

# Manohar Chowdhry & Associates

CHARTERED ACCOUNTANTS

## Independent Auditor's Report

To the Members of eMudhra Limited

## Report on the Audit of Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of eMudhra Limited ("the Company") which comprise the Standalone Balance Sheet as at March 31, 2022, and the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flow for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information ("standalone financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were most significant in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be key audit matters to be communicated in our report.



Key Audit Matter	How the matter was addressed in our audit
<p><b>Revenue Recognition:</b></p> <p>The Company's contracts/sales orders with customers include promises to transfer multiple products/services ("performance obligations") to a customer. Revenues from customer contracts/sales orders ("transaction price") are considered for recognition and measurement when the contracts/sales orders have been accepted, expressed /implied, by the parties to the contract, the parties to contract/sales order are committed to perform their respective obligations under the contract/sales order, and the contract/sales order is legally enforceable.</p> <p>Revenue from fixed-price maintenance contracts is recognized by estimating the percentage-of-completion method when the pattern of benefits from the services rendered to the customer and the Company's costs to fulfil the contract is not even through the period of the contract because the services are generally discrete in nature and not repetitive. Revenues in excess of billing are classified as unbilled revenue in the financial statements.</p> <p>Arrangements to deliver software products generally have three elements viz. license fee, implementation/integration fee and Annual maintenance contracts ("AMC"). Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. AMC revenue is recognized ratably on a straight-line basis over the period in</p>	<p>Our audit procedures included the following:</p> <p>Identification of distinct performance obligations, whether the fixed price maintenance revenue is recognized on a straight-line basis or using the percentage completion method.</p> <p>We tested the effectiveness of controls relating to the identification of distinct performance obligations, determination of whether fixed price maintenance revenue for certain contracts is recognized on straight line basis or using the percentage of completion method.</p> <p>We selected a sample of contracts with customers and performed the following procedures:</p> <p>Obtained and read contract documents for each selection, including master service agreements, and other documents that were part of the contract.</p> <p>Identified significant terms and deliverables in the contract to assess management's conclusion regarding the identification of distinct performance obligations and whether fixed price maintenance revenue is recognized on a straight-line basis or using the percentage completion method. Evaluated management's ability to reasonably estimate the progress towards satisfying the performance obligation by assessing the actual efforts and costs incurred. Also, tested the estimate for consistency with the status of delivery of milestones and customer acceptances and sign offs to evaluate whether there is any delay in achieving the milestones.</p>





<p>which the services are rendered except in those cases where contract/sales order value is less than INR 1 million.</p> <p>In trust services, the revenues are recognized as and when the performance obligations are transferred for negotiated price, transaction price and it is highly probable that the company will be able to collect the transaction price due under the contract/sales orders or otherwise.</p> <p>As certain contracts with customers involved management's judgement in identifying the distinct performance obligations, whether fixed price maintenance revenue is recognized on straight line basis or using the percentage of completion method and these judgements were identified as a key audit matter.</p>	
<p><b>Related Party Transactions:</b></p> <p>Refer Note 38 to the standalone financial statements</p> <p>We identified the accuracy and completeness of disclosure of related party transactions as set out in respective notes to the financial statements as a key audit matter.</p> <p>The significance of transactions with the related parties during the year ended March 31, 2022.</p> <p>Compliance with applicable laws and regulatory directives.</p> <p>The fact that the related party transactions are subject to the compliance requirement under the Companies Act 2013 and SEBI (LODR) 2015.</p>	<p>Our audit procedures included the following:</p> <p>Obtaining an understanding of the Company's policies and procedures in respect of the capturing of related party transactions and how management ensures all transactions and balances with related parties have been disclosed in the Financial Statements.</p> <p>Obtaining an understanding of the Company's policies and procedures in respect of evaluating arms-length pricing and approval process by the audit committee and the board of directors.</p> <p>Designing and performing audit procedures in accordance with the guidelines laid down by ICAI in the Standard on Auditing (SA 550) to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose material related party transactions which includes obtaining necessary approvals at appropriate stages of such transactions as mandated by applicable laws and regulations.</p>



	<p>Assessing the management evaluation of compliance with the provisions section 177 and 188 of the Act of SEBI LODR (2015).</p> <p>Evaluating the disclosures through the reading of statutory information, books, records and other documents obtained during the course of our audit.</p>
<p><b>Intangibles and Impairment:</b></p> <p>Intangible assets are stated at the acquisition price including directly attributable costs for bringing the asset into use. The company capitalizes the direct expenditure if any incurred for the internally developed intangibles from which the future economic benefits are expected to flow over the period of time is treated as intangible asset.</p> <p>The intangibles are stated at acquisition cost less accumulated depreciation and impairment in the financial statements.</p>	<p>Our audit procedures included the following:</p> <p>Obtaining an understanding of the intangible whether it is self-generated or acquired.</p> <p>For the acquired intangible assets, we have performed audit procedures by reading the purchase orders, invoices and the contracts entered for the acquisition of the intangible assets and capitalisation thereof.</p> <p>The internally developed intangibles involve personnel costs which comprises of salaries and allowances. During the year the internally developed intangibles are classified under capital work in progress as the feasibility tests have yet to be confirmed.</p> <p>Evaluation of management's internal product performance reports of the products and the factors indicate that there is no impairment of intangible assets during the year.</p>

## Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Company's annual report, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.





## **Responsibility of Management and Board of Directors for the Standalone Financial Statements**

The Company's Management and Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with relevant rules issued 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibility for the Audit of Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional 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 and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of sub-section (11) of section 143 of Companies Act, 2013 of India (the Act), we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the order to the extent applicable.
- 2) As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), and Standalone Statement of Changes in Equity and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refers to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls with reference to financial statements.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- h. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no.42 to the Standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Manohar Chowdhry & Associates  
Chartered Accountants  
FRN: 001997S



Ashok Kumar Doddi  
Partner  
M N: 217909



Place: Bengaluru

Date: June 11, 2022

UDIN: 22217909AKTDEK2881



## ANNEXURE – A to the Independent Auditor's Report

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory requirement' of our report to the members of eMudhra Limited of even date.

- i.
  - a) A) The company has maintained reasonable records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - B) The company has maintained proper records showing full particulars of the intangible assets.
  - b) The company has a program of verification to cover all the items of Property, Plant and Equipment in a phased manner at regular intervals which, in our opinion, is reasonable having regards to the size of the company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us, the records examined by us and based on the examination of the deeds provided us, we report that the title deeds, comprising all the immovable properties of land and buildings which are freehold, are in the name of the Company as at the Balance sheet date. In respect of the immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the company.
  - d) Company has not revalued its Property, Plant and Equipment (Including Right of use assets) or intangible assets or both during the year
  - e) According to information and explanation given to us and result of our audit procedures, in our opinion, no proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii.
  - a) According to the information and explanations provided by the management has done physical verification of inventory during the year. in our opinion the frequency of verification, coverage and procedure of such verification by the management is appropriate.
  - b) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from the banks on the basis of security of current assets. In our opinion, the monthly returns or statements filed by the Company with such banks are in agreement with the books of account of the company.
- iii.
  - a) According to the information and explanations given to us on the basis of our examination of the records of the Company, the Company has made investments and also provided loans or advances in the nature of loans to a subsidiary company, the details are as below.

Particulars	Amount (in million)
Aggregate amount during the year – Subsidiary Company	10.51
Balance Outstanding as at the Balance Sheet date- subsidiary	4.40





Particulars	Amount (in million)
Aggregate amount during the year – Group Entity	Nil
Balance outstanding as at balance sheet date – Group Entity	30.17

b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions on which loans have been granted by the Company during the year aggregating to INR 10.51 million and balance outstanding as at the balance sheet date INR 4.4 million are not prejudicial to the interest of the company.

c) According to the information and explanations given to us and on the basis of examination of the records of the company, in case of loans given, the repayment of principal has been stipulated and repayments or receipts have been regular.

d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, INR 4.4 million is overdue for more than ninety days in respect of loans given.

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended fresh loans given to settle the over dues of existing loans given to the same party.

f) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has granted loans and advances in the nature of loans repayable on demand or without specifying any period of repayment to the following related party as defined in clause (76) of section 2 of the Companies Act, 2013

Particulars (in Millions)	All Parties	Promoters	Related Parties
Aggregate of loans and advances in the nature of loan	35.04	Nil	34.57
Repayable on demand & Agreement does not specify any terms or period of repayment	-	-	10.51
Percentage of loans /advances in the nature of loan to total loans	-	-	30.40%

- iv. According to the information and explanation given to us, the company has complied with provisions of Section 185 and 186 of the Act, with respect to the investment made.
- v. According to the information and explanation given to us, the company has not accepted any deposits within the meaning of section 73 to 76 of the Act or any other relevant provisions of the companies Act, 2013.



- vi. The provisions of section 148(1) of companies Act, 2013 with regards to maintenance of cost records are not applicable to the company.

- vii. a) According to the information and explanation given to us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Goods and Service tax, Provident Fund, employees State insurance, income tax and other material statutory dues as may be applicable to it from time to time.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, employees state insurance, income tax were in arrears as at 31<sup>st</sup> March 2022 for a period of more than six months from the date they became payable

- b) Statutory dues which have not been deposited as at 31<sup>st</sup> March 2022 on account of dispute are given below:

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax	Appeal	3,22,90,170	Assessment year 2012-13	High court

- viii. According to the information and explanations given to us, there was no transaction found unrecorded in the books of account of the company which have been surrendered or disclosed as income during the year in the tax assessment under the income tax act, 1961.

- ix. a) According to the information and explanation and as verified from books of account, the company has not defaulted in repayment of loans or interest thereon to any lender.

b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) In our opinion and according to the information and explanations given to us, the company has utilised the money obtained by way of term loans during the year for the purpose for which they were obtained.

d) According to the information and explanations given to us and the procedure performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short term basis have been used for long term purpose by the company.

e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint venture.

f) According to the information and explanations given to us and the procedure performed applied by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

- x. As per the explanation provided to us, the company did not raise any money by way of initial public offer/further public offer (including debt instruments) or preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible).

- xi. a) During the course of our examination of the books of records of the company, carried out in accordance with the generally accepted auditing practices in india and according to the information and explanations given to us, we have neither come across any instance of material fraud, nor we have been informed of such case by the management.

b) To the best of our knowledge and information with us there is no instance of fraud reportable under sub section (12) of section 143 of companies Act has been filed by the auditors in Form





ADT - 4 as prescribed under rule 13 of companies (Audit and Auditors) rules, 2014 wit Central Government.

c) As per the information and explanations given by management and/or audit committee there were no whistle blower complaints received by the company during the year.

- xii. In our opinion and according to the information and explanations given to us the company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
- xiii. According to the information and explanations, all transactions with the related parties are in compliance with section 177 and 188 of companies Act, 2013 where ever applicable and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- xiv. a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.  
b) We have considered the internal audit reports of the company issued till date, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the companies Act, 2013 are not applicable to the company.
- xvi. a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.  
b) The company is not Non-Banking Financial Company, hence the reporting in this clause is not required.  
c) The company is not Non-Banking Financial Company, hence the reporting in this clause is not required.  
d) This clause is not applicable to the company as it is not Core Investment Company (CIC).
- xvii. The company is generally profit-making company and there was no cash loss in the last financial year also.
- xviii. There being no resignation of the statutory auditors during the year, this clause is not applicable.
- xix. According to the information and explanations given to us and on the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the date of balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. The company spent CSR expenses is in accordance of CSR policy of the company and in accordance of companies Act, 2013. As per the information provided to us, the company did



not have any unspent amount to transfer to Fund specified in Schedule VII to the companies Act 2013.

- xxi. There are no qualifications or adverse remarks related to components including in the consolidated financial statements of the companies.

For Manohar Chowdhry & Associates  
Chartered Accountants  
FRN: 001997S

*D. Ashok*



Ashok Kumar Doddi  
Partner  
M no: 217909

Place: Bengaluru  
Date: June 11, 2022  
UDIN: 22217909AKTDEK2881



**ANNEXURE – B to the Independent Auditor's Report on the Standalone Financial Statements of eMudhra Limited for the year ended March 31, 2022**

**Report on the Internal Financial controls over Financial statements under clause (i) of sub section (3) of section 143 of the Companies Act, 2013.**

**Opinion**

We have audited the internal financial controls with reference to standalone financial statements of the **eMudhra Limited** ("the Company") as of March 31, 2022, in conjunction with our audit of the standalone financial statements of the company as at and for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at March 31, 2022, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note").

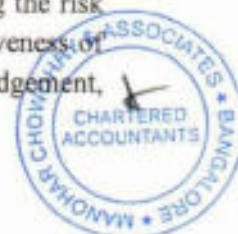
**Management's and Board of Director's Responsibilities for Internal Financial Controls**

The Company's Management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the criteria established by the Company considering the essential components of internal controls stated in the Guidance note on Audit of Internal Financial Controls over Financial reporting issued by the Institute of Chartered Accountants of India ( 'ICAI' ). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section of 143(10) of the Companies Act 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan & perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's 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 with reference to standalone financial statements.

## Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that:

- i. Pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- ii. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- iii. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

## Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of the internal financial controls with reference to the standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Manohar Chowdhry & Associates  
Chartered Accountants  
FRN: 001997S

Ashok Kumar Doddi  
Partner  
M N: 217909



Place: Bengaluru  
Date: June 11, 2022  
UDIN: 22217909AKTDEK2881



## eMudhra Limited

## Standalone Cash flow statement for the year

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

Particulars	March 31, 2022	March 31, 2021
<b>A. Operating activities</b>		
Profit before tax	390.47	206.27
Adjustments to reconcile profit/(loss) before tax to net cash flows:		
Depreciation and amortisation expense	105.06	66.66
Interest income from bank deposits and others	(3.08)	(0.71)
Interest on lease liabilities	16.41	2.30
Working capital adjustments:		
Decrease/(Increase) in other non-current and current financial assets	(88.11)	(35.81)
Decrease/(Increase) in inventories	(14.25)	3.37
Decrease/(Increase) in trade receivable	(168.52)	40.69
Decrease/(Increase) in loans	(4.43)	0.40
Increase/(Decrease) in non-current and current other financial liabilities	47.51	28.69
Increase/(Decrease) in non-current and current provision	8.96	14.11
Increase/(Decrease) in non-current and current liabilities	2.51	(13.87)
Increase/(Decrease) in trade payables	110.11	(5.94)
<b>Total cash from operations</b>	<b>402.64</b>	<b>306.16</b>
Income taxes refund/(paid)	(55.25)	(11.69)
<b>Net Cash flow from operating Activities (A)</b>	<b>347.39</b>	<b>294.47</b>
<b>B. Investing activities</b>		
Purchase of property, plant and equipment	(236.08)	(180.41)
Purchase of intangible assets	(52.33)	(0.15)
Increase in Right- of Use of asset	-	(138.62)
Investment in subsidiaries	(33.54)	21.28
Investments in mutual funds	0.62	0.88
Interest received	1.58	0.07
<b>Net cash used in investing activities (B)</b>	<b>(319.75)</b>	<b>(296.95)</b>
<b>C. Financing Activities</b>		
Proceeds/(repayment) from short term borrowing, net	122.95	(57.48)
Proceeds/(repayment) from long term borrowings, net	(23.21)	(48.51)
Proceeds/(repayment) from lease liabilities, net	(26.79)	154.20
Proceeds/(payment) of public issue expenditures	(51.93)	-
Payment of dividend	(2.72)	(6.56)
Movement in Other comprehensive income	7.38	(3.86)
Interest paid on lease liabilities	(16.41)	(2.30)
<b>Net cash used in financing activities (C)</b>	<b>9.27</b>	<b>35.49</b>
<b>Net increase in cash and cash equivalents (D=A+B+C)</b>	<b>36.91</b>	<b>33.01</b>
<b>Cash and cash equivalents at the beginning of the financial year (E)</b>	<b>49.67</b>	<b>16.66</b>
<b>Cash and cash equivalents at the end of the period/year (D+E)</b>	<b>86.58</b>	<b>49.67</b>
<b>Components of cash and cash equivalents as at end of the year</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Balance with banks:		
- On current account	36.34	9.51
- Deposits with original maturity of less than 3 months	30.00	40.00
- Cash on hand	0.24	0.16
<b>Total cash and cash equivalents as per Balance Sheet</b>	<b>86.58</b>	<b>49.67</b>
<b>Cash and cash equivalents as per Statement of Cash Flow</b>	<b>86.58</b>	<b>49.67</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date

Manohar Chowdhry &amp; Associates

Chartered Accountants

Firm Registration Number: 001997S

Ashok Kumar Doddi  
Partner

Membership No: 217909

UDIN 22 217909AKTDEK 2881

Place: Bengaluru

Date: June 11, 2022

For and on behalf of the Board of Directors  
of eMudhra LimitedV. Srinivasan  
Chairman  
DIN: 00640646Venu Madhava  
Whole time Director  
DIN: 06748204Saji K Louis  
Chief Financial OfficerJohnson Xavier  
Company Secretary

## eMudhra Limited

## Standalone statement of assets and liabilities as at March 31, 2022

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

Particulars	Notes	As at	
		March 31, 2022	March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	657.53	656.26
Right-of-Use Assets	4	104.65	133.79
Capital work-in-progress	3,4	306.39	44.96
Intangible assets	5	195.74	245.93
<b>Financial assets</b>			
Investments	6	224.98	191.44
Other non-current assets	7	61.07	26.31
<b>Total Non-current assets</b>		<b>1,550.36</b>	<b>1,298.69</b>
<b>Current assets</b>			
Inventories	8	17.25	3.00
<b>Financial assets</b>			
Investments	9	-	0.62
Trade receivables	10	306.11	137.59
Cash and cash equivalents	11	86.58	49.67
Loan	12	35.03	30.61
Other financial assets	13	228.82	122.04
<b>Total current assets</b>		<b>673.79</b>	<b>343.53</b>
<b>Total assets</b>		<b>2,224.15</b>	<b>1,642.22</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	350.90	350.90
Other equity	15	914.71	609.66
<b>Total equity</b>		<b>1,265.61</b>	<b>960.56</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	16	197.69	220.91
Lease Liabilities	17	103.27	127.87
Deferred tax liabilities (Net)	18	11.97	8.86
Provision	19	20.36	28.68
Other non-current liabilities	20	22.04	14.68
<b>Total Non-current liabilities</b>		<b>355.33</b>	<b>401.00</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	21	166.30	43.35
Lease Liabilities	22	24.13	26.33
Trade payables	23	-	-
Total outstanding dues to Micro Enterprises and Small Enterprises		0.55	0.73
Total outstanding dues to Creditors other than Micro and Small Enterprises		138.97	28.68
Other financial liabilities	24	113.69	66.18
Provision	25	137.62	88.59
Other current liabilities	26	21.95	26.80
<b>Total current liabilities</b>		<b>403.21</b>	<b>280.66</b>
<b>Total liabilities</b>		<b>958.54</b>	<b>681.66</b>
<b>Total equity and liabilities</b>		<b>2,224.15</b>	<b>1,642.22</b>

## Summary of significant accounting policies

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

Manohar Chowdhry & Associates  
Chartered Accountants  
Firm Registration Number: 001997S

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

Ashok Kumar Doddi  
Partner  
Membership No: 217909  
UDIN 22217909AKTDEK2881



V. Srinivasan

V Srinivasan  
Chairman  
DIN: 00640646

Vera Madhava  
Whole time Director  
DIN: 06748204

Saji K Louz  
Chief Financial Officer

Johnson Xavier  
Company Secretary

Place: Bengaluru  
Date: June 11, 2022





**eMudhra Limited**

**Standalone statement of profit and loss for the year**

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

Particulars	Notes	For the year ended	
		March 31, 2022	March 31, 2021
<b>Income</b>			
Revenue from operations	27	1,530.21	1,093.67
Other income, net	28	7.18	3.90
<b>Total revenue</b>		<b>1,537.39</b>	<b>1,097.57</b>
<b>Expenses</b>			
Operating expenses	29	139.55	162.01
Purchase of stock-in-trade	30	302.28	180.52
Changes in stock of finished goods	31	(14.25)	3.37
Employee benefit expenses	32	373.33	328.09
Finance costs	33	52.56	8.41
Depreciation and amortisation expense	34	105.06	66.66
Other expenses	35	188.39	142.24
<b>Total expenses</b>		<b>1,146.92</b>	<b>891.30</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>390.47</b>	<b>206.27</b>
Exceptional items		-	-
<b>Profit/(Loss) before tax</b>		<b>390.47</b>	<b>206.27</b>
<b>Tax expense</b>			
Current tax		86.99	50.77
Deferred tax		3.11	3.93
<b>Total tax expenses</b>		<b>90.10</b>	<b>54.70</b>
<b>Profit/(Loss) for the year</b>		<b>300.37</b>	<b>151.57</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss:			
Remeasurement (loss)/gain on defined benefit plan		7.38	(3.86)
<b>Other comprehensive income/(loss) for the year</b>		<b>7.38</b>	<b>(3.86)</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>307.75</b>	<b>147.71</b>
<b>Earnings per share (Nominal value of share INR 5/- each)</b>	36		
Basic		4.28	2.16
Diluted		4.28	2.16
<b>Summary of significant accounting policies</b>	2		

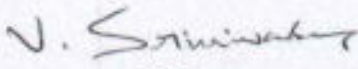
The accompanying notes are an integral part of the financial statements.  
As per our report of even date


**Manohar Chowdhry & Associates**  
Chartered Accountants  
Firm Registration Number: 0019978

  
Ashok Kumar Doddi  
Partner  
Membership No: 217909  
UDIN 22217909AKTDEK2881



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

  
V Srinivasan  
Chairman  
DIN: 00640646

  
Venu Madhava  
Whole time Director  
DIN: 06748204

  
Saji K. Louiz  
Chief Financial Officer

  
Johnson Xavier  
Company Secretary

Place: Bengaluru  
Date: June 11, 2022





## **1. Corporate Information**

eMudhra Limited ("the company" or eMudhra) provides various solutions and services like digital signatures, authentication solutions, paperless office solutions and other solutions around PKI technology. eMudhra stands for enabling a digital future with a foundation built on digital identity and trust.

The company is a public limited company incorporated and domiciled in India and has its registered office at Sai Arcade, No.56, 3rd Floor, Deverabeesanahalli, Bengaluru 560103, Karnataka, India.

eMudhra is a licensed certifying authority under the Information Technology Act, 2000, founded in 2008 from the seed of digital signatures. eMudhra has since grown to establish strong roots in solutions providing security to enterprises and end consumer for online transactions. eMudhra strives to stay relevant in the PKI and online security space by optimizing a market-based approach to drive solutions that address our customers' financial and statutory needs. eMudhra's products include digital signature certificates, authentication solutions, paperless office solutions, Certifying Authority solutions, solutions for securing data at rest and data in transit, solutions for Internet of Things (IoT), etc.

The standalone financial statements are approved for issue by the Company's Board of Directors on June 11, 2022.

## **2. Significant accounting policies**

### **Basis of Preparation of Accounts**

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015.

The standalone financial statements up to year ended 31 March, 2017 were prepared in accordance with the requirements of the previous Indian GAAP which includes accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

The standalone financial statements have been prepared under historical cost convention basis except for certain financial assets and financial liabilities measured at fair value (refer accounting policies for financial instruments).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### **Critical estimates and judgments**

#### **1. Use of estimates**

The preparation of standalone financial statements in conformity with generally accepted accounting principles in India requires management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the standalone financial statements. The application of accounting policies that require critical accounting policies that require critical accounting estimates, judgements and the use of assumptions in these standalone financial statements and therefore actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.





The company has considered the possible effects that may from the pandemic relating to COVID-19 on the carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these standalone financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements.

## **II. Current versus non-current classification**

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. All the assets and liabilities have been classified as current/non-current as per the Company's normal operating cycle and other criteria set out in Division II to Schedule III of the Companies Act, 2013.

Based on the nature of services and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non - current classification of assets and liabilities.

## **III. Critical accounting estimates and judgments**

### **a. Revenue recognition and expenses**

The Company's contracts/sales orders with customers include promises to transfer multiple products/services ("performance obligations") to a customer. Revenues from customer contracts/sales orders ("transaction price") are considered for recognition and measurement when the contracts/sales orders have been accepted, expressed /implied, by the parties to the contract, the parties to contract/sales order are committed to perform their respective obligations under the contract/sales order, and the contract/sales order is legally enforceable.

Revenue from fixed-price maintenance contracts is recognized by estimating the proportionate completion method when the pattern of benefits from the services rendered to the customer and the Company's costs to fulfil the contract is not even through the period of the contract because the services are generally discrete in nature and not repetitive. Revenues in excess of billing are classified as unbilled revenue in our standalone financial statements.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses. Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer.

Arrangements to deliver software products generally have three elements viz. license fee, implementation/integration fee and Annual maintenance contracts ("AMC"). Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. AMC revenue is recognized ratably on a straight-line basis over the period in which the services are rendered except in those cases where contract/sales order value is less than INR 1 million.





**eMudhra Limited**  
**Notes forming part of the standalone financial statements**

In trust services, the revenues are recognised as and when the performance obligations are transferred for negotiated price, transaction price and it is highly probable that the company will be able to collect the transaction price due under the contract/sales orders or otherwise.

**Interest Income:**

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

**Dividend Income:**

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

**Other Income:**

Other income is accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

**Expenses:**

Expenses are accounted for on accrual basis and provisions are made for all known liabilities and losses. Those expenses spread across multiple financial years have been amortised on straight line basis over the period in which the services are received except in those cases where the contract/purchase order value is less than INR 1 million.

**b. Income taxes**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

**Current income tax**

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current tax assets and liabilities are offset only if, the Company:

- as a legally enforceable right to set off the recognized amounts; and
- Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**Deferred income tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.





**eMudhra Limited**  
**Notes forming part of the standalone financial statements**

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**Minimum Alternate Tax:**

Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as deferred tax in the Statement of Profit and Loss. The credit available under the Income Tax Act, 1961 in respect of MAT paid is recognised as an asset only when and to the extent it is probable that future taxable profit will be available against which these tax credit can be utilised. Such an asset is reviewed at each Balance Sheet date

**c. Property, Plant and equipment**

Property, plant and equipment's (PPE) are stated at cost less accumulated depreciation and impairment losses, if any. Cost of acquisition includes directly attributable costs for bringing the assets to its present location and use.

The cost of an item of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying assets up to the date the asset is ready for its intended use.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1st April 2017, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, Plant and equipment.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the assets derecognized.

Depreciation on PPE is provided as per straight line method as per the useful life prescribed in Schedule II of the Companies Act, 2013. However, the leasehold improvements are depreciated at lower of useful life mentioned in schedule II of the above said act or over the lease period.

However, the leasehold improvements are depreciated at lower of useful life mentioned in schedule II of the above said act or over the lease period.





#### **d. Intangible Assets**

Intangibles are stated at the acquisition price including directly attributable costs for bringing the asset into use, less accumulated amortization and impairment. Direct expenditure, if any, incurred for internally developed intangibles from which future economic benefits are expected to flow over a period of time is treated as intangible asset as per the Indian Accounting Standard on Intangible Assets.

Intangible assets are amortised on straight-line basis over a period of 10 years, based on management estimate. The amortization period and the amortization method are reviewed at the end of each financial year. Depreciation / Amortization is charged on a pro- rata basis on assets purchased/ sold during the year, with reference to date of installation/ disposal.

#### **e. Borrowings and Borrowing costs**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for Capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### **f. Financial Instruments**

##### **Initial measurement**

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition except for the trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to or deducted from the fair value on initial recognition.

Subsequent measurement [non-derivative financial instruments]

##### **Financial assets carried at amortized cost**

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely for payments of principal and interest on the principal amount outstanding.

##### **Financial assets at fair value through other comprehensive income [FVTOCI]**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely for payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its





**eMudhra Limited****Notes forming part of the standalone financial statements**

investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

**Financial assets at fair value through profit or loss [FVTPL]**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

**Financial Liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

**Investment in Subsidiaries and associates**

Investment in subsidiaries and Associates are measured at cost less impairment.

**Share Capital – Ordinary Shares**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all its liabilities. Equity instruments recognized by the company are recognized at the proceeds received net of direct issue cost.

**De-recognition of financial instruments**

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**Fair value measurement of financial instruments**

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market which can be accessed by the Company for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:





- Level 1 Quoted (unadjusted) market prices

in active markets for identical assets or liabilities;

- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### **g. Impairment of assets**

##### **Financial Assets**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

##### **Non-Financial Assets**

##### **Intangible assets and property, plant and equipment**

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

#### **h. Leases**

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease payments under operating leases are recognized as an expense on a straight-line basis in net profit in the Statement of Profit and Loss over the lease term.





**i. Foreign Currency Transactions**

All transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date when the relevant transactions take place.

Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss of the year. Monetary assets and liabilities in the form of Loans, Current Assets and Current Liabilities in foreign currency, which are outstanding as at the year-end, are translated at the year-end closing exchange rate and the resultant exchange differences are recognized in the Statement of Profit and Loss.

The premium or discount arising at the inception of the forward exchange contracts related to underlying receivables and payables, if any, are amortized as an expense or income recognized over the period of the contracts. Gains or losses on renewal or cancellation of foreign exchange forward contracts are recognized as income or expense for the period.

Investments in overseas entity are recognized at the relevant exchange rates prevailing on the date of investments.

All transactions of the foreign branch during the year are included in the accounts at the rate of exchange prevailing at the end of the month in which the transactions took place. Net Gain / Loss in foreign currency transactions are recognized in the Statement of Profit and Loss. Monetary assets and liabilities are translated at the rates prevailing on the balance sheet date.

**j. Employee Benefits**

Short-term employee benefits – Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised in the period in which the employee renders the related service.

**Post-employment benefits (defined benefit plans)** – The employees' gratuity scheme is a defined benefit plan. In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity for the eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The present value of the obligation under such defined benefit plan is determined at each Balance Sheet date based on an actuarial valuation using projected unit credit method. The discount rate is based on the prevailing market yields of Indian government securities. Gains and Losses through re-measurement of the net defined benefit liability / (asset) are recognized in Other Comprehensive Income.

**Post-employment benefits (defined contribution plans)** – Contributions to the provident fund is defined contribution plan and is recognized as an expense in the Statement of Profit and Loss in the period in which the contribution is due. Both the employee and the Company make monthly contributions to the provident fund scheme equal to the specified percentage of the covered employees' basic salary.

**Long-term employee benefits** – Long-term employee benefits comprise of compensated absences and other employee incentives, if any. These are measured based on an actuarial valuation carried out by an independent actuary at each Balance Sheet date unless they are insignificant. Actuarial gains and losses and past service costs are recognized in the Statement of Profit and Loss.





### **Employee Options**

The fair value of the options granted under the value of the Company, Employee Option Plan is recognised as employee benefits expense with the corresponding increase in equity. The total amount to be expensed is determined by the reference to the fair value of the options granted:

including any market conditions (e.g., the entity's share price)

- excluding the impact of any service and non- market performance vesting conditions (profitability, sales growth targets and remaining an employee of the entity over the specified period), and
- including the impact of any non-vesting conditions (e.g., the requirement for the employee to save or holding shares for the specific period of time)

The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied.

At the end of each period, the entity revises its estimate of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with the corresponding adjustments to equity.

### **k. Earnings per Share (EPS)**

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

### **l. Cash and Cash Equivalents**

Cash and Cash equivalents comprises cash and calls on deposit with banks and corporations. The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalent.

### **m. Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### **n. Dividends**

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.





**o. Provisions and Contingencies**

Provisions are recognized when the Company has a present obligation as a result of a past event, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provision is not discounted to its present value and is determined based on the last estimate required to settle the obligation at the year end.

Contingent liabilities are not provided for and are disclosed by way of notes to accounts, where there is an obligation that may, but probably will not, require outflow of resources.

Where there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are neither recognized nor disclosed in the standalone financial statements.

**p. Inventories**

Inventories are valued at the lower of first in first out [FIFO] cost basis and estimated net realisable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises of cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work-in-progress, incurred in bringing such inventories to their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

**Transition to Ind AS**

These are the Company's first standalone financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 2 have been applied in preparing the standalone financial statements for the year ended 31 March, 2019, the comparative information presented in these standalone financial statements for the year ended 31 March, 2018 and in the preparation of an opening Ind AS balance sheet at 01 April, 2017 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in standalone financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous Indian GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

**A. Exemptions and exceptions availed**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.





**1) Ind AS optional exemptions**

**a) Deemed cost**

The Company has elected to measure all of its Property, Plant and Equipment and intangible assets at their previous GAAP carrying value.

**b) Leases**

The Company has elected to assess whether a contract or arrangement contains a lease on a prospective basis i.e., on the basis of facts and circumstances existing at the date of transition to Ind AS.

**c) Investments in subsidiaries/joint ventures including the assets and liabilities.**

On transition, Ind AS 101 allows the entity to measure investments in subsidiary either at cost determined in accordance with Ind AS 27 or deemed cost. Accordingly, the Company has elected to treat cost as deemed cost for its investments held in a subsidiary.

**2) Ind AS mandatory exceptions**

**a) Estimates**

On assessment of estimates made under the Previous GAAP standalone financial statements, the Company has concluded that there is no necessity to revise such estimates under Ind AS, as there is no objective evidence of an error in those estimates except impairment of financial asset based on expected credit loss model as the same was not required under previous GAAP.

**b) Classification and measurement of financial assets**

The Company has done the assessment of classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**c) Investments in subsidiaries and associates**

IND-AS 101 allows an entity to account for investment in subsidiaries and associates at cost or in accordance with IND-AS 109. The Company has opted to recognise these investments at cost.

**d) Impairment of financial assets**

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

**Recent Accounting Pronouncement**

The Ministry of Corporate Affairs (MCA) has notified new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below





**eMudhra Limited****Notes forming part of the standalone financial statements**

IND AS 16, Property Plant and equipment – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from directly attributable costs considered as part of cost of an item of Property, Plant and Equipment. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

IND AS 37, Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts. The Company has evaluated the amendment and there is no significant impact in the standalone financial statements.

**Events occurring after Balance Sheet date**

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



**eMudhra Limited**

**Notes forming part of the standalone financial statements**

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

**3 Property, Plant and Equipment and capital work-in-progress**

Particulars	Leasehold land*	Building	Building on leasehold land	Computer and hardware	Motor vehicles	Office equipment's	Total	Capital work-in-progress
<b>Period ended March 31, 2022</b>								
<b>Gross Carrying Amount</b>								
As at April 01, 2020	89.25	31.97	1.92	62.11	6.21	33.85	225.31	384.83
Additions	-	-	510.74	9.33	-	0.21	520.28	712.74
Disposals/capitalisation	-	-	-	-	-	-	-	(1,052.59)
As at March 31, 2021	89.25	31.97	512.66	71.44	6.21	34.06	745.59	44.98
Additions	-	2.58	-	12.36	-	9.19	24.13	238.97
Disposals/capitalisation	-	-	-	-	-	-	-	(27.02)
As at March 31, 2022	89.25	34.55	512.66	83.80	6.21	43.25	769.72	256.93
<b>Depreciation</b>								
As at April 01, 2020	3.37	4.30	1.54	43.68	3.74	19.21	75.84	-
Charge for the year	0.85	1.07	0.18	6.69	0.55	4.13	13.47	-
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2021	4.22	5.37	1.72	50.37	4.29	23.34	89.31	-
Charge for the period	0.85	1.14	8.24	7.50	0.40	4.75	22.88	-
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2022	5.07	6.51	9.96	57.87	4.69	28.09	112.19	-
<b>Net Block</b>								
As at March 31, 2021	85.03	26.60	510.94	21.07	1.92	10.72	656.28	44.98
As at March 31, 2022	84.18	28.04	502.70	25.93	1.52	15.16	657.53	256.93

**Notes:**

\*Note: Out of this land worth Rs.8,30,01,213 is the 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. KLADB/HO/Alloce/AS/30017/R927/15-16 dated 23.09.2015. The company has later obtained possession certificate vide letter no. IADB/AE/30017/1158/2015-16 dated 29.03.2016. This has been allotted for a leasehold period of 99 years beginning from possession date. This land is mortgaged against term loan of Rs. 25,00,00,000 by Kotak Mahindra Bank.

Another land worth Rs.62,51,000 is the lease hold land measuring 2.5 acres in the ELCOSEZ- Jagirampalayam, Salem is also under 99 year lease.





eMudhra Limited  
Notes forming part of the consolidated financial statements  
(All amounts are in INR million, unless otherwise stated)

3A Details of Property plant and equipment

1 For the year ended March 31, 2022

Relevant line item in the Balance sheet	Description of item of property	Gross value as at March 31, 2022	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company**
Lease hold land	Lease hold land from KJA/DB/Devenahalli	87.26	eMudhra Limited	NA	March 29, 2016	NA
Lease hold land	Lease hold land from PL/COY/Adani	6.23	eMudhra Limited	NA	August 11, 2018	NA
Office building	Hutteen, Karam, Marthi	11.97	eMudhra Limited	NA	August 07, 2014	NA
Office building	Chennai data centre, Thirupurambur	2.57	eMudhra Limited	NA	July 31, 2021	NA
Building on leasehold land	NA	1.93	eMudhra Limited	NA	Various dates	NA
Building on leasehold land	Building on Lease hold land from KJA/DB/Devenahalli	332.78	eMudhra Limited	NA	March 31, 2022	NA
Computer and hardware	NA	89.80	eMudhra Limited	NA	Various dates	NA
Motor vehicles	NA	0.21	eMudhra Limited	NA	Various dates	NA
Office equipment	NA	43.25	eMudhra Limited	NA	Various dates	NA
	Total	565.72				

2 For the year ended March 31, 2021

Relevant line item in the Balance sheet	Description of item of property	Gross value as at March 31, 2021	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company**
Lease hold land	Lease hold land from KJA/DB/Devenahalli	83.00	eMudhra Limited	NA	March 29, 2016	NA
Lease hold land	Lease hold land from PL/COY/Adani	6.23	eMudhra Limited	NA	August 11, 2018	NA
Office building	Hutteen, Karam, Marthi	11.97	eMudhra Limited	NA	August 07, 2014	NA
Building on leasehold land	NA	1.93	eMudhra Limited	NA	Various dates	NA
Building on leasehold land	Building on Lease hold land from KJA/DB/Devenahalli	332.78	eMudhra Limited	NA	March 31, 2021	NA
Computer and hardware	NA	71.44	eMudhra Limited	NA	Various dates	NA
Motor vehicles	NA	0.21	eMudhra Limited	NA	Various dates	NA
Office equipment	NA	34.06	eMudhra Limited	NA	Various dates	NA
	Total	540.62				



## 4 Right-of-Use Assets

Particulars	Leasehold assets
<b>Year ended March 31, 2022</b>	
Gross Carrying Amount	
As at April 01, 2020	-
Additions	138.62
Disposals/capitalisation	-
<b>As at March 31, 2021</b>	<b>138.62</b>
Additions	-
Disposals/capitalisation	-
<b>As at March 31, 2022</b>	<b>138.62</b>
<b>Depreciation</b>	
As at April 01, 2020	-
Charge for the year	4.83
Disposals	-
<b>As at March 31, 2021</b>	<b>4.83</b>
Charge for the year	29.14
Disposals	-
<b>As at March 31, 2022</b>	<b>33.97</b>
<b>Net Block</b>	
As at March 31, 2021	133.79
As at March 31, 2022	104.65

Depreciation has been charged to ROU Assets on a straight line method based on the lease term and is included under depreciation and amortization expense in the statement of Profit and Loss.

Particulars	March 31,2022	March 31,2021
Opening Lease Liability	136.56	-
Add: Additions on lease during the year	-	138.62
Add: Accretion of Interest	16.41	2.30
Less: Lease Payments	(20.71)	(4.36)
<b>Lease Liability</b>	<b>132.26</b>	<b>136.56</b>
Current	23.28	20.85
Non-Current	108.98	115.71
<b>Total</b>	<b>132.26</b>	<b>136.56</b>

\*Refer note 17 to the financial information

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 and March 31, 2021 on an undiscounted basis:

Particulars	March 31,2022	March 31,2021
Less than one year	29.60	40.94
One to two years	65.88	58.38
More than two years	31.92	101.00
<b>Total</b>	<b>127.40</b>	<b>200.32</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.





**eMudhra Limited**

**Notes forming part of the standalone financial statements**

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

**5 Intangible assets and capital work in progress**

Particulars	Computer Software	Capital work-in-progress
<b>Period ended March 31, 2022</b>		
Gross carrying amount		
As at April 01, 2020	619.76	5.93
Additions	6.10	0.15
Disposals/capitalisation	-	(6.08)
As at March 31, 2021	625.86	0.00
Additions	2.86	49.46
Disposals/capitalisation	-	-
As at March 31, 2022	628.72	49.46
<b>Accumulated Amortisation</b>		
As at April 01, 2020	331.59	-
Charges for the year	48.34	-
Disposals	-	-
As at March 31, 2021	379.93	-
Charges for the year	53.05	-
Disposals	-	-
As at March 31, 2022	432.98	-
<b>Net block</b>		
As at March 31, 2021	245.93	0.00
As at March 31, 2022	195.74	49.46



**eMudhra Limited**

Notes forming part of the standalone financial statements

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

Note no 3.1 and 5.1 to Annexure 3 and 5

**1 For the period ended March 31,2022**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in Progress	297.30	-	9.09	-	306.39
Projects temporarily suspended	-	-	-	-	-

**Tangible/Intangible assets under development:**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Remote Signing	10.53	-	-	-	10.53
emSigner	19.92	-	-	-	19.92
emAS IAM	8.55	-	-	-	8.55
emCA	10.46	-	-	-	10.46
Salem ELCOT , office budling	-	-	9.09	-	9.09
Digital Signature campus,Devenahalli campus	247.84	-	-	-	247.84
<b>Total</b>	<b>297.30</b>	<b>-</b>	<b>9.09</b>	<b>-</b>	<b>306.39</b>

**2 For the year ended March 31,2021**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in Progress	36.39	6.60	1.97	-	44.96
Projects temporarily suspended	-	-	-	-	-

**Intangible assets under development:**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
empower	7.58	-	-	-	7.58
Other assets	9.35	-	-	-	9.35
Salem ELCOT , office budling	-	6.60	1.97	-	8.57
Digital Signature campus,Devenahalli campus	19.46	-	-	-	19.46
<b>Total</b>	<b>36.39</b>	<b>6.60</b>	<b>1.97</b>	<b>-</b>	<b>44.96</b>





**eMudhra Limited**  
**Notes forming part of the standalone financial statements**  
 (All amounts are in INR million, unless otherwise stated)

Note	Particulars	March 31, 2022	March 31, 2021
6	<b>Financial assets</b>		
	Investment carried at cost:		
	a) Non-current investment		
	Investment in mutual funds	-	-
	[Units of canara robo mutual fund units @ Rs. 10 per unit]		
	b) Investment in unquoted equity share capital of subsidiary companies		
	Investment in eMudhra (M/I) Limited	108.98	108.98
	(5,158,477 (2021: 5,158,477) equity shares of face value of INR10 each)		
	Investment in eMudhra Technology Ltd.	17.47	13.01
	(29,50,558 (2021: 15,04,782) equity shares of face value of Rs.10 each)		
	Investment in eMudhra Consumer Services Limited	17.08	18.00
	(50,00,000 (2021: 38,000,000) equity shares of face value of Rs.10 each)		
	Investment in eMudhra DMCC	1.01	1.01
	(51 (2021: 51) equity shares of face value of AED 1000 each)		
	Investment in eMudhra INC	8.39	8.39
	(1,05,000 (2021: 105,000) equity shares of face value of USD 1 each)		
	Investment in eMudhra PTE Limited	6.54	6.54
	(1,27,500 (2021: 127,500) equity shares of face value of SGD 1 each)		
	Investment in eMudhra BV	4.61	4.61
	(51,000 (2021: 51,000) equity shares of face value of EURO 1 each)		
	Investment in PT eMudhra Technologies Indonesia	10.90	10.90
	(147,500 (2021: 147,500) equity shares of face value of USD 1 each)		
	<b>Total</b>	<b>224.98</b>	<b>191.44</b>
	Aggregate amount invested in quoted mutual funds at cost	-	-
	Aggregate amount invested in unquoted shares at cost	224.98	191.44
7	<b>Other non-current assets</b>		
	Balance with government authorities	0.35	0.35
	Balances with bank held as margin money deposits against bank guarantees	3.23	21.67
	Other receivables	32.19	0.00
	Prepaid expenses	3.10	4.09
	<b>Total</b>	<b>61.87</b>	<b>26.11</b>
8	<b>Inventories</b>		
	Crypto tokens/hardware security module/SSL	17.25	3.00
	<b>Total</b>	<b>17.25</b>	<b>3.00</b>
9	<b>Investment</b>		
	Investment in units of mutual funds	-	0.62
	<b>Total</b>	<b>-</b>	<b>0.62</b>
10	<b>Trade receivables</b>		
	Unsecured trade receivables	294.35	132.04
	Unsecured trade receivables from related parties	16.50	3.55
	Less: Allowance for doubtful debts	4.76	-
	<b>Total</b>	<b>306.11</b>	<b>137.59</b>
	<b>Current portion</b>	<b>306.11</b>	<b>137.59</b>
	<b>Non-current portion</b>	<b>-</b>	<b>-</b>
	Breakup of security details:		
	Unsecured, considered good	310.81	137.59
	Gross Trade Receivables	310.85	137.59
	Unadjudicated Trade Receivables - Considered good		
	Less than 6 months	208.07	115.98
	6 months - 1 year	86.83	13.77
	1-2 years	11.24	4.13
	2-3 years	1.88	2.27
	More than 3 years	2.86	1.42
	<b>Total</b>	<b>310.86</b>	<b>137.59</b>
11	<b>Cash and cash equivalents</b>		
	Particulars		
	Balance with banks:		
	- On current account	36.34	9.51
	Balances with bank held as margin money deposits against bank guarantees	-	-
	Cash on hand	0.24	0.16
	-Deposit accounts (pledged with bank)	50.00	40.00
	<b>Total</b>	<b>86.58</b>	<b>49.67</b>
12	<b>Loan</b>		
	Loans considered good - Unsecured		
	Loans to employees	0.46	0.25
	Short-term loan to associates/subsidiaries	4.40	-
	Loan to eMudhra employee stock options trust	39.17	36.36
	<b>Total</b>	<b>35.83</b>	<b>36.61</b>
13	<b>Other financial assets</b>		
	Interest accrued on fixed deposits	3.05	1.54
	Advance to capital creditors	17.64	11.55
	Advance to suppliers	4.29	3.45
	Balance with government authorities	-	1.03
	Other deposits	1.30	1.03
	Prepaid expenses	12.06	8.72
	Rent deposit	11.44	8.36
	Security deposits	10.41	12.28
	Tender deposit	1.53	0.97
	Unbilled revenue	167.20	72.12
	<b>Total</b>	<b>229.82</b>	<b>122.04</b>



14 **eMudhra Limited**  
Notes forming part of the standalone financial statements  
(All amounts are in INR million, unless otherwise stated)

	As at	
	March 31, 2022	March 31, 2021
(i) <b>Authorised</b> 123 Million (2021: 123 Million, 2020: 123 Million, 2019: 123 Million) equity shares of INR 5 each	615.00	615.00
(ii) <b>Issued, Subscribed and Paid - Up</b> 70.18 Million (2021: 70.18 Million, 2020: 70.18 Million, 2019: 70.18 Million) equity shares of INR 5 each	350.90	350.90

The company has only one class of equity shares having par value of INR 5 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) **Reconciliation of the equity share outstanding at the beginning and at the end of the year:**

Particulars	March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Share outstanding at the beginning of the year	7,01,79,692	350.90	7,01,79,692	350.90
Share issued during the year	-	-	-	-
Share outstanding at the end of the year	7,01,79,692	350.90	7,01,79,692	350.90

(iv) **Details of shareholders holding more than 5% shares in the Company**

Name of the Shareholder	March 31, 2022		As at March 31, 2021	
	No. of Shares	% Holding	No. of Shares	% Holding
V Srinivasan	3,04,11,800	43.33%	2,79,71,264	39.86%
Taarav Pte Ltd	1,83,59,123	26.16%	1,83,59,123	26.16%
Lakshmi Kaushik	62,01,466	8.84%	62,01,466	8.84%
Arvind Srinivasan	66,36,515	9.46%	66,36,515	9.46%
eMudhra Employees Stock Option Trust	60,57,801	8.63%	60,57,801	8.63%





**eMudhra Limited**

**Notes forming part of the standalone financial statements**

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

Note	Particulars	March 31,2022	March 31,2021
<b>15</b>	<b>Other equity</b>		
	Capital redemption reserve [refer note 15.1 below]	164.00	164.00
	Preference share capital	86.00	86.00
	Retained earnings [refer note 15.2 below]	657.33	359.66
	Total other comprehensive income [refer note 15.3 below]	7.38	-
		<b>914.71</b>	<b>609.66</b>
<b>15.1</b>	<b>Capital redemption reserve</b>		
	Balance at the beginning of the year	164.00	89.00
	Add: Adjusted against securities premium	-	-
	Add: transferred from retained earnings	-	75.00
	<b>Balance as at the end of the year</b>	<b>164.00</b>	<b>164.00</b>
<b>15.2</b>	<b>Retained earnings</b>		
	Balance at the beginning of the year	359.68	289.65
	Profit/ (Loss) for the year	300.37	151.57
	Less: Transfer to capital redemption reserve	-	75.00
	Less: Dividend paid [including dividend distribution tax]	2.72	6.56
	<b>Balance as at the end of the year</b>	<b>657.33</b>	<b>359.66</b>
<b>15.3</b>	<b>Other comprehensive income for the year</b>		
	Other comprehensive income for the year	-	3.86
	Add: Other comprehensive income for the year	7.38	(3.86)
	<b>Balance as at the end of the year</b>	<b>7.38</b>	<b>-</b>



Note	Particulars	March 31,2022	March 31,2021
16	<b>Borrowings</b>		
	<b>Secured</b>		
	Term loan from bank	288.03	271.85
	Total borrowings	288.03	271.85
	Less: Current maturities of long term loans (clubbed under other financial liabilities)	90.34	50.94
	<b>Total</b>	<b>197.69</b>	<b>220.91</b>
17	<b>Lease Liability</b>		
	Lease Liability	127.40	154.20
	Less: Current Liability of Lease	24.13	26.33
	<b>Total</b>	<b>103.27</b>	<b>127.87</b>
Out of the total lease liability, the rights of use of assets amounting to INR 11.85 million and INR 17.32 million for the year ended March 31,2022 and March 31,2021 respectively, is not fully handed over and hence the same is not disclosed in Note 4 to the financials.			
18	<b>Deferred tax assets (Net)</b>		
	<b>Deferred tax asset/liability, net</b>		
	On account of timing difference of depreciation and other expenses	11.97	8.86
	<b>Total</b>	<b>11.97</b>	<b>8.86</b>
19	<b>Provisions</b>		
	Provision for Leave Benefits [refer note 39]	1.28	5.81
	Provision for gratuity [refer note 39]	19.08	22.87
	<b>Total</b>	<b>20.36</b>	<b>28.68</b>
20	<b>Other non-current liabilities</b>		
	Prepaid Income	9.51	12.15
	Security deposit from customers	12.53	2.53
	<b>Total</b>	<b>22.04</b>	<b>14.68</b>
21	<b>Borrowings</b>		
	<b>Secured</b>		
	Working capital demand loan[See note B below]	125.24	43.35
	Short-term loan from director	41.06	-
	<b>Total</b>	<b>166.30</b>	<b>43.35</b>
22	<b>Lease Liabilities</b>		
	Current Liability of Lease	24.13	26.33
	<b>Total</b>	<b>24.13</b>	<b>26.33</b>
23	<b>Trade payables</b>		
	Total outstanding dues to Micro Enterprises and Small Enterprises	0.55	0.73
	Total outstanding dues to Creditors other than Micro Enterprises and Small Enterprises	87.10	28.68
	Due to related parties	51.87	-
	<b>Total</b>	<b>139.52</b>	<b>29.41</b>





Note	Particulars	March 31,2022	March 31,2021
	Less than 1 year		
	(i)MSME	0.55	0.73
	(ii)Others*	137.64	24.22
	(iii)Disputed dues - MSME	-	-
	(iv) Disputed dues - Others	-	-
		<b>138.19</b>	<b>24.95</b>
	1-2 years		
	(i)MSME	-	-
	(ii)Others	1.04	4.47
	(iii)Disputed dues - MSME	-	-
	(iv) Disputed dues - Others	-	-
		<b>1.04</b>	<b>4.47</b>
	2-3 years		
	(i)MSME	-	-
	(ii)Others	0.29	-
	(iii)Disputed dues - MSME	-	-
	(iv) Disputed dues - Others	-	-
		<b>0.29</b>	<b>-</b>
	More than 3 years		
	(i)MSME	-	-
	(ii)Others	-	-
	(iii)Disputed dues - MSME	-	-
	(iv) Disputed dues - Others	-	-
		<b>-</b>	<b>-</b>
	<b>Grand total</b>	<b>139.53</b>	<b>29.42</b>
*We have considered few MSME creditors amounting to INR 2.07 million as at March 31, 2022 and INR 18.56 million as at March 31,2021 under this heading where we have mutually agreed payment cycle.			
<b>24</b>	<b>Other financial liabilities</b>		
	DSC Portal deposit	9.01	9.11
	Current maturities of long term debts	90.34	50.94
	Interest accrued but not due	1.20	-
	Other advances from customers	0.30	-
	Capital creditors	12.84	6.13
	<b>Total</b>	<b>113.69</b>	<b>66.18</b>
<b>25</b>	<b>Provision</b>		
	Provision for tax,net	59.41	27.67
	Other payables towards contractual obligations	28.59	32.43
	Employee benefits payable	47.53	24.86
	Provision for Leave Benefits	2.09	3.26
	Provision for gratuity [Refer note 39]	-	0.37
	<b>Total</b>	<b>137.62</b>	<b>88.59</b>
<b>26</b>	<b>Other current liabilities</b>		
	Prepaid Income	2.61	4.46
	Statutory dues	19.34	22.34
	<b>Total</b>	<b>21.95</b>	<b>26.80</b>





Note	Particulars	March 31,2022	March 31,2021
A	<p>The company has obtained term loan of INR 150 million(Term loan-1) for construction of digital signature campus at Devanahalli KIADB IT park, Bengaluru from M/s Canara bank and later this loan facility was taken over by M/s Kotak Mahindra bank Limited ( referred as "lender")during May 2019 with an enhancement of INR 100 million (Term loan-2) loan towards the same purpose. During FY 2021, lender has sanctioned additional working capital term loan of INR 55.8 million (WCTL) under ECLGS scheme(Emergency Credit Line Guarantee Scheme).These loans are fully secured and the details of the same are as below:</p> <p>1.)Primary Security: First and exclusive charge on all existing and future current assets, movable assets, movable fixed assets, tangible and intangible assets of the company.</p> <p>2.) Collateral Security: Memorandum of deposit of title deeds of lease hold property (leased for 99 years) KIADB land located at plot no 12-P1-A &amp; 12-P1-B of Bengaluru Industrial area in Sy No 95/P &amp; 7 ( Block no 21, 22 &amp; 24) of B K Palya village, Jala Hobli, Bangalore North taluk, Bengaluru Urban Dist. measuring land 3 acres standing in the name of the company.</p> <p><b>Term loan 1(INR 150.00 million):</b> The repayment of this loan began from June 2019 with a monthly instalment of INR 2.61 million for a period of 81 months. Company has made a repayment of INR 43.41 million till March 31, 2022 towards the principal.</p> <p><b>Term loan 2(INR 100.00 million):</b> The repayment began from June 2020 with a monthly instalment of INR 2.46 million for a period of 48 months. Company has made a repayment of INR 31.29 million till March 31, 2022 towards the principal.</p> <p><b>Term loan 3(INR 55.80 million):</b> The repayment began from January 2022 with a monthly instalment of INR 1.75 million for a period of 48 months[including moratorium period]. Company has made a repayment of INR 4.17 million till March 31, 2022 towards the principal.</p> <p><b>Term loan 4(INR 70.00 million):</b> The repayment began from November 2021 with a monthly instalment of INR 2.16 million for a period of 36 months. Company has made a repayment of INR 8.90 million till March 31, 2022 towards the principal.</p> <p>Interest Rate: The applicable interest rates on these facilities are linked to 6 months repo rate along with a spread of 2.80%, which undergo change in every 6 months except for WCTL loan facility(Term loan 3), which is fixed at 8.00% per annum. The present applicable interest rate on the rest of the 2 term loans are 6.80% per annum.</p>		
B	<p>The company had working capital facility from M/s Canara Bank and which was taken over by M/s Kotak Mahindra Bank Limited with a limit of INR 80.00 million. Company has taken an adhoc unsecured loan of INR 20 million from M/s Kotak Mahindra Bank in August 2021 and has been fully repaid during September 2021. In additions to this, company has taken two working capital limits against deposits from M/s ICICI Bank Limited with an overall limit of INR 47.50 million during February 2021 and July 2021. These loans are repayable on demand.</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 &amp; 12-P1-B of Bengaluru Industrial area in Sy No 95/P &amp; 7 ( Block no 21, 22 &amp; 24) of B K Palya village, Jala Hobli, Bangalore North taluk, Bengaluru Urban Dist. measuring land 3 acres standing in the name of the company.</p> <p>Nature of Security[ICICI Bank Limited]:</p> <p>This facility is 100% secured on fixed deposit made with this bank amounting to INR 50.00 million.</p>		





## eMudhra Limited

## Notes forming part of the standalone financial statements

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

Note	Particulars	March 31,2022	March 31,2021
<b>27</b>	<b>Revenue from operations</b>		
	Sale of software solutions/services	1,241.29	931.07
	Sale of accessories	288.92	162.60
	<b>Total</b>	<b>1,530.21</b>	<b>1,093.67</b>
<b>28</b>	<b>Other income, net</b>		
	Gain/premium on redemption of shares	-	2.70
	Interest income of fixed deposit	3.08	0.71
	Interest income on income tax refund	-	0.31
	Other miscellaneous income	0.03	0.18
	Provisions no longer required written back(see note 28.1 below)	4.07	-
	<b>Total</b>	<b>7.18</b>	<b>3.90</b>
<b>28.1</b>	This consist of erstwhile provisions created by the company to meet provident fund liabilities, which was later turned into non-payable since exemption forms were collected from the beneficiaries. Since, the amount was fully, both employer and employee portions, contributed by the company, this is not payable and hence written back to other income.		
<b>29</b>	<b>Operating expenses</b>		
	Commission expenses	62.75	68.11
	License fee expenses	47.97	36.60
	Other direct operating expenses	18.52	46.83
	Payment gateway charges	4.09	4.30
	Postage and courier charges	6.22	6.17
	<b>Total</b>	<b>139.55</b>	<b>162.01</b>
<b>30</b>	<b>Purchases of stock-in-trade</b>		
	Purchase of crypto token/hardware's	302.22	169.74
	SSL Certificates	0.06	10.78
	<b>Total</b>	<b>302.28</b>	<b>180.52</b>
<b>31</b>	<b>Changes in inventories of stock-in-trade</b>		
	<b>Finished Goods</b>		
	<b>Opening stock:</b>		
	Crypto token/HSM	3.00	6.37
		3.00	6.37
	<b>Closing stock:</b>		
	Crypto token/HSM	17.25	3.00
	Closing stock	17.25	3.00
	<b>Total</b>	<b>(14.25)</b>	<b>3.37</b>
<b>32</b>	<b>Employee benefit expense</b>		
	Contribution to provident and other funds	12.09	9.67
	Gratuity	5.12	6.09
	Leave compensation	(1.12)	5.09
	employee insurance expenses	7.40	5.13
	Salaries, allowances and bonus	344.54	298.86
	Staff welfare expenses	5.30	3.25
	<b>Total</b>	<b>373.33</b>	<b>328.09</b>



**eMudhra Limited**
**Notes forming part of the standalone financial statements**

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

Note	Particulars	March 31,2022	March 31,2021
<b>33</b>	<b>Financial costs</b>		
	<b>Interest and finance charges on financial liabilities carried at amortised cost</b>		
	Interest on term loans	21.79	17.24
	Interest on lease liabilities	16.41	2.30
	Interest on overdraft/cash credit facilities	7.40	6.03
	Less: interest amount capitalised	-	17.24
	Total interest on financial liabilities carried at amortised cost	45.60	8.33
	Interest on delayed payment of statutory dues	6.96	0.08
	<b>Total</b>	<b>52.56</b>	<b>8.41</b>
<b>34</b>	<b>Depreciation and amortisation expense</b>		
	Amortisation on intangible assets	53.04	48.34
	Depreciation on right to use assets	29.14	4.83
	Depreciation on plant, property and equipment	22.88	13.49
	<b>Total</b>	<b>105.06</b>	<b>66.66</b>
<b>35</b>	<b>Other expenses</b>		
	Auditors' remuneration [refer note 35.1 below]	3.11	2.03
	Business promotion and advertisements	36.55	24.62
	Communication expenses	13.69	8.48
	Contribution for corporate social responsibility expenses[refer note 35.2 below]	2.41	2.18
	Power and fuel expenses	9.39	7.13
	Fees rates and taxes	9.64	7.77
	Information technology expenses	15.00	6.02
	Insurance expenses	0.12	2.13
	Legal and professional expenses	18.21	28.74
	Local conveyance	0.66	0.53
	Membership charges	0.01	1.82
	Miscellaneous expense	0.36	0.34
	Office maintenance expense	11.22	8.55
	Printing and stationary	1.31	1.28
	Recruitment and training expenses	9.59	2.23
	Rent	42.64	33.19
	-Plant and machinery	1.60	1.46
	-Buildings	-	0.17
	-others	1.30	0.10
	Provision for doubtful debts	4.74	-
	Travelling, boarding and lodging expenses	6.20	2.47
	Foreign exchange loss	0.64	1.00
	<b>Total</b>	<b>188.39</b>	<b>142.24</b>
<b>35.1</b>	<b>Payment to statutory auditors</b>		
	As Auditor towards:		
	Statutory audit	0.70	0.70
	Other matters	0.16	0.20
		<b>0.86</b>	<b>0.90</b>
<b>35.2</b>	<b>Corporate social responsibility expense</b>		
	Amount required to be spent as per section 135 of the Companies Act,2013	2.41	1.97
	<b>Amount spent during the year on</b>		
	a. Promoting of education	2.41	2.18
	<b>Total CSR expenses</b>	<b>2.41</b>	<b>2.18</b>





Note	Particulars		March 31, 2022	March 31, 2021
36	<b>Earnings per share</b>			
	<b>Basic:</b>			
	Profit after tax	A	300.37	151.57
	Weighted average number of shares outstanding	B	7,01,79,692	7,01,79,692
	Basic EPS	A/B	4.28	2.16
	<b>Diluted</b>			
	Profit after tax	A	300.37	151.57
	Weighted average number of shares outstanding	B	7,01,79,692	7,01,79,692
	Diluted EPS	A/B	4.28	2.16
37	<b>Foreign Exchange Earnings / Expenses</b>			
	Foreign exchange earned		64.01	12.46
	Foreign exchange used		4.93	72.41
	<b>Ratios</b>			
	(a) Current ratio [times]		1.12	1.22
	(b) Total Debt-Equity Ratio		22.76%	28.30%
	(c) Debt Service Coverage Ratio [times]		6.81	7.52
	(d) Return on Equity Ratio		26.99%	17.07%
	(e) Inventory turnover ratio[times]		28.44	39.21
	(f) Trade receivables turnover ratio		20.00%	12.58%
	(g) Trade payables turnover ratio		9.12%	2.62%
	(h) Net capital turnover ratio[times]		1.37	1.23
	(i) Net profit ratio		19.63%	13.86%
	(j) Return on Capital employed		31.80%	18.37%



**eMudhra Limited**

**38 Notes forming part of the standalone financial information**

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

**A. Disclosure related to subsidiary, associate and group companies**

**1 Particulars of subsidiary, associate and group companies :**

Sl No	Name of the company	Address	Relationship	March 31,2022	March 31,2021
				% of shares held	
1	eMudhra (MU) Limited	10, Frère Felix de Valois Street, Port Louis, Mauritius	Subsidiary company	100%	100%
2	eMudhra Technologies Limited	#56, Sai Arcade, Deverabesanahalli, Bangalore, Karnataka	Subsidiary company	100%	51%
3	eMudhra consumer Services Limited	#56, Sai Arcade, Deverabesanahalli, Bangalore, Karnataka	Subsidiary company	100%	76%
4	eMudhra INC	97 Cedar Grove Lane Suite 202 Somerset, NJ 08873	Subsidiary company [September 30,2021: directly 51% and through eMudhra (MU) Limited 49%(NIL for previous financial years)]	100%	51%
5	eMudhra PTE Limited	#03-01,1 Phillip Street Royal one Phillip Singapore 486592	Subsidiary company [September 30,2021: directly 51% and through eMudhra (MU) Limited 49%(NIL for previous financial years)]	100%	51%
6	Taarav PTE Limited	#03-01,1 Phillip Street Royal one Phillip Singapore 486592	Group Company	NA	NA
7	eMudhra DMCC	3006,One Lake Plaza, Cluster T Jumeirah Lake Towers PO Box no.32620, Dubai UAE	Subsidiary company [September 30,2021: directly 51% and through eMudhra (MU) Limited 49%(NIL for previous financial years)]	100%	51%
8	eMudhra BV	Wilhelmina Van Pruisenweg 0014, 2195AN- 'Sgravenhage The Netherlands	Subsidiary company [September 30,2021: directly 51% and through eMudhra (MU) Limited 49%(NIL for previous financial years)]	100%	51%
9	PT eMudhra Technologies Indonesia	Ruko Pondasi, Jl. Pondasi Raya No. 21 Unit. H,Kayu Putih Pulogadang,Kota Adm. Jakarta Timur DKI Jakarta Indonesia	Subsidiary company [September 30,2021:Directly 29.5%(March 31,2021:29.5%) and through eMudhra DMCC 29.5%(March 31,2021: 15.05%)	59%	44.55%
10	Smart Craft Private Limited	#56, Sai Arcade, Deverabesanahalli, Bangalore, Karnataka	Group Company	NA	NA
11	Cedar Grove Real Estates Private Limited	#56, Sai Arcade, Deverabesanahalli, Bangalore, Karnataka	Group Company	NA	NA
12	Bluesky Infotech [Partnership firm]	#56, Sai Arcade, Deverabesanahalli, Bangalore, Karnataka	Group entity	NA	NA
13	eMudhra employees stock option trust (Separately managed by the outside trustees)	#56, Sai Arcade, Deverabesanahalli, Bangalore, Karnataka	Group entity	NA	NA

**2 Particulars of key managerial person**

Sl No	Entity Name	Name of the key managerial person		
		March 31,2022	March 31,2021	Relationship
1	eMudhra Limited	V. Srinivasan	V. Srinivasan	Promoter and director
		Kaushik Srinivasan	Kaushik Srinivasan	Promoter group
		Venu Madhava	Venu Madhava	Whole time director
		Saji K Louis	Saji K Louis	Chief financial officer
		Johnson Xavier	Johnson Xavier	Company secretary
		Biju Varghese	Biju Varghese	Sr. VP Enterprise Security
		AM Kiran	AM Kiran	Vice President -operations
		Vijay Kumar	Vijay Kumar	Sr. Vice President Product & Technology
		Ashwin Jhansale	Ashwin Jhansale	SVP - Sales & Business Strategy
		Janarthanan	Janarthanan	Sr. Vice President - Customer support





## Related party disclosures

## 1 Disclosure related to subsidiary, associate and group company transactions

Sl No	Nature of transaction	Related party	Nature of relationship	Transactions	
				March 31,2022	March 31,2021
1	Sales of products/services				
		Bluesky Infotech (Partnership firm)	Group entity	107.44	109.53
		eMudhra DMCC	Subsidiary company	-	7.43
		eMudhra consumer Services Limited	Subsidiary company	-	25.00
2	Sales of software Licencing fees				
		eMudhra consumer Services Limited	Subsidiary company	9.00	0.59
		eMudhra INC	Subsidiary company	1.40	2.95
		eMudhra BV	Subsidiary company	1.65	-
		eMudhra PTE Limited	Subsidiary company	2.14	-
		eMudhra DMCC	Subsidiary company	54.73	4.84
3	Purchase of products/services				
		eMudhra Technologies Limited	Subsidiary company	-	11.41
		Smart Craft Private Limited	Group Company	-	0.01
		Bluesky Infotech (Partnership firm)	Group entity	38.68	78.78
4	Purchase of software Licencing fees				
		eMudhra consumer Services Limited	Subsidiary company	37.91	36.60
		eMudhra Technologies Limited	Group Company	10.06	-
5	Receipt (repayment) of loan, net				
		Bluesky Infotech (Partnership firm)	Group entity	-	(21.60)
		eMudhra employees stock option trust(net)	Group entity	(0.19)	0.33
6	Loan Provided(received) Net				
		eMudhra Technologies Limited	Group Company	4.40	-
7	Commission paid				
		Bluesky Infotech	Group entity	13.97	16.99

## 2 Detailed transactions with key managerial persons

Sl No	Nature of transaction	Related party	Nature of relationship	March 31,2022	March 31,2021
1	Receipt(repament) of loan, net				
		V. Srinivasan	Promoter and director	41.06	-
2	Salary and allowances paid				
		Venu Madhava	Whole time director	4.68	4.36
		Kaushik Srinivasan	Promoter group	5.17	6.01
		Saju K Louie	Chief financial officer	4.07	3.95
		Johnson Xavier	Company secretary	1.89	1.49
		Biju Varghese	Sr. VP Enterprise Security	5.33	5.26
		AM Kiran	Vice President -operations	3.66	3.36
		Vijay Kumar	Sr. Vice President Product & Technology	7.26	6.46
		Ashwin Bhansale	SVP - Sales & Business Strategy	4.77	4.42
		Janarthanan	Sr. Vice President - Customer support	4.69	4.36
3	Preference dividend paid				
		V. Srinivasan	Promoter and director	2.00	1.61
		Mythili Srinivasan	Promoter group	-	0.39
		Kaushik Srinivasan	Promoter group	-	0.29
		Lakshmi Kaushik	Promoter group	0.29	-
		Arvind Srinivasan	Promoter group	-	0.29
		Ashwarya Arvind	Promoter group	0.29	-



eMudhra Limited

**38 Notes forming part of the standalone financial information**

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

**Related party disclosures**

**Disclosure related to subsidiary, associate, group company and KMP balances**

Sl No	Nature of transaction	Related party	Nature of relationship	Balances	
				March 31,2022	March 31,2021
1	Due to				
		eMudhra consumer Services Limited	Subsidiary company	40.23	-
		eMudhra Technologies Limited	Subsidiary company	11.63	-
		V. Srinivasan	Director	41.06	-
2	Due From				
		eMudhra DMCC	Subsidiary company	17.04	5.55
		eMudhra employees stock option trust	Subsidiary company	30.17	30.36
		eMudhra Technologies Limited	Subsidiary company	4.40	-





**39 Disclosures under accounting standard 15****a) Post Retirement Benefit- Defined Contribution Plans**

The Company has recognised an amount of INR 11.77 (2021: INR 9.30) as expenses under the defined contribution plans in the Statement of Profit and Loss in respect of contribution to Provident Fund for the year ended March 31, 2022.

**a) Post Retirement Benefit- Defined Benefit Plan**

The Company makes provision for gratuity based on actuarial valuation done on projected unit credit method at each balance sheet date.

The Company makes annual contribution to the Gratuity Fund Trust which is maintained by LIC of India, a defined benefit plan for qualifying employees. The Scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment as per provisions of Payment of Gratuity Act, 1972.

The present value of the defined benefit obligation and the related current service cost are measured using the projected unit credit method with actuarial valuation being carried out at the balance sheet date.

**Particulars****(i) Present Value of Defined Benefit Obligation - Gratuity**

	March 31,2022	March 31,2021
Balance at the beginning of the year	30.34	21.66
Current service cost	4.09	4.39
Interest cost	1.40	1.13
Actuarial (gain)/loss	(7.02)	4.37
Benefits paid	(1.27)	(1.21)
<b>Balance at the end of the year</b>	<b>27.54</b>	<b>30.34</b>

**(ii) Fair value of Plan Assets**

Balance at the beginning of the year	7.10	7.00
Expected return on plan assets	0.37	0.41
Contribution	1.81	0.87
Actuarial gain/(loss)	0.35	0.03
Benefits paid	(1.27)	(1.21)
<b>Balance at the end of the year</b>	<b>8.36</b>	<b>7.10</b>

**(iii) Assets and liabilities recognised in the Balance Sheet**

Present value of defined benefit obligation	27.54	30.34
Present value of plan assets	8.36	7.10
<b>Amount recognised as assets/(liability)</b>	<b>(19.18)</b>	<b>(23.24)</b>

**Recognised under:**

Long term provision (Refer Note 19)	(19.18)	(22.87)
Short term provision (Refer Note 25)	-	(0.37)
<b>Total</b>	<b>(19.18)</b>	<b>(23.24)</b>

**(iv) Expenses recognised in the Statement of Profit and Loss**

Current service cost	4.09	4.39
Interest cost	1.40	1.13
Expected return plan assets	(0.37)	(0.41)
<b>Total expenses</b>	<b>5.12</b>	<b>5.11</b>

**(v) Expenses recognised in the other comprehensive income**

Actuarial (gain)/loss	(7.02)	4.37
Return on Plan Assets	(0.35)	(0.03)
	<b>(7.37)</b>	<b>4.34</b>



**eMudhra Limited****Notes forming part of the standalone financial information**

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

**(vi) Major Category of Plan Assets as % of total Plan Assets**

Particulars	March 31,2022	March 31,2021
Insurer managed funds	100%	100%

**(vii) Actuarial assumptions**

Discount rate	5.77%	5.26%
Salary growth	10.00%	10.00%
Attrition rate	30.00%	30.00%

**(viii) Amounts recognised in current period and previous five years**

Particulars	As at March 31,2022	March 31,2021
Present value of obligation	27.54	30.34
Present value of plan assets	8.36	7.10
Amount recognised in balance sheet (Liability)/asset	(19.18)	(23.24)

**(ix)** Expected contribution to the fund for the year March 31, 2023 is INR 6.96 (March 31, 2022 is INR 7.47)**Notes:**

- 1) The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligation.
- 2) Expected rate of return on plan assets is based on our expectation of the average long term rate of return expected on investment of the fund during the estimated term of the obligations.
- 3) The salary escalation rate is the estimate of future salary increase considered taking into account the inflation, seniority, promotion and other relevant factors.

**Other employee benefit plan:** The liability for leave encashment and compensated balances as at year end is INR 3.37 (2021: INR 9.07).**B) Employee stock option plan**

Pursuant to the resolution passed by the Shareholders at the Extraordinary General Meeting held on March 23, 2016, the Company had introduced ESOP scheme for eligible employees of the Company. Under the scheme, 6,132,801 equity shares were irrevocably allotted to eMudhra employees stock options trust. The vesting period of the options granted by the company is not earlier than one year and not later than 4th (fourth) year from the date of grants.

The fair value of the shares as of each grant date has been taken at the average of net asset value and discounted cash flow method and fair value of options are estimated by the management at the grant date using Black and Scholes model, taking into account the terms and conditions upon which the share options were granted.

The company has provided for the stock options expenses of INR 5.21 million for the year ended March 31,2022, INR 5.45 million for the year ended March 31,2021 which has been included under salaries allowances and bonus of annexure 32 to the notes of restated consolidated financial information and this amount is made part of the provisions mentioned in annexure 25 to the restated consolidated financial information.





For the year ended  
March 31, 2022    March 31, 2021

**Options granted 2016-17**

Total options outstanding as at the beginning of the period	34,25,000	34,25,000
Total options granted	-	-
Exercise price of options in INR per share (as on the date of grant options)	5	5
Options forfeited/lapsed/cancelled	-	-
Variation of terms of options	No	No
Money realized by exercise of options((INR in absolute figures)	-	3,75,000
Total number of options outstanding in force	34,25,000	34,25,000
Options vested (excluding the options that have been exercised)	-	-
Options exercised (since implementation of the ESOP Scheme)	-	75,000
The total number of Equity Shares arising as a result of exercise of granted options (including options that have been exercised)	-	75,000

**Options granted - 2017-18**

Total options outstanding as at the beginning of the period	6,25,000	6,75,000
Total options granted	-	-
Exercise price of options in INR per share (as on the date of grant options)	5	5
Options forfeited/lapsed/cancelled	12,500	50,000
Variation of terms of options	No	No
Money realized by exercise of options((INR in absolute figures)	1,87,500	-
Total number of options outstanding in force	5,75,000	6,25,000
Options vested (excluding the options that have been exercised)	-	2,06,250
Options exercised (since implementation of the ESOP Scheme)	37,500	-
The total number of Equity Shares arising as a result of exercise of granted options (including options that have been exercised)	37,500	-

**Options granted- 2018-19**

Total options outstanding as at the beginning of the period	56,250	75,000
Total options granted	-	-
Exercise price of options in INR per share (as on the date of grant options)	5	5
Options forfeited/lapsed/cancelled	-	75,000
Variation of terms of options	No	No
Money realized by exercise of options((INR in absolute figures)	-	-
Total number of options outstanding in force	-	-
Options vested (excluding the options that have been exercised)	56,250	56,250
Options exercised (since implementation of the ESOP Scheme)	-	-
The total number of Equity Shares arising as a result of exercise of granted options (including options that have been exercised)	-	-



<b>Options granted- 2019-20</b>		
Total options outstanding as at the beginning of the period	5,00,000	7,25,000
Total options granted	-	-
Exercise price of options in INR per share (as on the date of grant options)	5	5
Options forfeited/lapsed/cancelled	-	2,25,000
Variation of terms of options	NIL	NIL
Money realized by exercise of options((INR in absolute figures)	-	-
Total number of options outstanding in force	5,00,000	5,00,000
Options vested (excluding the options that have been exercised)	1,87,500	1,87,500
Options exercised (since implementation of the ESOP Scheme)	-	-
The total number of Equity Shares arising as a result of exercise of granted options (including options that have been exercised)	-	-

<b>Options granted- 2020-21</b>		
Total options outstanding as at the beginning of the period	3,05,000	-
Total options granted	-	3,05,000
Exercise price of options in INR per share (as on the date of grant options)	5	5
Options forfeited/lapsed/cancelled	50,000	-
Variation of terms of options	No	No
Money realized by exercise of options((INR in absolute figures)	-	-
Total number of options outstanding in force	2,55,000	3,05,000
Total options vested (excluding the options that have been exercised)	76,250	-
Options exercised (since implementation of the ESOP Scheme)	-	-
The total number of Equity Shares arising as a result of exercise of granted options (including options that have been exercised)	-	-

<b>Options granted-2021-22</b>		
Total options outstanding as at the beginning of the period	-	NA
Total options granted	7,84,000	NA
Exercise price of options in INR per share (as on the date of grant options)	5	NA
Options forfeited/lapsed/cancelled	47,500	NA
Variation of terms of options	No	NA
Money realized by exercise of options((INR in absolute figures)	-	NA
Total number of options outstanding in force	7,36,500	NA
Options vested (excluding the options that have been exercised)	-	NA
Options exercised (since implementation of the ESOP Scheme)	-	NA
The total number of Equity Shares arising as a result of exercise of granted options (including options that have been exercised)	-	NA

Particulars	Grants issued during	
	2021-22	2020-21
Dividend yield (%)	Nil	Nil
Risk free interest rate (%)	5%	5%
Volatility (%)	20%	20%
Strike price (INR)	5.00	5.00
Fair value of the shares at the time of grant (INR)	23.32	23.32
Fair value of the options at the time of grant	INR 8.29 to INR 19.23 (From 2017-18* to 2021-22)	
Expected life of options	4 years	

\* from the date on which company adopted IndAS





**40 Previous period figures**

Previous period/ year figures have been re-grouped / re-classified/restated, wherever necessary

**41 Contribution for corporate social responsibility expenses**

Financial Year	Net Profit Amount
2018-19	100.89
2019-20	111.76
2020-21	149.22
Average Net profits	120.62
2% of Avg.Net profit	2.41
Total amount spent during financial year 2021-22	2.41
Unspent amount	-



## 42 Notes forming part of the standalone financial information

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

**Contingent Liabilities**

Particulars	March 31,2022	March 31,2021
Bank guarantees (secured against fixed deposits of March 2022:INR 5.23 million, March 31,2021: 21.67 million	12.06	25.76
Income tax Appeal(refer note (a))	32.29	32.29
	<b>44.35</b>	<b>58.05</b>

(a)The company have filed writ petition (WP 52898/2019) which is pending with Honourable High Court of Karnataka against Dy.Commissioner of Income Tax Circle2(1)(2), Bangalore against their Assessment Order for the AY 2012-13 to levy income tax under section 143 r.w.s. 147 of Income Tax Act,1961.

(b) The company have 2 legal cases (March 31,2022: 2 cases, March 31,2021: 3 cases, March 31,2020:4 cases, March 31,2019:nil) against the company in various courts in the country. In all these cases, we do not foresee any financial implications.

