

# Manohar Chowdhry & Associates

CHARTERED ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Members of **M/s. eMudhra Consumer Services Limited**

### Report on the Audit of Financial Statements

#### Opinion

We have audited the financial statements of **eMudhra Consumer Services Limited** ("the Company") which comprise the balance sheet as at March 31, 2022, and the statement of profit and loss, and the statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

#### Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.



When we read the Company's Board report, if we conclude that there is a 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 those charged with governance for the financial statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act, read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the company's financial reporting process.

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for





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

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

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

## Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 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.
- 2) As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the 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 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:
- The Company does not have any pending litigations which would impact its financial position;
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - 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: May 14, 2022

UDIN: 22217909 AJ KWGD 4381



## 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 Consumer Service Limited of even date.

- i. a) A) The company has no Property Plant and Equipment and therefore clause (i)(a)(A) is not applicable  
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 and based on our verification the company does not have Property Plant and Equipment hence clause (i) (b) is not applicable.  
c) According to the information and explanations given to us, the records examined by us we report that the company does not hold any immovable properties of land and buildings which are freehold and leasehold, therefore reporting under clause (i) (c) is not applicable.  
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 not been sanctioned working capital limits in excess of Rs Five crore in aggregate, at any points of time during the year, from banks or financial institution on the basis of security of current assets and hence reporting under clause (ii)(b) of the Order is not applicable
- 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 not made investments and also not provided loans or advances in the nature of loans or guarantee to the companies, firms, Limited Liability Partnerships and other parties and hence reporting under clause (iii)(a) of the Order is not applicable.  
b) According to the information and explanations given to us and based on the audit procedures conducted by us, the company has not provided loans or guarantee to the companies, firms, Limited Liability Partnerships and other parties and hence reporting under clause (iii)(b) of the Order is not applicable.  
c) This clause is not applicable to the Company  
d) This clause is not applicable to the Company.  
e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended fresh loans given to settle the overdues of existing loans given to the same party.  
f) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not granted loans and advances



in the nature of loans repayable on demand or without specifying any terms or period of repayment to the following related party as defined in clause (76) of section 2 of the Companies Act, 2013. Hence reporting under clause (iii)(f) is not applicable.

- iv. According to the information and explanation given to us, the company has not given any loan or guarantee or has made investments covered under 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) There were no Statutory dues which have not been deposited as at 31<sup>st</sup> March 2022 on account of dispute.
- 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 taken any loans and therefore this clause is not applicable.  
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 not availed any term loan during the year and therefore reporting under this clause is not applicable.  
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 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 does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013.  
b) The Company did not have an internal audit system 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 45-1A 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 amendments to section 135 of the Companies Act, 2013 by addition of the second proviso to sub section (5), through introduction of the Companies (Amendment) Act, 2019 is yet to notified and as such the provision of this clause are not yet applicable to the Company.
- 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



Ashok Kumar Doddi  
Partner  
M no: 217909



Place: Bengaluru  
Date: May 14, 2022  
UDIN:

22217909 AJK WG 0 4381



## **ANNEXURE – B TO THE INDEPENDENT AUDITORS' REPORT**

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

We have audited the internal financial controls over financial reporting of the **eMudhra Consumer Services Limited** ("the Company") as of March 31, 2022, in conjunction with our audit of the financial statements of the company for the year ended on that date.

#### **Management 's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting 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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section of 143(10) of the 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal 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 system over financial reporting of the company.

#### **Meaning of Internal Financial Controls over Financial Reporting**

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



company's internal financial controls over financial reporting includes those policies and procedures that:

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

## **Inherent Limitations of Internal Financial Controls over Financial reporting**

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

## **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal controls over financial reporting 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).

For Manohar Chowdhry & Associates  
Chartered Accountants  
FRN: 001997S



Ashok Kumar Doddi  
Partner  
M no: 217909



Place: Bengaluru

Date: May 14, 2022

UDIN: 22217909 AJK W90 4381



**eMudhra Consumer Services Limited**

**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	13.13	11.47
<b>Adjustments to reconcile profit/(loss) before tax to net cash flows:</b>		
Depreciation and amortisation expense	4.87	4.15
<b>Working capital adjustments:</b>		
Decrease/(Increase) in other non-current and current financial assets	(9.99)	1.86
Decrease/(Increase) in inventories	-	4.13
Decrease/(Increase) in trade receivable	(6.45)	(35.16)
Increase/(Decrease) in non-current and current provision	(0.10)	(1.14)
Increase/(Decrease) in non-current and current liabilities	0.11	2.22
Increase/(Decrease) in trade payables	0.06	(12.50)
<b>Total cash from operations</b>	<b>1.63</b>	<b>(24.97)</b>
Income taxes refund/(paid)	3.02	(0.57)
<b>Net Cash flow from operating Activities (A)</b>	<b>4.65</b>	<b>(25.54)</b>
<b>B. Investing activities</b>		
Purchase of intangible assets	(10.00)	-
<b>Net cash used in investing activities (B)</b>	<b>(10.00)</b>	<b>-</b>
<b>C. Financing Activities</b>		
Proceeds from equity share capital	-	-
Changes in other equity on account of OCI	0.15	0.93
<b>Net cash used in financing activities(C)</b>	<b>0.15</b>	<b>0.93</b>
<b>Net increase in cash and cash equivalents(D=A+B+C)</b>	<b>(5.20)</b>	<b>(24.61)</b>
<b>Cash and cash equivalents at the beginning of the financial year E)</b>	<b>11.15</b>	<b>35.76</b>
<b>Cash and cash equivalents at the end of the year (D+E)</b>	<b>5.95</b>	<b>11.15</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>
<b>Balance with banks:</b>		
- On current account	5.95	11.15
<b>Total cash and cash equivalents as per Balance Sheet</b>	<b>5.95</b>	<b>11.15</b>
<b>Cash and cash equivalents as per Statement of Cash Flow</b>	<b>5.95</b>	<b>11.15</b>

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

*D. Ashok Kumar*



**Ashok Kumar Doddi**

Partner

Membership No: 217909

UDIN: 22217909AJKWGO 4381

Place: Bengaluru

Date: May 14, 2022

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

*V. Srinivasan*

**V Srinivasan**

Director

DIN: 00640646

*Venu Madhava*

**Venu Madhava**

Director

DIN: 06748204

Place: Bengaluru

Date: May 14, 2022





**eMudhra Consumer Services Limited**

**Balance sheet as at**

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

Particulars	Notes	March 31,2022	March 31,2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	3	38.32	33.19
<b>Financial assets</b>			
Other non-current assets	4	-	2.99
<b>Total Non-current assets</b>		<b>38.32</b>	<b>36.18</b>
<b>Current assets</b>			
Inventories	5	4.13	4.13
<b>Financial assets</b>			
Trade receivables	6	41.60	35.16
Cash and cash equivalents	7	5.95	11.15
Other current assets	8	10.04	0.04
<b>Total current assets</b>		<b>61.72</b>	<b>50.48</b>
<b>Total assets</b>		<b>100.04</b>	<b>86.66</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	9	50.00	50.00
Other equity	10	38.47	28.31
<b>Total equity</b>		<b>88.47</b>	<b>78.31</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Deferred tax liabilities (Net)	11	5.34	4.18
Provision	12	1.11	1.30
<b>Total Non-current liabilities</b>		<b>6.45</b>	<b>5.48</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	13	0.06	0.03
Provision	14	2.26	0.19
Other current liabilities	15	2.80	2.65
<b>Total current liabilities</b>		<b>5.12</b>	<b>2.87</b>
<b>Total liabilities</b>		<b>11.57</b>	<b>8.35</b>
<b>Total equity and liabilities</b>		<b>100.04</b>	<b>86.66</b>

**Summary of significant accounting policies**

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

*D. Ashok Kumar*

**Ashok Kumar Doddi**  
Partner

Membership No: 217909

UDIN: 22217909 AJ KW60 4381

Place: Bengaluru  
Date: May 14, 2022



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

*V. Srinivasan*

**V Srinivasan**  
Director  
DIN: 00640646

*Venu Madhava*

**Venu Madhava**  
Director  
DIN: 06748204

Place: Bengaluru  
Date: May 14, 2022





**eMudhra Consumer Services Limited**  
**Statement of profit and loss for the year**

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

Particulars	Notes	March 31,2022	March 31, 2021
<b>Income</b>			
Revenue from operations	16	62.15	79.22
Other income,net	17	0.21	-
<b>Total revenue</b>		<b>62.36</b>	<b>79.22</b>
<b>Expenses</b>			
Operating expenses	18	9.42	25.77
Changes in stock of finished goods	19	-	4.13
Employee benefit expenses	20	33.06	33.02
Finance costs	21	0.15	0.01
Depreciation and amortisation expense	22	4.87	4.15
Other expenses	23	1.73	0.67
<b>Total expenses</b>		<b>49.23</b>	<b>67.75</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>13.13</b>	<b>11.47</b>
Exceptional Items			
<b>Profit/(Loss) before tax</b>		<b>13.13</b>	<b>11.47</b>
<b>Tax expense</b>			
Current tax		1.95	1.38
Deferred tax		1.17	1.33
<b>Total tax expenses</b>		<b>3.12</b>	<b>2.71</b>
<b>Profit/(Loss) for the year</b>		<b>10.01</b>	<b>8.76</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss:			
Remeasurement (loss)/gain on defined benefit plan		0.15	0.93
<b>Comprehensive income/(loss) for the year</b>		<b>0.15</b>	<b>0.93</b>
<b>Total Comprehensive income/(loss) for the year</b>		<b>10.16</b>	<b>7.83</b>
<b>Earnings per share (Nominal value of share INR 10 each)</b>	24		
Basic		2.00	1.75
Diluted		2.00	1.75
<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: 001997S

*D. Ashok Kumar*

Ashok Kumar Doddi  
Partner  
Membership No: 217909

UDIN: 22217909 AJKWGO 4381

Place: Bengaluru  
Date: May 14, 2022



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

*V. Srinivasan*

V Srinivasan  
Director  
DIN: 00640646

*Venu Madhava*

Venu Madhava  
Director  
DIN: 06748204

Place: Bengaluru  
Date: May 14, 2022





## **1. Corporate Information**

eMudhra Consumer Services Limited ("the company") provides paperless office solutions and also provides eMudhra's 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 subsidiary of eMudhra Limited ("eMudhra"), is a public limited company incorporated and domiciled in India and has its registered office at Sai Arcade, No.56, 3<sup>rd</sup> Floor, Deverabeesanahalli, Bengaluru 560103, Karnataka, India.

The standalone financial statements are approved for issue by the Company's Board of Directors on May 14, 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 financial statements up to year ended 31 March, 2021 were prepared in accordance with the requirements of the previous Indian GAAP which includes accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

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

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

### **Critical estimates and judgments**

#### **I. Use of estimates**

The preparation of standalone financial statements in conformity with generally accepted accounting principles in India requires management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. The application of accounting policies that require critical accounting policies that require critical accounting estimates, judgements and the use of





assumptions in these financial statements and therefore actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

The company has considered the possible effects that may 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 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 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.

Deferred tax assets and liabilities are classified as non-current only

## **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 percentage-of-completion method when the pattern of benefits from the services rendered to the customer and the Company's costs to fulfil the contract is not even through the period of the contract because the services are generally discrete in nature and not repetitive. Revenues in excess of billing are classified as unbilled revenue in our financial statements.





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

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

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

In trust services, 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 established, which is generally when shareholders approve the dividend.

**Other Income:**

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

**Expenses:**

Expenses are accounted for on accrual basis and provisions are made for all known liabilities and losses. Those expenses spread across multiple financial years have been amortised on straight line basis over the period in which the





services are received except in those cases where the contract/purchase order value is less than INR 1 million. For cases, where it is less than INR 1 million, the same is expensed off in the period in which it is billed.

#### **b. Income taxes**

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

#### **Current income tax**

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

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

- 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.

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 are derecognized.

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

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





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

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

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

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

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

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

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

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

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

##### **Initial measurement**

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

##### **Subsequent measurement [non-derivative financial instruments]**





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

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

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

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

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

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

### **Financial Liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method except financial liabilities carried at fair value through profit and loss or an entity had opted to measure a liability at fair value through profit or loss.

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

A Financial Liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition.

### **Investment in Subsidiaries and associates**

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

### **Share Capital – Ordinary Shares**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all its liabilities. Equity instruments recognized by the company are recognized at the proceeds ~~net~~ 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 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 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 recognized in the Statement of Profit and Loss of the





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

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

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

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

#### j. Employee Benefits

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

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

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

**Long-term employee benefits** – Long-term employee benefits comprise of compensated absences and other employee incentives, if any.





These are measured based on an actuarial valuation carried out by an independent actuary at each Balance Sheet date unless they are insignificant. Actuarial gains and losses and past service costs are recognized in the Statement of Profit and Loss.

#### **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 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 financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 2 of the financial statements. In the preparation of an opening Ind AS balance sheet at 01 April, 2017 (the Company's date of transition). The company has adjusted amounts reported previously in 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 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.





**eMudhra Consumer Services Limited**

**Notes forming part of the financial statements**

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

**3 Intangible assets**

<b>Particulars</b>	<b>Amount</b>
<b>Year ended March 31, 2022</b>	
<b>Gross carrying amount</b>	
As at April 01, 2020	41.49
Additions	-
Disposals	-
<b>As at March 31, 2021</b>	<b>41.49</b>
Additions	10.00
Disposals	-
<b>As at March 31, 2022</b>	<b>51.49</b>
<b>Accumulated Amortisation</b>	
As at April 01, 2020	4.15
Charges for the year	4.15
Disposals	-
<b>As at March 31, 2021</b>	<b>8.30</b>
Charges for the year	4.87
Disposals	-
<b>As at March 31, 2022</b>	<b>13.17</b>
<b>Net block</b>	
As at March 31, 2021	33.19
As at March 31, 2022	38.32





**eMudhra Consumer Services Limited**

**Notes forming part of the financial statements**

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

Note	Particulars	March 31,2022	March 31,2021
4	<b>Other non-current assets</b>		
	Provision for tax,net	-	2.99
	<b>Total</b>	<b>-</b>	<b>2.99</b>
5	<b>Inventories</b>		
	Stock in trade	4.13	4.13
	<b>Total</b>	<b>4.13</b>	<b>4.13</b>
6	<b>Trade receivables</b>		
	Unsecured trade receivables	0.68	1.82
	Unsecured trade receivables from related parties	40.92	33.34
	<b>Total</b>	<b>41.60</b>	<b>35.16</b>
	<b>Non-current portion</b>	<b>40.92</b>	<b>33.34</b>
	<b>Breakup of security details:</b>		
	Unsecured, considered good	41.60	35.16
7	<b>Cash and cash equivalents</b>		
	Balance with banks:		
	- On current account	5.95	11.15
	<b>Total</b>	<b>5.95</b>	<b>11.15</b>
8	<b>Other current assets</b>		
	<b>Other financial assets at amortised cost</b>		
	Rent deposit	10.00	-
	Advance to suppliers	0.04	0.04
	<b>Total</b>	<b>10.04</b>	<b>0.04</b>





eMudhra Consumer Services Limited  
Notes forming part of the financial statements

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

9 Equity share capital

(i) Authorised equity share capitals

Particulars	No. of Shares	Amount
As at April 01, 2020	50,00,000	50.00
Increase during the year	-	-
As at March 31, 2021	50,00,000	50.00
Increase during the period	-	-
As at March 31, 2022	50,00,000	50.00

(ii) Issued, subscribed and paid-up equity share capital

Particulars	No. of Shares	Amount
As at April 01, 2020	50,00,000	50.00
Increase during the year	-	-
As at March 31, 2021	50,00,000	50.00
Increase during the year	-	-
As at March 31, 2022	50,00,000	50.00

The company has only one class of equity shares having par value of INR 10 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 each shareholder.

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

Particulars	March 31 2022		31 March 2021	
	No. of Shares	Amount	No. of Shares	Amount
Share outstanding at the beginning of the year	50,00,000	50.00	50,00,000	50.00
Share issued during the year	-	-	-	-
Share outstanding at the end of the year	50,00,000	50.00	50,00,000	50.00

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

Name of the shareholder	March 31 2022		March 31, 2021	
	No. of Shares	% Holding	No. of Shares	% Holding
Emudhra Limited	50,00,000	100.00%	37,99,994	76.00%
V.Srinivasan	-	-	12,00,000	24.00%





**eMudhra Consumer Services Limited**

**Notes forming part of the financial statements**

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

Note	Particulars	March 31,2022	March 31,2021
<b>10</b>	<b>Other equity</b>		
	Retained earnings [refer note 10.1 below]	37.39	27.38
	Total other comprehensive income [refer note 10.2 below]	1.08	0.93
		<b>38.47</b>	<b>28.31</b>
<b>10.1</b>	<b>Retained earnings</b>		
	Balance at the beginning of the year	27.38	18.62
	Profit/ (Loss) for the year	10.01	8.76
	<b>Balance as at the end of the year</b>	<b>37.39</b>	<b>27.38</b>
<b>10.2</b>	<b>Total comprehensive income for the year</b>		
	Opening Balance	0.93	-
	Add: Other comprehensive income for the year	0.15	0.93
	<b>Balance as at the end of the year</b>	<b>1.08</b>	<b>0.93</b>





**eMudhra Consumer Services Limited**

**Notes forming part of the financial statements**

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

Note	Particulars	March 31,2022	March 31,2021
11	<b>Deferred tax assets (Net)</b>		
	On account of timing difference of depreciation	5.34	4.18
	<b>Total</b>	<b>5.34</b>	<b>4.18</b>
12	<b>Provisions</b>		
	Provision for Leave Benefits (refer note 26)	0.11	0.20
	Provision for gratuity (refer note 26)	0.35	0.64
	Employee benefits payable	0.65	0.46
	<b>Total</b>	<b>1.11</b>	<b>1.30</b>
13	<b>Trade payables</b>		
	Total outstanding dues to Creditors other than Micro Enterprises and Small Enterprises	0.06	0.03
	Due to related parties	-	-
	<b>Total</b>	<b>0.06</b>	<b>0.03</b>
14	<b>Provision</b>		
	Provision for tax, net	1.98	-
	Other payables towards contractual obligations	0.06	0.06
	Provision for Leave Benefits (refer note 26)	0.22	0.13
	Provision for gratuity	-	0.00
	<b>Total</b>	<b>2.26</b>	<b>0.19</b>
15	<b>Other current liabilities</b>		
	Advance from customers	-	0.54
	Statutory dues	2.80	2.11
	<b>Total</b>	<b>2.80</b>	<b>2.65</b>





## eMudhra Consumer Services Limited

## Notes forming part of the financial statements

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

Note	Particulars	March 31, 2022	March 31, 2021
<b>16</b>	<b>Revenue from operations</b>		
	Sale of software solutions/services	62.15	79.22
	<b>Total</b>	<b>62.15</b>	<b>79.22</b>
	<b>I. Segment wise revenue</b>		
	Cyber security and digital transformation solutions	62.15	79.22
<b>17</b>	<b>Other income, net</b>		
	Interest on income tax refund	0.21	-
	<b>Total</b>	<b>0.21</b>	<b>-</b>
<b>18</b>	<b>Operating expenses</b>		
	Commission expenses	0.26	0.12
	Licence cost	9.00	-
	Other direct operating expenses	0.12	25.62
	Payment gateway charges	0.04	0.03
	<b>Total</b>	<b>9.42</b>	<b>25.77</b>
<b>19</b>	<b>Changes in inventories of stock-in-trade</b>		
	<b>Finished Goods/services:</b>		
	<b>Opening stock:</b>		
	SSL Certificates	4.13	8.26
	<b>Total</b>	<b>4.13</b>	<b>8.26</b>
	<b>Closing stock:</b>		
	SSL Certificates	4.13	4.13
	Closing stock	4.13	4.13
	<b>Total</b>	<b>-</b>	<b>4.13</b>
<b>20</b>	<b>Employee benefit expense</b>		
	Contribution to provident and other funds	0.99	1.24
	Gratuity	0.29	0.65
	Leave compensation	0.18	0.16
	Salaries, allowances and bonus	31.48	30.85
	Staff welfare expenses	0.12	0.12
	<b>Total</b>	<b>33.06</b>	<b>33.02</b>
<b>21</b>	<b>Financial costs</b>		
	<b>Interest and finance charges on financial liabilities carried at amortised cost</b>		
	Interest on delayed payment of statutory dues	0.15	0.01
	<b>Total</b>	<b>0.15</b>	<b>0.01</b>
<b>22</b>	<b>Depreciation and amortisation expense</b>		
	Amortization on intangible assets	4.87	4.15
	<b>Total</b>	<b>4.87</b>	<b>4.15</b>
<b>23</b>	<b>Other expenses</b>		
	Auditors' remuneration [refer note 23.1]	0.05	0.05
	Fees rates and taxes	0.03	0.10
	Foreign exchange loss	0.29	-
	Technology expenses	0.03	-
	Legal and professional expenses	1.17	0.19
	Miscellaneous expense	0.01	0.00
	Travelling, boarding and lodging expenses	0.08	-
	Recruitment and training expenses	0.07	0.33
	<b>Total</b>	<b>1.73</b>	<b>0.67</b>
<b>23.1</b>	<b>Payment to statutory auditors</b>		
	As Auditor towards:		
	Statutory audit	0.05	0.05
	<b>Total</b>	<b>0.05</b>	<b>0.05</b>





**eMudhra Consumer Services Limited**

**Notes forming part of the financial statements**

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

Note	Particulars		March 31,2022	March 31, 2021
24	Earnings per share			
	Basic:			
	Profit after tax	A	10.01	8.76
	Weighted average number of shares outstanding	B	50,00,000	50,00,000
	Basic EPS	A/B	2.00	1.75
	Diluted			
	Profit after tax	A	10.01	8.76
	Weighted average number of shares outstanding	B	50,00,000	50,00,000
	Diluted EPS	A/B	2.00	1.75





**eMudhra Consumer Services Limited**

25 Notes forming part of the Financial Information of eMudhra consumer Services Limited  
(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, Frere Felix de Valois Steet, Port Louis, Mauritius.	Group Company	NA	NA
2	eMudhra Technologies Limited	#56, Sai Arcade, Deverabesenahalli, Bangalore, Karnataka.	Group Company	NA	NA
3	eMudhra Limited	#56, Sai Arcade, Deverabesenahalli, Bangalore, Karnataka.	Holding Company	100%	76%
4	eMudhra INC	97 Cedar Grove Lane Suite 202 Somerset, NJ 08873	Group Company	NA	NA
5	eMudhra PTE Limited	#03-01,1 Phillip Street Royal one Phillip Singapore 486592	Group Company	NA	NA
6	Taarav PTE Limited	#03-01,1 Phillip Street Royal one Phillip Singapore 486592	Group Company	NA	NA
7	eMudhra DMCC	3006,One Lake Plaza, Cluster T Jumeriah Lake Towers PO Box no.32620, Dubai UAE	Group Company	NA	NA
8	eMudhra BV	Wilhelmina Van Pruisenwg 0014, 2595AN- 'Sgravenhage The Netherlands	Group Company	NA	NA
9	PT eMudhra Technologies Indonesia	Ruko Pondasi, Jl. Pondasi Raya No. 21 Unit. H,Kayu Putih Pulogadung,Kota Adm. Jakarta Timur DKI Jakarta Indonesia	Group Company	NA	NA
10	Smart Craft Private Limited	#56, Sai Arcade, Deverabesenahalli, Bangalore, Karnataka.	Group Company	NA	NA
11	Cedar Grove Real Estates Private Limited	#56, Sai Arcade, Deverabesenahalli, Bangalore, Karnataka.	Group Company	NA	NA
12	Bluesky Infotech [Partnership firm]	#56, Sai Arcade, Deverabesenahalli, Bangalore, Karnataka.	Group entity	NA	NA
13	Bluesky Infotech [Partnership firm]	2nd Floor, Tek Tower 11 Rajiv Gandhi Salai (OMR),Thoraiakkam Chennai – 600 097.	Group entity	NA	NA
14	eMudhra employees stock option trust	#56, Sai Arcade, Deverabesenahalli, Bangalore, Karnataka.	Group entity	NA	NA

**2 Particulars of key managerial person**

Sl No	Entity Name	Name of the key managerial person		Relationship
		March 31,2022	March 31,2021	
1	eMudhra Consumer Services Limited	V. Srinivasan	V. Srinivasan	Director
		Venu Madhava	Venu Madhava	Director





eMudhra Consumer Services Limited

25.1 Notes forming part of the Financial Information of eMudhra consumer Services Limited

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

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	1.41	-
2	Sales of software Licencing fees				
		eMudhra PTE Limited	Group Company	0.57	0.10
		eMudhra DMCC	Group Company	(2.13)	33.25
		eMudhra Limited	Holding Company	37.91	36.60
		eMudhra INC	Group Company	9.63	-
3	Purchase of products/services				
		eMudhra Limited	Holding Company	-	25.00
4	Purchase of software Licencing fees				
		eMudhra Limited	Holding Company	9.00	0.59





eMudhra Consumer Services Limited

25.2 Notes forming part of the Financial Information of eMudhra consumer Services Limited

(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 From				
		eMudhra Limited	Holding Company	40.92	-
		eMudhra DMCC	Group Company	-	33.25
		eMudhra PTE Limited	Group Company	-	0.10





## 26 Disclosures under accounting standard 15

### a) Post Retirement Benefit- Defined Contribution Plans

The Company has recognised an amount of INR 0.99 (2021: INR 1.24) as expenses under the defined contribution plans in the Statement of Profit and Loss in respect of contribution to Provident Fund for the year ended March 31, 2022

### b) Post Retirement Benefit- Defined Benefit Plan

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

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

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

Particulars	March 31, 2022	March 31, 2021
<b>(i) Present Value of Defined Benefit Obligation - Gratuity</b>		
Balance at the beginning of the year	1.11	1.39
Current service cost	0.27	0.58
Interest cost	0.05	-
Actuarial (gain)/loss	(0.13)	0.09
Benefits paid	(0.15)	(0.95)
<b>Balance at the end of the year</b>	<b>1.15</b>	<b>1.11</b>
<b>(ii) Fair value of Plan Assets</b>		
Balance at the beginning of the year	0.47	-
Expected return on plan assets	0.02	0.02
Contribution	0.44	0.47
Actuarial gain/(loss)	0.02	(0.02)
Benefits paid	(0.15)	-
<b>Balance at the end of the period/year</b>	<b>0.80</b>	<b>0.47</b>
<b>(iii) Assets and liabilities recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	1.15	1.11
Present value of plan assets	0.80	0.47
<b>Amount recognised as assets/(liability)</b>	<b>(0.35)</b>	<b>(0.64)</b>
Recognised under:		
Long term provision (Refer Note 12)	0.35	(0.64)
<b>Total</b>	<b>0.35</b>	<b>(0.64)</b>
<b>(iv) Expenses recognised in the Statement of Profit and Loss</b>		
Current service cost	0.27	0.58
Interest cost	0.05	0.09
Expected return plan assets	(0.02)	(0.02)
<b>Total expenses</b>	<b>0.30</b>	<b>0.65</b>
<b>(v) Expenses recognised in the other comprehensive income</b>		
Actuarial (gain)/loss	(0.13)	0.09
Return on Plan Assets	(0.02)	0.02
	<b>(0.15)</b>	<b>0.11</b>





(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	5.41%	5.04%
Salary growth	10.00%	10.00%
Attrition rate	41.00%	33.00%

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

Particulars	As at	
	March 31, 2022	March 31, 2021
Present value of obligation	1.15	1.11
Present value of plan assets	0.80	0.47
Amount recognised in balance sheet (Liability)/asset	(0.35)	(0.64)

(ix) Expected contribution to the fund for the year March, 31 2023 is INR nil

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 3.34).

	March 31, 2022	March 31, 2021
Other employee benefit plan	0.34	0.34

**27 Previous period figures**

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

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date

