | - |
| | | 1,46,37,599 | 28,04,948 |
| | Closing stock: | | |
| | Crypto token | 30,04,165 | 63,74,602 |
| | SSL Certificates | 41,31,498 | 82,62,997 |
| | Closing stock | 71,35,663 | 1,46,37,599 |
| | Total | 75,01,936 | (1,18,32,652) |
| 27 Employee benefit expense | | | |
| | Salary and allowances to employees | 38,31,97,142 | 26,30,42,508 |
| | Contribution towards employee funds | 1,21,91,977 | 92,48,843 |
| | Staff welfare expenses | 2,53,64,412 | 1,35,71,409 |
| | Total | 42,07,53,531 | 28,58,62,760 |
| 28 Financial costs | | | |
| | Interest expense | 60,25,148 | 64,44,856 |
| | Total | 60,25,148 | 64,44,856 |
| 29 Depreciation and amortization expense | | | |
| | Amortization on intangible assets | 6,90,48,997 | 7,29,17,249 |
| | Depreciation on tangible assets | 1,37,17,974 | 1,30,84,292 |
| | Total | 8,27,66,971 | 8,60,01,541 |

eMudhra Limited

Notes forming part of the Consolidated Financial Statements

| Note No | Particulars | Amount in INR | |
|--------------------------|--|-------------------------|-------------------------|
| | | As at March 31, 2021 | As at March 31, 2020 |
| 30 Other expenses | | | |
| | Office maintenance expense | 89,49,094 | 88,62,293 |
| | Electricity expense | 71,25,279 | 89,00,490 |
| | Business promotion and advertisement | 2,59,65,059 | 2,75,83,411 |
| | Miscellaneous expense | 27,13,811 | 19,19,433 |
| | Communication expenses | 1,05,52,802 | 97,46,896 |
| | Insurance expenses | 21,25,341 | 15,21,813 |
| | Information technology expenses | 62,66,657 | 34,16,969 |
| | Legal and professional expenses | 6,35,37,580 | 3,02,78,615 |
| | Auditors' remuneration: | | |
| | - Statutory audit fee | 7,00,000 | 7,00,000 |
| | - Other services | 2,10,000 | 1,89,201 |
| | - Other consultancy services | - | 1,50,000 |
| | Membership charges | 18,21,787 | 8,70,337 |
| | Bad Debts | - | - |
| | Meeting and conference expenses | - | 4,99,527 |
| | Printing and stationary | 13,19,007 | 41,81,999 |
| | Fees rates and taxes | 81,64,029 | 24,07,736 |
| | Recruitment and training expenses | 22,34,864 | 10,60,110 |
| | Repair and maintenance | 29,37,318 | 36,55,045 |
| | Travelling, boarding and lodging expenses | 31,43,546 | 2,54,84,932 |
| | Redemption Premium | - | - |
| | Local conveyance | 5,32,960 | 26,89,385 |
| | Rent | 3,94,19,231 | 2,90,20,592 |
| | Contribution for corporate social responsibility expenses (Refer Note No 40) | 21,78,348 | 18,89,429 |
| | Total | 18,98,96,713 | 16,50,28,213 |

eMudhra Limited
Notes forming part of the Consolidated Financial Statements

(Amount in INR, unless otherwise stated)

| Note no | Particulars | | For the Year ended March 31, 2021 | For the Year ended March 31, 2020 |
|-----------|--|-----|--------------------------------------|--------------------------------------|
| 31 | Earnings per share | | | |
| | Basic: | | | |
| | Profit after tax | A | 25,10,21,368 | 20,65,91,707 |
| | Weighted average number of shares outstanding | B | 7,01,79,692 | 7,01,79,692 |
| | Basic EPS | A/B | 3.58 | 2.94 |
| | Diluted | | | |
| | Profit after tax | A | 25,10,21,368 | 20,65,91,707 |
| | Weighted average number of shares outstanding | B | 7,01,79,692 | 7,01,79,692 |
| | Diluted EPS | A/B | 3.58 | 2.94 |
| 32 | Foreign Exchange Earnings / Expenses* | | | |
| | Foreign exchange earned | | | |
| | Royalty, know-how, professional and consultation fee | | <u>2,36,69,579</u> | <u>3,92,66,329</u> |
| | Foreign exchange used | | | |
| | Royalty, know-how, professional and consultation fee | | <u>1,80,02,345</u> | <u>1,22,34,096</u> |

*these amounts are related to only Indian companies and doesn't include foreign subsidiaries.

eMudhra Limited
Notes forming part of the Consolidated Financial Statements
(Amount in INR, unless otherwise stated)
33 Disclosures under accounting standard 15
a) Post Retirement Benefit- Defined Contribution Plans

The Company has recognised an amount of Rs.92,98,744 (2020: Rs. 80,72,561) 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, 2021.

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.

These disclosures are related to eMudhra Limited and only the summary of liability and assets are disclosed in the financials as per note 33.1

| | For the Year ended March 31, 2021 | For the Year ended March 31, 2020 |
|---|--------------------------------------|--------------------------------------|
| (i) Present Value of Defined Benefit Obligation - Gratuity | | |
| Balance at the beginning of the year | 2,16,58,648 | 1,94,24,034 |
| Current service cost | 43,89,821 | 52,69,543 |
| Interest cost | 12,23,083 | 13,82,094 |
| Actuarial (gain)/loss | 42,78,924 | (41,21,092) |
| Benefits paid | (12,14,609) | (2,95,931) |
| Balance at the end of the period/ year | 3,03,35,867 | 2,16,58,648 |
| (ii) Fair value of Plan Assets | | |
| Balance at the beginning of the year | 70,00,889 | 49,02,857 |
| Expected return on plan assets | 5,07,978 | 4,40,863 |
| Contribution | 8,68,141 | 22,46,553 |
| Actuarial gain/(loss) | (68,742) | (2,93,453) |
| Benefits paid | (12,14,609) | (2,95,931) |
| Balance at the end of the year | 70,93,657 | 70,00,889 |
| (iii) Assets and liabilities recognised in the Balance Sheet | | |
| Present value of defined benefit obligation | 3,03,35,867 | 2,16,58,648 |
| Present value of plan assets | 70,93,657 | 70,00,889 |
| Amount recognised as assets/(liability) | (2,32,42,210) | (1,46,57,759) |
| Recognised under: | | |
| Long term provision (Refer Note 8) | (2,12,42,210) | (1,26,57,759) |
| Short term provision (Refer Note 12) | (20,00,000) | (20,00,000) |
| Total | (2,32,42,210) | (1,46,57,759) |
| (iv) Expenses recognised in the Statement of Profit and Loss | | |
| Current service cost | 43,89,821 | 52,69,543 |
| Interest cost | 12,23,083 | 13,82,094 |
| Expected return plan assets | (5,07,978) | (4,40,863) |
| Actuarial (gain)/loss | 43,47,665 | (38,27,640) |
| Total expenses | 94,52,591 | 23,83,134 |

eMudhra Limited
Notes forming part of the Consolidated Financial Statements

(Amount in INR, unless otherwise stated)

(v) Major Category of Plan Assets as % of total Plan Assets

| | As at March 31,2021 | As at March 31,2020 |
|--|------------------------|------------------------|
| Insurer managed funds | 100% | 100% |
| (vi) Actuarial assumptions | | |
| Discount rate | 5.26% | 5.81% |
| Salary growth | 10.00% | 8.00% |
| Attrition rate | 30.00% | 25.00% |
| Expected rate of return on plan assets | 6.91% | 7.44% |

(vii) Amounts recognised in current period and previous five years

| | As at March 31,2021 | As at March 31,2020 | As at March 31,2019 | As at March 31,2018 | As at March 31,2017 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|
| Present value of obligation | 3,03,35,867 | 21658648 | 1,94,24,034 | 1,24,34,198 | 1,11,00,509 |
| Present value of plan assets | 70,93,657 | 7000889 | 49,02,857 | 33,53,617 | 16,47,940 |
| Amount recognised in balance sheet (Liability)/asset | (2,32,42,210) | (1,46,57,759) | (1,45,21,177) | (90,80,581) | (94,52,569) |

(viii) Expected contribution to the fund next year

| | As at March 31,2022 | As at March 31,2021 |
|----------|------------------------|------------------------|
| Gratuity | 20,00,000 | 12,00,000 |

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 Rs. 9,070,821(2020: 4,932,591).

33.1 Summary of disclosures under accounting standard 15

The following figures are taken from the stand alone audited financials of the respective company

| | As at March 31,2021 | As at March 31,2020 |
|---|------------------------|------------------------|
| 1 Gratuity | | |
| Long term provision (Refer Note 8) | | |
| eMudhra Limited | 2,12,42,210 | 1,26,57,759 |
| eMudhra Consumer services Limited | 1,44,230 | - |
| eMudhra Technologies Limited | - | - |
| Total | 2,13,86,440 | 1,26,57,759 |
| Short term provision (Refer Note 12) | | |
| eMudhra Limited | 20,00,000 | 20,00,000 |
| eMudhra Consumer services Limited | 5,00,000 | - |
| eMudhra Technologies Limited | 24,643 | - |
| Total | 25,24,643 | 20,00,000 |
| 2 Compensated absences | | |
| Long term provision (Refer Note 8) | | |
| eMudhra Limited | 32,64,321 | 15,66,063 |
| eMudhra Consumer services Limited | 2,03,476 | - |
| eMudhra Technologies Limited | 62,516 | - |
| Total | 35,30,313 | 15,66,063 |
| Short term provision (Refer Note 12) | | |
| eMudhra Limited | 58,06,500 | 33,66,528 |
| eMudhra Consumer services Limited | 1,32,636 | - |
| eMudhra Technologies Limited | 2,024 | - |
| Total | 59,41,160 | 33,66,528 |

eMudhra Limited
Notes forming part of the Consolidated Financial Statements
(Amount in INR, unless otherwise stated)
34 Related party disclosures
A. Disclosure related to subsidiary and associate companies
(A.1) Particulars of subsidiary and associate companies :

| SI No | Name of the company | Address | Relationship | % of shares held |
|-------|--------------------------------------|--|--------------|------------------|
| 1 | Smart Craft Pvt Limited | #56, Sai Arcade, Deverabesenahalli, Bangalore, Karnataka. | Associate | NA |
| 2 | Taarav PTE Ltd | 1 Phillip Street, #03-01S Singapore - 048692 | Associate | NA |
| 3 | eMudhra employees stock option trust | #56, Sai Arcade, Deverabesenahalli, Bangalore, Karnataka. | Associate | NA |
| 4 | PT eMudhra Technologies Indonesia | Ruko Pondasi, Jl. Raya Foundation No. 21 unit, H, Kayu Puith, Pulogadung, City of Adm. East Jakarta DKI Jakarta- 13210 | Associate | 29.5% |
| 5 | Bluesky Infotech | G-5, Arathi Apartments, No 150 Habibullah Road, T. Nagar Chennai 600017 | Associate | NA |

(A.2) Summary of transactions with subsidiary and associate companies

| SI No | Summary of Transactions | Subsidiary Company | | Associate Company | |
|-------|-------------------------------|--------------------|--------|-------------------|--------------|
| | | Mar-21 | Mar-20 | Mar-21 | Mar-20 |
| 1 | Sales of services/products | - | - | 22,61,20,350 | 16,66,40,467 |
| 2 | Purchase of products/services | - | - | 7,83,29,851 | 25,29,159 |
| 3 | Receipt of loan | - | - | 24,81,751 | 2,16,00,000 |
| 4 | Repayment of loan | - | - | 2,20,16,357 | - |
| 5 | Commission paid | - | - | 1,94,62,661 | 1,32,29,565 |
| 6 | Receipt of deposits | - | - | - | 1,00,000 |
| 7 | Investment in equity shares | - | - | 13,85,85,189 | - |

(A.3) Detailed transaction / balances of subsidiary and associate companies

| SI No | Particulars | Transactions | | Balances | |
|-------|--|--------------|--------------|--------------|-------------|
| | | Mar-21 | Mar-20 | Mar-21 | Mar-20 |
| 1 | Sales of products/Services | | | | |
| | Bluesky Infotech | 10,96,04,262 | 16,66,40,467 | - | - |
| | PT eMudhra Technologies Indonesia | 11,65,16,088 | - | - | - |
| 2 | Purchase of products/services | | | | |
| | Smart Craft Private Limited | 10,103 | 2,16,080 | - | - |
| | Bluesky Infotech | 7,83,19,748 | 23,13,079 | - | - |
| 3 | Receipt of loan | | | | |
| | Bluesky Infotech | - | 2,16,00,000 | - | - |
| | Taarav PTE Ltd | 21,56,751 | - | 63,74,548 | 46,34,154 |
| | eMudhra employees stock option trust(net) | 3,25,000 | - | 3,03,59,003 | 3,06,84,003 |
| 4 | Repayment of loan | | | | |
| | Taarav PTE Ltd | 4,16,357 | - | - | - |
| | Bluesky Infotech | 2,16,00,000 | - | - | - |
| 5 | Commission paid | | | | |
| | Bluesky Infotech | 1,94,62,661 | 1,32,29,565 | | |
| 6 | Receipt of deposits | | | | |
| | Bluesky Infotech | - | 1,00,000 | | |
| 7 | Investment in equity/preference shares | | | | |
| | PT eMudhra Technologies Indonesia | 1,09,04,380 | - | 1,09,04,380 | |
| | PT eMudhra Technologies Indonesia[by eMudhra DMCC] | 12,76,80,809 | - | 12,76,80,809 | |

eMudhra Limited
Notes forming part of the Consolidated Financial Statements
(Amount in INR, unless otherwise stated)
B. Disclosure related to director and key managerial personnel
(B.1) Particulars of director and key managerial personnel :

| Sl No | Key managerial personnel | Relationship |
|-------|--------------------------|----------------------------------|
| 1 | V. Srinivasan | Chairman and director |
| 2 | Venu Madhava | Wholetime director |
| 3 | Kaushik Srinivasan | Related to chairman and director |
| 4 | Mythili Srinivasan | Related to chairman and director |
| 5 | Arvind Srinivasan | Related to chairman and director |
| 6 | Johnson Xavier | Company secretary |
| 7 | Saji K Louiz | Chief financial officer |

(B.2) Summary of transactions director and key managerial personnel

| Sl No | Summary Transactions | Mar-21 | Mar-20 |
|-------|----------------------------|-------------|-------------|
| 1 | Sale of shares | - | 2,44,91,457 |
| 2 | Receipt of loan | 2,35,35,000 | 1,55,08,543 |
| 3 | Repayment of loan | 76,00,000 | 1,55,08,543 |
| 4 | Salary and allowances paid | 2,39,03,304 | 2,08,74,610 |
| 5 | Preference dividend paid | 25,79,999 | 25,79,999 |

(B.3) Detailed transaction / balances of subsidiary and associate companies

| Sl No | Particulars | Transactions | | Balances | |
|-------|------------------------------------|--------------|-------------|-------------|--------|
| | | Mar-21 | Mar-20 | Mar-21 | Mar-20 |
| 1 | Sale of shares | | | | |
| | V. Srinivasan : | | | | |
| | - Emudhra Consumer Service Limited | - | 1,20,00,000 | - | - |
| | - Emudhra Technologies Limited | - | 1,24,91,457 | - | - |
| 2 | Receipt of loan: | | | | |
| | V. Srinivasan | 2,35,35,000 | 1,55,08,543 | 3,75,55,883 | - |
| 3 | Repayment of loan: | | | | |
| | V. Srinivasan | 76,00,000 | 1,55,08,543 | | |
| 4 | Salary and allowances paid: | | | | |
| | V Srinivasan | 47,85,600 | 47,85,600 | - | - |
| | Venu Madhava | 43,63,729 | 39,49,758 | - | - |
| | Kaushik Srinivasan | 60,10,277 | 47,45,272 | - | - |
| | Arvind Srinivasan | 80,95,640 | 73,37,920 | | |
| | Saji K Louiz | 39,47,377 | 35,45,264 | - | - |
| | Johnson Xavier | 14,86,281 | 12,96,396 | - | - |
| 5 | Preference dividend paid: | | | | |
| | V. Srinivasan | 16,06,719 | 16,06,719 | | |
| | Mythili Srinivasan | 3,89,312 | 3,89,312 | | |
| | Kaushik Srinivasan | 2,91,984 | 2,91,984 | | |
| | Arvind Srinivasan | 2,91,984 | 2,91,984 | | |

Note:

- The information disclosed above is based on the names of the parties as identified by the management, which has been relied upon by the auditors.
- Provision for leave encashment and group gratuity which is based on actuarial valuation done on overall company basis is excluded while arriving at salary and allowances
- The Salary and allowances paid to key managerial persons includes leave encashment and incentive but doesn't includes PF contribution and other indirect benefits
- The names of the related parties with whom the transaction has been carried out only has been reported.
- During the year, the KMP's have met various office expenses from credit cards and the same has been reimbursed directly to the credit card by the company. Such reimbursements to the the credit cards are not included in the table above, which is amounting to Rs.14,122,803 (2019:Rs. 14,270,917).

eMudhra Limited
Notes forming part of the Consolidated Financial Statements
(Amount in INR, unless otherwise stated)
35 Revenue from Operation:

| | | |
|--|--------------|--------------|
| Revenue from digital signature and accessories | 67,24,69,902 | 56,35,35,526 |
| Revenue from Software services and accessories (Including export sale) | 64,25,04,457 | 60,07,01,156 |

36 Micro small and medium enterprises
1,31,49,74,359
1,16,42,36,682

The dues of micro, small and medium enterprises, to which the company owes dues, or with which the company had transactions during the period has been disclosed in note 10 based on the information available with the company, which has been relied upon by the auditors.

37 Leases

The companies lease assets consists only plant and machinery effective from December 15, 2020. The company follows AS 19 leases to all the leasing contracts. The company has various operating leases/right to use for offices, residential premises and computers that are renewable on a periodic basis and cancellable at its option except for one which is non-cancellable in nature. Rental expenses for operating lease/right to use recognised in the statement of profit and loss account amounting to Rs.39,125,862[2020:28,932,334]. The details of the non-cancellable contractual liabilities as at March 31,2021 on an undiscounted basis are as below:

| Particulars | As at March 31,2021 |
|--------------------|---------------------|
| Less than one year | 54,70,042 |
| One to five years | 1,18,51,758 |
| | 1,73,21,800 |

38 Prepaid income and expenses

During the year, the company has changed its accounting policy with respect to recognition of prepaid expenses and revenue in the books of accounts. In line with this, the company has started booking expenses and revenue in the same financial year where the prepaid expenses/revenue is below Rs.1,000,000 irrespective of the effective period.

By adoption of the above policy change, the company has recognised additional revenue of Rs.11,319,853 during the reporting period. Similarly, an additional expense of Rs.2,925,892 was also charged to the statement of profit and loss in the reporting period.

39 Previous period figures

The previous year figures have been reclassified to conform to this year classification.

40 Contribution for corporate social responsibility expenses

| Financial Year | Net Profit Amount (Rs) |
|--|------------------------|
| 2017-18* | 8,28,10,032 |
| 2018-19* | 10,08,88,850 |
| 2019-20* | 11,17,62,070 |
| Average Net profits | 9,84,86,984 |
| 2% of Avg.Net profit | 19,69,740 |
| Total amount to be spent during financial year 2020-21 | 21,78,348 |
| Unspent amount | - |

* the above computation is based on standalone financials of eMudhra Limited

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Manohar Chowdhry & Associates

Firm Registration Number: 001997S

Chartered Accountant

For and on behalf of the Board of Directors
of eMudhra Limited
Sd:- Sumith Rathi

Partner

Membership No: 239986

Sd:- V Srinivasan

Chairman

DIN: 00640646

Sd:- Venu Madhava

Director

DIN: 06748204

Sd:- Saji K Louiz

Chief Financial Officer

Sd:- Johnson Xavier

Company Secretary

Bangalore, May 21, 2021
Bangalore, May 21, 2021

A low-angle photograph of several modern skyscrapers with glass facades, reaching towards a blue sky with scattered white clouds. The buildings are partially obscured by a network of black power lines in the foreground.

INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS**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 balance sheet as at March 31, 2021, and the statement of profit and loss, and the statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 (financial position) of the Company as at March 31, 2021, 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 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 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures thereto, but does not include the financial statements and our auditor's report thereon. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with financial statements or our knowledge obtained during the course of our audit.

Responsibility of Management and those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act, read with relevant rules issued there under. 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is 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. Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism 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 are 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.
- Conclude on the appropriateness of management's 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.

Report on Other Legal and Regulatory Requirements

1) As required by the Companies (Auditor's Report) Order, 2016, 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.

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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards 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, 2021 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2021 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”**

g. 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.22 to the financial statements.

ii. The Company 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.

Place: Bangalore
Date: 21-05-2021

For **Manohar Chowdhry & Associates**
Chartered Accountants
Firm Registration No: 001997S

Sd:/- Sumith Rathi
Partner
Membership No: 239986

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph under the heading "Report on other legal and Regulatory requirement" of our report of even date to the financial statements of the company for the year ended 31st March, 2021.

i.

a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The company has a program of verification to cover all the items of the fixed assets in a phased manner 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 provided by the management no physical verification of fixed assets is done during the year.

c) 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 agreement are in the name of the company.

ii. According to the information and explanations provided by the management physical verification of inventory during the year has been done.

iii. As informed to us the company has not granted any loans, secured or unsecured to the companies, firms, Limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the order are not applicable to the company and hence not commented upon.

iv. According to the information and explanation given to us, the company has complied with provisions of Sec.185 and 186 of the Act, with respect to the investment made.

v. The company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the act, for any of the services rendered by the company.

vii.

a. According to the information and explanation given to us and on the basis of our examination of books of accounts, and records, the company has been generally regular in depositing undisputed statutory dues including as provident fund, Employee's state insurance, Income tax, Goods and Service tax, cess Income tax and any other statutory dues with appropriate authorities.

b. As per the information and explanation provided to us, no undisputed amounts payable in respect of the above were in arrears as at 31st March, 2021 for a period of more than six months from the date on when they become payable.

c. According to the information received and explanation provided, there are no dues of tax, goods and service tax outstanding on account of any dispute, except for the following:

| 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 records of the company examined by us and the information/ explanation provided to us, the company has not defaulted in repayment of any dues to any financial institution or to the bank as at the balance sheet.

ix. As per the explanation provided to us, the company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.

x. As per the information provided by the management, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of the audit.

xi. According to the explanation and information given by the management, the managerial remuneration has been paid or provided in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii. In our opinion, the company is not a Nidhi Company. Therefore, the provisions of clause 4(xii) of the order are not applicable to the company.

xiii According to the information and explanations given to us and based on our examination of the records of the company, transactions with related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.

xiv. According to the information and explanations provided by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiii) of the order are not applicable to the company and hence not commented upon.

xv. As informed by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the order are not applicable to the company and hence not commented upon.

xvi. In our opinion the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi) of the order are not applicable to the company and hence not commented upon.

Place: Bangalore
Date: 21-05-2021

For **Manohar Chowdhry & Associates**
Chartered Accountants
Firm Registration No: 001997S

Sd:- Sumith Rathi
Partner
Membership No: 239986

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial controls over Financial statements under clause (i) of sub section (3) of section 143 of the Act.

We have audited the internal financial controls over financial reporting of **eMudhra Limited** ("the Company") as of March 31, 2021, in conjunction with our audit of the financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ('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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 Act, 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 and 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting 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 control 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 Company's internal financial control system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 over Financial Reporting

Because of the inherent limitations of the internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on "the internal control over financial reporting 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".

Place: Bangalore
Date: 21-05-2021

For **Manohar Chowdhry & Associates**
Chartered Accountants
Firm Registration No: 001997S

Sd:- Sumith Rathi
Partner
Membership No: 239986



THE STANDALONE FINANCIAL STATEMENTS

eMudhra Limited
Cash Flow Statement

| | Amount in INR | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Cash flow from operating activities | | |
| Profit before tax | 20,39,22,005 | 15,69,60,286 |
| Adjustments for : | | |
| Depreciation | 6,18,33,807 | 6,51,51,511 |
| Capital Gain | (26,99,965) | (29,83,412) |
| Interest income | (10,28,955) | (4,65,189) |
| Interest expenses | 60,25,148 | 64,84,948 |
| Operating profit before working capital changes | 26,80,52,040 | 22,51,48,144 |
| Changes in working capital: | | |
| (Increase)/decrease in inventories | 33,70,437 | (35,69,655) |
| (Increase)/decrease in trade receivables | 4,06,89,102 | (5,35,58,881) |
| (Increase)/decrease in loans and advances | (1,27,89,406) | (4,78,93,576) |
| Increase/ (decrease) in current liabilities | 4,82,91,836 | 2,79,21,182 |
| Cash generated from operations | 34,76,14,009 | 14,80,47,214 |
| Direct taxes paid (net of refunds) | (5,07,70,000) | (3,73,68,208) |
| Net cash from operating activities | 29,68,44,009 | 11,06,79,006 |
| Cash flow from investing activities | | |
| Purchase of tangible/intangible assets | (18,05,79,229) | (22,46,62,447) |
| Investment in units of Subsidiaries | (1,55,16,030) | (1,59,47,960) |
| Sales of Investments | 3,76,76,900 | 2,44,91,457 |
| Sale of tangible/intangible assets | - | 4,14,90,078 |
| Capital gain on sale of Investment | 26,99,965 | 29,83,412 |
| Interest received | 10,28,955 | 4,65,189 |
| Net cash from / (used in) investing activities | (15,46,89,441) | (17,11,80,271) |
| Cash flow from financing activities | | |
| Receipt (payment) of long term borrowing | 3,72,24,955 | 7,39,45,458 |
| Shares issued during the year | - | - |
| Retained earnings brought on account of amalgamation | - | - |
| Securities premium brought on account of amalgamation | - | - |
| Redemption of preference share capital | (7,50,00,000) | - |
| Dividend Paid including dividend distribution tax | (65,64,375) | (60,08,008) |
| Proceeds (repayment) from short term borrowings | (3,74,28,042) | (70,47,932) |
| Interest paid | (60,25,148) | (64,84,948) |
| Net cash from / (used in) financing activities | (8,77,92,610) | 5,44,04,570 |
| Net increase/decrease in cash and cash equivalents | 5,43,61,954 | (60,96,696) |
| Cash and cash equivalents at the beginning of the period | 1,00,20,201 | 1,61,16,897 |
| Cash and cash equivalents at the end of the period | 6,43,82,155 | 1,00,20,201 |
| Cash and cash equivalents comprises of: | | |
| Cash on hand | 1,62,205 | 2,61,510 |
| Balance with banks | | |
| In current accounts | 95,14,950 | 97,58,691 |
| Deposit accounts | 5,47,05,000 | - |
| Total | 6,43,82,155 | 1,00,20,201 |

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Manohar Chowdhry & Associates
Firm Registration Number: 001997S
Chartered Accountant

Sd:- Sumith Rathi
Partner
Membership No: 239986

For and on behalf of the Board of Directors of eMudhra Limited

Sd:- V Srinivasan
Chairman
DIN: 00640646

Sd:- Venu Madhava
Director
DIN: 06748204

Sd:- Saji K Louiz
Chief Financial Officer

Sd:- Johnson Xavier
Company Secretary

Bangalore, May 21, 2021

Bangalore, May 21, 2021

eMudhra Limited
Balance Sheet

| | | | Amount in INR | |
|--|---------|------------------------|------------------------|--|
| Particulars | Note no | As at March 31,2021 | As at March 31,2020 | |
| EQUITY AND LIABILITIES | | | | |
| Shareholder's Funds | | | | |
| Share capital | 3 | 43,68,98,460 | 51,18,98,460 | |
| Reserves and surplus | 4 | 52,51,65,576 | 38,25,10,946 | |
| Non-current liabilities | | | | |
| Long-term borrowings | 5 | 22,45,27,349 | 18,73,02,377 | |
| Other long-term liabilities | 6 | 1,79,82,917 | 1,10,25,860 | |
| Deferred tax liabilities (net) | 7 | 88,57,134 | 49,24,134 | |
| Long- term provisions | 8 | 2,70,48,710 | 1,60,24,287 | |
| Current liabilities | | | | |
| Short-term borrowings | 9 | 9,06,73,156 | 12,81,01,198 | |
| Trade payables | 10 | 2,94,04,204 | 3,53,44,519 | |
| Other current liabilities | 11 | 15,20,69,431 | 11,75,17,019 | |
| Short-term provisions | 12 | 52,64,321 | 35,66,063 | |
| Total | | 1,51,78,91,258 | 1,39,82,14,863 | |
| ASSETS | | | | |
| Non-Current Assets | | | | |
| Fixed assets | | | | |
| Tangible assets | 13 | 65,62,74,338 | 14,94,89,778 | |
| Intangible assets | 14 | 24,59,13,686 | 28,81,58,064 | |
| Tangible assets under development | | 3,74,00,380 | 38,48,25,460 | |
| Intangible asset under development | | 75,76,086 | 59,45,745 | |
| Non-current investments | 15 | 19,20,73,255 | 21,42,34,125 | |
| Long term loans and advances | 16 | 6,74,27,549 | 6,76,58,287 | |
| Current Assets | | | | |
| Inventories | 17 | 30,04,165 | 63,74,602 | |
| Trade receivables | 18 | 13,75,90,355 | 17,82,79,457 | |
| Cash and cash equivalents | 19 | 6,43,82,155 | 1,00,20,201 | |
| Short-term loans and advances | 20 | 10,47,05,371 | 9,23,30,169 | |
| Other current assets | 21 | 15,43,918 | 8,98,976 | |
| Total | | 1,51,78,91,258 | 1,39,82,14,863 | |
| Other notes to accounts | 1 & 39 | | | |
| Summary of significant accounting policies | 2 | | | |
| Contingent liabilities | 22 | | | |

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For Manohar Chowdhry & Associates

Firm Registration Number: 0019975

Chartered Accountant

Sd:- Sumith Rathi

Partner

Membership No: 239986

For and on behalf of the Board of Directors

of eMudhra Limited

Sd:- V Srinivasan

Chairman

DIN: 00640646

Sd:- Venu Madhava

Director

DIN: 06748204

Sd:- Saji K Louiz

Chief Financial Officer

Sd:- Johnson Xavier

Company Secretary

Bangalore, May 21, 2021

Bangalore, May 21, 2021

eMudhra Limited
Statement of Profit and Loss

| | | Amount in INR | |
|---|---------|-----------------------------------|-----------------------------------|
| Particulars | Note no | For the Year ended March 31, 2021 | For the Year ended March 31, 2020 |
| INCOME | | | |
| Revenue from operations (refer note 35) | | 1,09,36,69,835 | 1,03,03,75,794 |
| Other income | 23 | 39,05,570 | 34,48,601 |
| Total revenue | | 1,09,75,75,405 | 1,03,38,24,395 |
| EXPENSES | | | |
| Operating expenses | 24 | 16,30,07,103 | 12,03,90,745 |
| Purchases of stock-in-trade | 25 | 18,05,19,354 | 23,68,14,536 |
| Changes in inventories of stock-in-trade | 26 | 33,70,437 | (35,69,655) |
| Employee benefit expense | 27 | 33,08,20,129 | 26,75,13,841 |
| Financial costs | 28 | 60,25,148 | 64,84,948 |
| Depreciation and amortization expense | 29 | 6,18,33,807 | 6,51,51,511 |
| Other expenses | 30 | 14,80,77,422 | 18,40,78,183 |
| Total Expense | | 89,36,53,400 | 87,68,64,109 |
| Profit(loss) before tax | | 20,39,22,005 | 15,69,60,286 |
| Tax Expense: | | | |
| Current tax | | 5,07,70,000 | 3,73,68,208 |
| Deferred tax | | 39,33,000 | 18,22,000 |
| Profit/(loss) after tax | | 14,92,19,005 | 11,77,70,078 |
| Dividend Paid on preference shares | | 65,64,375 | 60,08,008 |
| Profit/(loss) for the year | | 14,26,54,630 | 11,17,62,070 |
| Earnings per equity share(Nominal value of Rs.5 per share) | 31 | | |
| Basic | | 2.13 | 1.68 |
| Diluted | | 2.13 | 1.68 |
| Other notes to accounts | 1 | | |
| Summary of significant accounting policies | 2 | | |

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For Manohar Chowdhry & Associates
Firm Registration Number: 001997S
Chartered Accountant

Sd:- Sumith Rathi
Partner
Membership No: 239986

For and on behalf of the Board of Directors of eMudhra Limited

Sd:- V Srinivasan
Chairman
DIN: 00640646

Sd:- Venu Madhava
Director
DIN: 06748204

Sd:- Saji K Louiz
Chief Financial Officer

Sd:- Johnson Xavier
Company Secretary

Bangalore, May 21, 2021

Bangalore, May 21, 2021

eMudhra Limited

Notes forming part of the Standalone Financial Statements

1. General Information

eMudhra Limited is a public limited company engaged in providing 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.

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.

2. Summary of Significant Accounting Policies

I. Basis of Preparation of Accounts

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, the existing Accounting Standards notified under the Companies Act, 2013 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2014, as amended] and other relevant provisions of the Companies Act, 2013.

II. Use of Estimates

The preparation of 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 financial statements. The application of accounting policies that require critical accounting estimates, judgements and the use of assumptions in these 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 arise from the pandemic relating to COVID-19 on the carrying amounts of receivables. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

III. Tangible Assets

Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any, except in case of land. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. The company capitalises all costs relating to the acquisition, installation and construction of fixed assets, up to the date when the assets are ready for commercial use.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are shown separately in the financial statements. Any expected loss is recognised in the Statement of Profit and Loss, losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

Depreciation on additions/ deletions to fixed assets is calculated on pro-rata basis from/upto the date of such additions/ deletions. The Company provides depreciation on straight-line basis method at the rates specified under Schedule II to 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.

IV Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. 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.

V. Investments

Long term investments are carried at cost and necessary provisions are made to recognize any decline, other than temporary, in the value of such investments.

Current investments are carried at the lower of cost and fair value and provision is made to recognize any decline in the carrying value.

VI. Inventories

Inventories are valued at the lower of cost, computed on a FIFO basis and estimated net realizable value.

VII. Revenue Recognition

The company uses the following methods while recognizing revenue for any given period

1. Percentage-of-completion method in accounting for its fixed price assignments
2. Digital signature related revenue is accounted based on billing
3. Revenue from traded materials are accounted on the basis of delivery
4. The prepaid revenues are amortised in the same financial year, if the value is less than or equal to Rs.1,000,000

VIII. Other Income

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

IX. Leases

1. Operating lease

a) The operating lease rentals are expenses off with reference to lease terms and other considerations, if any

2. Finance lease

b) The lower of the fair value of the assets and present value of the minimum lease rentals are capitalized as fixed assets with corresponding amount shown as lease liabilities. The entire amount with respect to the lease rentals are adjusted against the lease liabilities.

X. Foreign Currency Transactions

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency is reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. With respect to long-term foreign currency monetary items, from April 1, 2011 onwards, the Company has adopted the following policy:

- Foreign exchange difference on account of a depreciable asset, is adjusted in the cost of the depreciable asset, which would be depreciated over the balance life of the asset.
- In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortised over the balance period of such long term asset/liability.

A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss.

XI. Employee Benefits

(a) Defined Contribution Plan

Contribution towards provident fund and pension scheme for employees is made to the regulatory authorities which are recognised by the Income Tax Authorities and administered through appropriate authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

(b) Defined Benefit Plan

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. 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. The Company's liability is actuarially determined by an independent actuary (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

(c) Other Employee Benefits

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

XII. Borrowing Cost

General and specific 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 or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

XIII. Current and Deferred Tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company reassesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

XIV. Provisions and Contingent Liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

XV. Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents include cash on hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

XVI. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

For Manohar Chowdhry & Associates
 Firm Registration Number: 0019975
 Chartered Accountant

Sd:/- Sumith Rathi
 Partner
 Membership No: 239986

Bangalore, May 21, 2021

**For and on behalf of the Board of Directors
 of eMudhra Limited**

Sd:/- V Srinivasan
 Chairman
 DIN: 00640646

Sd:/- Saji K Louiz
 Chief Financial Officer

Bangalore, May 21, 2021

Sd:/- Venu Madhava
 Director
 DIN: 06748204

Sd:/- Johnson Xavier
 Company Secretary

eMudhra Limited
Notes forming part of the Financial Statements

(Amount in INR, unless otherwise stated)

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| 3 Share capital | | |
| Authorised | | |
| 12,30,00,000 (2020:12,30,00,000) equity shares of Rs.5 each | 61,50,00,000 | 61,50,00,000 |
| 2,50,00,000 (2020: 2,50,00,000) redeemable preference shares of Rs.10 each | 25,00,00,000 | 25,00,00,000 |
| | 86,50,00,000 | 86,50,00,000 |
| Issued | | |
| 7,01,79,692 (2020:7,01,79,692) equity shares of Rs.5 each | 35,08,98,460 | 35,08,98,460 |
| 86,00,000 (2020: 1,61,00,000) Preference shares of Rs.10 each | 8,60,00,000 | 16,10,00,000 |
| Subscribed & Paid - up | | |
| 7,01,79,692 (2020:7,01,79,692) equity shares of Rs.5 each | 35,08,98,460 | 35,08,98,460 |
| 86,00,000 (2020: 1,61,00,000) Preference shares of Rs.10 each | 8,60,00,000 | 16,10,00,000 |
| | 43,68,98,460 | 51,18,98,460 |

(a) Reconciliation of number of shares

Equity Shares:

| | As at March 31,2021 | | As at March 31,2020 | |
|--------------------------------------|------------------------|--------------|------------------------|--------------|
| | Number of shares | Amount | Number of shares | Amount |
| Balance at the beginning of the year | 7,01,79,692 | 35,08,98,460 | 7,01,79,692 | 35,08,98,460 |
| Balance at the end of the year | 7,01,79,692 | 35,08,98,460 | 7,01,79,692 | 35,08,98,460 |

| | As at March 31, 2021 | | As at March 31, 2020 | |
|--------------------------------------|-------------------------|--------------|-------------------------|--------------|
| Preference Shares: | Number of shares | Amount | Number of shares | Amount |
| Balance at the beginning of the year | 1,61,00,000 | 16,10,00,000 | 1,61,00,000 | 16,10,00,000 |
| Less: Redeemed during the year | 75,00,000 | 7,50,00,000 | - | - |
| Balance at the end of the year | 86,00,000 | 8,60,00,000 | 1,61,00,000 | 16,10,00,000 |

(b) Rights, preferences and restrictions attached to shares

Equity shares

Equity shares : The company has one class of equity shares having a par value of Rs.5 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their share holding.

Preference shares

86,00,000 (2020:1,61,00,000) preference share of Rs.10 each. These shares are 3% cumulative non convertible preference shares of Rs.10 each. During the year, the company has redeemed 75,00,000 preference shares issued to M/s 3i Infotech Limited at the rate Rs.10 per share.

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the company

Equity Shares:

| | As at March 31, 2021 | % | As at March 31, 2020 | % |
|--------------------------------------|-------------------------|-----|-------------------------|-----|
| V Srinivasan | 2,79,73,964 | 40% | 2,79,73,964 | 41% |
| Lakshmi Kaushik | 62,01,466 | 9% | 62,01,466 | 9% |
| Arvind Srinivasan | 66,36,515 | 9% | 66,36,515 | 9% |
| eMudhra Employees Stock Option Trust | 60,57,801 | 9% | 61,32,801 | 9% |
| Taarav Pte Ltd | 1,83,59,123 | 26% | 1,83,59,123 | 26% |

Preference Shares:

| | | | | |
|---------------------|-----------|-----|-----------|-----|
| 3i Infotech limited | - | 0% | 75,00,000 | 47% |
| V Srinivasan | 66,53,438 | 77% | 53,55,731 | 33% |
| Mythili Srinivasan | - | 0% | 12,97,707 | 8% |
| Lakshmi Kaushik | 9,73,281 | 11% | - | 0% |
| Aishwarya Arvind | 9,73,281 | 11% | - | 0% |
| Kaushik Srinivasan | - | 0% | 9,73,281 | 6% |
| Arvind Srinivasan | - | 0% | 9,73,281 | 6% |

eMudhra Limited
Notes forming part of the Financial Statements

| | | Amount in INR | |
|----------|---|---|------------------------|
| Note no | Particulars | As at March 31,2021 | As at March 31,2020 |
| 4 | Reserves and surplus | | |
| | Capital redemption reserve | | |
| | Opening balance | 8,90,00,000 | 8,90,00,000 |
| | Add: transferred during the year | 7,50,00,000 | - |
| | Balance as at the end of the year | 16,40,00,000 | 8,90,00,000 |
| | Surplus in the Statement of Profit and Loss | | |
| | Balance at the beginning of the year | 29,35,10,946 | 18,17,48,876 |
| | Profit/ (Loss) for the year/period | 14,26,54,630 | 11,17,62,070 |
| | Transfer to capital redemption reserve | (7,50,00,000) | - |
| | Balance as at the end of the year | 36,11,65,576 | 29,35,10,946 |
| | | 52,51,65,576 | 38,25,10,946 |
| 5 | Long-term borrowings | | |
| | Secured term loans: | | |
| | From Bank | 22,45,27,349 | 18,73,02,377 |
| | | 22,45,27,349 | 18,73,02,377 |
| | Nature of security and terms of repayment for secured borrowings: | | |
| | Nature of security | Terms of Repayment | |
| | During the year, our banker, Kotak Mahindra Bank Limited, has sanctioned additional loan under ECLGS scheme amounting to Rs.55,800,000/- towards construction of Digital Signature Campus building in KIADB IT Park, Devenahalli, Bangalore, out of which entire amount has been utilised till March 2021. | Term loan 1 (Rs.150,000,000): The repayment started from June 2019 with a monthly instalment of Rs.26,07,387 for a period of 81 months. Company has made a repayment of Rs.259,95,117 till March 2021 towards the principal. The unutilised amount lapsed is Rs.11,672 | |
| | 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 borrower | Term loan 2 (Rs.100,000,000): The repayment from June 2020 with a monthly instalment of Rs.24,63,424 for a period of 48 months. Company has made a repayment of Rs.70,32,583 till March 2021 towards the principal. The unutilised amount lapsed is Rs.913,346. | |
| | 2. Collateral Security: 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. Property presently under construction. | Term loan 3 (Rs.55,800,000): This facility currently under moratorium and shall start the repayment from December 2021 with a monthly instalment of Rs.17,06,743 for a period of 48 months [including moratorium period]. | |
| | 3. Collateral Security: Residential flat in "Cedar grove Oasis" apartment, property no.96, Katha no 1374/533/21, Sy.no.25/1, situated at Kaikondanahalli Village, Varthur Village, Bangalore standing in the name of M/s. Cedar Grove Real Estate Private Limited. | Interest Rate: repo rate + Spread of 4.95% | |
| | 4. Collateral Security: Vacant land situated at, property no.95(old no.15), New Katha no 1368/527/15, old Katha no.527, Sy.no.25/1, situated at Kaikondanahalli Village, Varthur Village, Bangalore standing in the name of Mr.V.Srinivasan. | | |
| 6 | Other long-term liabilities | | |
| | Trade deposits | 25,25,000 | 25,25,000 |
| | Lease liabilities [refer note 37] | 1,18,51,758 | - |
| | Income received in advance | 36,06,159 | 85,00,860 |
| | | 1,79,82,917 | 1,10,25,860 |
| 7 | Deferred tax liabilities (net) | | |
| | Deferred tax on account of: | | |
| | Depreciation | 88,57,134 | 49,24,134 |
| | | 88,57,134 | 49,24,134 |
| 8 | Long-term provisions | | |
| | Provision for employee benefits: | | |
| | (refer note 33) | | |
| | Provision for gratuity | 2,12,42,210 | 1,26,57,759 |
| | Provision for compensated absences | 58,06,500 | 33,66,528 |
| | | 2,70,48,710 | 1,60,24,287 |

eMudhra Limited
Notes forming part of the Financial Statements

| Note no | Particulars | Amount in INR | |
|--|--|------------------------|------------------------|
| | | As at March 31,2021 | As at March 31,2020 |
| 9 | Short-term borrowings | | |
| | Unsecured | | |
| | From Associated enterprises | - | 2,16,00,000 |
| | Secured | | |
| | From scheduled banks* | | |
| | Working capital loan | 4,33,53,224 | 7,92,29,064 |
| | Current maturity of term loan(refer note 5) | 4,73,19,932 | 2,72,72,135 |
| | | 9,06,73,156 | 12,81,01,198 |
| <p>* The company has existing workign capital facility from Kotak Mahindra Bank Limited with a limit of Rs.80,000,000 and has availed additional facility from ICICI Bank Limited with a limit of Rs.38,000,000. These loans are repayable on demand.</p> <p>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 & 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.</p> <p>(b) Residential flat in "Cedar grove Oasis" apartment, property no.96,Katha no 1374/533/21,Sy.no.25/1,situated at Kaikondanahalli Village,Varthur Village,Bangalore standing in the name of M/s.Cedar Grove Real Estate Private Limited.</p> <p>(c)Vacant land situated at, property no.95(old no.15),New Katha no 1368/527/15,old Katha no.527, Sy.no.25/1,situated at Kaikondanahalli Village,Varthur Village,Bangalore standing in the name of Mr.V.Srinivasan.</p> <p>Nature of Security[ICICI Bank Limited]:</p> <p>1. This facility is 100% secured on fixed deposit made with this bank amounting to Rs.4,000,0000.</p> | | | |
| 10 | Trade payables | | |
| | Total outstanding dues of micro and small enterprises [refer note no 36] | 1,92,86,201 | - |
| | Total outstanding dues of creditors other than micro and small enterprises | 1,01,18,003 | 3,53,44,519 |
| | | 2,94,04,204 | 3,53,44,519 |
| 11 | Other current liabilities | | |
| | Advance from Customers | 10,14,947 | 16,32,914 |
| | Capital creditors | 61,31,827 | 70,26,374 |
| | Income received in advance | 1,19,91,700 | 1,36,33,689 |
| | Statutory dues (Including GST,provident fund and tax deducted at source) | 2,24,13,258 | 2,89,04,155 |
| | DSC Portal deposit | 91,12,334 | 1,03,10,767 |
| | Employee benefits payable | 2,55,06,571 | 3,06,06,843 |
| | Lease liabilities[refer note 37] | 54,70,042 | - |
| | Income tax provision (net of TDS) | 3,61,25,085 | - |
| | Other payables towards contractual obligations | 3,43,03,667 | 2,54,02,277 |
| | | 15,20,69,431 | 11,75,17,019 |
| 12 | Short-term provisions | | |
| | Provision for employee benefits: | | |
| | (refer note 33) | | |
| | Provision for gratuity | 20,00,000 | 20,00,000 |
| | Provision for compensated absences | 32,64,321 | 15,66,063 |
| | | 52,64,321 | 35,66,063 |

emudhra Limited

Notes forming part of the Financial Statements

13 Tangible assets

| | Gross Block | | | | | Depreciation Block | | Net Block | |
|----------------------------|---------------------|---------------------|-------------|---------------------|--------------------|--------------------|-------------|--------------------|---------------------|
| | April 1, 2020 | Additions | (Disposals) | March 31, 2021 | April 1, 2020 | For the year | (Disposals) | March 31, 2021 | March 31, 2020 |
| Own Assets: | | | | | | | | | |
| Leasehold land* | 8,92,52,215 | - | - | 8,92,52,215 | 28,77,671 | 8,52,214 | - | 37,29,885 | 8,63,74,545 |
| Building | 3,19,72,469 | - | - | 3,19,72,469 | 47,73,782 | 10,70,634 | - | 58,44,416 | 2,61,28,053 |
| Building on leasehold land | 19,27,716 | 51,07,38,224 | - | 51,26,65,940 | 15,65,998 | 1,77,802 | - | 17,43,800 | 3,61,718 |
| Computer and hardware | 6,21,11,731 | 93,19,614 | - | 7,14,31,345 | 4,36,79,754 | 67,00,108 | - | 5,03,79,862 | 1,84,31,977 |
| Motor vehicles | 62,05,721 | - | - | 62,05,721 | 37,36,032 | 5,51,289 | - | 42,87,321 | 24,69,689 |
| Office equipments | 3,38,60,427 | 2,20,389 | - | 3,40,80,816 | 1,92,07,249 | 41,41,635 | - | 2,33,48,884 | 1,46,53,177 |
| Total | 22,53,30,278 | 52,02,78,227 | - | 74,56,08,506 | 7,58,40,486 | 1,34,93,682 | - | 8,93,34,168 | 14,94,89,793 |
| March 31, 2020 | 21,34,82,957 | 1,18,47,322 | - | 22,53,30,278 | 6,30,63,624 | 1,27,76,878 | - | 7,58,40,486 | 15,04,19,333 |

14 Intangible assets

| | Gross Block | | | Amortisation Block | | | Net Block | |
|---|---------------------|--------------------|--------------------|---------------------|---------------------|--------------------|--------------------|---------------------|
| | April 1, 2020 | Additions | (Disposals) | March 31, 2021 | April 1, 2020 | For the year | (Disposals) | March 31, 2021 |
| Identity & Transaction Management Application | 54,51,83,346 | 59,45,745 | - | 55,11,29,091 | 30,11,96,586 | 4,14,28,863 | - | 34,25,25,449 |
| DSC Partner Portal | 6,33,77,897 | - | - | 6,33,77,897 | 2,25,82,736 | 64,78,510 | - | 2,90,61,246 |
| Computer Software for office use | 1,05,92,502 | 1,50,000 | - | 1,07,42,502 | 72,16,357 | 4,32,752 | - | 76,49,109 |
| Brand | 6,08,750 | - | - | 6,08,750 | 6,08,750 | - | - | 6,08,750 |
| Total | 61,97,62,495 | 60,95,745 | - | 62,58,58,240 | 33,16,04,429 | 4,83,40,125 | - | 37,99,44,554 |
| March 31, 2020 | 64,20,40,561 | 3,37,21,934 | 5,60,00,000 | 61,97,62,495 | 29,37,39,720 | 5,23,74,633 | 1,45,09,922 | 33,16,04,429 |

*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 Financial Statements

| Note no | Particulars | Amount in INR | |
|-----------|---|------------------------|------------------------|
| | | As at March 31,2021 | As at March 31,2020 |
| 15 | Non-current investments | | |
| | Quoted instruments:- | | |
| | Investment In Mutual Fund: | | |
| | Investment In mutual fund | 6,23,100 | 15,00,000 |
| | (50,000 (2020: 15,00,000) units of Canara robeco protection oriented fund - regular growth plan at par value of Rs.10 each) | | |
| | Unquoted equity/preference instruments:- | | |
| | Investments in subsidiary companies: | | |
| | Investment in eMudhra Mu Limited | 10,89,77,622 | 14,57,77,622 |
| | (5,158,477 (2020:7,158,477) equity shares of face value of MUR10 each) | | |
| | Investment in eMudhra Technologies Ltd | 1,30,08,543 | 1,30,08,543 |
| | (15,04,782 (2020:15,04,782) equity shares of face value of Rs.10 each) | | |
| | Investment in eMudhra Consumer Services Ltd | 3,80,00,000 | 3,80,00,000 |
| | (38,00,000 (2020:38,00,000) equity shares of face value of Rs.10 each) | | |
| | Investment in eMudhra DMCC | 10,11,582 | 10,11,582 |
| | (51 (2020: 51) equity shares of face value of AED 1000 each) | | |
| | Investment in eMudhra PTE Ltd | 65,43,020 | 65,43,020 |
| | (1,27,500 (2020:127,500) equity shares of face value of SGD 1 each) | | |
| | Investment in eMudhra BV | 46,11,650 | - |
| | (51,000 (2020:NIL) equity shares of face value of EURO 1 each) | | |
| | Investment in PT Emudhra Technologies Indonesia | 1,09,04,380 | - |
| | (147,500 (2020:NIL) equity shares of face value of USD 1 each) | | |
| | Investment in eMudhra INC Ltd | 83,93,358 | 83,93,358 |
| | (1,05,000 (2020: 105,000) equity shares of face value of USD 1 each) | | |
| | | 19,20,73,255 | 21,42,34,125 |
| 16 | Long term loans and advances | | |
| | Unsecured, considered good | | |
| | Capital advances | - | 16,630 |
| | Deposits: | | |
| | Security deposits | 2,06,34,737 | 1,67,73,598 |
| | Tender deposits | 9,67,000 | 13,75,276 |
| | | 2,16,01,737 | 1,81,65,504 |
| | Other loans and advances | | |
| | Income tax Provision (net of TDS) | 85,04,819 | 1,14,28,957 |
| | Other advances | - | 7,41,298 |
| | | 85,04,819 | 1,21,70,255 |
| | Other non current assets | | |
| | Others | | |
| | Advances to Emudhra employees stock option trust | 3,03,59,003 | 3,06,84,003 |
| | Long term deposits with bank with maturity period more than 12 months [Refer note below] | 69,61,990 | 66,38,525 |
| | | 3,73,20,993 | 3,73,22,528 |
| | Note: Rs.6,961,990 held as lien by banks against bank guarantees. | | |
| | | 6,74,27,549 | 6,76,58,287 |
| 17 | Inventories | | |
| | Details of stock- in- trade | | |
| | Crypto token/Hardware security module | 30,04,165 | 63,74,602 |
| | | 30,04,165 | 63,74,602 |
| 18 | Trade receivables | | |
| | Unsecured, considered good | | |
| | From related parties | | |
| | Outstanding for a period exceeding six months from the date they are due for payment | - | - |
| | Others | 84,91,782 | - |
| | From Unrelated parties | | |
| | Outstanding for a period exceeding six months from the date they are due for payment | 2,16,14,014 | 3,30,59,022 |
| | Others | 10,74,84,559 | 14,52,20,435 |
| | | 13,75,90,355 | 17,82,79,457 |

eMudhra Limited

Notes forming part of the Financial Statements

| Note no | Particulars | Amount in INR | |
|-----------|--|------------------------|------------------------|
| | | As at March 31,2021 | As at March 31,2020 |
| 19 | Cash and cash equivalents | | |
| | Cash on hand | 1,62,205 | 2,61,510 |
| | Bank Balances : | | |
| | In fixed deposits (refer below note) | 5,47,05,000 | - |
| | In current accounts | 95,14,950 | 97,58,691 |
| | | 6,43,82,155 | 1,00,20,201 |
| | Note: Deposit of Rs.14,705,000 held as lien by banks against bank guarantees and another deposit of Rs.40,000,000 is held as lien by bank against overdraft facility | | |
| 20 | Short-term loans and advances | | |
| | Unsecured, considered good | | |
| | Other advances | 47,32,382 | 50,09,057 |
| | Unbilled revenue | 7,21,23,729 | 6,31,62,481 |
| | Capital advances | 1,15,51,211 | - |
| | Balances with government authorities | 15,68,698 | 5,47,984 |
| | Prepaid expenses | 1,47,29,351 | 2,36,10,647 |
| | | 10,47,05,371 | 9,23,30,169 |
| 21 | Other current assets | | |
| | Interest accrued on fixed deposit | 15,43,918 | 8,98,976 |
| | | 15,43,918 | 8,98,976 |

eMudhra Limited
Notes forming part of the Financial Statements

| Note no | Particulars | Amount in INR | |
|-----------|---|------------------------|------------------------|
| | | As at March 31,2021 | As at March 31,2020 |
| 22 | Contingent liabilities | | |
| | Bank guarantees (secured against fixed deposits of Rs.21,666,990) | 2,57,63,773 | 1,07,35,308 |
| | Income tax Appeal(refer note (a) below) | 3,22,90,170 | 3,22,90,170 |
| | | 5,80,53,943 | 4,30,25,478 |

Note:

(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 3 legal cases agasint the company in various courts in the country. In all these cases, we do not foresee any financial implication.

(c) The company has filed one case against M/s Suvidhaa Infoserve Private Limited, which is for seeking compensation to recover the losses suffered by the company on account of breach of terms of the agreement by the defendant. The compensation sought in this case is Rs.50,00,00,000.

(d) The proposed dividend for the financial year 2021 is Rs.2,580,000 [2020:4,830,000]

eMudhra Limited
Notes forming part of the Financial Statements

| | | Amount in INR | |
|-----------|--|--------------------------------------|--------------------------------------|
| Note no | Particulars | For the Year ended March 31, 2021 | For the Year ended March 31, 2020 |
| 23 | Other income | | |
| | Interest Income | 10,28,955 | 4,65,189 |
| | Other income | 1,76,650 | 29,83,412 |
| | Gain on redemption of shares/mutual funds | 26,99,965 | - |
| | Total | 39,05,570 | 34,48,601 |
| 24 | Operating expenses | | |
| | Distributor commission | 6,81,14,750 | 5,36,40,195 |
| | Other direct operating expenses | 4,68,28,720 | 4,12,20,596 |
| | Licence fee expenses | 3,65,95,472 | 1,76,81,750 |
| | Payment gateway charges | 43,02,073 | 35,12,466 |
| | Postage and courier charges | 61,70,357 | 40,18,168 |
| | Foreign exchange Loss | 9,95,731 | 3,17,571 |
| | Total | 16,30,07,103 | 12,03,90,745 |
| 25 | Purchases of stock-in-trade | | |
| | Purchase of hardware's/Software | 18,05,19,354 | 23,68,14,536 |
| | Total | 18,05,19,354 | 23,68,14,536 |
| 26 | Changes in inventories of stock-in-trade | | |
| | Finished Goods: | | |
| | Opening stock: | | |
| | Crypto token/hardware security module | 63,74,602 | 28,04,948 |
| | Total | 63,74,602 | 28,04,948 |
| | Closing stock: | | |
| | Crypto token/hardware security module | 30,04,165 | 63,74,602 |
| | Closing stock | 30,04,165 | 63,74,602 |
| | Total | 33,70,437 | (35,69,655) |
| 27 | Employee benefit expense | | |
| | Salary and allowances to employees | 29,98,07,268 | 24,62,08,548 |
| | Contribution towards employee funds | 96,65,301 | 87,82,638 |
| | Staff welfare expenses | 2,13,47,560 | 1,25,22,655 |
| | Total | 33,08,20,129 | 26,75,13,841 |
| 28 | Financial costs | | |
| | Interest expense | 60,25,148 | 64,84,948 |
| | Total | 60,25,148 | 64,84,948 |
| 29 | Depreciation and amortization expense | | |
| | Amortization on intangible assets | 4,83,40,125 | 5,23,74,633 |
| | Depreciation on tangible assets | 1,34,93,682 | 1,27,76,878 |
| | Total | 6,18,33,807 | 6,51,51,511 |
| 30 | Other expenses | | |
| | Office maintenance expense | 74,66,286 | 94,31,763 |
| | Electricity expense | 71,25,279 | 89,00,490 |
| | Business promotion and advertisement | 2,46,22,479 | 2,27,63,552 |
| | Miscellaneous expense | 17,31,188 | 17,84,266 |
| | Communication expenses | 90,95,096 | 94,84,932 |
| | Insurance expenses | 21,25,341 | 15,21,813 |
| | Information technology expenses | 60,17,298 | 34,13,266 |
| | Legal, Professional and subcontracting expenses | 2,98,61,741 | 6,07,27,130 |
| | Auditors' remuneration: | | |
| | - Statutory audit fee | 7,00,000 | 7,00,000 |
| | -Other services | 2,10,000 | 1,89,201 |
| | -Other consultancy services | | 1,50,000 |
| | Membership charges | 18,21,787 | 6,90,042 |
| | Meeting and conference expenses | - | 4,99,527 |
| | Printing and stationary | 12,79,596 | 41,73,813 |
| | Fees rates and taxes | 67,10,428 | 12,83,088 |
| | Recruitment and training expenses | 22,34,864 | 10,60,110 |
| | Repair and maintenance | 29,37,318 | 36,25,150 |
| | Travelling, boarding and lodging expenses | 23,01,551 | 2,06,84,875 |
| | Local conveyance | 5,32,960 | 21,73,401 |
| | Rent | 3,91,25,862 | 2,89,32,334 |
| | Contribution for corporate social responsibility expenses (Refer Note No 40) | 21,78,348 | 18,89,429 |
| | Total | 14,80,77,422 | 18,40,78,183 |

eMudhra Limited
Notes forming part of the Financial Statements

(Amount in INR, unless otherwise stated)

| Note no | Particulars | | For the Year ended March 31, 2021 | For the Year ended March 31, 2020 |
|-----------|--|-----|--------------------------------------|--------------------------------------|
| 31 | Earnings per share | | | |
| | Basic: | | | |
| | Profit after tax | A | 14,92,19,005 | 11,77,70,078 |
| | Weighted average number of shares outstanding | B | 7,01,79,692 | 7,01,79,692 |
| | Basic EPS | A/B | 2.13 | 1.68 |
| | Diluted | | | |
| | Profit after tax | A | 14,92,19,005 | 11,77,70,078 |
| | Weighted average number of shares outstanding | B | 7,01,79,692 | 7,01,79,692 |
| | Diluted EPS | A/B | 2.13 | 1.68 |
| 32 | Foreign Exchange Earnings / Expenses | | | |
| | Foreign exchange earned | | | |
| | Royalty, know-how, professional and consultation fee | | 3,59,21,683 | 3,92,66,329 |
| | Foreign exchange used | | | |
| | Royalty, know-how, professional and consultation fee | | 98,54,102 | 1,22,34,096 |

eMudhra Limited

Notes forming part of the Financial Statements

(Amount in INR, unless otherwise stated)

33 Disclosures under accounting standard 15

a) Post Retirement Benefit- Defined Contribution Plans

The Company has recognised an amount of Rs.92,98,744 (2020: Rs. 80,72,561) 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, 2021.

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.

| | For the Year ended March 31, 2021 | For the Year ended March 31, 2020 |
|---|--------------------------------------|--------------------------------------|
| (i) Present Value of Defined Benefit Obligation - Gratuity | | |
| Balance at the beginning of the year | 2,16,58,648 | 1,94,24,034 |
| Current service cost | 43,89,821 | 52,69,543 |
| Interest cost | 12,23,083 | 13,82,094 |
| Actuarial (gain)/loss | 42,78,924 | (41,21,092) |
| Benefits paid | (12,14,609) | (2,95,931) |
| Balance at the end of the period/ year | 3,03,35,867 | 2,16,58,648 |
| (ii) Fair value of Plan Assets | | |
| Balance at the beginning of the year | 70,00,889 | 49,02,857 |
| Expected return on plan assets | 5,07,978 | 4,40,863 |
| Contribution | 8,68,141 | 22,46,553 |
| Actuarial gain/(loss) | (68,742) | (2,93,453) |
| Benefits paid | (12,14,609) | (2,95,931) |
| Balance at the end of the year | 70,93,657 | 70,00,889 |
| (iii) Assets and liabilities recognised in the Balance Sheet | | |
| Present value of defined benefit obligation | 3,03,35,867 | 2,16,58,648 |
| Present value of plan assets | 70,93,657 | 70,00,889 |
| Amount recognised as assets/(liability) | (2,32,42,210) | (1,46,57,759) |
| Recognised under: | | |
| Long term provision (Refer Note 8) | (2,12,42,210) | (1,26,57,759) |
| Short term provision (Refer Note 12) | (20,00,000) | (20,00,000) |
| Total | (2,32,42,210) | (1,46,57,759) |
| (iv) Expenses recognised in the Statement of Profit and Loss | | |
| Current service cost | 43,89,821 | 52,69,543 |
| Interest cost | 12,23,083 | 13,82,094 |
| Expected return plan assets | (5,07,978) | (4,40,863) |
| Actuarial (gain)/loss | 43,47,665 | (38,27,640) |
| Total expenses | 94,52,591 | 23,83,134 |

eMudhra Limited
Notes forming part of the Financial Statements

(Amount in INR, unless otherwise stated)

(v) Major Category of Plan Assets as % of total Plan Assets

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Insurer managed funds | 100% | 100% |
| (vi) Actuarial assumptions | | |
| Discount rate | 5.26% | 5.81% |
| Salary growth | 10.00% | 8.00% |
| Attrition rate | 30.00% | 25.00% |
| Expected rate of return on plan assets | 6.91% | 7.44% |

(vii) Amounts recognised in current period and previous five years

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2017 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Present value of obligation | 3,03,35,867 | 2,16,58,648 | 1,94,24,034 | 1,24,34,198 | 1,11,00,509 |
| Present value of plan assets | 70,93,657 | 70,00,889 | 49,02,857 | 33,53,617 | 16,47,940 |
| Amount recognised in balance sheet (Liability)/asset | (2,32,42,210) | (1,46,57,759) | (1,45,21,177) | (90,80,581) | (94,52,569) |

(viii) Expected contribution to the fund next year

| | As at March 31, 2022 | As at March 31, 2021 |
|----------|-------------------------|-------------------------|
| Gratuity | 20,00,000 | 20,00,000 |

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 Rs.90,70,821 (2020: Rs. 49,32,591).

34 Related party disclosures

A. Disclosure related to subsidiary and associate companies

(A.1) Particulars of subsidiary and associate companies :

| SI No | Name of the company | Address | Relationship | % of shares held |
|-------|--------------------------------------|---|--------------|------------------|
| 1 | eMudhra (MU) Limited | 10, Frere Felix de Valois Steet, Port Louis, Mauritius. | Subsidiary | 100.0% |
| 2 | eMudhra Technologies Limited | #56, Sai Arcade, Deverabesenahalli, Bangalore, Karnataka. | Subsidiary | 51.0% |
| 3 | eMudhra Consumer Service Limited | #56, Sai Arcade, Deverabesenahalli, Bangalore, Karnataka. | Subsidiary | 76.0% |
| 4 | eMudhra employees stock option trust | #56, Sai Arcade, Deverabesenahalli, Bangalore, Karnataka. | Associate | NA |
| 5 | eMudhra B V | Wilhelmina Van Pruisenwg 000104 2595AN S-Gravenhague | Subsidiary | 51.0% |
| 6 | PT eMudhra Technologies Indonesia | Ruko Pondasi, Jl. Raya Foundation No. 21 unit, H, Kayu Puith, Pulogadung, City of Adm. East Jakarta DKI Jakarta-13210 | Associate | 29.5% |
| 7 | eMudhra DMCC | No.3006, One Lake Plaza, Cluster T, JLT Po Box no - 32620, Dubai, UAE | Subsidiary | 51.0% |
| 8 | eMudhra INC | , Street 202, Somerset , New Jersey - 088734413, USA | Subsidiary | 51.0% |
| 9 | eMudhra PTE Ltd | 1 Phillip Street, #03-01S Singapore-048692 | Subsidiary | 51.0% |
| 10 | Smart Craft Pvt Limited | #56, Sai Arcade, Deverabesenahalli, Bangalore, Karnataka. | Associate | NA |
| 11 | Bluesky Infotech | G-5, Arathi Apartments, No 150 Habibullah Road, T. Nagar Chennai 600017 | Associate | NA |

(A.2) Summary of transactions with subsidiary and associate companies

| SI No | Summary of Transactions | Subsidiary Company | | Associate Company | |
|-------|--|--------------------|--------------|-------------------|--------------|
| | | Mar-21 | Mar-20 | Mar-21 | Mar-20 |
| 1 | Purchase of Fixed Assets | - | 4,14,90,078 | - | - |
| 2 | Expenses incurred on behalf and reimbursed | - | 10,05,753 | - | - |
| 3 | Sales of products/Services | 3,24,14,742 | 1,12,04,028 | 10,96,04,262 | 16,73,15,267 |
| 4 | Sales of software Licencing fees | 83,80,065 | - | - | - |
| 5 | Purchase of products/services | 1,14,10,000 | 13,60,15,848 | 7,83,29,851 | 29,59,859 |
| 6 | Purchase of software Licencing fees | 3,65,95,471 | 1,76,81,750 | - | - |
| 7 | Receipt of loan | - | - | 3,25,000 | 2,16,00,000 |
| 8 | Repayment of loan | - | 4,79,00,000 | - | - |
| 9 | Investment in equity shares | 1,55,16,030 | 1,59,47,960 | - | - |
| 10 | Divestment in equity shares | 3,93,76,865 | - | - | - |
| 11 | Commission paid | - | - | 1,94,62,661 | 1,32,29,565 |
| 12 | Receipt of deposits | - | - | - | 1,00,000.00 |

(A.3) Detailed transaction / balances of subsidiary and associate companies

| SI No | Particulars | Transactions | | Balances | |
|-------|--|--------------|--------------|----------|--------|
| | | Mar-21 | Mar-20 | Mar-21 | Mar-20 |
| 1 | Purchase of Fixed Assets | | | | |
| | Emudhra Consumer Service Limited | - | 4,14,90,078 | | |
| 2 | Expenses incurred on behalf and reimbursed | | | | |
| | Emudhra Technologies Limited | - | 3,96,644 | | - |
| | Emudhra Consumer Service Limited | - | 6,09,109 | | - |
| 3 | Sales of products/Services | | | | |
| | Bluesky Infotech | 10,96,04,262 | 16,66,40,467 | - | - |
| | eMudhra DMCC | 74,14,742 | 62,04,028 | 7,32,500 | - |
| | eMudhra Consumer Service Limited | 2,50,00,000 | - | - | - |
| | Smart Craft Private Limited | - | 6,74,800 | - | - |
| | eMudhra Technologies Limited | - | 50,00,000 | | |

34. Related party disclosures

(A.3) Detailed transaction / balances of subsidiary and associate companies

| | | | | | |
|----|--|-------------|-------------|--------------|-------------|
| 4 | Sales of software Licencing fees | | | | |
| | eMudhra DMCC | 48,37,362 | - | 48,37,362.08 | - |
| | eMudhra Consumer Service Limited | 5,94,300 | - | - | - |
| | eMudhra Technologies Limited | 29,48,403 | - | - | - |
| 5 | Purchase of products/services | | | | |
| | eMudhra Technologies Limited | 1,14,10,000 | 8,12,60,000 | | - |
| | Smart Craft Private Limited | 10,103 | 2,16,080 | | - |
| | Bluesky Infotech | 7,83,19,748 | 27,43,779 | - | - |
| | eMudhra Consumer Service Limited | - | 5,47,55,848 | | |
| 6 | Purchase of software Licencing fees | | | | |
| | Emudhra Consumer Service Limited | 3,65,95,471 | 1,76,81,750 | - | - |
| 7 | Receipt of loan | | | | |
| | Bluesky Infotech | - | 2,16,00,000 | - | 2,16,00,000 |
| | eMudhra employees stock option trust(net) | 3,25,000 | | 3,03,59,003 | 3,06,84,003 |
| 8 | Repayment of loan | | | | |
| | Emudhra Consumer Service Limited | - | 4,79,00,000 | - | - |
| 9 | Investment in equity shares | | | | |
| | eMudhra DMCC | - | 10,11,582 | 10,11,582 | 10,11,582 |
| | eMudhra INC | - | 83,93,358 | 83,93,358 | 83,93,358 |
| | eMudhra PTE Limited | - | 65,43,020 | 65,43,020 | 65,43,020 |
| | eMudhra B V | 46,11,650 | - | 46,11,650 | - |
| | PT eMudhra Technologies Indonesia | 1,09,04,380 | - | 1,09,04,380 | - |
| 10 | Divestment in equity shares | | | | |
| | eMudhra MU Ltd[on account of capital reduction] [Including premium of Rs.2,576,865] | 3,93,76,865 | - | - | - |
| 11 | Commission paid | | | | |
| | Bluesky Infotech | 1,94,62,661 | 1,32,29,565 | - | - |
| 12 | Receipt of deposits | | | | |
| | Bluesky Infotech | - | 1,00,000 | - | - |

B. Disclosure related to director and key managerial personnel

(B.1) Particulars of director and key managerial personnel :

| Sl No | Key managerial personnel | Relationship |
|-------|--------------------------|----------------------------------|
| 1 | V. Srinivasan | Chairman and director |
| 2 | Venu Madhava | Wholetime director |
| 3 | Kaushik Srinivasan | Related to chairman and director |
| 4 | Mythili Srinivasan | Related to chairman and director |
| 5 | Arvind Srinivasan | Related to chairman and director |
| 6 | Johnson Xavier | Company secretary |
| 7 | Saji K Louiz | Chief financial officer |

(B.2) Summary of transactions of director and key managerial personnel

| Sl No | Summary Transactions | Mar-21 | Mar-20 |
|-------|----------------------------|-------------|-------------|
| 1 | Sale of shares | - | 2,44,91,457 |
| 2 | Receipt of loan | - | 1,55,08,543 |
| 3 | Repayment of loan | - | 1,55,08,543 |
| 4 | Salary and allowances paid | 1,58,07,664 | 1,35,36,690 |
| 5 | Preference dividend paid | 25,80,000 | 25,79,999 |

34. Related party disclosures

(B.3) Detailed transaction / balances of subsidiary and associate companies

| Sl No | Particulars | Transactions | | Balances | |
|-------|------------------------------------|--------------|-------------|----------|--------|
| | | Mar-21 | Mar-20 | Mar-21 | Mar-20 |
| 1 | Sale of shares | | | | |
| | V. Srinivasan : | - | | | |
| | - Emudhra Consumer Service Limited | - | 1,20,00,000 | - | - |
| | - Emudhra Technologies Limited | - | 1,24,91,457 | - | - |
| 2 | Receipt of loan | | | | |
| | V. Srinivasan | - | 1,55,08,543 | - | - |
| 3 | Repayment of loan | | | | |
| | V. Srinivasan | - | 1,55,08,543 | | |
| 4 | Salary and allowances paid | | | | |
| | Venu Madhava | 43,63,729 | 39,49,758 | - | - |
| | Kaushik Srinivasan | 60,10,277 | 47,45,272 | - | - |
| | Saji K Louiz | 39,47,377 | 35,45,264 | - | - |
| | Johnson Xavier | 14,86,281 | 12,96,396 | - | - |
| 5 | Preference dividend paid | | | | |
| | V. Srinivasan | 16,06,719 | 16,06,719 | | |
| | Mythili Srinivasan | 3,89,312 | 3,89,312 | | |
| | Kaushik Srinivasan | 2,91,984 | 2,91,984 | | |
| | Arvind Srinivasan | 2,91,984 | 2,91,984 | | |

Note:

1. The information disclosed above is based on the names of the parties as identified by the management, which has been relied upon by the auditors.
2. Provision for leave encashment and group gratuity which is based on actuarial valuation done on overall company basis is excluded while arriving at salary and allowances
3. The Salary and allowances paid to key managerial persons includes leave encashment and incentive but doesn't includes PF contribution and other indirect benefits
4. The names of the related parties with whom the transaction has been carried out only has been reported.
5. During the year, the KMP's have met various office expenses from credit cards and the same has been reimbursed directly to the credit card by the company. Such reimbursements to the the credit cards are not included in the table above, which is amounting to Rs.9,284,227 (2020:Rs.14,270,917) .

eMudhra Limited
Notes forming part of the Financial Statements

(Amount in INR, unless otherwise stated)

| | For the Year ended March 31, 2021 | For the Year ended March 31, 2020 |
|--|--------------------------------------|--------------------------------------|
| 35 Revenue from Operation: | | |
| Revenue from digital signature and accessories | 67,24,69,902 | 56,35,35,526 |
| Revenue from Software services and accessories (Including export sale) | 42,11,99,933 | 46,68,40,268 |
| | 1,09,36,69,835 | 1,03,03,75,794 |

36 Micro small and medium enterprises

The dues of micro, small and medium enterprises, to which the company owes dues, or with which the company had transactions during the period has been disclosed in note 10 based on the information available with the company, which has been relied upon by the auditors.

37 Leases

The companies lease assets consists only plant and machinery effective from December 15, 2020. The company follows AS 19 leases to all the leasing contracts. The company has various operating leases/right to use for offices, residential premises and computers that are renewable on a periodic basis and cancellable at its option except for one which is non-cancellable in nature. Rental expenses for operating lease/right to use recognised in the statement of profit and loss account amounting to Rs.39,125,862[2020:28,932,334]. The details of the non-cancellable contractual liabilities as at March 31,2021 on an undiscounted basis are as below:

| Particulars | As at March 31,2021 |
|--------------------|---------------------|
| Less than one year | 54,70,042 |
| One to five years | 1,18,51,758 |
| | 1,73,21,800 |

38 Prepaid income and expenses

During the year, the company has changed its accounting policy with respect to recognition of prepaid expenses and revenue in the books of accounts. In line with this, the company has started booking expenses and revenue in the same financial year where the prepaid expenses/revenue is below Rs.1,000,000 irrespective of the effective period.

By adoption of the above policy change, the company has recognised additional revenue of Rs.11,319,853 during the reporting period. Similarly, an additional expenses of Rs.2,925,892 was also charged to the statement of profit and loss in the reporting period.

39 Previous period figures

The previous year figures have been reclassified to conform to this year classification.

40 Contribution for corporate social responsibility expenses

| Financial Year | Net Profit Amount (Rs) |
|--|------------------------|
| 2017-18 | 8,28,10,032 |
| 2018-19 | 10,08,88,850 |
| 2019-20 | 11,17,62,070 |
| Average Net profits | 9,84,86,984 |
| 2% of Avg.Net profit | 19,69,740 |
| Total amount to be spent during financial year 2020-21 | 19,69,740 |
| Actual Amount spent during financial year 2020-21 | 21,78,348 |
| Unspent amount | - |

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Manohar Chowdhry & Associates

Firm Registration Number: 0019975

Chartered Accountant

Sd:- Sumith Rath

Partner

Membership No: 239986

For and on behalf of the Board of Directors

of eMudhra Limited

Sd:- V Srinivasan

Chairman

DIN: 00640646

Sd:- Venu Madhava

Director

DIN: 06748204

Sd:- Saji K Louiz

Chief Financial Officer

Sd:- Johnson Xavier

Company Secretary

Bangalore, May 21, 2021

Bangalore, May 21, 2021



eMudhra Limited
CIN - U72900KA2008PLC060368

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