

# **ANNUAL REPORT 2019-2020**

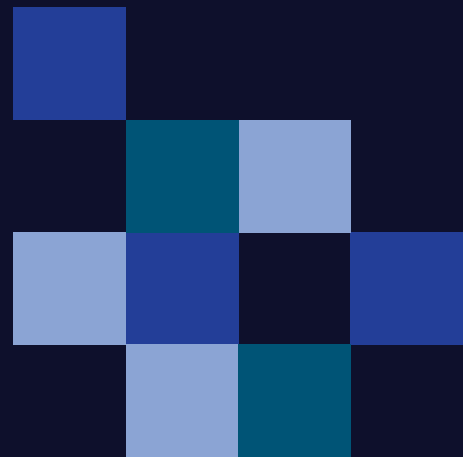
## **Building Business Resilience to Face the New Normal**





*"However beautiful the strategy, you should occasionally look at the results."*

*- Winston Churchill*



“On behalf of the Board of Directors, I am pleased to present eMudhra’s Annual Report and Audited Financial Statements for the Financial Year 2019-2020”

**Mr. V. Srinivasan**

*Chairman, eMudhra*

*Chairman, Asia PKI Consortium*



## Chairman's Message

*Dear* **Stakeholders,**

As we now progress in Year 2020, navigating our way through the **COVID-19 pandemic**, I can't help but feel nostalgic on where all of this began 12 years ago. To think that an entity that started off as a Certificate Authority, a relatively new business at the time, has progressed in 12 years to have 50% of the Indian Digital Signature Market share, be ranked the first in Identity & Digital Trust ahead of the likes of IBM and Dell, and built a global reach that spans across **5 continents and 40+ countries**, it truly humbles me when I consider the formidable team and ecosystem that has helped us get here today.

A key element to our growth has been the consistency of the quality of what we deliver which has built a strong resonance of trust, not just in India, but in increasingly more countries across the world. Product teams have spent sleepless nights to roll out critical updates and keep our product suite ahead of the market whereas business teams have proactively adapted to stay current with **the constant changes, enhancements, and additions to our product and service portfolio**.

Along this journey, what we have built is a very strong brand, an end-to-end software portfolio in Trusted Digital Transformation, and a strong foundation that is laid on the back of a passionate and dedicated workforce motivated by the vision of the future. I cannot overstate the importance of these strong tenets and the criticality that they have towards launching eMudhra to new heights in the coming years.

Speaking about the future, **2020 has been a very interesting and unique year in setting the trend for what we can expect in the Trust Services, Cybersecurity, and Digital Transformation landscape in the years to come**. An increasing number of organizations are adapting to COVID – 19, resulting in the need for digital transformation solutions that ensure security and trust while enabling a paperless, presence-less, digital society. Independent research houses and global reports are broadly predicting a bright future for Cybersecurity and Trust Services in the years to come and organizations are actively adopting digital-enabling technologies even in highly regulated industries, which often resonates a fundamental shift in mind-set around such solutions.

For eMudhra, this means that we need to align our focus in-line with our strengths and the market trends to ensure that we not only survive, but grow significantly during the new-normal era of IT. For one thing, cloud adoption has always been on the rise for quite some years now. The level of comfort grows every year as more regions and organizations go cloud-first in their IT application approach.



## Chairman's Message

Here, at eMudhra, we have already been adapting to this shift by building a unique cloud value proposition through our 'Cloud Reseller Program (CRP)' that combines Trust Services, and emSigner, our workflow automation application, under a single and easy commercial value proposition. This has already yielded multiple sizeable deals across [West Africa, Latin America, Far East, and other regions](#). Further, emSigner has now grown to support [data residencies in USA, EU, India, Indonesia, Saudi Arabia, & UAE](#) with [TSP integrations \(for local digital signatures\)](#) in over 20 countries.

It's as important to pay attention to 'what' we offer as it is to 'how' we offer it. Across the globe, large organizations are actively looking at vendor rationalization to limit operational costs and hassles, while bringing pricing efficiency to the IT applications that they consume. Perhaps, one of the key USP's of eMudhra, is that we are the ONLY entity across the globe, who cover the end-to-end value chain in Trust Services. With our [global trust accreditations nearing completion, our capabilities as a Trust Service Provider, and a strong enterprise stack on eSignature, PKI, and Identity solutions](#), we do literally bring everything together under one umbrella in the Identity and Digital Trust domain. This helps us drive superiority from a solutioning standpoint, a commercial standpoint, and an operational standpoint, which in turn, helps us drive value to the customer in a way, that others cannot easily accomplish.

For any Software IP driven organization to grow consistently, the evolution of each of our IP's is obviously imperative. Without consistent product superiority, there can be no long term growth outlook. On this front, I'm happy to note that each of our products have undergone significant enhancements to keep them current and to some extent, even future proof. emAS is consistently featured by Gartner in multiple reports pertaining to User Authentication and Access Management. The latest update to emAS is around password-less authentication that leverages PKI to drive high identity assurance.

emSigner, our workflow automation solution has significantly evolved with key features around driving [AI in workflow automation, enhanced OCR capabilities, TSP integrations in multiple countries, conditional workflows, UI/UX enhancements, and more](#). The product has been refined for multiple industries through first-hand industry experience and knowledge.

emCA, our PKI suite is getting ever more popular as a result of its easy deployment approach, simple UI, and sheer flexibility in managing enterprise or public PKI. Latest additions to emCA have been focused on working with more protocols to facilitate certificate request and provisioning, integration with Card Management Systems, and facilitation of higher levels of encryption.

Interestingly, [emStream, our low code Artificial Intelligence and Machine Learning Platform](#), has been in some demand across various sectors where large-scale Proof of Concepts were successfully demonstrated; some of which evolved to formal business opportunities. With growing interest from the western markets paired with increased regional demand around data lakes, data architecture, customer experience, fleet management optimization, sentiment analytics, and more, emStream really comes at the right time to the market in offering the customers an easier and more cost effective way to adopt Artificial Intelligence and Machine Learning.

## Chairman's Message

Needless to say, we can have the best products in the world, but if others are not aware about what we are offering, then what's the use really? Reach, is very critical for any business to scale. Range (of products) without Reach OR Reach without Range will both result in stunted growth. In this context, the last 3 years have been quite critical for eMudhra's reach whereby we were able to diversify from an India-only company to an Indian Digital Transformation player across 5 continents and 40+ countries. With business engagements in countries like Peru & Senegal, and dominant brand presence across Gulf Countries and some Far Eastern countries, the reach has not just grown across more geographic territories but matured in an increasing number of them. Further, in light of the growing global presence of eMudhra, **I am also pleased to note that I have been elected into the Board of the Cloud Signature Consortium in Europe**, which is a strong testament to our global visibility.

Building resilience in the New Normal is not just about revising our marketing pitch but rather, about reconstructing the organization from within to synchronize to the tunes of current times. Fortunately, at eMudhra, this is not an exercise stimulated by COVID-19 but rather, a continuous procedure to constantly prepare for and adapt to change. Our cloud strategy, breadth of offerings, product enhancements, and an ever-growing reach give us a real edge in these post-COVID times to make a change in the world and drive Digitization in the New Normal in a secure and trusted manner.

That being said, the resilience of **eMudhra is only as strong as the resilience of the people that constitute eMudhra and the stakeholders that contribute to eMudhra's growth**. No matter how prepared any organization was, the last few months were certainly trying times with limited access to Physical infrastructure, drastic and irrational shifts in business demand, and no proximity to your team and co-workers except through a 15-inch screen. If anything proves that we have built resilience, it's really how all units of the organization came together and instantly adapted to the changing workplace to keep our Data Centers running smooth, our clients engaged, our deliveries completed on time, and our operation and administration TAT at its best. It shows a level of organizational maturity that can only yield success in the years to come.

We are definitely in unparalleled times that for almost all of us, is a first-in-our-lifetime experience. There is no doubt that COVID-19 is sure to have a lasting impact on society and the workplace. It has certainly been an interesting few months to say the least and the world is quickly adapting to the 'new normal'. Fortunately, we are in the right industry and have done the right things together thus far which I'm sure will enable us to help the world adapt to the 'new normal' in a scalable and meaningful manner.

I sincerely look forward to this journey with each and all of you and thank you for all your contribution to making eMudhra what it is today. Stay Safe.

Yours Sincerely,



V. Srinivasan

## Awards and Recognition



### **IDC's Asia/Pacific Semiannual Software Tracker, 2019**

eMudhra ranked 1st amongst 42 vendors in the Identity and Digital Trust Category, with a market share of 14% in India in 2019



### **Gartner 2019 Magic Quadrant for Access Management**

emAS: eMudhra's proprietary access management solution recognized in the reputed Gartner Magic Quadrant for Access Management, alongside industry titans



eMudhra Awarded **"10 most recommended Multi Factor Authentication Solution Providers 2019"** by CIO Insider



eMudhra bagged the **DXC Insurtech Award** as well as the People's Choice Award at the Insurance Conference hosted by DXC Technology

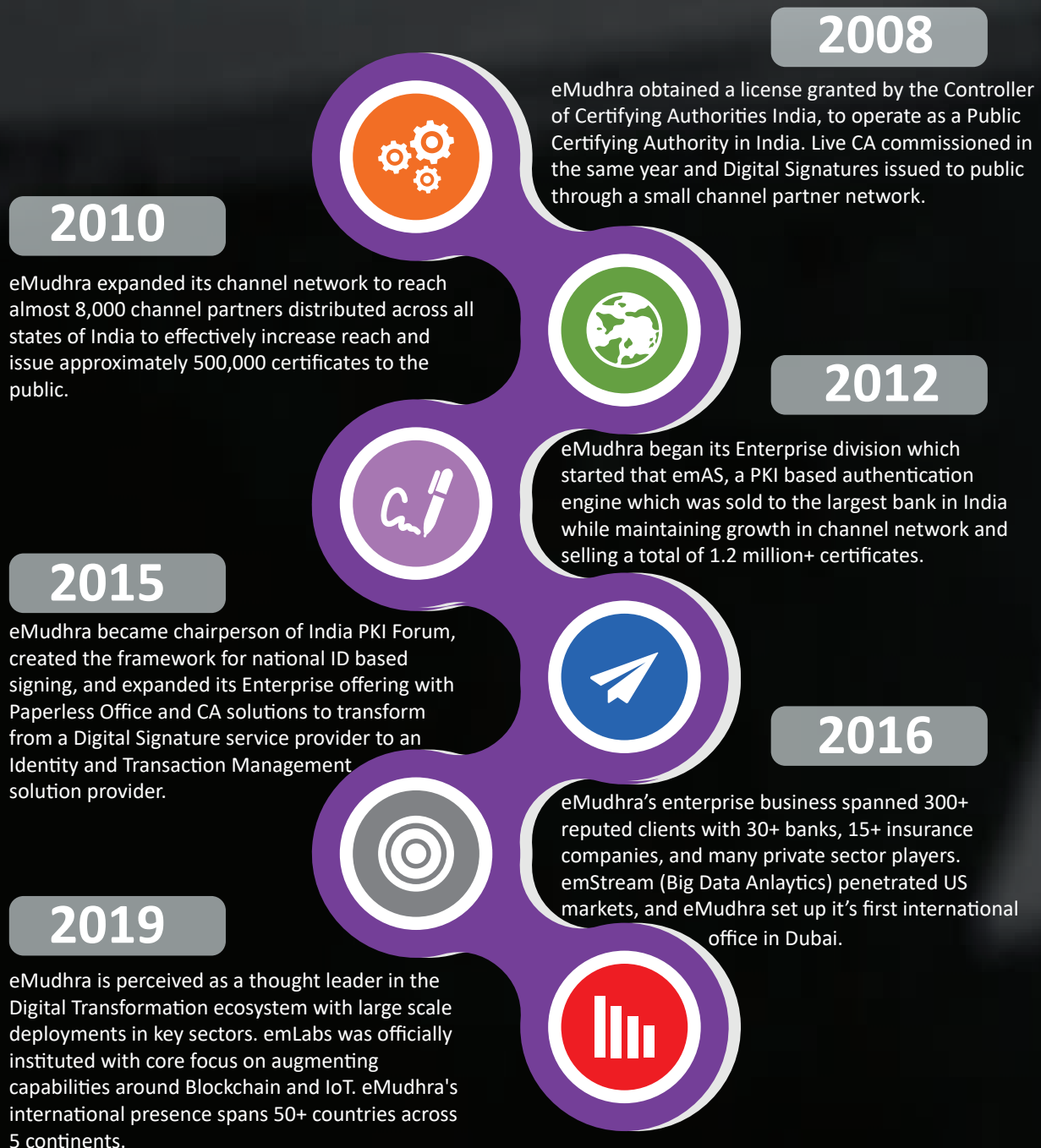


eMudhra Receives **'Software Innovation Solution of the Year Award 2019'** at the 4th Indian ISV awards



eMudhra identified as **'20 Most Promising Tech Solution Providers for Government & Public Sector-2019'** by CIO Review India

# A Decade Worth of Experience



# Vision

To continually be at the forefront of identity governance and data security and effect significant change on society through secure digital transformation

## 50

Million  
Digital Signature  
Consumers

## 950

Channel  
Partners

## 50

Countries

# Mission

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

## 53

Thousand  
Retail  
Partners

## 10

Million Users  
Authenticated

## 600

Employees



# eMudhra's Cloud Reseller Program

- Unique Value Proposition
- Flexible Business Models
- Operational Efficiency

eMudhra's Cloud Reseller Program (CRP), which was launched recently, is designed to help partners and Trust Service Providers to offer a portfolio of trust services and digital solutions without the large capital expenses associated with building and maintaining an in-house infrastructure. This simple and intuitive program makes it easy for partners to leverage our global brand to help uncover new opportunities and easily resell eMudhra's Trust Services offerings (TLS/Code Sign/sMIME), Signer Services offerings (AATL & other trust anchors), and Paperless application, all in one go, to their customers and prospects. We can help partners become a trusted service/solutions provider to their customers by delivering an extensive depth and breadth of cloud based solutions and expertise that ultimately can lead to repeat business for the partners.

The reseller program gives the partner access to benefits that range from robust support and delivery models, commercial discounts, and most importantly, a unique set of offerings that combine emSigner eSignature application and trust services in a single commercial engagement.





## Key highlights of eMudhra's Cloud Reseller Program



### Lower Investments

*Resellers can consume any product of choice against a single commitment amount. Commitment (reflected as portal credit) is reduced as per the consumption*



### Industry Best Prices and Proven Support

*By combining our experience and expertise, we offer industry's best prices and proven support to always ensure partners and their customers are taken care of*



### Unlimited Flexibility

*We offer flexible services that can accommodate white labeled or locally hosted offerings, trust anchors, etc. to meet bespoke regulatory or business requirements*

## Testimonial

*"eMudhra is a company that puts its channel partners first. By offering affordable, easy to use portfolio of trust services and digital solutions that are married with a comprehensive and competitive channel program, eMudhra is well-positioned to make key inroads in the global market and take us along in the path of success."*

*- Koteswar Marketing Pvt. Ltd, New Delhi, India*

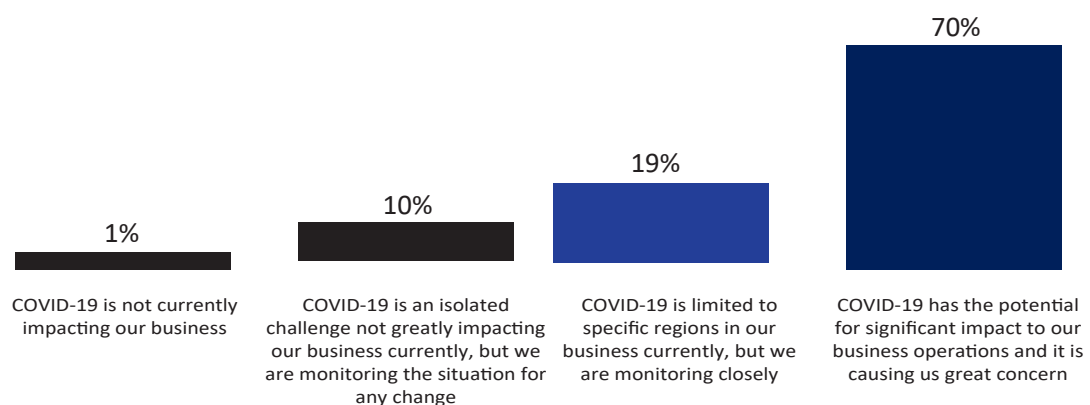


# COVID-19 – A Perennial Shift in Reality for Businesses



The impact of COVID-19 is being felt by businesses across the globe. Leaders across the board are forced to navigate through a broad range of interrelated issues that span from recalibrating operations and keeping their employees as well as customers safe to shoring-up cash and meeting ever-changing customer demands.

## Companies' Current Level of Concern Related to COVID-19

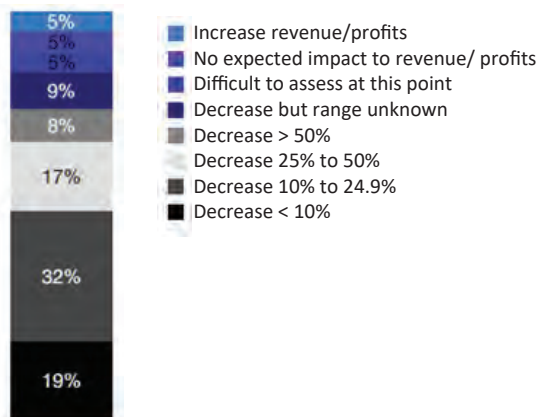


70% of CFOs expect significant impact on business operations as a result of disruption in business continuity due to COVID-19.

Source: PwC COVID-19 CFO Pulse, 20 April 2020

# COVID-19 – A Perennial Shift in Reality for Businesses

## Impact on Revenue



Half of CFOs expect a decrease of up to 25% in revenue as a result of COVID-19.

Source: PwC, COVID-19 CFO Pulse, 1-11 June 2020

## Top Priorities for CFOs in Current Situation

**60%**

- of CFOs cite automation and remote working to be among their top-three actions

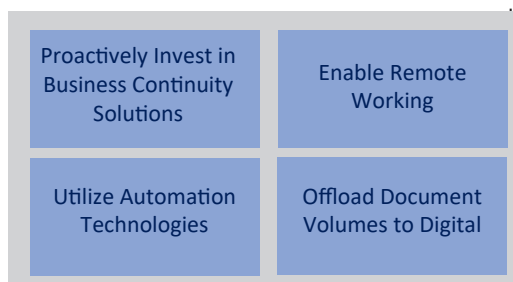
**56%**

- CFOs operating in financial services rate remote working as one of their top-three actions

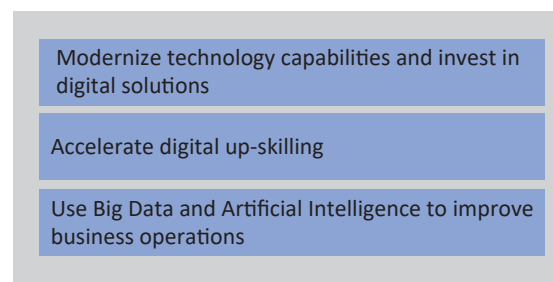
Source: PwC, COVID-19 CFO Pulse, 4 May 2020

## Actions to Address Challenges during the COVID-19 Crisis

Short-term actions



Long-term actions



## The 'eMudhra' Solution

Irrespective of whether a company is looking for a solution that enables remote working, promotes automation, facilitates business continuity, drives digital transformation, or provides intelligence using AI, eMudhra has them covered.

eMudhra provides the entire range of digital solutions that businesses need to not only overcome the current challenges but also be future-ready to face new challenges!

## Solution Portfolio



### Identity Governance Suite

Two Factor Authentication  
 Multi Factor Authentication  
 Single Sign on  
 Identity and Access Management  
 IoT Security  
 Digital ID  
 Adaptive Authentication

### Signer Suite

emSigner Enterprise  
 emSigner Bulk Signer  
 emSigner API  
 emSigner Gateway

### PKI Suite

Cloud PKI  
 Mobile PKI  
 Public/Root PKI Set up  
 Key Provisioning Application  
 Registration Authority Application  
 Validation Authority Application  
 Auto Enrollment Application  
 Managed PKI  
 Host to Host Encryption

### emStream for Unified Data Analytics

Fraud Detection  
 Sentiment Analytics  
 Predictive Analytics

### Trust Services

SSL/TLS Certificates  
 Code Signing Certificates  
 Email Encryption Certificates  
 Document Signing Certificates



## Strategic Focus

### End-to-end Digital Value Chain

One of the biggest value propositions of eMudhra is the comprehensive range of digital enablement solutions that we offer. From PKI to Signing Application to Identity Solution to Trust Services, eMudhra offers the entire value chain in the Identity and Digital Trust domain. Leveraging this unique value chain, we will be focusing on serving those organizations that are actively looking at vendor rationalization to limit operational costs and hassles, while bringing in pricing efficiency to the IT applications that they consume, for this year and beyond.

### Bundled Cloud Enablement

With an aim to help partners and Trust Service Providers leapfrog the competition and start succeeding commercially — with less operational and technological hassle — we have launched the Cloud Reseller Program (CRP) recently. For this year, we are working on making this program more comprehensive, by providing opportunities for businesses to resell eMudhra's extensive range of offerings, which includes Trust Services offerings (TLS/Codesign/sMIME), Signer Services Offerings (AATL & other trust anchors), and Paperless Application, all in one go, under a single and easy commercial value proposition.



### Continued Product Enhancement

As our software products mature in the market, we understand that the need for further continuous innovation becomes imminent. Keeping pace with this requirement, our entire suite of offerings have undergone significant enhancements to keep them current and to some extent, even future proof. In the near future, we strive to keep our entire product line nimble to maintain and improve their competitive edge, while ensuring flexibility.

### Aggressive Global Expansion

In line with our aggressive global expansion, one of our key areas of focus would be organizational reorganization aimed at supporting the next stage of growth. With an extensive base of resources, office and partners spread across geographies, our global processes will be more specific, more defined, and supported by a larger employee base.



Mr. V. Srinivasan  
Chairman, eMudhra

Mr. V Srinivasan, Chairman, eMudhra has been elected as a Board Member of the Cloud Signature Consortium (CSC). Under his able leadership and guidance, eMudhra becomes the first Indian company to hold this prestigious position.

eMudhra is one among the 11 member companies in the consortium and our presence marks a validation of more than a decade-long work in the digital signature space. The consortium is constantly working on bringing in new open standards for remote or cloud-based digital signatures and this has given us a renewed push to make our solutions interoperable and suitable for seamless adoption across global markets. Mr. Srinivasan also holds the Chairmanship for the Asia PKI Consortium and India PKI Forum.

## Global Presence

### Middle East

Bahrain | Jordan |  
Kuwait | Qatar |  
Saudi Arabia |  
United Arab Emirates |  
Turkey | Oman

### Africa

Egypt | Ethiopia |  
Ghana | Kenya |  
Morocco | Rwanda |  
South Africa | Tanzania |  
Tunisia | Uganda |  
Cameroon | Senegal |  
Mauritius

### APAC

Bangladesh |  
Brunei Darussalam |  
Hong Kong | India |  
Indonesia | Korea |  
Malaysia | Philippines |  
Singapore | Sri Lanka |  
Thailand | Vietnam |  
Cambodia | Nepal

### Americas

Colombia |  
United States of America (USA) |  
Costa Rica | Peru

### Europe

Netherlands | UK |  
Hungary | Romania |  
Estonia | Greece |  
Iceland | Latvia |  
Liechtenstein |  
Germany | Poland



• eMudhra • Partner

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## Global Partners

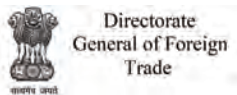


And many others

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



## Global Clients



And many others

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# Key Associations

In a cloud-driven market with regional players, partnerships and associations form a key element to successful growth strategies. At eMudhra, we believe that the right associations can add tremendous value in enhancing our offerings and reach globally. To this end, below are some of the organizations with which eMudhra is associated either on a technical, business, or leadership front.

## Technology Associations



## Business Associations



## Membership Associations



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# Market Speaks

In the last few years, eMudhra has grown to become a true global player delivering solutions targeting niche areas such as Paperless Office, Identity and Access Management, Public Key Infrastructure, Trust Services, and Predictive Analytics. Through an extensive network of strategic partners, dedicated resources and offices across the globe, we are presently serving companies operating across industries in 50+ countries. This includes companies in the Middle East, Asia Pacific, Africa, USA, India, Europe and Latin America. We are also very fortunate to have formed excellent partnerships with many of these companies. The below testimonials are a true reflection of this relationship.

“

***"Electronic Signature Solution For True Paperless And GO Digital Documents For Business"***

The engagement experience with the functional, technical and commercial team members involved from the initial review till the final implementation has been successful. The active involvement of the top management from eMudhra has been exceptional and they were on top of every critical milestone to ensure that the project is delivered on time with agreed scope of work.

- IT Director, Information Technology Department  
 Dar Al Arkan Real Estate Development

”

“

In Indonesia, as part of digital transformation for our group businesses and also for our potential clients using the latest technologies for digital signature, with eMudhra expertise, experiences and capabilities in Public-Key Infrastructure space have helped POSFIN to expedite acquiring these technologies and empowering our staff to become competitive in our industry in this country. We are happy with the continued support from eMudhra and a strong partnership has opened up more business opportunities, strengthening our technology capacities with global exposure in leading us to become trusted service providers in our country.

- PT POS Finansial, a Group of POS Indonesia

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“

We are sure that the partnership with eMudhra will not only enhance our leadership in Peru, but it will also allow the expansion of digital security services nationwide and throughout the region."

- Carlos Dextre, Manager Director, Soft & Net Solutions

”

“

We selected eMudhra based on their extensive expertise and quality products. The deployment experience solidified our decision in that we were able to quickly adapt our PDF-based process to directly integrate with the emSigner application. Their application works even better than advertised and performs very well in a high transaction environment. Their exemplary staff made our deployment an experience that exceeded our expectations. eMudhra quality products and excellent staff are to be commended and I fully endorse them.

- Larry Galaviz – CEO of Sorvive Technologies, USA

”

“

eMudhra's vision has been instrumental in enabling our customers to adopt sophisticated Identity Management, Paperless Office, and PKI solutions, which are significantly empowering organizations in today's world. Whether it involves understanding customer's requirements or mapping a solution, eMudhra always keeps a fine balance of technological synergy and customer-centricity in offering a stellar experience to us and our customers.

– Mohammed Azizullah Imran,  
 Sr. Manager – Enterprise Business Solutions, Raqmiyat

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# Client Case Features

## Telefonica Peru



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Telefonica is one of the largest telecommunications service providers in the world. The company offers fixed and mobile connectivity as well as a wide range of digital services for residential and business customers. With 344 million customers, Telefonica operates in Europe and Latin America and is one of the 50 largest companies in the world by market capitalization and one of the 100 biggest in terms of revenue.

Telefonica wanted to enhance its operations and chose eMudhra for Provisioning 30,000+ Digital Certificates in Peru as part of their trust requirements. eMudhra's digital trust services are now playing a vital role in managing Telefonica's certificates and keys that are critical to the deployment and maintenance of business applications supporting their heavy transaction environment.

Telefonica is now able to carrying out secure electronic transactions in Peru, while meeting local regulatory compliance requirements. This is an example of our strength in providing validation processes and nurturing an ecosystem that facilitates quick turnaround times and trusted operations.



## Mercedes Benz



### Mercedes-Benz

Mercedes-Benz, the German automotive leader and a subsidiary of Daimler AG, manufactures and promotes its luxury vehicles and commercial vehicles across the globe. Mercedes-Benz holds the 17th position in the list of Fortune 500 companies as one of the world's most valuable brands.

Two years earlier, we had helped Mercedes Benz secure their employment letter issuance process to combat employment fraud by leveraging emSigner's secure digital signing capabilities. Presently, Mercedes Benz Global Management and our team of experts are working together in incorporating extended capabilities of emSigner for enhancing and streamlining the movement of dealer/ distributor documents for their finance departments in Europe owing to the success achieved in previous implementations.

This upcoming implementation is an affirmation that we embrace the concept of constant innovation to provide our clients with the best of our solutions and services.





## POS Indonesia



Pos Finansial Indonesia commonly known as POSFIN, started its business as an IT solution and managed service company. Following the disruptive era of technology, POSFIN envisioned that it should adjust itself persistently to the need for efficacy, accessibility, and rapidity. Realizing this urge, POSFIN is now expanding itself into the financial technology industry and enhancing the current payment system in the country.

In 2019, eMudhra formed a strategic partnership with the state-owned postal operator in Indonesia in aiding and abetting the creation of a Certifying Authority (CA), along with providing the required product stack and consultancy services for obtaining the license as required by the Government of Indonesia. Since then, we have been working with POSFIN in fulfilling its goal of achieving financial inclusion across Indonesia, including small businesses in rural areas.

POSFIN brought in Digital transformation through the use of digital signatures in Indonesia with a vision to accelerate their entry into new businesses. This partnership will soon be beneficial for millions of users in Indonesia and will be a key factor in promoting inclusive economic growth in the region.



## First Abu Dhabi Bank



First Abu Dhabi Bank PJSC (FAB), formerly National Bank of Abu Dhabi PJSC, is a United Arab Emirates-based public joint-stock company. It is also the 2nd largest bank in the Middle East and operates in 14 major cities across the world.

FAB wanted to be the first to implement electronic signatures to drive paperless banking in the UAE in compliance with the Electronic Transactions Act and to fulfill UAE Paperless Vision 2020 to generate digital signatures for banks and external users (citizens/residents of UAE). FAB authorities immediately grabbed this opportunity to automate several paper-based processes. Using emSigner, bank employees were able to easily store and retrieve records that were on the cloud and in parallel.

FAB was also able to achieve observable improvements in streamlining vendor workflows concerning invoice and claim settlement and were able to enable a digital way of interacting with customers during COVID and improve their experience. They were also able to drive operational efficiency and reduce turnaround time for processing documents by 80%.

## Quality Accreditations

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



**CMMI DEV / 5<sup>SM</sup>**  
Exp. 2022-12-03 / Appraisal #4884

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



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



eMudhra currently operates under the Indian CCA Root of Trust in issuing end user certificates, whether SSL or Digital Signature certificates. However, to expand this offering to global markets, it is a requirement to be trusted by Global Trust Stores for which, compliance with webtrust standards is a mandatory requirement. eMudhra is WebTrust Accredited.



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



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



## Employees Speak



Amit Panchal

I must say it has been an amazing experience being part of the eMudhra's team. Working over here has helped me in exploring new opportunities, working on new thoughts and ideas with extended support from management. Constant innovation is deeply embedded in our culture and this has helped eMudhra achieve success in providing cutting edge AI solutions and Digital transformation.



Nik Khairul  
Raja Abdullah

I have been entrusted by eMudhra Management Team to build up eMudhra presence in ASEAN markets mainly for Malaysia, Indonesia and Singapore countries. I'm grateful to get continuous support and trust from eMudhra HQ for assisting me in reaching out to customers in this region. I have learned a lot from eMudhra from our latest technologies and global processes. We have great and dedicated team members who carry out their job functions professionally.



Ali Toure

At eMudhra the company culture is very entrepreneurial and emphasizes investments in customer success. The organization structure is flat which allows for things to get done quickly. I also especially appreciate the engineering focus on security and Artificial Intelligence. This will allow us to be relevant in the market for many years to come.



Jose Ruiz Oses

eMudhra has offered me great opportunities to bring my concepts and ideas through an environment that really emphasizes on team work. We have room to make our own decisions, while each and every one of us is not only encouraged to improve our performance but also assist our co-workers to deliver better results too.



Vanaja P

eMudhra stands a special place in my heart professionally and personally. eMudhra has been providing its employees with a nurturing environment while helping them succeed professionally. eMudhra has a transparent culture and everything here is organized. Employee oriented policies, work culture, rewards and recognition are an added advantage at eMudhra. I feel gratified and glad to be associated with eMudhra and looking forward to working here on a long tenure.

## CSR Trust Areas at eMudhra



The following CSR trust areas of eMudhra are aimed at resolving specific social and community issues and enable the beneficiaries of these programs to secure a better tomorrow.

### Skill Development Programs through Workshops

A skill development program designed, developed and delivered to the underprivileged yet willing youth in the Bangalore Urban community to enhance their technical skills at a base level and be trained on specific cyber security and analytics skill sets to give them a taste of self-empowerment.

### Public Awareness Programs

An awareness program covering areas of health and hygiene with main focus on neighboring and local communities.

### Training Center Program

An exclusive training center designed to impart higher education programs that supplement our skill development initiative to the underprivileged.

These CSR initiatives reinforce our commitment towards building a community-conscious, socially-responsible and value-based organization. We want to ensure that our CSR initiatives make a meaningful difference and give an opportunity to those in our community who deserve it the most.



## In the News



eMudhra launches version 3.0 of eSign Services



PKI's Role In Forging Digital Trust



eMudhra enables paperless transformation for state governments, Biju Varghese: SVP, Enterprise Solutions, SAARC & APAC, eMudhra



eMudhra Signs Contract With Pos Financial Indonesia (POSFIN) for Deploying CA Infrastructure



Indian IT Company eMudhra Limited Opens European Headquarters in The Hague



Executive Insights: The Drivers and Pillars of Digital Transformation



Consumer trust and online business powered by SSL



IT Perspective for Decision Makers

eMudhra To Issue Digital Signature Certificates To 40k Users



India's most comprehensive pharma portal

Healthcare organizations witness escalation of risks in cybersecurity: Arvind Srinivasan



eMudhra and GMO GlobalSign Sign Memorandum of Understanding for International Mutual Recognition



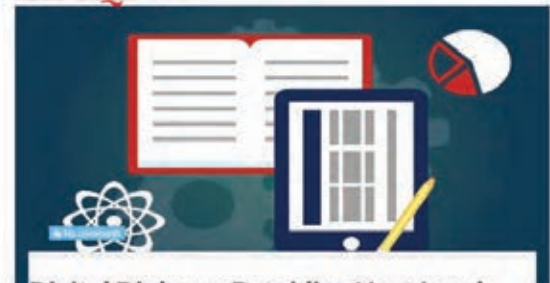
CHALLENGES IN ANALYTICS SECTOR: THE INDUSTRY PERSPECTIVE



"eMudhra Enjoys More Than 45% Market Share In India Currently"



How going digital is much beyond saving paper



Digital Diploma: Providing Next Level Security and Convenience

And many more

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## Company Details

### Board of Directors

Mr. V. Srinivasan, Chairman

Dr. Nandlal L. Sarda, Independent Director

Mr. Manoj Kunkalienkar, Independent Director

Mr. Venu Madhava, Whole Time Director

### Bankers

Kotak Mahindra Bank (Principal Banker)

Canara Bank Ltd.

HDFC Bank Ltd.

ICICI Bank Ltd.

IDBI Bank Ltd.

Karur Vysya Bank Ltd.

### Auditor

Manohar Chowdhry & Associates Chartered Accountants

### Internal Auditor

Suri & Co. Chartered Accountants

### WebTrust Auditor

BDO

## Company Details

### Legal Advisors

Shardul Amarchand Mangaldas & Co Advocates & Solicitors

### Executive Management



**Mr. V. Srinivasan,**  
*Chairman*



**Mr. Arvind Srinivasan,**  
*Head - Strategic Initiatives & Global Markets*



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



**Mr. Biju Varghese,**  
*Head - Enterprise Sales*



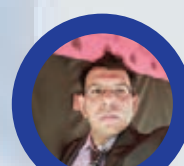
**Mr. Janarthanan S,**  
*Head - Customer Success*



**Mr. Johnson Xavier,**  
*Company Secretary*



**Mr. Kaushik Srinivasan,**  
*Head - Strategy & Global Solutions Delivery*



**Mr. AM Kiran,**  
*Head - Operations*



**Mr. Saji K Louiz,**  
*Chief Financial Officer*



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



**Mr. Vijay Kumar,**  
*Head - Technology*

### Corporate Office

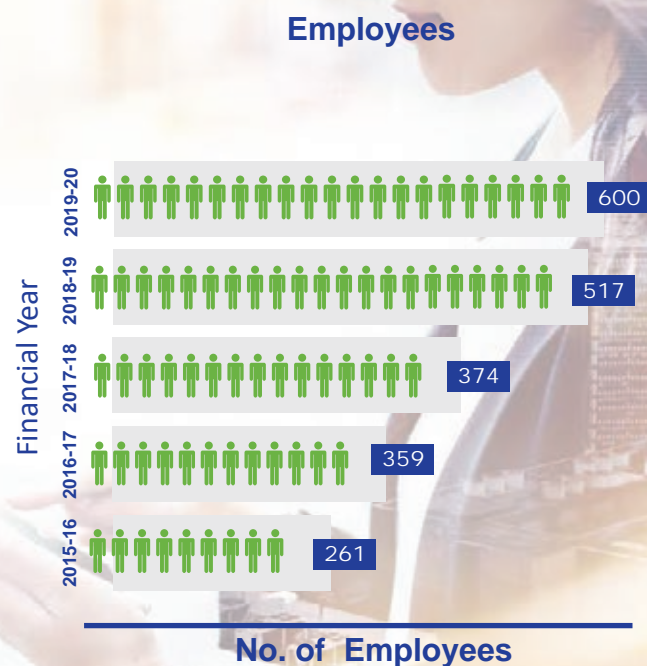
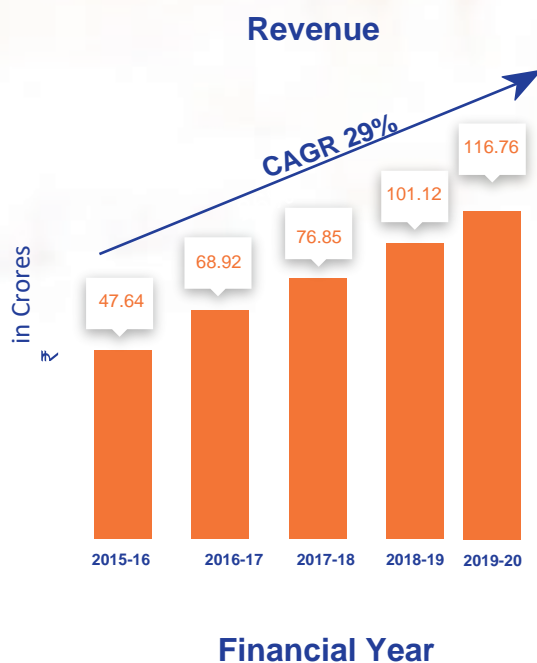
eMudhra Limited  
3rd Floor, Sai Arcade  
56 Outer Ring Road, Deverabeesanahalli,  
Bangalore - 560 103, India  
Tel: +91 80 4615 6902  
Fax: +91 80 4227 5306

## Financial Summary

### Revenue Consolidated

Particulars	March 31, 2016	March 31, 2017	March 31, 2018	March 31, 2019	March 31, 2020
Total Revenue	47.64	68.92	76.85	101.12	116.76
Profit before Exceptional Items & Tax	6.86	13.57	15.76	23.00	25.24
Exceptional Items (Refer Note 37 in Accounts)	-	-	6.46	1.90	-
Profit before Tax	6.86	13.57	9.30	21.10	25.24
Profit after Tax	5.32	9.54	7.67	16.30	20.06

### Revenue & Employee Growth





## Director's Report

To,  
The Members,  
eMudhra Limited

Your directors take pleasure in presenting the 12th Annual Report on the business and operations of the company and the accounts for the financial year ended March 31, 2020.

### 1. Financial Summary:

#### a) Standalone Financial Summary

*All amounts are in INR unless otherwise specified*

Particulars	Standalone	
	For the year ended March 31,	
Financial Performance	2020	2019
Income	1,03,38,24,395	90,11,95,860
Profit before interest and depreciation	22,51,48,144	21,00,89,580
Profit before tax	15,69,60,286	14,03,45,758
Provision for taxes	3,91,90,208.49	3,94,56,909
Profit after tax	11,77,70,078	10,08,88,849
Dividend paid	60,08,008	58,33,573
Profit after tax and appropriation	11,17,62,070	9,50,55,276
Earnings per share (par value of Rs.5 per share): Basic and diluted	1.68	1.17

## b) Consolidated Financial Summary

All amounts are in INR unless otherwise specified

Particulars	Consolidated	
	For the year ended March 31,	
Financial Performance	2020	2019
Income	116,75,87,219	101,12,20,996
Profit before interest and depreciation	34,15,33,774	29,67,96,188
Profit before tax	25,24,37,914	21,09,88,916
Provision for taxes	4,58,46,206	4,21,21,876
Profit after tax	20,65,91,707	16,88,67,040
Dividend paid	60,08,008	58,33,573
Profit after tax and appropriation.	20,05,83,699	16,30,33,467
Profit(loss) for the year- Minority interest	2,85,37,684	-
Profit(loss) for the year- attributable to eMudhra Limited	17,20,46,016	16,30,33,467
Earnings per share (par value of Rs.5 per share): Basic and diluted	2.94	2.41

## 2. Consolidated Financial Statements

The company has 6 subsidiaries as on March 31, 2020, out of which 2 are Indian subsidiaries and the rest are foreign subsidiaries.

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

During the year, the company has acquired 51% stake in 3 foreign companies, viz eMudhra DMCC, UAE, eMudhra PTE LTD, Singapore and eMudhra INC, USA and had divested 24% and 49% stake in eMudhra Consumer Services Limited and eMudhra Technologies Limited respectively.

In terms of section 136 of the Companies Act, 2013, the company has not attached the financial statements of the subsidiary companies. However, the financial information about the Indian subsidiary companies have been duly audited by the respective qualified auditors. However, for foreign subsidiaries the unaudited financial information has been taken onto accounts. The consolidated financial statements presented by the company, which form part of this annual report are also based on the financial statements of its subsidiary companies.

### 3. Dividend

Your directors recommend a dividend of Rs. 48,30,000 on Class A preference shares for the period ended March 31, 2020.

### 4. Transfer of Unclaimed Dividend to Investor Education And Protection Fund

The company has paid all the dividends declared by the company to the beneficiaries within 30 days and there is no unpaid dividend.

### 5. Review of Business Operations

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

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

#### Our Solutions:

Our Identification and Authentication Management Solution, emAS IAM, continue to penetrate well in the market. We had several new sales and installation of emAS IAM in the Indian market. Several new features such as adaptive authentication, password-less authentication, Desktop Single Sign On, etc. have been added to this product. Now this product has been repositioned as Analytics Driven Identity and Access Management.

emSigner, our document signing and workflow solution, has become our flagship product both in the domestic and international markets. It has started good penetration in Middle East, South and North American markets. In several instances this product has been selected against other global market leaders. During the year integration of this product with several world leading products such as SAP, Salesforce, SAGE, etc. have been further strengthened. Further several new features for OCR, Data Extraction, Bulk Signing, DevOps, and other quick remote implementation methodologies have been developed. This product is being positioned as AI Enabled Document Processing Automation.

Our Core CA solution, emCA, has been successfully implemented in large installations such as IDRBT in India, Baud Telecom Company in Saudi Arabia and is being implemented in Indonesian Postal Service (POS) among several others on an on-premise model. Using this product, we have also started offering PKI in a cloud and we see good demand for PKI in a cloud model. Several improvements in features have been brought into this product such as Certificate Lifecycle Automation and support for various protocols.

On the Big Data side, a lot of improvements have been done to our emStream solution, such as comprehensive Data Pipelining and Data Lake and visualisation capabilities. During the year one major emStream implementation was in a defence establishment and there are several new prospects for emStream, particularly in the Indian market. Positioning of emStream has been broadened as a Low Code AI Platform with Data Ingestion, Transformation, Discovery and Visualisation capabilities.



Apart from offering these solutions, during the year we have done several improvements in our eSign services and started offering emSign (global signing and timestamping service) to global markets.

### **International Positioning:**

The company's International positioning has improved considerably during the year. During the year about 15% of consolidated revenue was achieved from international operations. In several countries in the Middle East, Far East and South America, the company has been able to get large system integrators as partners who bring significant leads. These partnerships with limited direct presence is likely to yield good results in the coming years.

### **Global Root Accreditation:**

We had earlier indicated that the company has completed the procedures for listing its roots (under brand name emSign) in the trust stores with leading browsers such as Microsoft, Adobe, Google, etc. The company has also got the WebTrust seal and its roots have been listed on Microsoft, Adobe and Mozilla Firefox. The listing with Google, Android and Apple are still in progress and likely to be done by 2020 end.

### **Membership of Global Fora:**

The company has been admitted as a member of the CA/Browser forum and Executive Committee member of the European Cloud Signature Consortium. It is worth noting here that eMudhra is the only Indian company admitted in such global fora relating to the PKI industry. Our chairman has been elected as Chairman of Asia PKI Consortium consisting of 10 member countries in Asia. He continues to be the Chairman of India PKI Forum, and recently he has been elected as a Board member of the European Cloud Signature Consortium.

### **eMudhra Campuses:**

#### **1) Devenahalli Digital Signature Campus, Bangalore**

The construction of this campus was in full swing until mid March 2020. However due to the COVID 19 pandemic, the pace of construction has been affected. With the lockdown imposed, work had to be stopped from March 22nd 2020. Since then, over the next two months the construction labourers who were migrant workers have left the site and other supplies are also affected. The impact of the same on construction activities is yet to be analysed in detail. With all these unfortunate circumstances, we could expect a delay of about 12 months in completing the construction as against the previous plan of March 2021.

#### **2) COT SEZ Campus, Salem**

Though we got all the approvals and started the construction activity, we wanted to prioritise Devanahalli project which was going on full swing and take up this as a serious effort from March 2020. As this is a small project we felt it could be completed within 6 months and could be launched by September 2020. Due to the situation arising out of COVID 19 Pandemic, we need to re-evaluate the cost benefits and also the feasibility of going ahead with the project. Hence this project is also likely to be delayed to March 2021. However, to start the SEZ operation, we have taken a rented premise in this SEZ region measuring 3000 square feet (approximately) to provide technological assistance to our foreign operations.

## Digital Signature Certificates and Crypto Token

On a standalone basis, the digital signature business is showing maturity and sales has grown to Rs. 56,41,65,854 as against Rs. 47,38,64,961 from the last financial year, reflecting a 19% growth year on year. However, our crypto token business was down by 6% from Rs. 17,86,22,555 to Rs. 16,82,98,434 during the financial year ended March 2020. The reduction in crypto token sales were mainly due to disruption of supply of crypto tokens from China due to COVID-19 during the last quarter of the reporting period.

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

On a standalone basis, revenue from our solutions business has gone up by 22% to Rs.29,29,61,022 from Rs. 23,90,43,365 in financial year 2020. On a consolidated basis, the solution business has grown by 20% to Rs. 42,84,31,774 from Rs. 35,88,43,284. During this year, we have received our first major order from APAC region amounting to Rs. 8,25,00,000.

## Other Services

Apart from the core business lines, the company provides services towards PAN and has been also providing online tax filling services for many years. These are non-core areas without much potential (as Government provides these services free of charge). The revenue from these activities are continuously dropping and in the reporting period the revenue fell by 67% to Rs. 49,35,512 compared to Rs. 1,48,98,914 in the previous year.

## General:

The revenue from operation of the company on standalone basis for the year ended 31st March 2020 was Rs.103,03,75,794 showing an overall increase of 14% as compared to previous year's revenue of Rs. 90,03,33,118. But for the revenue decline which started happening from early March 2020 due to COVID 19, the company could have achieved much better increase in revenues during the year.

The EBITDA has grown by 7% from Rs. 21,00,89,581 to Rs. 22,51,48,144 during the reporting period.

The profit before tax and appropriations for the year under review is Rs.15,69,60,286 as compared to a profit of Rs. 14,03,45,759 during the previous year, showing an increase of 12% as compared to previous year.

The Profit after tax and before appropriations in the Financial Statement for the year is Rs. 11,77,70,078 as compared to a profit of Rs. 10,08,88,850 during the previous Financial Year. Further, company has made payment of dividend on preference shares of Rs. 60,08,008 including the divided distribution tax of Rs. 11,78,009.

The basic and diluted earnings per share on a standalone basis increased from Rs. 1.17 per equity share with a face value of Rs. 5 per share to Rs. 1.68 per share, showing an increase of 44%.

**The consolidated income** of the company for the reporting period is Rs. 116,42,36,682 as against Rs. 101,02,65,537 in FY 2017 showing growth of 15% in consolidated turnover. This was without including the turnover of Rs. 261,63,285 generated in the subsidiary companies during the pre-acquisition period.

The consolidated EBITDA for the year under review is Rs.34,15,33,773 as compared to Rs.29,67,96,188 during the previous year showing a growth of 15% as compared to previous year.

The Profit before tax and before appropriations in the Consolidated Financial Statement for the year is Rs. 25,24,37,914 as compared to a profit of Rs.21,09,88,916 during the previous financial year, showing a growth of 19%.

The Profit after tax and before appropriations in the Consolidated Financial Statement for the year is Rs. 20,65,68,707 as compared to a profit of Rs.16,88,67,040 during the previous financial year, showing a growth of 22%.

The basic and diluted earnings per share on a consolidated basis increased to Rs. 2.94 per equity share with a face value of Rs. 5 per share from Rs. 2.41 per share in the last financial year.

### **COVID 19 Pandemic**

The World Health Organisation (WHO) declared a global pandemic of the novel Coronavirus disease (COVID-19) on February 11, 2020. Pursuant to this the Government of India started the country wide lockdown from March 22, 2020. In anticipation of a lockdown, Work from Home was enabled for all the employees from Mid March. Keeping in mind the employee safety, company announced 100% Work from Home from March 18th. Since then our offices have been operating only with critical Data Center staff (about 5 to 10 personnel) and the rest are all working from home. To effectively respond to and manage our critical operations, we have conducted business continuity plan meetings chaired by our Chairman. Policy changes related to working from home and IT infrastructure support were rolled out swiftly to help our employees shift to this new work paradigm. Further, our solutions business have been completely re-engineered and employees were trained to implement our various solutions remotely.

With the introduction of the first lockdown, while business almost came to a halt in the last 10 days of March 2020, over the next two months it gradually picked up and has come to near normal levels in recent weeks after lock down 5 which came with several relaxations. Our employees are still working from home 100% and are able to cope up with deliveries to customers. During lockdown, several deliveries to domestic and international customers have been done by Working from Home.

The revenues came down almost 90% during the last 10 days of March 2020, by 50 - 60% in April 2020 and 40% in May 2020. The company had to resort to several cost saving measures such as employee and salary rationalisation and cutting office space and saving other administrative expenses. With this, the Directors believe that the worst is over and the company will be able to come to full normalcy and return to growth path within the next 2 to 3 months.

On the positive side, COVID 19 has also created a need for Digital Transformation to ensure Business Continuity and Work from Home for large organisations. This has resulted in a huge lead pipeline for company's products from Domestic and International markets.

The company will prepare a phased and safe return to work plan during the next 2 to 3 months based on the prevailing circumstances. However, this is not likely to affect delivery of our products and services to customers.



## 6. Material Changes and Commitment if Any Affecting the Financial Position of the Company Occurred Between the End of the Financial Year to which these Financial Statements Relate and the Date of the Report

As indicated earlier, during April and May 2020, the business has been significantly affected by COVID 19 Pandemic and consequential lockdowns imposed by The Government. Though as on the date of this report, the situation appears to have improved, however, COVID 19 still appears to be increasing in India, and its effect is unknown. Hence uncertainty arising out of COVID 19 is expected to continue for some more time. However as there is no cash burn in the company even at lower levels of operations, the directors believe that we will be able to come out successfully from the COVID 19 situation.

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

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

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

Foreign Exchange	2019-2020	2018-2019
Earnings	3,92,66,329	4,32,64,176
Outgo	1,22,34,096	10,30,69,526

## 8. Corporate Social Responsibility (CSR) Initiatives

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

## 9. Particulars of Loans, Guarantees or Investments

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the Notes to the audited financial statements and the same is disclosed in note no. 15 and note no 16 of audited financial statements.

The company has an outstanding investment of Rs. 21,42,34,125/- in equity shares of various subsidiary companies and also has provided a loan of Rs. 3,06,84,003/- to the Employees Stock Options Trust.

## **10. Board of Directors**

### **10.1 Composition**

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

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

Mr. Manoj Kunkalienkar, Independent Director has given his consent for his reappointment as Independent Director, for the second term of 5 years, from 1st April 2020 to 31st March 2025. The Board recommends his reappointment as Independent Director subject to the approval of members in the ensuing Annual General Meeting.

### **10.2 Number of Board Meetings conducted during the year under review**

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

## **11. Internal Complaints Committee**

The Company has constituted an Internal Committee (IC) to consider and resolve all sexual harassment complaints reported by women. The constitution of the IC is as per the Sexual Harassment of women at workplace (Prevention Prohibition and Redressal) Act, 2013. There were no cases reported during the financial years 2019-20.

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

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

## **13. Declaration by Independent Directors**

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

#### **14. Evaluation By Board**

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

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

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

#### **15. Annual Return**

In accordance with the Companies Act, 2013, an extract of the annual return in prescribed format is appended as Annexure C to the Board's Report.

#### **16. Secretarial Standards**

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

#### **17. Directors' Responsibility Statement**

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

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

#### **18. Subsidiaries, Joint Ventures and Associate Companies**

During the year, company have made fresh 51% investment in equity shares of three foreign subsidiaries apart from existing 100% foreign subsidiary and thus making the total count of foreign subsidiaries as four. At the same time, the company have divested 49% and 24% investments in two Indian subsidiaries. In addition to this the company do have two associate's companies/firms. The full details of these are provided in note 34 of the audited financial statements.



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

SL.NO	SUBSIDIARY COMPANY	COMPANY PROFILE
1	eMudhra Technologies Limited	<ul style="list-style-type: none"> <li>The company is engaged in providing signing solutions and associated services and other services around PKI technologies.</li> </ul>
2	eMudhra MU Limited	<ul style="list-style-type: none"> <li>The company is a Certifying Authority in Mauritius and is engaged in providing digital signature and other allied services in and around PKI technologies.</li> </ul>
3	eMudhra Consumer Services Limited	<ul style="list-style-type: none"> <li>The company is engaged in providing various software products, IT and IT enabled products, etc. The company's product, emSigner, [paperless office solution] is attaining major traction across the globe.</li> </ul>
4	eMudhra DMCC	<ul style="list-style-type: none"> <li>The company is a marketing company for eMudhra products and allied services in Middle East Africa [MEA] region.</li> </ul>
5	eMudhra INC	<ul style="list-style-type: none"> <li>The company is a marketing company for eMudhra products and allied services in Americas region.</li> </ul>
6	eMudhra PTE Ltd	<ul style="list-style-type: none"> <li>The company is a marketing company for eMudhra products and allied services in Asia-Pacific [APAC] region.</li> </ul>

## 19. Related Party Transactions

The Board of directors have approved related party transactions, all of them are under arm's length basis. The summary of related party transactions is also provided in Note no.34 of the audited financial statements.

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

## 20. Deposits

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

## 21. Auditors

### i. Statutory Auditor

M/s Manohar Chowdhry and Associates were appointed by the shareholders at the Eleventh AGM (AGM 2019), as Statutory Auditors of the Company for the second term of five consecutive years to hold office until the conclusion of the Sixteenth AGM (AGM 2025). The requirement for the annual ratification of auditors' appointment has been omitted pursuant to Companies (Amendment) Act, 2017 notified on May 07, 2018 and that they are free from any disqualification specified in Section 141 of the Companies Act, 2013 and the rules made thereunder.

### **Statutory Auditors report:**

The statutory auditors report to the members for the year ended March 31, 2020 does not contain any qualification, reservation, adverse remark or disclaimer. Further auditors have not reported any matter under Section 143 (12) of the Act and therefore no detail is required to be disclosed under Section 134(3) (a) of the Companies Act, 2013.

### **ii. Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. S P Nagarajan, Company Secretary in practice, to undertake the Secretarial Audit of the Company. The report on the Secretarial Audit carried out for the year 2019-20 is annexed herewith as 'Annexure -B'. The secretarial audit report does not contain any qualification, reservation, adverse remark or disclaimer.

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

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

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

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

### **24. Risk Management policy**

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

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

The purpose of this policy is:

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

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

## 25. Credit ratings

During the year, the company has changed the credit rating agency from Brickworks to ICRA limited bases on the recommendations of our prime lender, Kotak Mahindra Bank Limited. As per the same, the company was awarded long-term rating of [ICRA]BBB (pronounced as ICRA triple B). The outlook on the long-term rating is ‘stable’. The ICRA also assigned short-term rating of [ICRA]A3+(pronounced as ICRA A three plus). These ratings are valid till August 05.2020.

## 26. Disclosure as required under rule 5 (2) and 5 (3) of the companies (appointment and remuneration of managerial personnel) rules, 2014.

- a) During the financial year, the Company has not employed any person with the aggregate remuneration for Rs. 1,02,00,000 / per annum if employed throughout the year or Rs. 8,50,000 per month if employed for part of the year.
- b) During the financial year, the company has employed Mr. Kaushik Srinivasan, who was in receipt of remuneration (Refer note 34(B.3) in audited financials) in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

## 27. Disclosure of Composition of Audit Committee and Providing Vigil Mechanism

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

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

The Board accepted the recommendations of the Audit Committee whenever made by the Committee during the year. The Audit Committee duly met once on May 30, 2019, during the financial year under review and all the members were present in the said meeting.

The Company has established a vigil mechanism to oversee, the genuine concerns, if any expressed by the employees. The Company has also provided adequate safeguards against victimization of employees who express their concerns. The Company has also provided direct access to the chairman on reporting issues concerning the interests of co-employees and the Company.

## 28. Transfer to Reserves

During the year, there is no amount has been transferred to any specific reserves.

## 29. Shares

### a. Buy back of shares

There is no buy back of shares during the reporting period

### b. Sweat equity

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

### c. Bonus shares

No bonus shares were issued during the year under review.

### d. Employment stock option plan

During the year, the company has issued stock options relating to 4,00,000 equity shares at par value through the eMudhra employees' stock option trust and has cancelled 1,50,000 stock options relating to equity shares. No options are exercised during this period and the unissued closing balance at the year end is 14,82,801 stock options on equity shares out of 61,32,801 stock options on equity shares.

## Acknowledgements

The board places on record its appreciation for the continued co-operation and support extended to the company by its customers which enables the Company to make every effort in understanding their unique needs and deliver maximum customer Satisfaction. We place on record our appreciation of the contribution made by the employees at all levels, whose hard work, co-operation and support helped us face all challenges and deliver results.

We acknowledge the support of our vendors, the regulators, the esteemed league of bankers, financial institutions, rating agencies, government agencies, auditors, legal advisors, consultants, business associates and other stakeholders.

## For and on behalf of the Board of Directors

Date: June 10, 2020  
Place: Bangalore

Sd:/- V Srinivasan  
**Director**  
DIN: 00640646

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



## ANNEXURE "A" TO DIRECTOR'S REPORT

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(as per annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014)

#### **1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

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

In line with the above vision, we have engaged two of our employees to handle this entire function by interacting with colleges/universities for sending students for such courses which are being conducted at our Bellandur, Bangalore office. During the year we have conducted two workshops, one on September 21, 2019 with respect to "Digital Security" with 45 students from Surana College, Bangalore. Our second workshop was conducted on January 04, 2020 with respect to "Digital Security-Secure Software Development Life Cycle" with 53 students of the same college. Further, the two employees who are assigned to this activity continuously interact with students on these subject to impart more knowledge to them.

In the current financial year, the company is planning to conduct more such workshops and has already earmarked Rs.21,00,000 which fulfils the statutory requirement of 2% of the average of 3 financial year's net profit, for the CSR activities for the Financial Year 2020-2021.

#### **2. The Composition of CSR Committee**

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

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

#### **3. Average Net Profit / (Loss) of the Company for the Last Three Years**

Rs. 9,24,82,145 [Refer Note 38 to the audited financials for details]

#### **4. Prescribed CSR Expenditure (Two per cent of the amount as in item 3 above)**

Rs. 18,49,643

#### **5. Details of CSR Spent During the Financial Year**

a. Total amount spent for the Financial Year : Rs. 18,89,429

b. Amount unspent, if any : Nil

c. Manner in which the amount spent during the Financial Year is detailed below:

Sl. No.	CSR Project or Activity Identified	Section in which the Project is covered	Projects or Programs (1) Local area or Other (2) Specify the state and district where projects or programs were undertaken	Amount Outlay (budget) project or program wise	Amount Spent on the projects or programs	Cumulative Expenditure up to the reporting period	Amount Spent: Direct or through implementing agency
1	Imparting education for employment by enhancing the vocation skills especially in the information technology area and arranging socio-economic development programs through training and student empowerment programs	Promoting Education	Bangalore, Karnataka	₹18,49,643	₹18,89,429	₹18,89,429	eMudhra Limited

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report

Not Applicable

7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of the CSR Policy, is in compliance with the CSR objectives and Policy of the Company

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

## ANNEXURE-B

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

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

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

Sr. No	Name of the Director	May 30, 2019	July 22, 2019	November 18, 2019	January 29, 2020	AGM Meeting July 22, 2019
1	V.Srinivasan	√	√	√	√	√
2	Dr. Nandlal L. Sarda	√	√	√	√	-
3	Manoj Kunkalienkar	√	√	√	√	-
4	Venu Madhava	√	√	√	√	√

**ANNEXURE-C**  
**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

As on Financial Year ended on 31.03.2020

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

**I. REGISTRATION & OTHER DETAILS:**

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

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of Main Products /Services	NIC Code of the Product/Service	% to Total Turnover of the Company
1	Digital Signature Certificates & Crypto Tokens	62099	55%
2	Enterprise Security Solutions	62099	45%



### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

Sl. No.	Name	Address of the Company	CIN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
1	eMudhra (MU) LTD	10 Frere Felix De Valois Street, Port Louis, 1116-07	-	Subsidiary	100%	Section 2(87)
2	eMudhra Technologies Limited	#56, 3rd Floor, Sai Arcade, Outer Ring Road, Devarabeesanahalli, Bangalore - 560103	U72200KA2012PLC065153	Subsidiary	51%	Section 2(87)
3	eMudhra Consumer Services Limited	#56, 3rd Floor, Sai Arcade, Outer Ring Road, Devarabeesanahalli, Bangalore – 560103	U72900KA2018PLC115186	Subsidiary	76%	Section 2(87)
4	eMudhra DMCC	3006 One Lake Plaza, Cluster T, JLT, Dubai, UAE P.O 32620	-	Subsidiary	51%	Section 2(87)
5	eMudhra INC	97 Cedar Grove Lane, Suite 202 Somerset, NJ 08873	-	Subsidiary	51%	Section 2(87)
6	eMudhra PTE LTD	1 Phillip Street, #03-01Royal One Phillip, Singapore (048692)	-	Subsidiary	51%	Section 2(87)

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

##### Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	-	45687768	45687768	65.10	45687768	0	45687768	65.10	-
b) Others	-	6132801	6132801	8.74	-	6132801	6132801	8.74	-
(2) Foreign									
a) Bodies Corp.		18359123	18359123	26.16	18359123	0	18359123	26.16	-
b) Others		-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter (A)</b>		70179692	70179692	100	64046891	6132801	70179692	100	-
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Trust)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1):-</b>	-	-	-	-	-	-	-	-	-

<b>2. Non-Institutions</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(2):-</b>									
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	70179692	70179692	100	64046891	6132801	70179692	100	-

## B) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / Encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / Encumbered to Total Shares	
1	V Srinivasan	27973964	39.86	-	27973964	39.86	-	-
2	Mythili Srinivasan	2437836	3.47	-	2437836	3.47	-	-
3	Kaushik Srinivasan	1436518	2.05	-	1436518	2.05	-	-
4	Arvind Srinivasan	6636515	9.46	-	6636515	9.46	-	-
5	Lakshmi Kaushik	6201466	8.84	-	6201466	8.84	-	-
6	Aishwarya Arvind	1001469	1.43	-	1001469	1.43	-	-
7	eMudhra Employees Stock Option Trust	6132801	8.74	-	6132801	8.74	-	-
8	Taarav Pte Ltd	18359123	26.16	-	18359123	26.16	-	-

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.					
	At the beginning of the year	-	-	-	-
	Allotment by virtue of amalgamation	-	-	-	-
	At the end of the year	-	-	-	-
		-	-	-	-
2.		-	-	-	-
	At the beginning of the year	-	-	-	-
	Allotment by virtue of amalgamation	-	-	-	-
	At the end of the year	-	-	-	-
		-	-	-	-



**D) Shareholding Pattern of top ten Shareholders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

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

**E) Shareholding of Directors and Key Managerial Personnel:**

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

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	20,06,06,049	4,79,00,000		24,85,06,049
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	20,06,06,049	4,79,00,000		24,85,06,049
<b>Change in Indebtedness during the financial year</b>				
* Addition	10,60,63,579	2,16,00,000		12,76,63,579
* Reduction	1,28,66,054	4,79,00,000		6,07,66,054
<b>Net Change</b>	9,31,97,525	(2,63,00,000)	-	6,68,97,525
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	29,38,03,575	2,16,00,000		31,54,03,575
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	-	-		-
<b>Total (i+ii+iii)</b>	29,38,03,575	2,16,00,000		31,54,03,575

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Venu Madhava		----	---	
1	Gross salary	39,49,758				39,49,758
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	39,49,758	-	-	-	39,49,758
	Ceiling as per the Act	-	-	-	-	-

## B. Remuneration to other directors:

SN.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors		Manoj Kunkalienkar	NL Sharda	
	Fee for attending board committee meetings	-	300,000	3,00,000	6,00,000
	Commission		701,729	701,729	14,03,458
	Others, please specify	-	-	-	
	Total (1)	-	10,01,729	10,01,729	20,03,458
2	Other Non-Executive Directors	-	-	-	
	Fee for attending board committee meetings	-	-	-	
	Commission	-	-	-	
	Others, please specify	-	-	-	
	Total (2)	-	-	-	
	<b>Total (B)=(1+2)</b>	-	10,01,729	10,01,729	20,03,458
	Total Managerial Remuneration	-	-	-	
	Overall Ceiling as per the Act	-	-	-	

## C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	NA	12,96,396	35,45,264	48,41,660
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	-	12,96,396	35,45,264	48,41,660

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

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

For and on behalf of the Board of Directors

Date: June 10, 2020  
Place: Bangalore

Sd:/- V Srinivasan  
**Director**  
DIN: 00640646

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



## ANNEXURE D

### Form AOC-1

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

**Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures**

#### Part "A": Subsidiaries

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

Sl. No.	Particulars	Details					
1.	Name of the Subsidiary	eMudhra Technologies Limited	eMudhra (MU) LTD	eMudhra Consumer Services Limited	eMudhra DMCC	eMudhra INC	eMudhra PTE LTD
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2019 to 31.03.2020	01.04.2019 to 31.03.2020	01.04.2019 to 31.03.2020	01.01.2019 to 31.12.2019	01.04.2019 to 31.03.2020	01.04.2019 to 31.03.2020
3.	Reporting Currency and Exchange rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	INR [Indian Rupee]	MUR [Mauritian Rupee]	INR [Indian Rupee]	AED [Arab Emirates Dirhams]	USD [United States Dollar]	SGD [Singapore Dollar]
4.	Share Capital	2,95,05,520	71,584,770	5,00,00,000	100,000	213,400	250,000
5.	Reserves & Surplus	20,72,987	31,325,672	2,02,23,265	(1,422,105)	(253,591)	118,524
6.	Total Assets	3,96,76,627	103,118,464	8,70,66,479	3,052,912	421039	962,418
7.	Total Liabilities	3,96,76,627	103,118,464	8,70,66,479	3,052,912	421039	962,418
8.	Investments	-	-	-	-	-	-
9.	Turnover	6,67,65,644	19,651,563	7,62,12,171	1,751,833	95,732	1,061,976
10.	Profit Before Taxation	12,90,303	9,710,134	2,42,85,748	47,459	(181,874)	213,821
11.	Provision for Taxation	393,300	-	66,46,698	-	-	-
12.	Profit after Taxation	12,81,003	9,710,134	1,76,39,050	47,459	(181,874)	213,821
13.	Proposed Dividend	-	-	-	-	-	-
14.	% of Shareholding	51%	100%	76%	51%	51%	51%

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

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

## Part “B”: Associates and Joint Ventures

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

### For and on behalf of the Board of Directors

Date: June 10, 2020  
Place: Bangalore

Sd:/- V Srinivasan  
**Director**  
DIN: 00640646

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

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

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

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

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

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

## 2. Details of material contracts or arrangement or transactions at arm's length basis:

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1.	eMudhra Consumer Services Limited	(Sale)/Purchase of Fixed Assets	One time	Rs. (4,48,09,284)	30 <sup>th</sup> May 2019	-
		Expenses incurred on behalf & reimbursed	One time	Rs. 6,09,109		
		Sale of Services	One time	Rs. 50,00,000		
		Purchase of Products	One time	Rs. 2,36,00,000		
		Receiving of Services	One time	Rs. 3,11,55,848		
		Licensing fee	One time	Rs. 1,76,81,750		
		Repayment of Loan	One time	Rs. 4,79,00,000		
2.	eMudhra Technologies Limited	Expenses incurred on behalf & reimbursed	One time	Rs. 3,96,644	30 <sup>th</sup> May 2019	-
		Purchase of products	One time	Rs. 7,31,60,000		
		Receiving of services	One time	Rs. 81,00,000		
3.	Smart Craft Private Limited	Sale of products	One time	Rs. 6,74,800	30 <sup>th</sup> May 2019	-
		Purchase of Products	One time	Rs. 2,16,080		



4.	Bluesky Infotech	Sale of products	One time	Rs. 8,98,80,783	30 <sup>th</sup> May 2019	
		Sale of services	One time	Rs. 7,67,59,684		
		Purchase of Products	One time	Rs. 4,30,700		
		Receiving of services	One time	Rs. 23,13,079		
		Receipt of loan	One time	Rs. 21,60,000		
		Commission paid	One time	Rs. 1,32,29,565		
		Receipt of deposits	One time	Rs. 1,00,000		
5.	eMudhra INC	Investment in Equity	One time	Rs. 83,93,358	30 <sup>th</sup> May 2019	
6.	eMudhra PTE LTD	Investment in Equity	One time	Rs. 65,43,020	30 <sup>th</sup> May 2019	
7.	eMudhra DMCC	Sale of services	One time	Rs. 62,04,028	30 <sup>th</sup> May 2019	
		Investment in Equity Shares	One time	Rs. 10,11,582		

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

Date: June 10, 2020  
Place: Bangalore

Sd:/- V Srinivasan  
**Director**  
DIN: 00640646

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

# Independent Auditor's Report - Consolidated

## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To the Members of eMudhra Limited

Report on the Audit of Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of eMudhra Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding company and its subsidiaries together referred to as "the Group") which comprise the consolidated balance sheet as at March 31, 2020, and the consolidated statement of profit and loss, and the consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements"). We have not audited the financial statements of five subsidiaries of the company (eMudhra MU Limited, eMudhra PTE Ltd, eMudhra DMCC and eMudhra Inc hereinafter referred to as foreign subsidiaries and eMudhra Technologies Limited hereinafter referred to as Indian subsidiary).

In our opinion and to the best of our information and according to the explanations given to us, the afore-said consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs (financial position) of the Company as at March 31, 2020, and its consolidated profit, and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

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

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

The Holding Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures thereto, but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

We have not audited the financial statements of eMudhra MU Limited (hereinafter referred as foreign subsidiary) whose financial statements reflect a total revenue of Rs.381 lakhs in the consolidated revenue. These financial statements are unaudited and have been furnished to us by management and have been certified by the management and our opinion, in so far as it relates to amounts included in respect of subsidiary solely on the management certified financial statements.

We have not audited the financial statements of eMudhra DMCC (hereinafter referred as foreign subsidiary) whose financial statements reflect a total revenue of Rs. 510 lakhs in the consolidated revenue. These financial statements are unaudited and have been furnished to us by management and have been certified by the management and our opinion, in so far as it relates to amounts included in respect of subsidiary solely on the management certified financial statements.

We have not audited the financial statements of eMudhra PTE Ltd (hereinafter referred as foreign subsidiary) whose financial statements reflect a total revenue of Rs. 542 lakhs in the consolidated revenue. These financial statements are unaudited and have been furnished to us by management and have been certified by the management and our opinion, in so far as it relates to amounts included in respect of subsidiary solely on the management certified financial statements.

We have not audited the financial statements of eMudhra INC (hereinafter referred as foreign subsidiary) whose financial statements reflect a total revenue of Rs. 23 lakhs in the consolidated revenue. These financial statements are unaudited and have been furnished to us by management and have been certified by the management and our opinion, in so far as it relates to amounts included in respect of subsidiary solely on the management certified financial statements.

We have not audited the financial statements of eMudhra Technologies Limited (hereinafter referred as Indian subsidiary) whose financial statements reflect a total revenue of Rs. 667 lakhs in the consolidated revenue. However, the financial statements of Indian subsidiary have been audited by other auditor for the year ended 31-03-2020 whose reports have been furnished to us.

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

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



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

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

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

#### Report on Other Legal and Regulatory Requirements

1) As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors of Holding company and reports of statutory auditors of subsidiary companies, none of the directors of the group is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in “Annexure A”.

g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated financial statements disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no.22 to the financial statements.

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Bangalore  
Date: 10th June 2020

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

Sd:-  
Ashok Kumar Doddi  
**Partner**  
Membership No: 217909

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

We have audited the internal financial controls over financial reporting of the eMudhra Limited (hereinafter referred as the “Holding Company”) as at March 31, 2020 , in conjunction with our audit of the consolidated financial statements of the Company Group for the year ended on that date.

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

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

### **Auditor’s Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of Internal Financial Controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial control system over financial reporting of the Company and

## Meaning of Internal Financial Controls over Financial Reporting

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

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

## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

## Opinion

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on "the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

Place: Bangalore  
Date: 10th June 2020

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

Sd:-  
Ashok Kumar Doddi  
**Partner**  
Membership No: 217909



# Consolidated Financials

## eMudhra Limited Consolidated Cash Flow Statement

	(Amount in Rs.)	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>Cash flow from operating activities</b>		
Profit before tax	25,24,37,914	21,09,88,916
<b>Adjustments for :</b>		
Depreciation	8,60,01,541	8,41,96,335
Interest income	(5,11,163)	(8,68,637)
Capital Gain	(28,39,373)	-
Interest expenses	64,44,856	25,66,396
Operating profit before working capital changes	<b>34,15,33,774</b>	<b>29,68,83,009</b>
<b>Changes in working capital:</b>		
(Increase)/decrease in inventories	(1,18,32,652)	5,71,824
(Increase)/decrease in trade receivables	(2,31,26,985)	(15,48,08,413)
(Increase)/decrease in loans and advances	(9,89,19,171)	14,23,334
Increase/ (decrease) in current liabilities	4,39,23,297	5,85,61,862
<b>Cash generated from operations</b>	<b>25,15,78,262</b>	<b>20,26,31,617</b>
Direct taxes paid (net of refunds)	(4,13,68,327)	(4,08,58,143)
<b>Net cash from operating activities</b>	<b>21,02,09,935</b>	<b>16,17,73,474</b>
<b>Cash flow from investing activities</b>		
Purchase of tangible/intangible assets	(23,30,86,182)	(31,30,79,831)
Minority brought on account of consolidation	(59,03,234)	-
Retained earnings brought on account of consolidation	(5,30,18,240)	-
Goodwill on consolidation	(62,26,258)	(19,59,275)
Assets acquired on consolidation	20,10,147	(15,23,611)
Capital gain	28,39,373	-
Interest received	5,11,163	20,85,424
<b>Net cash from / (used in) investing activities</b>	<b>(29,28,73,231)</b>	<b>(31,44,77,293)</b>
<b>Cash flow from financing activities</b>		
Receipt (payment) of long term borrowing	10,12,17,592	7,92,30,919
Dividend paid including dividend distribution tax	(60,08,008)	(58,33,573)
Foreign Exchange Movement on account of consolidation	14,05,923	10,47,432
Proceeds (repayment) from short term borrowings	6,05,56,591	3,85,03,729
Interest paid	(64,44,856)	(25,66,396)
<b>Net cash from / (used in) financing activities</b>	<b>15,07,27,243</b>	<b>11,03,82,111</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>6,80,63,947</b>	<b>(4,23,21,708)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>2,32,60,082</b>	<b>6,55,81,790</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>9,13,24,029</b>	<b>2,32,60,082</b>
Cash and cash equivalents comprises of:		
Cash on hand	2,74,838	2,55,107
<b>Balance with banks</b>		
In current accounts	9,10,49,191	2,30,04,975
Deposit accounts	-	-
<b>Total</b>	<b>9,13,24,029</b>	<b>2,32,60,082</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

Sd:- Ashok Kumar Doddi  
**Partner**  
 Membership No: 217909

Bangalore, June 10, 2020

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

Sd:- V Srinivasan      Sd:- Venu Madhava  
**Chairman**      **Director**  
 DIN: 00640646      DIN: 06748204

Sd:- Saji K Louiz      Sd:- Johnson Xavier  
**Chief Financial Officer**      **Company Secretary**

Bangalore, June 10, 2020

**eMudhra Limited**  
**Consolidated balance sheet**

		(Amount in Rs.)	
	Notes	As at March 31,2020	As at March 31,2019
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share capital	3	51,18,98,460	51,18,98,460
Reserves and surplus	4	43,60,03,198	31,55,69,499
Minority Interest		2,26,34,449	-
<b>Non-current liabilities</b>			
Long-term borrowings	5	18,73,02,377	11,33,56,919
Other long-term liabilities	6	1,10,25,860	55,03,368
Deferred tax liabilities (net)	7	75,80,013	31,02,134
Long- term provisions	8	1,60,24,287	1,75,18,559
<b>Current liabilities</b>			
Short-term borrowings	9	14,78,05,721	8,72,49,130
Trade payables	10	7,46,49,806	4,29,36,036
Other current liabilities	11	12,54,43,828	9,14,22,979
Short-term provisions	12	35,66,063	21,33,470
<b>Total</b>		<b>1,54,39,34,062</b>	<b>1,19,06,90,555</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed assets</b>			
Tangible assets	13	15,00,36,757	15,04,58,608
Intangible assets	14	41,91,31,274	46,06,79,319
Tangible assets under development		38,48,25,445	20,02,76,124
Intangible asset under development		1,98,68,765	1,73,73,697
Goodwill on consolidation		1,08,68,427	46,42,169
Non-current investments	15	15,00,000	15,00,000
Long term loans and advances	16	7,29,76,394	5,61,00,471
<b>Current Assets</b>			
Inventories	17	1,46,37,599	28,04,948
Trade receivables	18	23,25,93,031	20,94,66,045
Cash and cash equivalents	19	9,13,24,029	2,32,60,082
Short-term loans and advances	20	14,52,73,365	6,36,04,151
Other current assets	21	8,98,976	5,24,942
<b>Total</b>		<b>1,54,39,34,062</b>	<b>1,19,06,90,555</b>
Other notes to accounts	1 & 38		
Summary of significant accounting policies	2		
Contingent liabilities	22		

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

As per our report of even date

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

**For Manohar Chowdhry & Associates**  
 Firm Registration Number. 001997S  
 Chartered Accountants

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

Sd:- Venu Madhava  
**Director**  
 DIN: 06748204

Sd:- Ashok Kumar Doddi  
**Partner**  
 Membership No.217909

Sd:- Saji K Louiz  
**Chief Financial Officer**

Sd:- Johnson Xavier  
**Company Secretary**

Bangalore, June 10, 2020

Bangalore, June 10, 2020

**eMudhra Limited**  
**Consolidated statement of profit and loss**

		(Amount in Rs.)	
	Notes	For the Year ended March 31, 2020	For the Year ended March 31, 2019
<b>INCOME</b>			
Revenue from operations		1,16,42,36,682	1,01,02,65,537
Other income	23	33,50,537	9,55,459
<b>Total revenue</b>		<b>1,16,75,87,219</b>	<b>1,01,12,20,996</b>
<b>EXPENSES</b>			
Operating expenses	24	14,25,36,805	11,27,02,777
Purchases of stock-in-trade	25	25,87,89,532	20,37,41,924
Purchase of DSC		-	1,89,91,740
Changes in inventories of stock-in-trade	26	(1,18,32,652)	5,71,823
Employee benefit expense	27	28,58,62,760	26,01,11,184
Financial costs	28	64,44,856	25,66,396
Depreciation and amortization expense	29	8,60,01,541	8,41,96,335
Other expenses	30	14,73,46,463	11,73,49,900
<b>Total Expense</b>		<b>91,51,49,305</b>	<b>80,02,32,080</b>
Profit before Exceptional and Extraordinary Items and Tax		25,24,37,914	21,09,88,916
<b>Profit(loss) before tax</b>		<b>25,24,37,914</b>	<b>21,09,88,916</b>
<b>Tax Expense:</b>			
Current tax		4,13,68,327	4,08,58,143
Deferred tax		44,77,879	12,63,733
<b>Profit/(loss) after tax</b>		<b>20,65,91,707</b>	<b>16,88,67,040</b>
Dividend paid on preference shares		60,08,008	58,33,573
<b>Profit/(loss) for the year</b>		<b>20,05,83,699</b>	<b>16,30,33,467</b>
<b>Profit(loss) for the year- Minority interest</b>		<b>2,85,37,684</b>	<b>-</b>
<b>Profit(loss) for the year- attributable to eMudhra Limited</b>		<b>17,20,46,016</b>	<b>16,30,33,467</b>
<b>Earnings per equity share(Nominal value of Rs.5 per share)</b>			
Basic		2.94	2.41
Diluted		2.94	2.41
Other notes to accounts	1		
Summary of significant accounting policies	2		

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

As per our report of even date

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

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

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

Sd:- Venu Madhava  
**Director**  
 DIN: 06748204

Sd:- Ashok Kumar Doddi  
**Partner**  
 Membership No: 217909

Sd:- Saji K Louiz  
**Chief Financial Officer**

Sd:- Johnson Xavier  
**Company Secretary**

Bangalore, June 10, 2020

Bangalore, June 10, 2020

## **eMudhra Limited**

### **Notes forming part of the Consolidated Financial statements**

#### **1. General Information**

eMudhra Limited is a public limited company engaged in providing various solutions and services like digital signatures, authentication solutions, paperless office solutions and other solutions around PKI technology. eMudhra is a licensed Certifying Authority under the Information Technology Act, 2000.

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

The consolidated financial statement of eMudhra Limited represent the financials of eMudhra Ltd with its foreign subsidiaries eMudhra (Mu) Ltd, eMudhra Pte. Ltd, eMudhra INC, eMudhra DMCC, Indian subsidiaries eMudhra Technologies Limited and eMudhra Consumer Services Limited.

eMudhra (Mu) Limited is a Mauritius based company incorporated in 2013 for providing services like digital signature and other authentication security solutions around PKI technology.

eMudhra Pte. Ltd. is incorporated in Singapore for providing services like software consultancy and development of other software and programming activities.

eMudhra INC is incorporated in USA for providing services like software consultancy and development of other software and programming activities.

eMudhra DMCC is incorporated in Dubai – U.A.E engaged in information technology consultancies, computer systems consultancies, Network Consultancies, Web-design, Software House and IT infrastructure.

eMudhra Technologies Limited previously known as eMudhra Technologies Private Limited is a public limited company engaged in providing solutions and services like authentication solutions, big data analytics, IT and IT enabled services, web enabled services and other services around PKI technologies.

eMudhra Consumer Service Limited is a public limited company incorporated on 20th August 2018 for providing various solutions, software products, IT and IT enabled services, web enabled Services, web filling services, web based payment services, wired and/or wireless connectivity as well as internet connectivity, value added services, electronic commerce, Services in various forms such as voice, mail, chat and collaborating browsing, database, data processing services and e-governance projects.

## **2. Summary of Significant Accounting Policies**

### **I. Basis of Preparation of Accounts**

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

### **II. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

### **III. Tangible Assets**

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

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

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

### **IV. Intangible Assets**

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on straight-line basis over a period of 10 years, based on management estimate. The amortization period and the amortization method are reviewed at the end of each financial year



Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The cost which can be capitalized include the cost of material, direct labour and overhead costs that are directly attributable to preparing the assets for the intended use.

## **V. Investments**

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

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

## **VI. Inventories**

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

## **VII. Revenue Recognition**

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

1. Percentage-of-completion method in accounting for its fixed price assignments
2. Digital signature related revenue is accounted based on billing
3. Revenue from traded materials are accounted on the basis of delivery

## **VIII. Other Income**

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

## **IX. Foreign Currency Transactions**

### **Initial Recognition**

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

### **Subsequent Recognition**

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

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

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

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

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

### **In Respect of Foreign Subsidiary**

All the assets and liabilities, both monetary and non-monetary items, are translated into the reporting currency at the exchange rate in effect at March 31, 2019 and income and expense items are translated at the average rate applicable for the year ended March 31, 2019. Functional currency of the Company is the Mauritian Rupee ("MUR") and the reporting currency, the Indian Rupee (INR).

## **X. Employee Benefits**

### **(a) Defined Contribution Plan**

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

### **(b) Defined Benefit Plan**

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined by an independent actuary (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

### **c) Other Employee Benefits**

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

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

### **XI. Borrowing Cost**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

### **XII. Current and Deferred Tax**

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

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

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

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

### **XIII. Provisions and Contingent Liabilities**

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

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

### **XIV. Cash and Cash Equivalents**

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

### **XV. Earnings Per Share**

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

### **XVI. Impairment of Assets**

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

For and on behalf of the Board of Directors

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

Sd:/- Ashok Kumar Doddi  
**Partner**  
Membership No: 217909

Sd:/- V Srinivasan  
**Director**  
DIN: 00640646

Sd:/- Saji K Louiz  
**Chief Financial Officer**

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

Sd:/- Johnson Xavier  
**Company Secretary**

Bangalore, June 10, 2020

Bangalore, June 10, 2020



**eMudhra Limited**

Notes forming part of the consolidated financial statements

**3 Share capital**

(Amount in Rs, unless otherwise stated)

	As at March 31,2020	As at March 31,2019
<b>Authorised</b>		
12,30,00,000 (2019:12,30,00,000) equity shares of Rs.5 each	61,50,00,000	61,50,00,000
2,50,00,000 (2019: 2,50,00,000) redeemable preference shares of Rs.10 each	25,00,00,000	25,00,00,000
	<b>86,50,00,000</b>	<b>86,50,00,000</b>
<b>Issued</b>		
7,01,79,692 (2019:7,01,79,692) equity shares of Rs.5 each	35,08,98,460	35,08,98,460
1,61,00,000 (2019: 1,61,00,000) Preference shares of Rs.10 each	16,10,00,000	16,10,00,000
<b>Subscribed &amp; Paid - up</b>		
7,01,79,692 (2019:7,01,79,692) equity shares of Rs.5 each	35,08,98,460	35,08,98,460
1,61,00,000 (2019: 1,61,00,000) Preference shares of Rs.10 each	16,10,00,000	16,10,00,000
	<b>51,18,98,460</b>	<b>51,18,98,460</b>

**(a) Reconciliation of number of shares**
**Equity Shares:**

	As at March 31,2020	As at March 31,2019
	Number of shares	Number of shares
Balance at the beginning of the year	7,01,79,692	7,01,79,692
<b>Balance at the end of the year</b>	<b>7,01,79,692</b>	<b>7,01,79,692</b>

**Preference Shares:**

	As at March 31,2020	As at March 31,2019
	Number of shares	Number of shares
Balance at the beginning of the year	1,61,00,000	2,05,00,000
Less: Redeemed during the year	-	44,00,000
<b>Balance at the end of the year</b>	<b>1,61,00,000</b>	<b>1,61,00,000</b>

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

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

**Preference shares**

1,61,00,000 (2019:1,61,00,000) preference share of Rs.10 each. Out of this 1,61,00,000 preference shares are 3% cumulative non convertible preference shares of Rs.10 each which are redeemable on 15.12.2020.

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

	As at March 31,2020	%	As at March 31,2019	%
V Srinivasan	2,79,73,964	40%	2,79,73,964	41%
Taarav Pte Ltd	1,83,59,123	26%	1,83,59,123	26%
Lakshmi Kaushik	62,01,466	9%	62,01,466	9%
Arvind Srinivasan	66,36,515	9%	66,36,515	9%
eMudhra Employees Stock Option Trust	61,32,801	9%	61,32,801	9%

**Preference Shares:**

3i Infotech Limited	75,00,000	47%	75,00,000	47%
V Srinivasan	53,55,731	33%	53,55,731	33%
Mythili Srinivasan	12,97,707	8%	12,97,707	8%
Kaushik Srinivasan	9,73,281	6%	9,73,281	6%
Arvind Srinivasan	9,73,281	6%	9,73,281	6%

**eMudhra Limited**

Notes forming part of the consolidated financial statements

(Amount in Rs.)

	As at March 31, 2020	As at March 31, 2019
<b>4 Reserves and surplus</b>		
<b>Capital redemption reserve</b>		
Opening balance	8,90,00,000	8,90,00,000
Add: transferred during the year	-	-
<b>Balance as at the end of the year</b>	<b>8,90,00,000</b>	<b>8,90,00,000</b>
<b>Surplus in the Statement of Profit and Loss</b>		
Balance at the beginning of the year	25,88,30,324	9,57,96,857
Profit/ (Loss) for the year/period	17,20,46,016	16,30,33,467
Deficit brought forward on account of amalgamation	-	-
Transfer to capital redemption reserve	-	-
<b>Balance as at the end of the year</b>	<b>43,08,76,340</b>	<b>25,88,30,324</b>
<b>Opening Balance</b>	<b>(3,22,60,825)</b>	<b>(3,33,08,257)</b>
Retained earnings on consolidation	(5,30,18,240)	-
Forex adjustment	14,05,923	10,47,432
Profit/ (Loss) for the year on account of consolidation	-	-
	<b>(8,38,73,142)</b>	<b>(3,22,60,825)</b>
	<b>43,60,03,198</b>	<b>31,55,69,499</b>
<b>5 Long-term borrowings</b>		
Secured term loans:		
From Bank	18,73,02,377	11,33,56,919
	<b>18,73,02,377</b>	<b>11,33,56,919</b>
<b>Nature of security and terms of repayment for secured borrowings:</b>		
<b>Nature of security</b>	<b>Terms of Repayment</b>	
During the year, the term loan from Canara Bank has been taken over by Kotak Mahindra bank amounting to Rs. 15,00,00,000 and have sanctioned additional term loan of Rs.10,00,00,000 for construction of Digital Signature Compus building in KIADB IT Park, Devenahalli, Bangalore, out of which only Rs. 22,74,40,565 has been utilised till March 2020.	Term loan 1(Rs.15,00,00,000): Repayment started from June 2019 with a monthly instalment of Rs.25,69,817 for a period of 81 months. Company has made a repayment of Rs.128,66,054 till March 2020 towards the principal.	
1.Primary Security:First and exclusive charge on all existing and future current assets, movable assets, movable fixed assets, tangible and intangible assets of the borrower	Term loan 2(Rs.10,00,00,000): Currently under moratorium and shall start the repayment from June 2020 for a period of 48 months.	
2. Collateral Security: Proposed memorandum of deposit of title deeds of lease hold property (leased for 99 years) KIADB land located at plot no 12-P1-A & 12-P1-B of Bangaluru Industrial area in Sy No 95/P & 7 (Block no 21, 22 & 24) of B K Palya village, jala Hobli, Bangalore North taluk, Bangaluru Urban Dist measuring land 3 acres standing in the name of the company. Property presently under construction.	Interest Rate: K-MCLR +1.45%	
3. Collateral Security: Residential flat in "Cedar grove Oasis" apartment, property no.96, Katha no 1374/533/21, Sy.no.25/1, situated at Kaikondanahalli Village, Varthur Village, Bangalore standing in the name of M/s.Cedar Grove Real Estate Private Limited.		
4.Collateral Security: Vacant land situated at, property no.95(old no.15), New Katha no 1368/527/15, old Katha no.527, Sy.no.25/1, situated at Kaikondanahalli Village, Varthur Village, Bangalore standing in the name of Mr.V.Srinivasan.		
<b>6 Other long-term liabilities</b>		
Trade deposits	25,25,000	25,25,000
Unpaid dividend on preference shares	-	-
Income received in advance	85,00,860	29,78,368
	<b>1,10,25,860</b>	<b>55,03,368</b>
<b>7 Deferred tax liabilities (net)</b>		
<b>Deferred tax on account of:</b>		
Depreciation	75,80,013	31,02,134
	<b>75,80,013</b>	<b>31,02,134</b>
<b>8 Long-term provisions</b>		
<b>Provision for employee benefits: (refer note 31)</b>		
Provision for gratuity	1,26,57,759	1,33,21,177
Provision for compensated absences	33,66,528	41,97,382

**eMudhra Limited**

Notes forming part of the consolidated financial statements

(Amount in Rs.)

	As at March 31,2020	As at March 31,2019
	<b>1,60,24,287</b>	<b>1,75,18,559</b>
<b>9 Short-term borrowings</b>		
<b>Unsecured</b>		
From director	1,97,04,523	-
From associated enterprise	2,16,00,000	-
<b>Secured</b>		
From scheduled banks*		
Working capital loan	7,92,29,064	7,69,59,049
Current maturity of term loan(refer note 5)	2,72,72,135	1,02,90,081
	<b>14,78,05,721</b>	<b>8,72,49,130</b>
<p>* The company has availed working capital facility from Canara Bank which has been taken over by Kotak Mahindra Bank Limited during the financial year.  This loan is repayable on demand.  Nature of Security:</p> <p>1. Primary Security: Secured against receivables and inventory of the company.  2. Collateral Security: (a) Proposed memorandum of deposit of title deeds of lease hold property (leased for 99 years) KIADB land located at plot no 12-P1-A &amp; 12-P1-B of Bangaluru 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, Bangaluru Urban Dist measuring land 3 acres standing in the name of the company.  (b) Residential flat in "Cedar grove Oasis" apartment, property no.96,Katha no 1374/533/21,Sy.no.25/1,situated at Kaikondanahalli Village,Varthur Village,Bangalore standing in the name of M/s.Cedar Grove Real Estate Private Limited.  (c) Vacant land situated at, property no.95(old no.15),New Katha no 1368/527/15,old Katha no.527, Sy.no.25/1,situated at Kaikondanahalli Village,Varthur Village, Bangalore standing in the name of Mr.V.Srinivasan.</p>		
<b>10 Trade payables</b>		
Trade payables (refer note 36)	7,46,49,806	4,29,36,036
	<b>7,46,49,806</b>	<b>4,29,36,036</b>
<b>11 Other current liabilities</b>		
Advance from Customers	16,32,914	-
Capital creditors	70,26,374	53,25,285
Income received in advance	1,36,33,689	1,58,07,966
Statutory dues (Including provident fund and tax deducted at source)	3,37,90,660	2,67,73,291
DSC Portal deposit	1,03,10,767	1,16,74,810
Employee benefits payable	3,25,57,949	2,18,05,727
Due to associated enterprise(net)	8,89,473	-
Advance income tax (net of provisions)	-	34,349
Other payables towards contractual obligations	2,56,02,002	1,00,01,550
	<b>12,54,43,828</b>	<b>9,14,22,979</b>
<b>12 Short-term provisions</b>		
<b>Provision for employee benefits:</b>		
<b>(refer note 31)</b>		
Provision for gratuity	20,00,000	12,00,000
Provision for compensated absences	15,66,063	9,33,470
	<b>35,66,063</b>	<b>21,33,470</b>

### eMudhra Limited

Notes forming part of the consolidated financial statements

#### 13 Tangible assets

(Amount in Rs.)

	Gross Block			Depreciation Block				Net Block			
	April 1, 2019	Additions	(Disposals)	March 31, 2020	April 1, 2019	Exchange Difference on Consolidation	For the year	(Disposals)	March 31, 2020	March 31, 2020	March 31, 2019
<b>Own Assets:</b>											
Leasehold land*	8,92,52,215	-	-	8,92,52,215	25,25,855	-	8,54,547	-	33,80,402	8,58,71,813	8,67,26,360
Building	3,19,72,469	-	-	3,19,72,469	32,22,360	-	10,73,567	-	42,95,927	2,76,76,541	2,87,50,109
Computer and hardware	5,50,25,500	87,06,158	-	6,37,31,659	3,83,89,224	13,113	63,65,003	-	4,47,67,340	1,89,64,319	1,66,36,277
Motor vehicles	62,05,721	-	-	62,05,721	31,08,878	-	6,27,154	-	37,36,032	24,69,689	30,96,843
Office equipment's	3,08,25,798	31,40,980	-	3,39,66,778	1,52,37,753	1,169	40,60,063	-	1,92,98,984	1,46,67,793	1,55,88,045
Leasehold building	68,10,868	4,72,721	-	72,83,589	67,93,039	-	1,03,958	-	68,96,997	3,86,592	17,829
<b>Total</b>	<b>22,00,92,571</b>	<b>1,23,19,859</b>	<b>-</b>	<b>23,24,12,430</b>	<b>6,92,77,108</b>	<b>14,282</b>	<b>1,30,84,292</b>	<b>-</b>	<b>8,23,75,682</b>	<b>15,00,36,748</b>	<b>15,08,15,463</b>

#### 14 Intangible assets

(Amount in Rs.)

	Gross Block			Amortisation Block				Net Block			
	April 1, 2019	Additions	(Disposals)	March 31, 2020	April 1, 2019	Exchange Difference on Consolidation	For the year	(Disposals)	March 31, 2020	March 31, 2020	March 31, 2019
Identity & Transaction Management Application	56,76,69,312	3,35,14,034	1,45,09,922	58,66,73,424	27,02,63,685	-	4,95,91,833	1,45,09,922	30,53,45,596	28,13,27,828	29,74,05,62,627
DSC online trading software	6,33,77,897	-	-	6,33,77,897	1,60,69,907	-	65,12,829	-	2,25,82,736	4,07,95,161	4,73,07,99,990
Software of Foreign subsidiary	13,63,35,010	-	-	13,63,35,010	3,86,97,491	(6,13,069)	1,42,53,202	-	5,23,37,625	8,39,97,385	9,76,37,51,919
Semantic analytics	2,14,04,050	-	-	2,14,04,050	96,28,890	-	21,40,405	-	1,17,69,295	96,34,755	1,17,75,16,160
Computer Software	1,03,84,602	2,07,900	-	1,05,92,502	67,97,378	-	4,18,979	-	72,16,357	33,76,145	35,87,22,224
Brand	6,08,750	-	-	6,08,750	6,08,750	-	-	-	6,08,750	0	0
Total	79,97,79,621	3,37,21,934	1,45,09,922	81,89,91,633	34,20,66,101	(6,13,069)	7,29,17,249	1,45,09,922	39,98,60,359	41,91,31,274	45,77,13,519

\*Note: Out of this land worth Rs.8,30,01,213 is the the lease hold land measuring 12140.00 Sq. Mtrs located at plot no. 12- P1- A & 12 -P1-B(Corner) of Bengaluru IT Park Industrial Area in SY nos. 95/P & 7 (Block no.21,22 &24- Part) of B K Palya Village, Jala Hobli, Bengaluru North Taluk, has been allotted to our company by Karnataka Industrial Areas Development Board as per the allotment letter no. KIADB/HQ/Allot/AS/30017/8927/15-16 dated 23.09.2015. The company has later obtained possession certificate vide letter no. IADB/AE/30017/1158/2015-16 dated 29.03.2016. This has been allotted for a leasehold period of 99 years beginning from possession date. This land is mortgaged against term loan of Rs. 25,00,00,000 by **Kotak Mahindra Bank**. Another land worth Rs.62,51,000 is the lease hold land measuring 2.5 acres in the ELCOSEZ- jagirammalayam,Salem is also under 99 year lease.

**eMudhra Limited**

Notes forming part of the consolidated financial statements

**(Amount in Rs.)**

	As at March 31,2020	As at March 31,2019
<b>15 Non-current investments</b>		
<b>Quoted instruments:-</b>		
<b>Investment In Mutual Fund:</b>		
Investment In mutual fund	15,00,000	15,00,000
(1,50,000 (2019: 15,00,00) units of Canara robeco protection oriented fund - regular growth plan at par value of Rs.10 each)		
	<b>15,00,000</b>	<b>15,00,000</b>
<b>16 Long term loans and advances</b>		
<b>Unsecured, considered good</b>		
Capital advances	-	95,000
<b>Deposits:</b>		
Security deposits	1,77,58,958	1,57,54,950
Tender deposits	13,75,276	12,42,276
	<b>1,91,34,234</b>	<b>1,70,92,226</b>
<b>Other loans and advances</b>		
Income Tax (Net of provisions)	1,60,61,926	-
Other advances	4,57,706	9,03,082
	<b>1,65,19,632</b>	<b>9,03,082</b>
<b>Other non current assets</b>		
<b>Others</b>		
Advances to Emudhra employees stock option trust	3,06,84,003	3,06,74,003
Long term deposits with bank with maturity period more than 12 months [Refer note below]	66,38,525	74,31,160
	<b>3,73,22,528</b>	<b>3,81,05,163</b>
	<b>7,29,76,394</b>	<b>5,61,00,471</b>
<b>Note:</b> Rs.66,38,525 held as lien by banks against bank guarantees.		
<b>17 Inventories</b>		
Details of stock- in- trade		
Crypto token	63,74,602	28,04,948
SSL Certificates	82,62,997	-
	<b>1,46,37,599</b>	<b>28,04,948</b>
<b>18 Trade receivables</b>		
<b>Unsecured, considered good</b>		
Outstanding for a period exceeding six months from the date they are due for payment	3,30,59,022	1,55,97,984
Others	19,95,34,009	19,38,68,061
	<b>23,25,93,031</b>	<b>20,94,66,045</b>



**eMudhra Limited**

Notes forming part of the consolidated financial statements

	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019
<b>19 Cash and cash equivalents</b>		
Cash on hand	2,74,838	2,55,107
Bank Balances :		
In current accounts	9,10,49,191	2,30,04,975
Demand deposits (less than 3 months maturity)	-	-
	<b>9,13,24,029</b>	<b>2,32,60,082</b>
<b>20 Short-term loans and advances</b>		
<b>Unsecured, considered good</b>		
Other advances	56,64,316	79,49,663
Unbilled revenue	10,52,32,497	4,01,76,650
Capital advances	16,630	8,06,594
Balances with government authorities	64,00,893	5,92,619
Prepaid expenses	2,79,59,029	1,40,78,625
	<b>14,52,73,365</b>	<b>6,36,04,151</b>
<b>21 Other current assets</b>		
Interest accrued on fixed deposit	8,98,976	5,24,942
	<b>8,98,976</b>	<b>5,24,942</b>

**eMudhra Limited**

Notes forming part of the Financial Statements

	(Amount in Rs.)	
	As at March 31,2020	As at March 31,2019
<b>22 Contingent liabilities</b>		
Bank guarantees (secured against fixed deposits of Rs.66,38,525)	1,07,35,308	1,01,34,493
Proposed dividend(excluding dividend distribution tax)	48,30,000	48,30,000
Income tax Appeal(refer note (a) below)	3,22,90,170	1,51,50,000
Legal Case(refer note (b) below)	-	9,00,000
	<b>1,55,65,308</b>	<b>1,49,64,493</b>

**Note:**

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

(b) The writ petition filed by the company, vide reference no.WP56004/2018(T-IT), like such order for the AY 2011-12 by the Dy. Commissioner of Income Tax has been quashed by the Honourable High Court of Karnataka through its order dated December 10,2019 and hence the contingent liability of Rs. 1,51,50,000 recorded for the previous financial year stands cancelled.

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

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

**eMudhra Limited**

Notes forming part of the consolidated financial statements

(Amount in Rs.)

	For the Year ended March 31, 2020	For the Year ended March 31, 2019
<b>23 Other income</b>		
Interest Income	5,11,163	8,68,637
Other income	28,39,373	10,481
Provisions no longer required written back	-	76,341
Foreign exchange gain	-	-
<b>Total</b>	<b>33,50,537</b>	<b>9,55,459</b>
<b>24 Operating expenses</b>		
Distributor commission	5,36,40,195	5,73,60,995
DSC collection and verification charges	92,67,164	2,94,62,249
Other direct operating expenses	6,04,73,836	1,46,21,813
Licence fee expenses	1,76,81,750	-
Payment gateway charges	35,22,470	45,96,785
Postage and courier charges	40,45,291	36,53,086
Foreign exchange Loss	(60,93,902)	30,07,850
	<b>14,25,36,805</b>	<b>11,27,02,777</b>
<b>25 Purchases of stock-in-trade</b>		
Purchase of hardware's	22,11,13,957	20,37,41,924
SSL Certificates	3,76,75,575	-
	<b>25,87,89,532</b>	<b>20,37,41,924</b>
<b>26 Changes in inventories of stock-in-trade</b>		
<b>Finished Goods:</b>		
<b>Opening stock:</b>		
Crypto token	28,04,948	33,76,771
SSL Certificates	-	-
	<b>28,04,948</b>	<b>33,76,771</b>
<b>Closing stock:</b>		
Crypto token	63,74,602	28,04,948
SSL Certificates	82,62,997	-
Closing stock	<b>1,46,37,599</b>	<b>28,04,948</b>
<b>Total</b>	<b>(1,18,32,652)</b>	<b>5,71,823</b>
<b>27 Employee benefit expense</b>		
Salary and allowances to employees	26,30,42,508	23,51,14,487
Contribution towards employee funds	92,48,843	76,09,530
Staff welfare expenses	1,35,71,409	1,73,87,168
<b>Total</b>	<b>28,58,62,760</b>	<b>26,01,11,184</b>
<b>28 Financial costs</b>		
Interest expense	64,44,856	25,66,396
<b>Total</b>	<b>64,44,856</b>	<b>25,66,396</b>
<b>29 Depreciation and amortization expense</b>		
Amortization on intangible assets	7,29,17,249	7,41,47,942
Depreciation on tangible assets	1,30,84,292	1,00,48,393
<b>Total</b>	<b>8,60,01,541</b>	<b>8,41,96,335</b>
<b>30 Other expenses</b>		
Office maintenance expense	88,62,293	79,18,102
Electricity expense	89,00,490	77,59,547
Business promotion and advertisement	2,75,83,411	1,56,36,597
Miscellaneous expense	19,19,433	13,54,688
Communication expenses	97,46,896	80,36,940
Insurance expenses	15,21,813	19,99,396
Information technology expenses	34,16,969	27,23,462
Legal and professional expenses	1,25,96,865	1,58,05,734
Auditors' remuneration :		
- Statutory audit fee	7,00,000	6,50,000
- Other services	1,89,201	-
- Other consultancy services	1,50,000	-
Membership charges	8,70,337	18,40,395
Meeting and conference expenses	4,99,527	19,61,914
Printing and stationary	41,81,999	11,44,192
Fees rates and taxes	24,07,736	45,59,677
Recruitment and training expenses	10,60,110	7,01,278
Repair and maintenance	36,55,045	30,37,454
Travelling, boarding and lodging expenses	2,54,84,932	1,34,18,809
Local conveyance	26,89,385	28,19,773
Rent	2,90,20,592	2,42,80,392
Contribution for corporate social responsibility expenses (Refer Note No 38)	18,89,429	17,01,550
<b>Total</b>	<b>14,73,46,463</b>	<b>11,73,49,900</b>

**eMudhra Limited**

Notes forming part of the consolidated financial statements

**(Amount in Rs. unless otherwise stated)**
**31 Disclosures under accounting standard 15**
**a) Post Retirement Benefit- Defined Contribution Plans**

The Company has recognised an amount of Rs.84,84,544 (2019: Rs. 63,75,607) 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, 2020.

**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.

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

	<b>For the Year ended March 31, 2020</b>	<b>For the Year ended March 31, 2019</b>
Balance at the beginning of the year	1,94,24,034	1,24,34,198
Current service cost	52,69,543	32,01,324
Interest cost	13,82,094	8,72,146
Actuarial (gain)/loss	(41,21,092)	38,24,719
Benefits paid	(2,95,931)	(9,08,353)
<b>Balance at the end of the period/ year</b>	<b>2,16,58,648</b>	<b>1,94,24,034</b>

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

Balance at the beginning of the year	49,02,857	33,53,617
Expected return on plan assets	4,40,863	2,91,583
Contribution	22,46,553	19,76,654
Actuarial gain/(loss)	(2,93,453)	1,89,356
Benefits paid	(2,95,931)	(9,08,353)
<b>Balance at the end of the year</b>	<b>70,00,889</b>	<b>49,02,857</b>

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

Present value of defined benefit obligation	2,16,58,648	1,94,24,034
Present value of plan assets	70,00,889	49,02,857
<b>Amount recognised as assets/(liability)</b>	<b>(1,46,57,759)</b>	<b>(1,45,21,177)</b>

Recognised under:

Long term provision (Refer Note 8)	(1,26,57,759)	(1,33,21,177)
Short term provision (Refer Note 12)	(20,00,000)	(12,00,000)
<b>Total</b>	<b>(1,46,57,759)</b>	<b>(1,45,21,177)</b>

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

Current service cost	52,69,543	32,01,324
Interest cost	13,82,094	8,72,146
Expected return plan assets	(4,40,863)	(2,91,583)
Actuarial (gain)/loss	(38,27,640)	36,35,363
<b>Total expenses</b>	<b>23,83,134</b>	<b>74,17,250</b>

**eMudhra Limited**

Notes forming part of the consolidated financial statements

(Amount in Rs. unless otherwise stated)

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

	As at March 31,2020	As at March 31,2019
Insurer managed funds	100%	100%
<b>(vi) Actuarial assumptions</b>		
Discount rate	5.81%	7.17%
Salary growth	8.00%	10.00%
Attrition rate	25.00%	15.00%
Expected rate of return on plan assets	7.44%	7.50%

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

	As at March 31,2020	As at March 31,2019	As at March 31,2018	As at March 31,2017	As at March 31,2016
Present value of obligation	2,16,58,648	1,94,24,034	1,24,34,198	1,11,00,509	61,11,773
Present value of plan assets	70,00,889	49,02,857	33,53,617	16,47,940	16,46,215
Amount recognised in balance sheet (Liability)/asset	(1,46,57,759)	(1,45,21,177)	(90,80,581)	(94,52,569)	(44,65,558)

**(viii) Expected contribution to the fund next year**

	As at March 31,2020	As at March 31,2019
Gratuity	20,00,000	12,00,000

**Notes:**

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

**Other employee benefit plan:** The liability for leave encashment and compensated balances as at year end is Rs. 49,32,591(2019: Rs. 51,30,852)



**eMudhra Limited**

Notes forming part of the consolidated financial statements

**(Amount in Rs, unless otherwise stated)**

		For the Year ended March 31, 2020	For the Year ended March 31, 2019
<b>32 Earnings per share</b>			
<b>Basic:</b>			
Profit after tax	A	20,65,91,707	16,88,67,040
Weighted average number of shares outstanding	B	7,01,79,692	7,01,79,692
Basic EPS	A/B	2.94	2.41
<b>Diluted</b>			
Profit after tax	A	20,65,91,707	16,88,67,040
Weighted average number of shares outstanding	B	7,01,79,692	7,01,79,692
Diluted EPS	A/B	2.94	2.41
<b>33 Foreign Exchange Earnings / Expenses</b>			
Foreign exchange earned		3,92,66,329	4,32,64,176
Foreign exchange used		1,22,34,096	10,30,69,526

**eMudhra Limited**

Notes forming part of the consolidated financial statements

(Amount in Rs. unless otherwise stated)

**34 Related party disclosures**
**A. Disclosure related to subsidiary and associate companies**
**(A.1) Particulars of subsidiary and associate companies :**

SI No	Name of the company	Address	Relationship	% of shares held
1	Smart Craft Pvt Limited	#56, Sai Arcade, Deverabesenahalli, Bangalore, Karnataka.	Associate	NA
2	Bluesky Infotech	G-5, Arathi Apartments, No 150 Habibullah Road, T. Nagar Chennai 600017	Associate	NA

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

SI No	Summary of Transactions	Subsidiary Company		Associate Company	
		Mar-20	Mar-19	Mar-20	Mar-19
1	Expenses incurred on Behalf / Income	-	-	-	2,82,951
2	Sales of services/products	-	-	16,73,15,267	6,40,43,073
3	Receiving of services	-	-	23,13,079	2,06,29,015
4	Purchase of products	-	-	6,46,780	-
5	Receipt of loan	-	-	2,16,00,000	-
6	Commission paid	-	-	1,32,29,565	-
7	Receipt of deposits	-	-	1,00,000	-

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

SI No	Particulars	Transactions		Balances	
		Mar-20	Mar-19	Mar-20	Mar-19
1	<b>Expenses incurred on behalf and reimbursed</b>				
	Smart Craft Private Limited	-	72,019	-	-
	Bluesky Infotech	-	1,20,000	-	-
2	<b>Sales of Products</b>				
	Bluesky Infotech	8,98,80,783	11,09,67,587	-	-
	Smart Craft Private Limited	6,74,800	17,56,661	-	-
3	<b>Sales of Services</b>				
	Bluesky Infotech	7,67,59,684	8,16,56,000	-	-
4	<b>Purchase of products</b>				
	Smart Craft Private Limited	2,16,080	1,16,200		
	Bluesky Infotech	4,30,700	2,41,605		
5	<b>Receiving of services:</b>				
	Smart Craft Private Limited	-	5,79,345	-	-
	Bluesky Infotech	23,13,079	1,00,39,159	-	-
6	<b>Receipt of loan</b>				
	Bluesky Infotech	2,16,00,000	-		
7	<b>Commission paid</b>				
	Bluesky Infotech	1,32,29,565	-		
8	<b>Receipt of deposits</b>				
	Bluesky Infotech	1,00,000	-		

**B. Disclosure related to director and key managerial personnel**
**(B.1) Particulars of director and key managerial personnel :**

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

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

Sl No	Summary Transactions	Mar-20	Mar-19
1	Sale of shares	2,44,91,457	-
2	Receipt of loan	1,55,08,543	2,50,00,000
3	Repayment of loan	1,55,08,543	2,50,00,000
4	Salary and allowances paid	1,35,36,690	1,14,38,609
5	Preference dividend paid	25,79,999	25,79,999

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

Sl No	Particulars	Transactions		Balances	
		Mar-20	Mar-19	Mar-20	Mar-19
1	<b>Sale of shares</b>				
	V. Srinivasan :				
	- Emudhra Consumer Service Limited	1,20,00,000	-	-	-
	- Emudhra Technologies Limited	1,24,91,457	-	-	-
2	<b>Receipt of loan:</b>				
	V. Srinivasan	1,55,08,543	2,50,00,000	-	-
3	<b>Repayment of loan:</b>				
	V. Srinivasan	1,55,08,543	2,50,00,000		
4	<b>Salary and allowances paid:</b>				
	Venu Madhava	39,49,758	33,09,138	-	-
	Kaushik Srinivasan	47,45,272	40,65,188	-	-
	Saji K Louiz	35,45,264	29,21,616	-	-
	Johnson Xavier	12,96,396	11,42,667	-	-
5	<b>Preference dividend paid:</b>				
	V. Srinivasan	16,06,719	16,06,719		
	Mythili Srinivasan	3,89,312	3,89,312		
	Kaushik Srinivasan	2,91,984	2,91,984		
	Arvind Srinivasan	2,91,984	2,91,984		

**Note:**

- The information disclosed above is based on the names of the parties as identified by the management, which has been relied upon by the auditor;
- Provision for leave encashment and group gratuity which is based on actuarial valuation done on overall company basis is excluded while arriving at salary and allowances
- The Salary and allowances paid to key managerial persons includes leave encashment and incentive but doesn't include PF contribution and other indirect benefit
- The names of the related parties with whom the transaction has been carried out only has been reported
- During the year, the KMP's have met various office expenses from credit cards and the same has been reimbursed directly to the credit card by the company. Such reimbursements to the credit cards are not included in the table above, which is amounting to Rs.14,270,917 (2019:Rs. 12,320,743).

**eMudhra Limited**

Notes forming part of the consolidated financial statements

**35 Revenue from Operation:**

Revenue from digital signatures	56,35,35,526	47,09,93,327
Revenue from Software services and accessories (Including Export sale)	60,07,01,156	53,92,72,210
	<b>1,16,42,36,682</b>	<b>1,01,02,65,537</b>

**36 Micro small and medium enterprises**

There are no micro, small and medium enterprises, to which the company owes dues, or with which the company had transactions during the period, based on the information available with the company, which has been relied upon by the auditors.

**37 Previous period figures**

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

**38 Contribution for corporate social responsibility expenses**

Financial Year	Net Profit Amount (Rs.)
2015-16	5,63,92,965
2016-17	9,37,47,554
2017-18	8,28,10,032
Average Net profits	7,76,50,184
2% of Avg.Net profit	15,53,004
Total amount to be spent during financial year 2018-19	15,53,004
Actual Amount spent during financial year 2018-19	<b>18,89,429</b>
Unspent amount	-

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

As per our report of even date

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

**For Manohar Chowdhry & Associates**

Firm Registration Number: 001997S  
Chartered Accountant

Sd:- V Srinivasan

**Chairman**

DIN: 00640646

Sd:- Venu Madhava

**Director**

DIN: 06748204

Sd:- Ashok Kumar Doddi

**Partner**

Membership No: 217909

Sd:- Saji K Louiz

**Chief Financial Officer**

Sd:- Johnson Xavier

**Company Secretary**

Bangalore, June 10, 2020

Bangalore, June 10, 2020

## Independent Auditor's Report - Standalone

### INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To the Members of eMudhra Limited

Report on the Audit of Standalone Financial Statements

#### **Opinion**

We have audited the standalone financial statements of eMudhra Limited ("the Company") which comprise the balance sheet as at March 31, 2020, 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 (Hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the afore-said standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2020, 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 for our audit opinion on Standalone Financial Statements.

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

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures thereto, but does not include the financial statements and our auditor's report thereon.

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

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



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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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

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

### **Report on Other Legal and Regulatory Requirements**

1) As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of Companies Act, 2013 of India (the Act), we give in the "Annexure A "a statement on the matters specified in paragraphs 3 and 4 of the order.

2) As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”.
- g. With respect to the other matters to be included in the Auditors’ Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no.22 to the financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Bangalore  
Date: 10th June 2020

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

Sd:/- Ashok Kumar Doddi  
**Partner**  
Membership No: 217909

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

Referred to in paragraph under the heading “Report on other legal and Regulatory requirement of our report of even date to the financial statements of the company for the year ended 31st March, 2020.

i.

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

b) The company has a program of verification to cover all the items of the fixed assets in a phased manner which, in our opinion, is reasonable having regards to the size of the company and the nature of its assets. Pursuant to the program, fixed assets were physically verified by the management during the year.

c) According to the information and explanations given to us, the records examined by us and based on the examination of the deeds provided to us, we report that the title deeds, comprising all the immovable properties of land and buildings which are freehold, are in the name of the Company as at the Balance sheet date. In respect of the immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreement are in the name of the company.

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

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

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

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

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

vii.

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

b. As per the information and explanation provided to us, no undisputed amounts payable in respect of the above were in arrears as at 31st March, 2020 for a period of more than six months from the date on when they become payable.

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

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

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

ix. As per the explanation provided to us, the company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable.

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

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

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

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

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

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

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

Place: Bangalore  
Date: 10th June 2020

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

Sd:-  
**Ashok Kumar Doddi**  
Partner  
Membership No: 217909



## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

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

We have audited the internal financial controls over financial reporting of the eMudhra Limited (“the Company”) as of March 31, 2020, in conjunction with our audit of the financial statements of the company for the year ended on that date.

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

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

#### **Auditor’s 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 143 (10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial control system over financial reporting.

## Meaning of Internal Financial Controls over Financial Reporting

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

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

## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on "the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

Place: Bangalore  
Date: 10th June 2020

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

Sd:/- Ashok Kumar Doddi  
**Partner**  
Membership No: 217909

# Standalone Financials

## eMudhra Limited Cash Flow Statement

	(Amount in Rs.)	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>Cash flow from operating activities</b>		
Profit before tax	15,69,60,286	14,03,45,758
<b>Adjustments for :</b>		
Depreciation	6,51,51,511	6,54,00,550
Capital Gain	(29,83,412)	-
Interest income	(4,65,189)	(7,75,921)
Interest expenses	64,84,948	52,06,014
Operating profit before working capital changes	<b>22,51,48,144</b>	<b>21,01,76,401</b>
<b>Changes in working capital:</b>		
(Increase)/decrease in inventories	(35,69,655)	5,71,824
(Increase)/decrease in trade receivables	(5,35,58,881)	(7,01,96,443)
(Increase)/decrease in loans and advances	(4,78,93,576)	(8,31,192)
Increase/ (decrease) in current liabilities	2,79,21,182	4,92,18,840
<b>Cash generated from operations</b>	<b>14,80,47,214</b>	<b>18,89,39,430</b>
Direct taxes paid (net of refunds)	(3,73,68,208)	(3,86,59,521)
<b>Net cash from operating activities</b>	<b>11,06,79,006</b>	<b>15,02,79,909</b>
<b>Cash flow from investing activities</b>		
Purchase of tangible/intangible assets	(22,46,62,447)	(29,90,27,949)
Investment in units of Subsidiaries	(1,59,47,960)	(5,00,00,000)
Sales of Investments	2,44,91,457	-
Sale of tangible/intangible assets	4,14,90,078	-
Capital gain on sale of Investment	29,83,412	-
Interest received	4,65,189	20,58,362
<b>Net cash from / (used in) investing activities</b>	<b>(17,11,80,271)</b>	<b>(34,69,69,587)</b>
<b>Cash flow from financing activities</b>		
Receipt (payment) of long term borrowing	7,39,45,458	7,92,30,920
Dividend Paid including dividend distribution tax	(60,08,008)	(58,33,573)
Proceeds (repayment) from short term borrowings	(70,47,932)	8,64,03,730
Interest paid	(64,84,948)	(52,06,014)
<b>Net cash from / (used in) financing activities</b>	<b>5,44,04,570</b>	<b>15,45,95,063</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>(60,96,696)</b>	<b>(4,20,94,614)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>1,61,16,897</b>	<b>5,82,11,511</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1,00,20,201</b>	<b>1,61,16,897</b>
Cash and cash equivalents comprises of:		
Cash on hand	2,61,510	2,55,107
<b>Balance with banks</b>		
In current accounts	97,58,691	1,58,61,790
Deposit accounts	-	-
<b>Total</b>	<b>1,00,20,201</b>	<b>1,61,16,897</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors

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

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

Sd:- Venu Madhava  
**Director**  
DIN: 06748204

Sd:- Ashok Kumar Doddi  
**Partner**  
Membership No: 217909

Sd:- Saji K Louiz  
**Chief Financial Officer**

Sd:- Johnson Xavier  
**Company Secretary**

Bangalore, June 10, 2020

Bangalore, June 10, 2020

**eMudhra Limited**  
**Balance Sheet**
**(Amount in Rs.)**

	Notes	As at March 31,2020	As at March 31,2019
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share capital	3	51,18,98,460	51,18,98,460
Reserves and surplus	4	38,25,10,946	27,07,48,876
<b>Non-current liabilities</b>			
Long-term borrowings	5	18,73,02,377	11,33,56,919
Other long-term liabilities	6	1,10,25,860	55,03,368
Deferred tax liabilities (net)	7	49,24,134	31,02,134
Long- term provisions	8	1,60,24,287	1,75,18,559
<b>Current liabilities</b>			
Short-term borrowings	9	12,81,01,198	13,51,49,130
Trade payables	10	3,53,44,519	4,28,44,647
Other current liabilities	11	11,75,17,019	8,75,56,522
Short-term provisions	12	35,66,063	21,33,470
<b>Total</b>		<b>1,39,82,14,862</b>	<b>1,18,98,12,085</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed assets</b>			
Tangible assets	13	14,94,89,778	15,04,19,332
Intangible assets	14	28,81,58,063	34,83,00,841
Tangible assets under development		38,48,25,460	20,02,76,128
Intangible asset under development		59,45,745	1,14,01,887
Non-current investments	15	21,42,34,125	22,27,77,622
Long term loans and advances	16	6,76,58,287	5,47,76,884
<b>Current Assets</b>			
Inventories	17	63,74,602	28,04,948
Trade receivables	18	17,82,79,457	12,47,20,576
Cash and cash equivalents	19	1,00,20,201	1,61,16,897
Short-term loans and advances	20	9,23,30,169	5,77,57,684
Other current assets	21	8,98,976	4,59,287
<b>Total</b>		<b>1,39,82,14,862</b>	<b>1,18,98,12,085</b>
Other notes to accounts	1 & 38		
Summary of significant accounting policies	2		
Contingent liabilities	22		

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

As per our report of even date

**For and on behalf of the Board of Directors**
**For Manohar Chowdhry & Associates**  
Firm Registration Number. 001997S  
Chartered Accountants

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

Sd:- Venu Madhava  
**Director**  
DIN: 06748204

Sd:- Ashok Kumar Doddi  
**Partner**  
Membership No.217909

Sd:- Saji K Louiz  
**Chief Financial Officer**

Sd:- Johnson Xavier  
**Company Secretary**

Bangalore, June 10, 2020

Bangalore, June 10, 2020

**eMudhra Limited**  
**Statement of Profit and Loss**

		(Amount in Rs.)	
	Notes	For the Year ended March 31, 2020	For the Year ended March 31, 2019
<b>INCOME</b>			
Revenue from operations (refer note 35)		1,03,03,75,794	90,03,33,118
Other income	23	34,48,601	8,62,743
<b>Total revenue</b>		<b>1,03,38,24,395</b>	<b>90,11,95,860</b>
<b>EXPENSES</b>			
Operating expenses	24	12,03,90,745	9,13,55,128
Purchases of stock-in-trade	25	23,68,14,536	20,42,91,924
Purchase of DSC		-	1,89,91,740
Changes in inventories of stock-in-trade	26	(35,69,655)	5,71,824
Employee benefit expense	27	26,75,13,841	26,01,11,184
Financial costs	28	64,84,948	52,06,014
Depreciation and amortization expense	29	6,51,51,511	6,54,00,551
Other expenses	30	18,40,78,183	11,49,21,738
<b>Total Expense</b>		<b>87,68,64,109</b>	<b>76,08,50,102</b>
Profit before Exceptional and Extraordinary Items and Tax		15,69,60,286	14,03,45,758
<b>Profit(loss) before tax</b>		<b>15,69,60,286</b>	<b>14,03,45,758</b>
<b>Tax Expense:</b>			
Current tax		3,73,68,208	3,81,93,176
Deferred tax		18,22,000	12,63,733
<b>Profit/(loss) after tax</b>		<b>11,77,70,078</b>	<b>10,08,88,849</b>
Dividend Paid on preference shares		60,08,008	58,33,573
<b>Profit/(loss) for the year</b>		<b>11,17,62,070</b>	<b>9,50,55,276</b>
<b>Earnings per equity share(Nominal value of Rs.5 per share)</b>	32		
Basic		1.68	1.17
Diluted		1.68	1.17
Other notes to accounts	1		
Summary of significant accounting policies	2		

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

As per our report of even date

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

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

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

Sd:- Venu Madhava  
**Director**  
 DIN: 06748204

Sd:- Ashok Kumar Doddi  
**Partner**  
 Membership No: 217909

Sd:- Saji K Louiz  
**Chief Financial Officer**

Sd:- Johnson Xavier  
**Company Secretary**

Bangalore, June 10, 2020

Bangalore, June 10, 2020

**eMudhra Limited****Notes forming part of Standalone Financial statements****1. General Information**

eMudhra Limited is a public limited company engaged in providing various solutions and services like digital signatures, authentication solutions, paperless office solutions and other solutions around PKI technology. eMudhra is a licensed Certifying Authority under the Information Technology Act, 2000.

Founded in 2008 from the seed of digital signatures, eMudhra has since grown to establish strong roots in solutions providing security to enterprises and end consumer for online transactions. eMudhra strives to stay relevant in the PKI and online security space by optimizing a market-based approach to drive solutions that address our customer's financial and statutory needs. eMudhra's products includes digital signature certificates, authentication solutions, paperless office solutions, solutions for securing data at rest and data in transit, solutions for Internet of Things (IoT), etc.

**2. Summary of Significant Accounting Policies****I. Basis of Preparation of Accounts**

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

**II. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

**III. Tangible Assets**

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

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



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

#### **IV. Intangible Assets**

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on straight-line basis over a period of 10 years, based on management estimate. The amortization period and the amortization method are reviewed at the end of each financial year.

#### **V. Investments**

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

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

#### **VI. Inventories**

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

#### **VII. Revenue Recognition**

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

1. Percentage-of-completion method in accounting for its fixed price assignments.
2. Digital signature related revenue is accounted based on billing.
3. Revenue from traded materials are accounted on the basis of delivery.

#### **VIII. Other Income**

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

#### **IX. Foreign Currency Transactions**

##### **Initial Recognition**

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

##### **Subsequent Recognition**

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

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

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

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

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

## **X. Employee Benefits**

### **(a) Defined Contribution Plan**

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

### **(b) Defined Benefit Plan**

The Company provides for gratuity, a defined benefit plan (the “Gratuity Plan”) covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee’s salary and the tenure of employment. The Company’s liability is actuarially determined by an independent actuary (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

### **(c) Other Employee Benefits**

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

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

## **XI. Borrowing Cost**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

## **XII. Current and Deferred Tax**

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

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred

tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company reassesses unrecognised deferred tax assets, if any.

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

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

## **XIII. Provisions and Contingent Liabilities**

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

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

#### **XIV. Cash and Cash Equivalents**

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

#### **XV. Earnings Per Share**

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

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

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

Sd:/- Ashok Kumar Doddi  
**Partner**  
Membership No: 217909

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

Sd:/- Saji K Louiz  
**Chief Financial Officer**

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

Sd:/- Johnson Xavier  
**Company Secretary**

Bangalore, June 10, 2020

Bangalore, June 10, 2020

**eMudhra Limited**

Notes forming part of the Financial Statements

**3 Share capital**

(Amount in Rs. unless otherwise stated)

	As at March 31,2020	As at March 31,2019
<b>Authorised</b>		
12,30,00,000 (2019:12,30,00,000) equity shares of Rs.5 each	61,50,00,000	61,50,00,000
2,50,00,000 (2019: 2,50,00,000) redeemable preference shares of Rs.10 each	25,00,00,000	25,00,00,000
	<b>86,50,00,000</b>	<b>86,50,00,000</b>
<b>Issued</b>		
7,01,79,692 (2019:7,01,79,692) equity shares of Rs.5 each	35,08,98,460	35,08,98,460
1,61,00,000 (2019: 1,61,00,000) Preference shares of Rs.10 each	16,10,00,000	16,10,00,000
<b>Subscribed &amp; Paid - up</b>		
7,01,79,692 (2019:7,01,79,692) equity shares of Rs.5 each	35,08,98,460	35,08,98,460
1,61,00,000 (2019: 1,61,00,000) Preference shares of Rs.10 each	16,10,00,000	16,10,00,000
	<b>51,18,98,460</b>	<b>51,18,98,460</b>

**(a) Reconciliation of number of shares**
**Equity Shares:**

	As at March 31,2020		As at March 31,2019	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	7,01,79,692	35,08,98,460	7,01,79,692	35,08,98,460
<b>Balance at the end of the year</b>	<b>7,01,79,692</b>	<b>35,08,98,460</b>	<b>7,01,79,692</b>	<b>35,08,98,460</b>

**Preference Shares:**

	As at March 31,2020		As at March 31,2019	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	1,61,00,000	16,10,00,000	2,05,00,000	20,50,00,000
Less: Redeemed during the year	-	-	44,00,000	4,40,00,000
<b>Balance at the end of the year</b>	<b>1,61,00,000</b>	<b>16,10,00,000</b>	<b>1,61,00,000</b>	<b>16,10,00,000</b>

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

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

**Preference shares**

1,61,00,000 (2019:1,61,00,000) preference share of Rs.10 each. Out of this 1,61,00,000 preference shares are 3% cumulative non convertible preference shares of Rs.10 each which are redeemable on 15.12.2020.

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

	As at March 31,2020	%	As at March 31,2019	%
V Srinivasan	2,79,73,964	40%	2,79,73,964	41%
Lakshmi Kaushik	62,01,466	9%	62,01,466	9%
Arvind Srinivasan	66,36,515	9%	66,36,515	9%
eMudhra Employees Stock Option Trust	61,32,801	9%	61,32,801	9%
Taarav Pte Ltd	1,83,59,123	26%	1,83,59,123	26%

**Preference Shares:**

3i Infotech Limited	75,00,000	47%	75,00,000	47%
V Srinivasan	53,55,731	33%	53,55,731	33%
Mythili Srinivasan	12,97,707	8%	12,97,707	8%
Kaushik Srinivasan	9,73,281	6%	9,73,281	6%
Arvind Srinivasan	9,73,281	6%	9,73,281	6%

**eMudhra Limited**  
Notes forming part of the Financial Statements

	As at March 31, 2020	As at March 31, 2019
<b>4 Reserves and surplus</b>		
<b>Securities premium</b>		
Opening balance	(0)	1,87,92,198
Add: Brought forward on account of amalgamation	-	-
Less: Adjusted against buy-back of preference shares	-	(1,87,92,198)
<b>Balance as at the end of the year</b>	<b>(0)</b>	<b>(0)</b>
<b>Capital redemption reserve</b>		
Opening balance	8,90,00,000	<b>8,90,00,000</b>
Add: transferred during the year	-	-
<b>Balance as at the end of the year</b>	<b>8,90,00,000</b>	<b>8,90,00,000</b>
<b>Surplus in the Statement of Profit and Loss</b>		
Balance at the beginning of the year	18,17,48,876	8,66,93,600
Profit/ (Loss) for the year/period	11,17,62,070	9,50,55,276
Deficit brought forward on account of amalgamation	-	-
Transfer to capital redemption reserve	-	-
<b>Balance as at the end of the year</b>	<b>29,35,10,946</b>	<b>18,17,48,876</b>
	<b>38,25,10,946</b>	<b>27,07,48,876</b>
<b>5 Long-term borrowings</b>		
Secured term loans:		
From Bank	18,73,02,377	11,33,56,919
	<b>18,73,02,377</b>	<b>11,33,56,919</b>
<b>Nature of security</b>	<b>Terms of Repayment</b>	
During the year, the term loan from Canara Bank has been taken over by Kotak Mahindra bank amounting to Rs. 15,00,00,000 and have sanctioned additional term loan of Rs.10,00,00,000 for construction of Digital Signature Compus building in KIADB IT Park, Devenahalli, Bangalore, out of which only Rs. 22,74,40,565 has been utilised till March 2020.	Term loan 1(Rs.15,00,00,000): Repayment started from June 2019 with a monthly instalment of Rs.25,69,817 for a period of 81 months. Company has made a repayment of Rs.128,66,054 till March 2020 towards the principal.	
1.Primary Security:First and exclusive charge on all existing and future current assets,movable assets,movable fixed assets,tangible and intangible assetsof the borrower	Term loan 2(Rs.10,00,00,000): Currently under moratorium and shall start the repayment from June 2020 for a period of 48 months.	
2. Collateral Security: Proposed memorandum of deposit of title deeds of lease hold property (leased for 99 years) KIADB land located at plot no 12-P1-A & 12-P1-B of Bangaluru Industrial area in Sy No 95/P & 7 ( Block no 21, 22 & 24) of B K Palya village, jala Hobli, Bangalore North taluk, Bangaluru Urban Dist measuring land 3 acres standing in the name of the company.Property presently under construction.	Interest Rate: K-MCLR +1.45%	
3. Collateral Security: Residential flat in "Cedar grove Oasis" apartment, property no.96,Katha no 1374/533/21,Sy.no.25/1,situated at Kaikondanahalli Village,Varthur Village,Bangalore standing in the name of M/s.Cedar Grove Real Estate Private Limited.		
4. . Collateral Security: Vacant land situated at, property no.95(old no.15),New Katha no 1368/527/15,old Katha no.527, Sy.no.25/1,situated at Kaikondanahalli Village,Varthur Village,Bangalore standing in the name of Mr.V.Srinivasan.		
<b>6 Other long-term liabilities</b>		
Trade deposits	25,25,000	25,25,000
Income received in advance	85,00,860	29,78,368
	<b>1,10,25,860</b>	<b>55,03,368</b>
<b>7 Deferred tax liabilities (net)</b>		
<b>Deferred tax on account of:</b>		
Depreciation	49,24,134	31,02,134
	<b>49,24,134</b>	<b>31,02,134</b>
<b>8 Long- term provisions</b>		
<b>Provision for employee benefits: (refer note 31)</b>		
Provision for gratuity	1,26,57,759	1,33,21,177
Provision for compensated absences	33,66,528	41,97,382
	<b>1,60,24,287</b>	<b>1,75,18,559</b>



**eMudhra Limited**

Notes forming part of the Financial Statements

	As at March 31,2020	As at March 31,2019
<b>9 Short-term borrowings</b>		
<b>Unsecured</b>		
From wholly owned subsidiary company	-	4,79,00,000
From Associated enterprises	2,16,00,000	-
<b>Secured</b>		
From scheduled banks*		
Working capital loan	7,92,29,064	7,69,59,049
Current maturity of term loan(refer note 5)	2,72,72,135	1,02,90,081
	<b>12,81,01,198</b>	<b>13,51,49,130</b>
* The company has availed working capital facility from Canara Bank which has been taken over by Kotak Mahindra Bank Limited during the financial year. This loan is repayable on demand.		
<b>Nature of Security:</b>		
1. <b>Primary Security:</b> Secured against receivables and inventory of the company.		
2. <b>Collateral Security:</b> (a) Proposed memorandum of deposit of title deeds of lease hold property (leased for 99 years) KIADB land located at plot no 12-P1-A & 12-P1-B of Bangaluru Industrial area in Sy No 95/P & 7 ( Block no 21, 22 & 24) of B K Palya village, jala Hobli, Bangalore North taluk, Bangaluru Urban Dist measuring land 3 acres standing in the name of the company.		
(b) Residential flat in "Cedar grove Oasis" apartment, property no.96,Katha no 1374/533/21,Sy.no.25/1,situated at Kaikondanahalli Village,Varthur Village,Bangalore standing in the name of M/s.Cedar Grove Real Estate Private Limited.		
(c) Vacant land situated at, property no.95(old no.15),New Katha no 1368/527/15,old Katha no.527, Sy.no.25/1,situated at Kaikondanahalli Village,Varthur Village,Bangalore standing in the name of Mr.V.Srinivasan.		
<b>10 Trade payables</b>		
Trade payables (refer note 36)	3,53,44,519	4,28,44,647
	<b>3,53,44,519</b>	<b>4,28,44,647</b>
<b>11 Other current liabilities</b>		
Advance from Customers	16,32,914	-
Capital creditors	70,26,374	21,67,158
Income received in advance	1,36,33,689	1,58,07,966
Statutory dues (Including provident fund and tax deducted at source)	2,89,04,155	2,63,37,976
DSC Portal deposit	1,03,10,767	1,16,74,810
Employee benefits payable	3,06,06,843	2,18,05,728
Other payables towards contractual obligations	2,54,02,277	97,62,883
	<b>11,75,17,019</b>	<b>8,75,56,522</b>
<b>12 Short-term provisions</b>		
<b>Provision for employee benefits:</b>		
<b>(refer note 31)</b>		
Provision for gratuity	20,00,000	12,00,000
Provision for compensated absences	15,66,063	9,33,470
	<b>35,66,063</b>	<b>21,33,470</b>

### eMudhra Limited

Notes forming part of the Financial Statements

#### 13 Tangible assets

(Amount in Rs.)

	Gross Block			Depreciation Block			Net Block	
	April 1, 2019	Additions	(Disposals)	March 31, 2020	April 1, 2019	For the year	March 31, 2020	March 31, 2019
<b>Own Assets:</b>								
Leasehold land*	8,92,52,215	-	-	8,92,52,215	25,25,855	8,54,547	8,58,71,813	8,67,26,360
Building	3,19,72,469	-	-	3,19,72,469	32,22,360	10,73,567	2,76,76,541	2,87,50,109
Computer and hardware	5,38,78,110	82,33,621	-	6,21,11,731	3,76,02,292	60,77,493	1,84,31,946	1,62,75,818
Motor vehicles	62,05,721	-	-	62,05,721	31,08,878	6,27,154	24,69,689	30,96,843
Office equipment's	3,07,19,447	31,40,980	-	3,38,60,427	1,51,67,073	40,40,158	1,46,53,196	1,55,52,374
Leasehold building	14,54,995	4,72,721	-	19,27,716	14,37,166	1,03,958	3,86,592	17,829
<b>Total</b>	<b>21,34,82,957</b>	<b>1,18,47,322</b>	<b>-</b>	<b>22,53,30,279</b>	<b>6,30,63,624</b>	<b>1,27,76,878</b>	<b>14,94,89,778</b>	<b>15,04,19,333</b>

#### 14 Intangible assets

(Amount in Rs.)

	Gross Block			Amortisation Block			Net Block	
	April 1, 2019	Additions	(Disposals)	March 31, 2020	April 1, 2019	For the year	March 31, 2020	March 31, 2019
Identity & Transaction Management Application	56,76,69,312	3,35,14,034	5,60,00,000	54,51,83,346	27,02,63,685	4,54,42,825	24,39,86,758	29,74,05,627
DSC Partner Portal	6,33,77,897	-	-	6,33,77,897	1,60,69,907	65,12,829	4,07,95,161	4,73,07,990
Computer Software for office use	1,03,84,602	2,07,900	-	1,05,92,502	67,97,378	4,18,979	33,76,145	35,87,224
Brand	6,08,750	-	-	6,08,750	6,08,750	-	0	0
<b>Total</b>	<b>64,20,40,561</b>	<b>3,37,21,934</b>	<b>5,60,00,000</b>	<b>61,97,62,495</b>	<b>29,37,39,720</b>	<b>5,23,74,633</b>	<b>28,81,58,064</b>	<b>34,83,00,841</b>

\* 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. KADB/HO/Allot/AS/30017/8927/15-16 dated 23.09.2015. The company has later obtained possession certificate vide letter no. IADB/AE/30017/1158/2015-16 dated 29.03.2016. This has been allotted for a leasehold period of 99 years beginning from possession date. This land is mortgaged against term loan of Rs. 25,00,00,000 by **Kotak Mahindra Bank**.

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

**eMudhra Limited**

Notes forming part of the Financial Statements

	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019
<b>15 Non-current investments</b>		
<b>Quoted instruments:-</b>		
<b>Investment In Mutual Fund:</b>		
Investment In mutual fund (1,50,000 (2019: 15,00,000) units of Canara robeco protection oriented fund - regular growth plan at par value of Rs.10 each)	15,00,000	15,00,000
<b>Unquoted equity/preference instruments:-</b>		
<b>Investments in subsidiary companies:</b>		
Investment in Emudhra Mu Limited (7,158,477 (2019:7,158,477) equity shares of face value of MUR10 each)	14,57,77,622	14,57,77,622
Investment in Emudhra Technologies Ltd (Previously known as Veda Semantics Pvt Limited) (15,04,782 (2019:29,50,552) equity shares of face value of Rs.10	1,30,08,543	2,55,00,000
Investment in Emudhra Consumer Services Ltd (38,00,000 (2019:50,000,000) equity shares of face value of Rs.10 each)	3,80,00,000	5,00,00,000
Investment in Emudhra DMCC (51 (2019: Nil) equity shares of face value of AED 1000 each)	10,11,582	-
Investment in Emudhra PTE Ltd (1,27,500 (2019: Nil) equity shares of face value of SGD 1 each)	65,43,020	-
Investment in Emudhra INC Ltd (1,05,000 (2019: Nil) equity shares of face value of USD 1 each)	83,93,358	-
	<b>21,42,34,125</b>	<b>22,27,77,622</b>
<b>16 Long term loans and advances</b>		
<b>Unsecured, considered good</b>		
Capital advances	16,630	95,000
<b>Deposits:</b>		
Security deposits	1,67,73,598	1,57,01,950
Tender deposits	13,75,276	12,42,276
	<b>1,81,65,504</b>	<b>1,70,39,226</b>
<b>Other loans and advances</b>		
Income tax Provision (net of TDS)	1,14,28,957	5,29,414
Other advances	7,41,298	9,03,082
	<b>1,21,70,255</b>	<b>14,32,495</b>
<b>Other non current assets</b>		
<b>Others</b>		
Advances to Emudhra employees stock option trust	3,06,84,003	3,06,74,003
Long term deposits with bank with maturity period more than 12 months [Refer note below]	66,38,525	56,31,160
	<b>3,73,22,528</b>	<b>3,63,05,163</b>
	<b>6,76,58,287</b>	<b>5,47,76,884</b>
<b>Note:</b> Rs.66,38,525 held as lien by banks against bank guarantees.		
<b>17 Inventories</b>		
Details of stock- in- trade		
Crypto token/Hardware security module	63,74,602	28,04,948
	<b>63,74,602</b>	<b>28,04,948</b>
<b>18 Trade receivables</b>		
<b>Unsecured, considered good</b>		
Outstanding for a period exceeding six months from the date they are due for payment	3,30,59,022	1,54,96,949
Others	14,52,20,435	10,92,23,626
	<b>17,82,79,457</b>	<b>12,47,20,576</b>

**eMudhra Limited**

Notes forming part of the Financial Statements

(Amount in Rs.)

	As at March 31,2020	As at March 31,2019
<b>19 Cash and cash equivalents</b>		
Cash on hand	2,61,510	2,55,107
Bank Balances :		
In current accounts	97,58,691	1,58,61,790
	<b>1,00,20,201</b>	<b>1,61,16,897</b>
<b>20 Short-term loans and advances</b>		
<b>Unsecured, considered good</b>		
Other advances	50,09,057	79,49,132
Unbilled revenue	6,31,62,481	3,44,35,800
Capital advances	-	8,06,594
Balances with government authorities	5,47,984	6,22,984
Prepaid expenses	2,36,10,647	1,39,43,175
	<b>9,23,30,169</b>	<b>5,77,57,684</b>
<b>21 Other current assets</b>		
Interest accrued on fixed deposit	8,98,976	4,59,287
	<b>8,98,976</b>	<b>4,59,287</b>

**eMudhra Limited**

Notes forming part of the Financial Statements

(Amount in Rs.)

	As at March 31,2020	As at March 31,2019
<b>22 Contingent liabilities</b>		
Bank guarantees (secured against fixed deposits of Rs.66,38,525)	1,07,35,308	1,01,34,493
Proposed dividend(excluding dividend distribution tax for FY 2019)	48,30,000	48,30,000
Income tax Appeal(refer note (a) below)	3,22,90,170	1,51,50,000
Legal Case(refer note (b) below)	-	9,00,000
	<b>4,78,55,478</b>	<b>3,01,14,493</b>

Note:

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

(b) The writ petition filed by the company, vide reference no.WP56004/2018(T-IT), like such order for the AY 2011-12 by the Dy. Commissioner of Income Tax has been quashed by the Honourable High Court of Karnataka through its order dated December 10, 2019 and hence the contingent liability of Rs. 1,51,50,000 recorded for the previous financial year stands cancelled.

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

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

**eMudhra Limited**

Notes forming part of the Financial Statements

**(Amount in Rs.)**

	For the Year ended March 31, 2020	For the Year ended March 31, 2019
<b>23 Other income</b>		
Interest Income	4,65,189	7,75,921
Other income	29,83,412	10,481
Provisions no longer required written back	-	76,341
<b>Total</b>	<b>34,48,601</b>	<b>8,62,743</b>
<b>24 Operating expenses</b>		
Distributor commission	5,36,40,195	5,73,60,995
Other direct operating expenses	4,12,20,596	2,47,70,656
Licence fee expenses	1,76,81,750	-
Payment gateway charges	35,12,466	45,96,785
Postage and courier charges	40,18,168	36,53,086
Foreign exchange Loss	3,17,571	9,73,606
	<b>12,03,90,745</b>	<b>9,13,55,128</b>
<b>25 Purchases of stock-in-trade</b>		
Purchase of hardware's	23,68,14,536	20,42,91,924
	<b>23,68,14,536</b>	<b>20,42,91,924</b>
<b>26 Changes in inventories of stock-in-trade</b>		
<b>Finished Goods:</b>		
<b>Opening stock:</b>		
Crypto token/HSM	28,04,948	33,76,771
	28,04,948	33,76,771
<b>Closing stock:</b>		
Crypto token/hardware security module	63,74,602	28,04,948
Closing stock	63,74,602	28,04,948
<b>Total</b>	<b>(35,69,655)</b>	<b>5,71,824</b>
<b>27 Employee benefit expense</b>		
Salary and allowances to employees	24,62,08,548	23,51,14,487
Contribution towards employee funds	87,82,638	76,09,530
Staff welfare expenses	1,25,22,655	1,73,87,168
<b>Total</b>	<b>26,75,13,841</b>	<b>26,01,11,184</b>
<b>28 Financial costs</b>		
Interest expense	64,84,948	52,06,014
<b>Total</b>	<b>64,84,948</b>	<b>52,06,014</b>
<b>29 Depreciation and amortization expense</b>		
Amortization on intangible assets	5,23,74,633	5,53,93,580
Depreciation on tangible assets	1,27,76,878	1,00,06,971
<b>Total</b>	<b>6,51,51,511</b>	<b>6,54,00,551</b>



**eMudhra Limited**

Notes forming part of the Financial Statements

**(Amount in Rs.)**

	For the Year ended March 31, 2020	For the Year ended March 31, 2019
<b>30 Other expenses</b>		
Office maintenance expense	94,31,763	79,18,102
Electricity expense	89,00,490	77,59,547
Business promotion and advertisement	2,27,63,552	1,56,36,597
Miscellaneous expense	17,84,266	13,04,183
Communication expenses	94,84,932	80,36,940
Insurance expenses	15,21,813	19,99,396
Information technology expenses	34,13,266	26,93,462
Legal, Professional and subcontracting expenses	6,07,27,130	1,44,52,059
Auditors' remuneration:		
- Statutory audit fee	7,00,000	6,50,000
-Other services	1,89,201	1,50,000
-Other consultancy services	1,50,000	35,000
Membership charges	6,90,042	8,14,140
Meeting and conference expenses	4,99,527	19,61,914
Printing and stationary	41,73,813	11,44,192
Fees rates and taxes	12,83,088	44,07,749
Recruitment and training expenses	10,60,110	7,01,278
Repair and maintenance	36,25,150	30,37,454
Travelling, boarding and lodging expenses	2,06,84,875	1,34,18,809
Local conveyance	21,73,401	28,18,973
Rent	2,89,32,334	2,42,80,392
Contribution for corporate social responsibility expenses (Refer Note No 38)	18,89,429	17,01,550
<b>Total</b>	<b>18,40,78,183</b>	<b>11,49,21,738</b>

**eMudhra Limited**

Notes forming part of the Financial Statements

**(Amount in Rs. unless otherwise stated)**
**31 Disclosures under accounting standard 15**
**a) Post Retirement Benefit- Defined Contribution Plans**

The Company has recognised an amount of Rs.80,72,561 (2019: Rs. 63,75,607) 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, 2020.

**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.

**(i) Present Value of Defined Benefit Obligation - Gratuity**
**(Amount in Rs.)**

	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Balance at the beginning of the year	1,94,24,034	1,24,34,198
Current service cost	52,69,543	32,01,324
Interest cost	13,82,094	8,72,146
Actuarial (gain)/loss	(41,21,092)	38,24,719
Benefits paid	(2,95,931)	(9,08,353)
<b>Balance at the end of the period/ year</b>	<b>2,16,58,648</b>	<b>1,94,24,034</b>

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

Balance at the beginning of the year	49,02,857	33,53,617
Expected return on plan assets	4,40,863	2,91,583
Contribution	22,46,553	19,76,654
Actuarial gain/(loss)	(2,93,453)	1,89,356
Benefits paid	(2,95,931)	(9,08,353)
<b>Balance at the end of the year</b>	<b>70,00,889</b>	<b>49,02,857</b>

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

Present value of defined benefit obligation	2,16,58,648	1,94,24,034
Present value of plan assets	70,00,889	49,02,857
<b>Amount recognised as assets/(liability)</b>	<b>(1,46,57,759)</b>	<b>(1,45,21,177)</b>

Recognised under:

Long term provision (Refer Note 8)	(1,26,57,759)	(1,33,21,177)
Short term provision (Refer Note 12)	(20,00,000)	(12,00,000)
<b>Total</b>	<b>(1,46,57,759)</b>	<b>(1,45,21,177)</b>

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

Current service cost	52,69,543	32,01,324
Interest cost	13,82,094	8,72,146
Expected return plan assets	(4,40,863)	(2,91,583)
Actuarial (gain)/loss	(38,27,640)	36,35,363
<b>Total expenses</b>	<b>23,83,134</b>	<b>74,17,250</b>

**eMudhra Limited**

Notes forming part of the Financial Statements

(Amount in Rs, unless otherwise stated)

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

	As at March 31, 2020	As at March 31, 2019
Insurer managed funds	100%	100%
<b>(vi) Actuarial assumptions</b>		
Discount rate	5.81%	7.17%
Salary growth	8.00%	10.00%
Attrition rate	25.00%	15.00%
Expected rate of return on plan assets	7.44%	7.50%

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

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Present value of obligation	2,16,58,648	1,94,24,034	1,24,34,198	1,11,00,509	61,11,773
Present value of plan assets	70,00,889	49,02,857	33,53,617	16,47,940	16,46,215
Amount recognised in balance sheet (Liability)/asset	(1,46,57,759)	(1,45,21,177)	(90,80,581)	(94,52,569)	(44,65,558)

**(viii) Expected contribution to the fund next year**

	As at March 31, 2020	As at March 31, 2019
Gratuity	20,00,000	12,00,000

**Notes:**

1) The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligation.

2) Expected rate of return on plan assets is based on our expectation of the average long term rate of return expected on investment of the fund during the estimated term of the obligations.

3) The salary escalation rate is the estimate of future salary increase considered taking into account the inflation, seniority, promotion and other relevant factors.

**Other employee benefit plan:** The liability for leave encashment and compensated balances as at year end is Rs.49,32,591 (2019: Rs. 51,30,852).

**eMudhra Limited**

Notes forming part of the Financial Statements

(Amount in Rs. unless otherwise stated)

		For the Year ended March 31, 2020	For the Year ended March 31, 2019
<b>32 Earnings per share</b>			
<b>Basic:</b>			
Profit after tax	A	11,77,70,078	10,08,88,849
Weighted average number of shares outstanding	B	7,01,79,692	7,01,79,692
Basic EPS	A/B	1.68	1.44
<b>Diluted</b>			
Profit after tax	A	11,77,70,078	10,08,88,849
Weighted average number of shares outstanding	B	7,01,79,692	7,01,79,692
Diluted EPS	A/B	1.68	1.44
<b>33 Foreign Exchange Earnings / Expenses</b>			
Foreign exchange earned (Net)		3,92,66,329	4,32,64,176
Foreign exchange used		1,22,34,096	10,30,69,526

eMudhra Limited  
Notes forming part of the Financial Statements

(Amount in Rs. unless otherwise stated)

34 Related party disclosures

A. Disclosure related to subsidiary and associate companies

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

Sl No	Name of the company	Address	Relationship	% of shares held
1	eMudhra (MU) Limited	10, Frere Felix de Valois Steet, Port Louis, Mauritius.	Subsidiary	100%
2	eMudhra Technologies Limited	#56, Sai Arcade, Deverabesahalli, Bangalore, Karnataka.	Subsidiary	51%
3	eMudhra Consumer Service Limited	#56, Sai Arcade, Deverabesahalli, Bangalore, Karnataka.	Subsidiary	76%
4	eMudhra DMCC	No 3006, One Lake Plaza, Cluster T, ILT Po Box no - 33620, Dubai, UAE	Subsidiary	51%
5	eMudhra INC	Street 202, Somerset, New Jersey - 088734413, USA	Subsidiary	51%
6	eMudhra PTE Ltd.	1 Phillip Street, #03-01 Singapore- 048692	Subsidiary	51%
7	Smart Craft Pvt Limited	#56, Sai Arcade, Deverabesahalli, Bangalore, Karnataka.	Associate	NA
8	Bluesky Infotech	G-5, Arathi Apartments, No 150 Habibullah Road, T. Nagar Chennai 600017	Associate	NA

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

Sl No	Summary of Transactions	Subsidiary Company		Associate Company	
		Mar-20	Mar-19	Mar-20	Mar-19
1	(Sales)/Purchase of Fixed Assets	(4,48,09,284)	6,59,01,646	-	-
2	Expenses incurred on Behalf / Income	10,05,753	17,20,684	-	-
3	Sales of services/products	17,85,19,295	20,60,23,898	-	-
4	Receiving of services	4,15,68,927	2,10,93,664	-	-
5	Licencing fees	1,76,81,750	-	-	-
6	Purchase of products	9,74,06,780	7,83,95,485	-	-
7	Receipt of loan	2,16,00,000	4,80,00,000	2,16,00,000	4,79,00,000
8	Repayment of loan	4,79,00,000	1,00,000	-	-
9	Investment in equity shares	1,59,47,960	5,00,00,000	5,39,47,960	5,00,00,000
10	Interest on unsecured loan	-	26,39,618.00	-	-
11	Commission paid	1,32,29,565	-	-	-
12	Receipt of deposits	1,00,000	-	-	-

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

Sl No	Particulars	Transactions		Balances	
		Mar-20	Mar-19	Mar-20	Mar-19
1	(Sales)/Purchase of Fixed Assets				
	Emudhra Consumer Service Limited	(4,48,09,284)	-		
	eMudhra (MU) Limited	-	6,59,01,646		0
2	Expenses incurred on behalf and reimbursed				
	Smart Craft Private Limited	-	72,019		-
	Bluesky Infotech	-	1,20,000		-
	Emudhra Technologies Limited	3,96,644	15,26,215		-
	Emudhra Consumer Service Limited	6,09,109	2,450		-
3	Sales of products				
	Bluesky Infotech	8,98,80,783	11,09,67,587		-
	Smart Craft Private Limited	6,74,800	17,56,661		-
4	Sales of services				
	Bluesky Infotech	7,67,59,684	8,16,56,000		-
	Emudhra Technologies Limited	-	1,16,43,650		-
	Emudhra Consumer Service Limited	50,00,000	-		-
	Emudhra DMCC	62,04,028	-		-
5	Purchase of products				
	Emudhra Technologies Limited	7,31,60,000	7,80,37,680	-	-
	Smart Craft Private Limited	2,16,080	1,16,200		-
	Bluesky Infotech	4,30,700	2,41,605		-
	Emudhra Consumer Service Limited	2,36,00,000	-		-
6	Receiving of services				
	Emudhra Technologies Limited	81,00,000	-		-
	eMudhra (MU) Limited	-	1,04,75,160	-	-
	Smart Craft Private Limited	-	5,79,345		-
	Bluesky Infotech	23,13,079	1,00,39,159		-
	Emudhra Consumer Service Limited	3,11,55,848	-		-
7	Licencing fees				
	Emudhra Consumer Service Limited	1,76,81,750	-		-
8	Receipt of loan				
	Emudhra Consumer Service Limited	-	4,80,00,000	-	4,79,00,000
	Bluesky Infotech	2,16,00,000	-	2,16,00,000	-
9	Repayment of loan				
	Emudhra Consumer Service Limited	4,79,00,000	1,00,000	-	-
10	Investment in equity shares				
	Emudhra Consumer Service Limited	-	5,00,00,000	3,80,00,000	5,00,00,000
	Emudhra DMCC	10,11,582	-	10,11,582	-
	Emudhra INC	83,93,358	-	83,93,358	-
	Emudhra PTE	65,43,020	-	65,43,020	-
11	Interest on unsecured loan				
	Emudhra Consumer Service Limited	-	26,39,618	-	-
12	Commission paid				
	Bluesky Infotech	1,32,29,565	-	-	-
13	Receipt of deposits				
	Bluesky Infotech	1,00,000	-	-	-

**B. Disclosure related to director and key managerial personnel**

(Amount in Rs.)

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

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

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

Sl No	Summary Transactions	Mar-20	Mar-19
1	Sale of shares	2,44,91,457	-
2	Receipt of loan	1,55,08,543	2,50,00,000
3	Repayment of loan	1,55,08,543	2,50,00,000
4	Salary and allowances paid	1,35,36,690	1,14,38,609
5	Preference dividend paid	25,79,999	25,79,999

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

Sl No	Particulars	Transactions		Balances	
		Mar-20	Mar-19	Mar-20	Mar-19
1	<b>Sale of shares</b>				
	V. Srinivasan :				
	- Emudhra Consumer Service Limited	1,20,00,000	-	-	-
	- Emudhra Technologies Limited	1,24,91,457	-	-	-
2	<b>Receipt of loan</b>				
	V. Srinivasan	1,55,08,543	2,50,00,000	-	-
3	<b>Repayment of loan</b>				
	V. Srinivasan	1,55,08,543	2,50,00,000		
4	<b>Salary and allowances paid</b>				
	Venu Madhava	39,49,758	33,09,138	-	-
	Kaushik Srinivasan	47,45,272	40,65,188	-	-
	Saji K Louiz	35,45,264	29,21,616	-	-
	Johnson Xavier	12,96,396	11,42,667	-	-
5	<b>Preference dividend paid</b>				
	V. Srinivasan	16,06,719	16,06,719		
	Mythili Srinivasan	3,89,312	3,89,312		
	Kaushik Srinivasan	2,91,984	2,91,984		
	Arvind Srinivasan	2,91,984	2,91,984		

**Note:**

- The information disclosed above is based on the names of the parties as identified by the management, which has been relied upon by the auditors.
- Provision for leave encashment and group gratuity which is based on actuarial valuation done on overall company basis is excluded while arriving at salary and allowances
- The Salary and allowances paid to key managerial persons includes leave encashment and incentive but doesn't includes PF contribution and other indirect benefits
- The names of the related parties with whom the transaction has been carried out only has been reported.
- During the year, the KMP's have met various office expenses from credit cards and the same has been reimbursed directly to the credit card by the company. Such reimbursements to the the credit cards are not included in the table above, which is amounting to Rs.14,270,917 (2019:Rs.12,320,743) .



**eMudhra Limited**  
Notes forming part of the Financial Statements

(Amount in Rs.)

	For the Year ended March 31 2020	For the Year ended March 31 2019
<b>35 Revenue from Operation:</b>		
Revenue from digital signature and accessories	56,35,35,526	47,09,93,327
Revenue from Software services and accessories (Including Export sale)	46,68,40,268	42,93,39,791
	<b>1,03,03,75,794</b>	<b>90,03,33,118</b>

**36 Micro small and medium enterprises**

There are no micro, small and medium enterprises, to which the company owes dues, or with which the company had transactions during the period, based on the information available with the company, which has been relied upon by the auditors.

**37 Previous period figures**

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

**38 Contribution for corporate social responsibility expenses**

Financial Year	Net Profit Amount (Rs)
2016-17	9,37,47,554
2017-18	8,28,10,032
2018-19	10,08,88,850
Average Net profits	9,24,82,145
2% of Avg.Net profit	18,49,643
Total amount to be spent during financial year 2019-20	18,49,643
Actual Amount spent during financial year 2019-20	<b>18,89,429</b>
Unspent amount	-

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

As per our report of even date

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

**For Manohar Chowdhry & Associates**

Firm Registration Number: 001997S  
Chartered Accountant

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

Sd:- Venu Madhava  
**Director**  
DIN: 06748204

Sd:- Ashok Kumar Doddi  
**Partner**  
Membership No: 217909

Sd:- Saji K Louiz  
**Chief Financial Officer**

Sd:- Johnson Xavier  
**Company Secretary**

Bangalore, June 10, 2020

Bangalore, June 10, 2020



***“There are no secrets to success. It is the result of preparation, hard work and learning from failure.”***

***– Colin Powell***





eMudhra Limited  
CIN - U72900KA2008PLC060368

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