



eMUDHRA LIMITED

ANNUAL REPORT 2019-20



BOARD OF DIRECTORS

VENKATRAMAN SRINIVASAN	CHAIRMAN
MEHERDAAD B BATTLIWALA	INDEPENDENT DIRECTOR
MANOJ KUNKALIENKAR	INDEPENDENT DIRECTOR
VENUMADHAVA	WHOLE TIME DIRECTOR

REGD. OFFICE:

#56, 3rd Floor, Sai Arcade,
Outer Ring Road,
Devarabeesanahalli,
Bangalore - 560103

AUDITORS:

Manohar Chowdhry & Associates
Chartered Accountants,
#5, Shree Balaji Enclave, 13th A Cross, Jayanagar,
2nd Block, Bangalore - 560 011
Tel: 080-26576644



ANNUAL GENERAL MEETING NOTICE

Notice is hereby given that the 12th Annual General Meeting of the members of eMudhra Limited, will be held on 22nd July, 2020 at 11:00 a.m. at the registered office of the Company to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended March 31, 2020 and the Balance Sheet as on that date, together with the Reports of the Directors' and Auditors' thereon.
2. To Declare Dividend on Preference Shares
3. To appoint a Director in place of Mr. V Srinivasan, who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013(“the Act”) read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and the Board of Directors, Mr. Manoj Kunkalienkar (DIN:00019200), be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from 1st April, 2020 upto 31st March, 2025.”

“RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

By order of the Board of Directors

Date: 10-06-2020
Place: Bangalore

V Srinivasan
(Chairman)


NOTES

1. A member entitled to attend and vote, is entitled to appoint a proxy to attend and to vote on a poll instead of himself. Such proxy need not be a member of the company. Proxies in order to be effective, must be deposited with the company not less than 48 hours before the meeting.

Item No. 1:

In terms of Section 102 of the Companies Act, 2013 the statement setting out the following material facts concerning the item of special business to be transacted at the general meeting, as annexed to the notice calling such meeting, is detailed hereunder:

(a) the nature of concern or interest, financial or otherwise, if any, in respect of each items of—

- 
- (i) None of the Directors/Managers are concerned or interested financial or otherwise in this resolution except Mr. Manoj Pundalik Kunkalienkar
- (ii) None of the other Key Managerial Personnel are concerned or interested financial or otherwise in this resolution except Mr. Manoj Pundalik Kunkalienkar
(In terms of Section 203 of the Companies Act, 2013 the key Managerial Personnel are namely – managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-Time Director: company Secretary and Chief Financial Officer, if any)
- (iii) None of the relatives of the persons mentioned in (i) and (ii) are concerned or interested financial or otherwise in this resolution.

(b) Meaning, scope and implications of the item No. 5 of Special Business as required under Section 102 of the Companies Act, 2013:

Mr. Manoj was appointed as an Independent Non-Executive Director to hold office for five consecutive years for a term upto 31st March, 2020, by the Members of the Company in their AGM held on 30th December 2015. As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Mr. Manoj Pundalik Kunkalienkar holds Masters in Computer Engineering from IIT, Bombay and Bachelors in Electrical Engineering from IIT, Bombay. Mr. Manoj Pundalik Kunkalienkar is an experienced technocrat with a strong technical background. Successfully created, nurtured and built strong IT organisations one of which was listed on the stock exchanges in India. Worked with Prof. Deepak Phatak and Prof. N. L. Sarda to provide consulting in area of system performance, IT strategy and benchmarking for companies like United Insurance, MTNL, RCF, UTI.

Positions Held:

- Member of Board Technology Committee of National Commodity and Derivative Exchange
- Member of Board Technology Committee of National Securities Depository Ltd.
- Member of Board Standing Committee of United Stock Exchange Ltd.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Manoj Pundalik Kunkalienkar being eligible and offering himself for appointment is proposed to be appointed as an independent director for five consecutive years for a term upto March 31, 2025.

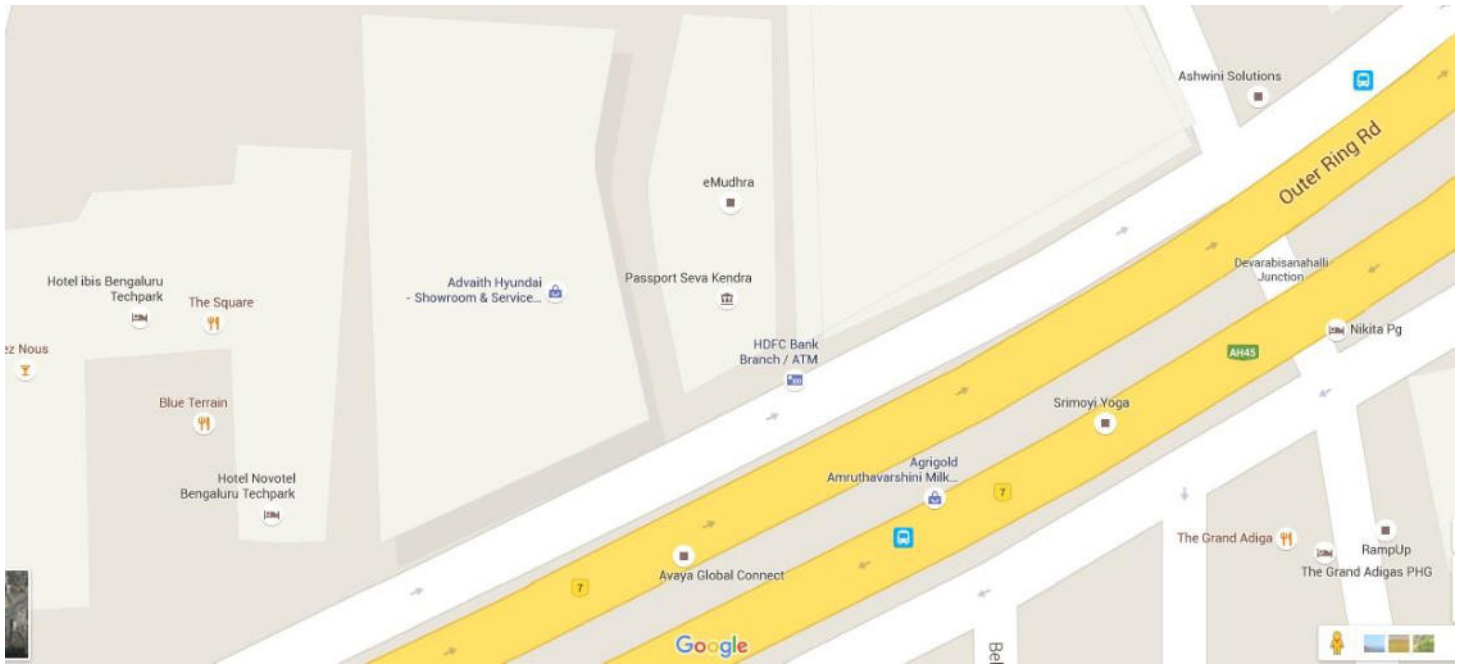
In the opinion of the Board of Directors, Mr. Manoj Pundalik Kunkalienkar, the Independent Director proposed to be reappointed, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and he is independent of the Management. A copy of the draft letter for the reappointment of Mr. Manoj Pundalik Kunkalienkar, as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

The Board considers that his association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Manoj Pundalik Kunkalienkar as an Independent Director. Accordingly, the Board recommends the resolution in relation to reappointment of Mr. Manoj Kunkalienkar as an Independent Director, not liable to retire by rotation, for the approval by the shareholders of the Company.

Except Mr. Manoj Pundalik Kunkalienkar, being an appointee and his relatives, none of the Directors, Key Managerial Personnel or their relatives is concerned or interested, financially or otherwise, in the said resolution.



ROUTE MAP



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 continues 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 the 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 Life cycle Automation, support for various protocols and others.

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 stream 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 CA/Browser forum and Executive Committee member of European Cloud Signature Consortium. It is worth noting here that eMudhra is the only Indian company admitted in such global fora relating to 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, Recently he has been elected as a Board member of European Cloud Signature Consortium.

eMudhra Campuses:

- 1) Devanahalli Digital Signature Campus, Bangalore
- 2) The construction of this campus was on full swing till middle of March 2020. However the Covid 19 Pandemic has affected the pace at which the construction was going. With the lockdown imposed due to Pandemic 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. 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 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 also provides online tax filling services for many years. These are non-core areas without much potential (as Government provides these services free). The revenue from these activities are continuously dropping and in the reporting period the revenue fall 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 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 Government of India started Lockdowns from March 22, 2020. In anticipation of the lockdowns enabling work from home of all the employees was done from Middle of 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 to this new work paradigm. Further, our solutions business has completely re-engineered and employees were trained to implement our various solutions remotely .

With the introduction of First lockdown , while business almost came to a halt in the last 10 days of March 2020 over the next two months it has gradually picked up and has come to near normal levels in recent week after lock down 5 with several relaxations. Still our employees are 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 Working from Home.

The revenues came down almost 90% during the last 10 days of March 2020 , by 50 to 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 plan 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 Government. Though as of the date of this report the situation appears to have improved, however COVID 19 is increasing in India the 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 they will be able to come out successfully out of 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.

(Delete all other paras of point 8. Keep only above para)

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 reviews 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"> The company is engaged in providing signing solutions and associated services and other services around PKI technologies.
2	eMudhra MU Limited	<ul style="list-style-type: none"> The company is a Certifying Authority in Mauritius and is engaged in providing digital signature and other allied services in and around PKI technologies.
3	eMudhra Consumer Services Limited	<ul style="list-style-type: none"> The company is engaged in providing various software products, IT and IT enabled products, etc. The company's product, emSigner, [paperless office solution] is attaining major traction across the globe.
4	eMudhra DMCC	<ul style="list-style-type: none"> The company is a marketing company for eMudhra products and allied services in Middle East Africa [MEA] region.
5	eMudhra INC	<ul style="list-style-type: none"> The company is a marketing company for eMudhra products and allied services in Americas region.
6	eMudhra PTE Ltd	<ul style="list-style-type: none"> The company is a marketing company for eMudhra products and allied services in Asia - Pacific [APAC] region.

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

1. 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.

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:

1. To ensure protection of shareholder value through the establishment of an integrated Risk Management framework for identifying, assessing, mitigating, monitoring, evaluating and reporting of all risks.
2. To provide clear and strong basis for informed decision making at all levels of the organization.
3. To continually strive towards strengthening the "Risk Management & Compliance System" through Continuous learning and improvement.

25. Credit ratings

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

V Srinivasan
Director
DIN: 00640646

Venumadhava
Director
DIN: 06748204

Date: June 10, 2020

Place: Bangalore

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**

₹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)**

₹18,49,643

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

- a. Total amount spent for the Financial Year : ₹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	
A. Promoters									
(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	-

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	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	70179692	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	1001469	1.43	-	1001469	1.43	-	-

	Arvind							
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	-	-	-	-
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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
Indebtedness at the beginning of the financial year				
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	-	-	-	-
Total (i+ii+iii)	20,06,06,049	4,79,00,000		24,85,06,049
Change in Indebtedness during the financial year				
* 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
Net Change	9,31,97,525	(2,63,00,000)	-	6,68,97,525
Indebtedness at the end of the financial year				
i) Principal Amount	29,38,03,575	2,16,00,000		31,54,03,575
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	-	-		-
Total (i+ii+iii)	29,38,03,575	2,16,00,000		31,54,03,575

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)	-	-	-	-
	Total (B)=(1+2)	-	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	-	-	-	
	Total	-	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)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

V Srinivasan
Director
DIN: 00640646

Venu Madhava
Director
DIN: 06748204

Place: Bangalore
Date: June 10,2020

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					
		eMudhra Technologies Limited	eMudhra (MU) LTD	eMudhra Consumer Services Limited	eMudhra DMCC	eMudhra INC	eMudhra PTE LTD
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:

1. Names of Subsidiaries which are yet to commence operations
2. 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

V Srinivasan
Director
DIN: 00640646

Venu Madhava
Director
DIN: 06748204

Place: Bangalore

Date: June 10,2020

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 Expenses incurred on behalf & reimbursed Sale of Services	One time One time One time One time	Rs. (4,48,09,284) Rs. 6,09,109 Rs. 50,00,000 Rs. 2,36,00,000	30 th May 2019	-

		Purchase of Products	One time	Rs. 3,11,55,848		
		Receiving of Services	One time	Rs. 1,76,81,750		
		Licensing fee	One time	Rs. 4,79,00,000		
		Repayment of Loan				
2.	eMudhra Technologies Limited	Expenses incurred on behalf & reimbursed	One time	Rs. 3,96,644	30 th 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 th 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 th May 2019	
			One time	Rs. 7,67,59,684		
		Sale of services	One time	Rs. 4,30,700		
		Purchase of Products	One time	Rs. 23,13,079		
		Receiving of services	One time	Rs. 2,16,00,00		
		Receipt of loan	One time	Rs. 1,32,29,565		
		Commission paid	One time	Rs. 1,00,000		
		Receipt of deposits				

5.	eMudhra INC	Investment in Equity	One time	Rs. 83,93,358	30 th May 2019	
6.	eMudhra PTE LTD	Investment in Equity	One time	Rs. 65,43,020	30 th May 2019	
7.	eMudhra DMCC	Sale of services Investment in Equity Shares	One time One time	Rs. 62,04,028 Rs. 10,11,582	30 th May 2019	

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

V Srinivasan
Director
DIN: 00640646

Venu Madhava
Director
DIN: 06748204

Place: Bangalore
Date: June 10, 2020

S.P. NAGARAJAN M.Com., A.C.S., L.L.B.
Company Secretary in Wholetime Practice

S-818, Eighth Floor,
South Block - Manipal Centre,
47, Dickenson Road,
Bangalore - 560 042
Telefax: 080- 41136320, 41141544
Mobile: 98453 84585
Email: cs@nagarajsp818.com
www.spncs818.com

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

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

CIN: U72900KA2008PLC060368
Authorised Capital: Rs. 86,50,00,000/-

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2020 ('year under review') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2020. The Company has complied with the provisions of the following laws, rules and regulations, wherever applicable:
 - i. The Companies Act, 2013 (the Act) and the rules made thereunder;
 - ii. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable to Overseas Direct Investment;
 - iii. The Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018. As the Ministry of Corporate Affairs (MCA) has notified that with effect from 2nd October, 2018, issue of further shares and transfer of all shares by unlisted public companies shall be in dematerialised form only, the Company has initiated necessary steps to enable compliance with the said regulations.



- iv. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder with regard to dematerialisation of securities and reconciliation of records of dematerialised securities with all securities issued by the Company. The Company has initiated necessary measures to enable compliance with clause Regulation 55A of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996;
- v. The other laws, as informed and certified by the management of the Company which are to the extent applicable to the Company based on its sector/ industry, are:
- a. The Registration Act, 1908
 - b. The Indian Stamp Act, 1899
 - c. The Limitation Act, 1963
 - d. Indian Contract Act, 1872
 - e. Negotiable Instrument Act, 1881
 - f. Sale of Goods Act, 1930
 - g. The Information Technology Act. 2000
 - h. The Aadhaar Act, 2016
 - i. Right to Information Act, 2005
 - j. The Trade Marks Act, 1999
 - k. The Patents Act, 1970
 - l. Indian Copyright Act, 1957
 - m. Income Tax Act, 1961
 - n. The Central Goods and Service Tax Act, 2017
 - o. The Insurance Act, 1938
 - p. Labour Laws including The Employees' Provident Funds And Miscellaneous Provisions Act, 1952, Employees' State Insurance Act, 1948, Employees' State Insurance (Central) Rules, 1950, ESI Act, Payment of Bonus Act, Payment of Gratuity Act, Contract Labour Act, Employees Compensation Act, Apprentices Act, Equal Remuneration Act, 1976, Maternity Benefit Act, 1961
 - q. The State Acts, rules, guidelines and regulations to the extent applicable to the Company.

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

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

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

- b) The Listing Agreements entered into by the Company with Stock Exchanges
Not applicable as the Company is an unlisted public company.



3. The following regulations/Acts/guidelines are NOT APPLICABLE to the Company during the audit period as the Company is an unlisted public company:
- i. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder with regard to maintenance of minimum public shareholding and compliance under clause 35 of the Listing Agreement.
 - ii. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - i. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015
4. Based on my examination and verification of the registers, records and documents produced to me and according to the information and explanations given to me by the Company: -

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



- a) maintenance of various statutory registers and documents and making necessary entries therein wherever applicable; -
- b) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
- c) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- d) notice of Board meetings and Committee meetings of Directors;
- e) the meetings of Directors and Committees of Directors;
- f) the Eleventh Annual General Meeting held on 22nd July 2019;
- g) minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- h) approvals of the Members, the Board of Directors, the Committees of Directors, Government authorities, wherever required;
- i) constitution of the Board of Directors /Committee(s) of Directors, appointment, retirement and re-appointment of Directors including the Executive Directors, Whole-time Director and Key Managerial Personnel (Chief Financial Officer and Company Secretary) to the extent applicable;
- j) payment of remuneration to Executive Directors/Key Managerial Personnel;
- k) appointment and remuneration of Auditors;
- l) investment of the Company's funds including inter-corporate loans and investments and loans to others wherever applicable;
- m) filing of e-forms for creation, modification and satisfaction of charges during the year under review;
- n) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule III to the Act;
- o) Directors' report;
- p) contracts, common seal, registered office and publication of name of the Company; and
- q) generally, all other applicable provisions of the Act and the Rules made under.

5. I further report that

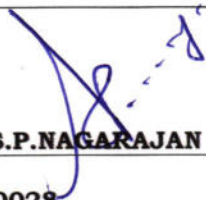
The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the year under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance in accordance with Section 173(3) of the Act and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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



6. **I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
7. On examination of the relevant documents and records in pursuance thereof, on test-check basis **I further report that** I have relied on the information and representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other Acts, Laws, and Regulations to the extent applicable to the Company.
8. **I further report that:**
- (a) the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities;
 - (b) the Directors have complied with the disclosure requirements in respect of their eligibility of appointment and independence;
 - (c) the Company has obtained all necessary approvals under the various provisions of the aforesaid Acts and rules made thereunder, to the extent applicable; and
 - (d) there was no prosecution initiated by any statutory authorities and no fines or penalties were imposed during the year under review under the Act and rules framed thereunder against / on the Company, its Directors and Officers.

Place: Bangalore	Signature :	
	Name of the Company Secretary : S.P.NAGARAJAN	
Date: 10/06/2020	ACS Number :	10028
	CP Number :	4738
	UDIN :	A010028B000333043
Peer reviewed Unit - bearing Unique Identification Number: I2002KR300400		




S.P. NAGARAJAN M.Com., A.C.S., LL.B.,
Company Secretary
S-818, 8th Floor, South Block, Manipal Centre,
No. 47, Dickenson Road, Bangalore - 560 042.
Tel : 4114 1544 / 4113 2211
Tele Fax : 4113 6320, (M) : 98453 84585

Manohar Chowdhry & Associates

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Members of eMudhra Limited

Report on the Audit of the Standalone Financial Statements

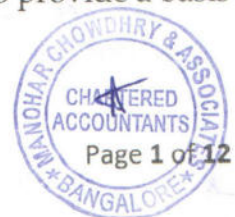
Opinion

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 aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 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 audit opinion on the standalone financial statements.



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CHARTERED ACCOUNTANTS

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.

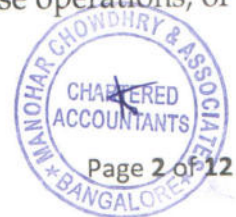
Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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.



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CHARTERED ACCOUNTANTS

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



Manohar Chowdhry & Associates

CHARTERED ACCOUNTANTS

auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

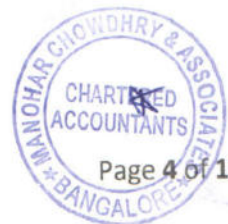
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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.



Page 4 of 12

Manohar Chowdhry & Associates

CHARTERED ACCOUNTANTS

- 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:
- 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.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

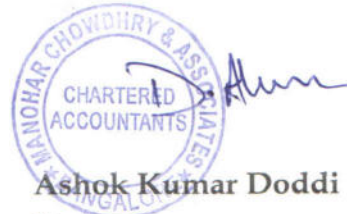
Place: Bangalore

Date: 10.06.2020

For Manohar Chowdhry & Associates

Chartered Accountants

Firm Registration No: 001997S



Ashok Kumar Doddi

Partner

Membership No: 217909

UDIN :20217909AAAABW3819

Page 5 of 12

Manohar Chowdhry & Associates

CHARTERED ACCOUNTANTS

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. According to the information and explanations provided by the management no physical verification of fixed assets is done during the year.
- c) According to the information and explanations given to us, the records examined by us and based on the examination of the deeds provided 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 no 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.



Manohar Chowdhry & Associates

CHARTERED ACCOUNTANTS

- 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

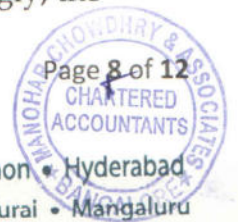


Page 7 of 12

Manohar Chowdhry & Associates

CHARTERED ACCOUNTANTS

- 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 on the company by its officers or employees has been noticed or reported during the course of the audit.
- xi. According to the explanation and information given by the management, the managerial remuneration has been paid or provided in accordance with the provisions of section 197 read with Schedule V to the companies Act, 2013.
- xii. In our opinion, the company is not a Nidhi Company. Therefore, the provisions of clause 4(xii) of the order are not applicable to the company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the company, transactions with related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.
- xiv. According to the information and explanations provided by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiii) of the order are not applicable to the company and hence not commented upon.
- xv. As informed by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the



Manohar Chowdhry & Associates

CHARTERED ACCOUNTANTS

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: 10.06.2020

For **Manohar Chowdhry & Associates**

Chartered Accountants

Firm Registration No: 001997S



Ashok Kumar Doddi

Partner

Membership No: 217909

UDIN :20217909AAAABW3819

Manohar Chowdhry & Associates

CHARTERED ACCOUNTANTS

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.

Auditors' Responsibility

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



Manohar Chowdhry & Associates

CHARTERED ACCOUNTANTS

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.



Page 11 of 12

Manohar Chowdhry & Associates

CHARTERED ACCOUNTANTS

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: 10.06.2020

For Manohar Chowdhry & Associates

Chartered Accountants

Firm Registration No: 001997S



Ashok Kumar Doddi

Partner

M No: 217909

UDIN :20217909AAAABW3819

Page 12 of 12

eMudhra Limited
Cash Flow Statement

(Amount in Rs.)

	Year ended March 31, 2020	Year ended March 31, 2019
Cash flow from operating activities		
Profit before tax	15,69,60,286	14,03,45,758
Adjustments for :		
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	<u>22,51,48,144</u>	<u>21,01,76,401</u>
Changes in working capital:		
(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
Cash generated from operations	<u>14,80,47,214</u>	<u>18,89,39,430</u>
Direct taxes paid (net of refunds)	(3,73,68,208)	(3,86,59,521)
Net cash from operating activities	<u>11,06,79,006</u>	<u>15,02,79,909</u>
Cash flow from investing activities		
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
Net cash from / (used in) investing activities	<u>(17,11,80,271)</u>	<u>(34,69,69,587)</u>
Cash flow from financing activities		
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)
Net cash from / (used in) financing activities	<u>5,44,04,570</u>	<u>15,45,95,063</u>
Net increase/decrease in cash and cash equivalents	<u>(60,96,696)</u>	<u>(4,20,94,614)</u>
Cash and cash equivalents at the beginning of the period	<u>1,61,16,897</u>	<u>5,82,11,511</u>
Cash and cash equivalents at the end of the period	<u>1,00,20,201</u>	<u>1,61,16,897</u>
Cash and cash equivalents comprises of:		
Cash on hand	2,61,510	2,55,107
Balance with banks		
In current accounts	97,58,691	1,58,61,790
Deposit accounts	-	-
Total	<u>1,00,20,201</u>	<u>1,61,16,897</u>

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

V. Srinivasan
Chairman
DIN: 00640646

Venu Madhava
Director
DIN: 06748204

Ashok Kumar Doddi
Partner
Membership No: 217909



Saji K Louiz
Chief Financial Officer

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
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share capital	3	51,18,98,460	51,18,98,460
Reserves and surplus	4	38,25,10,946	27,07,48,876
Non-current liabilities			
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
Current liabilities			
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
Total		1,39,82,14,862	1,18,98,12,085
ASSETS			
Non-Current Assets			
Fixed assets			
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
Current Assets			
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
Total		1,39,82,14,862	1,18,98,12,085
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

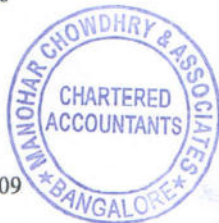
For and on behalf of the Board of Directors

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

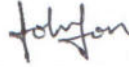
V Srinivasan
Chairman
DIN: 00640646

Venu Madhava
Director
DIN: 06748204


Ashok Kumar Doddi
Partner
Membership No.217909




Saji K Louiz
Chief Financial Officer


Johnson Xavier
Company Secretary



Bangalore, June 10, 2020

Bangalore, June 10, 2020

eMudhra Limited
Statement of Profit and Loss

	Notes	For the Year ended March 31, 2020	(Amount in Rs.) For the Year ended March 31, 2019
INCOME			
Revenue from operations (refer note 35)		1,03,03,75,794	90,03,33,118
Other income	23	34,48,601	8,62,743
Total revenue		1,03,38,24,395	90,11,95,860
EXPENSES			
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	(35,60,655)	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
Total Expense		87,68,64,109	76,08,50,102
Profit before Exceptional and Extraordinary Items and Tax		15,69,60,286	14,03,45,758
Profit(loss) before tax		15,69,60,286	14,03,45,758
Tax Expense:			
Current tax		3,73,68,208	3,81,93,176
Deferred tax		18,22,000	12,63,733
Profit/(loss) after tax		11,77,70,078	10,08,88,849
Dividend Paid on preference shares		60,08,008	58,33,573
Profit/(loss) for the year		11,17,62,070	9,50,55,276
Earnings per equity share (Nominal value of Rs.5 per share)	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: 001997S
Chartered Accountant

Ashok Kumar Doddi
Partner
Membership No: 217909

Bangalore, June 10, 2020



V Srinivasan
Chairman
DIN: 00640646

Saji K Louiz
Chief Financial Officer

Venu Madhava
Director
DIN: 06748204

Johnson Xavier
Company Secretary

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 strive 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 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 use 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

eMudhra Limited

Notes forming part of Standalone financial statements

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 Manohar Chowdhry & Associates

Chartered Accountant

Firm Registration Number: 001997S



Ashok Kumar Doddi

Partner

Membership No: 217909



For and on behalf of the Board of Directors



V Srinivasan

Chairman

DIN: 00640646



Venu Madhava

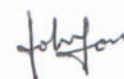
Director

DIN: 06748204



Saji K Louiz

Chief Financial Officer



Johnson Xavier

Company Secretary

Bangalore, June 10, 2020



Bangalore, June 10, 2020

3 Share capital

(Amount in Rs, unless otherwise stated)

	As at March 31,2020	As at March 31,2019
Authorised		
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
	<u>86,50,00,000</u>	<u>86,50,00,000</u>
Issued		
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
Subscribed & Paid - up		
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
	<u>51,18,98,460</u>	<u>51,18,98,460</u>

(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
Balance at the end of the year	<u>7,01,79,692</u>	<u>35,08,98,460</u>	<u>7,01,79,692</u>	<u>35,08,98,460</u>

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
Balance at the end of the year	<u>1,61,00,000</u>	<u>16,10,00,000</u>	<u>1,61,00,000</u>	<u>16,10,00,000</u>

(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:

	As at March 31,2020	%	As at March 31,2019	%
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
4 Reserves and surplus		
Securities premium		
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)
Balance as at the end of the year	(0)	(0)
Capital redemption reserve		
Opening balance	8,90,00,000	8,90,00,000
Add: transferred during the year	-	-
Balance as at the end of the year	8,90,00,000	8,90,00,000
Surplus in the Statement of Profit and Loss		
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	-	-
Balance as at the end of the year	29,35,10,946	18,17,48,876
	38,25,10,946	27,07,48,876
5 Long-term borrowings		
Secured term loans:		
From Bank	18,73,02,377	11,33,56,919
	18,73,02,377	11,33,56,919
Nature of security	Terms of Repayment	
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.		
6 Other long-term liabilities		
Trade deposits	25,25,000	25,25,000
Income received in advance	85,00,860	29,78,368
	1,10,25,860	55,03,368
7 Deferred tax liabilities (net)		
Deferred tax on account of:		
Depreciation	49,24,134	31,02,134
	49,24,134	31,02,134
Long-term provisions		
Provision for employee benefits: (refer note 31)		
Provision for gratuity	1,26,57,759	1,33,21,177
Provision for compensated absences	33,66,528	41,97,382
	1,60,24,287	1,75,18,559

	As at March 31,2020	As at March 31,2019
9 Short-term borrowings		
Unsecured		
From wholly owned subsidiary company	-	4,79,00,000
From Associated enterprises	2,16,00,000	-
Secured		
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
	<u>12,81,01,198</u>	<u>13,51,49,130</u>
<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.</p> <p>Nature of Security:</p> <p>1. Primary Security: Secured against receivables and inventory of the company.</p> <p>2. Collateral Security: (a) Proposed memorandum of deposit of title deeds of lease hold property (leased for 99 years) KIADB land located at plot no 12-P1-A & 12-P1-B of 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) PResidential flat in "Cedar grove Oasis" apartment, property no.96,Katha no 1374/533/21,Sy.no.25/1,situated at Kaikondanahalli Village,Varthur Village,Bangalore standing in the name of M/s.Cedar Grove Real Estate Private Limited. (c)Vacant land situated at, property no.95(old no.15),New Katha no 1368/527/15,old Katha no.527, Sy.no.25/1,situated at Kaikondanahalli Village,Varthur Village,Bangalore standing in the name of Mr.V.Srinivasan.</p>		
10 Trade payables		
Trade payables (refer note 36)	<u>3,53,44,519</u>	<u>4,28,44,647</u>
11 Other current liabilities		
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
	<u>11,75,17,019</u>	<u>8,75,56,522</u>
12 Short-term provisions		
Provision for employee benefits: (refer note 31)		
Provision for gratuity	20,00,000	12,00,000
Provision for compensated absences	15,66,063	9,33,470
	<u>35,66,063</u>	<u>21,33,470</u>

13 Tangible assets

(Amount in Rs.)

	Gross Block		Depreciation Block		Net Block	
	April 1, 2019	March 31, 2020	April 1, 2019	For the year	March 31, 2020	March 31, 2019
Own Assets:						
Leasehold land*	8,92,52,215	8,92,52,215	25,25,855	8,54,547	33,80,402	8,67,26,360
Building	3,19,72,469	3,19,72,469	32,22,360	10,73,567	42,95,927	2,87,50,109
Computer and hardware	5,38,78,110	6,21,11,731	3,76,02,292	60,77,493	4,36,79,785	1,62,75,818
Motor vehicles	62,05,721	62,05,721	31,08,878	6,27,154	37,36,032	30,96,843
Office equipments	3,07,19,447	3,38,60,427	1,51,67,073	40,40,158	1,92,07,231	1,55,52,374
Leasehold building	14,54,995	19,27,716	14,37,166	1,03,958	15,41,124	17,829
Total	21,34,82,957	22,53,30,279	6,30,63,624	1,27,76,878	7,58,40,501	15,04,19,333

14 Intangible assets

(Amount in Rs.)

	Gross Block		Amortisation Block		Net Block	
	April 1, 2019	March 31, 2020	April 1, 2019	For the year	March 31, 2020	March 31, 2019
Identity & Transaction Management Application	56,76,69,312	54,51,83,346	27,02,63,685	4,54,42,825	30,11,96,588	29,74,05,627
DSC Partner Portal	6,33,77,897	6,33,77,897	1,60,69,907	65,12,829	2,25,82,736	4,73,07,990
Computer Software for office use	1,03,84,602	1,05,92,502	67,97,378	4,18,979	72,16,357	35,87,224
Brand	6,08,750	6,08,750	6,08,750	-	6,08,750	0
Total	64,20,40,561	61,97,62,495	29,37,39,720	5,23,74,633	33,16,04,431	34,83,00,841

*Note: Out of this land worth Rs.8,30,01,213 is the lease hold land measuring 12140.00 Sq. Mtrs located at plot no. 12- P1- A & 12 -P1-B(Corner) of Bengaluru IT Park Industrial Area in SY nos. 95/P & 7 (Block no.21.22 & 24- Part) of B K Palya Village , Jala Hobli, Bengaluru North Taluk, has been allotted to our company by Karnataka Industrial Areas Development Board as per the allotment letter no. KIADB/HO/Allot/AS/30017/8927/15-16 dated 23.09.2015. The company has later obtained possession certificate vide letter no. LADB/AE/30017/158/2015-16 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 Financial Statements

(Amount in Rs.)

	As at March 31,2020	As at March 31,2019
15 Non-current investments		
Quoted instruments:-		
Investment In Mutual Fund:		
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
Unquoted equity/preference instruments:-		
Investments in subsidiary companies:		
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	-
	<u>21,42,34,125</u>	<u>22,27,77,622</u>
16 Long term loans and advances		
Unsecured, considered good		
Capital advances	16,630	95,000
Deposits:		
Security deposits	1,67,73,598	1,57,01,950
Tender deposits	13,75,276	12,42,276
	<u>1,81,65,504</u>	<u>1,70,39,226</u>
Other loans and advances		
Income tax Provision (net of TDS)	1,14,28,957	5,29,414
Other advances	7,41,298	9,03,082
	<u>1,21,70,255</u>	<u>14,32,495</u>
Other non current assets		
Others		
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
	<u>3,73,22,528</u>	<u>3,63,05,163</u>
	<u>6,76,58,287</u>	<u>5,47,76,884</u>
Note: Rs.66,38,525 held as lien by banks against bank guarantees.		
17 Inventories		
Details of stock- in- trade		
Crypto token/Hardware security module	63,74,602	28,04,948
	<u>63,74,602</u>	<u>28,04,948</u>
18 Trade receivables		
Unsecured, considered good		
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
	<u>17,82,79,457</u>	<u>12,47,20,576</u>

eMudhra Limited
Notes forming part of the Financial Statements

(Amount in Rs.)

	As at March 31,2020	As at March 31,2019
19 Cash and cash equivalents		
Cash on hand	2,61,510	2,55,107
Bank Balances :		
In current accounts	97,58,691	1,58,61,790
	<u>1,00,20,201</u>	<u>1,61,16,897</u>
20 Short-term loans and advances		
Unsecured, considered good		
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
	<u>9,23,30,169</u>	<u>5,77,57,684</u>
21 Other current assets		
Interest accrued on fixed deposit	8,98,976	4,59,287
	<u>8,98,976</u>	<u>4,59,287</u>

	As at March 31,2020	As at March 31,2019
22 Contingent liabilities		
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
	<u>4,78,55,478</u>	<u>3,01,14,493</u>

Note:

(a) The company have filed writ petition (WP 52898/2019) which is pending with Honourable High Court of Karnataka against Dy commissioner of Income Tax Circle 2(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 have 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 have 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.

	For the Year ended March 31, 2020	For the Year ended March 31, 2019
23 Other income		
Interest Income	4,65,189	7,75,921
Other income	29,83,412	10,481
Provisions no longer required written back	-	76,341
Total	34,48,601	8,62,743
24 Operating expenses		
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
Total	12,03,90,745	9,13,55,128
25 Purchases of stock-in-trade		
Purchase of hardware's	23,68,14,536	20,42,91,924
Total	23,68,14,536	20,42,91,924
26 Changes in inventories of stock-in-trade		
Finished Goods:		
Opening stock:		
Crypto token/HSM	28,04,948	33,76,771
Closing stock:		
Crypto token/hardware security module	63,74,602	28,04,948
Closing stock	63,74,602	28,04,948
Total	(35,69,655)	5,71,824
27 Employee benefit expense		
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
Total	26,75,13,841	26,01,11,184
28 Financial costs		
Interest expense	64,84,948	52,06,014
Total	64,84,948	52,06,014
29 Depreciation and amortization expense		
Amortization on intangible assets	5,23,74,633	5,53,93,580
Depreciation on tangible assets	1,27,76,878	1,00,06,971
Total	6,51,51,511	6,54,00,551

	For the Year ended March 31, 2020	For the Year ended March 31, 2019
30 Other expenses		
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
Total	18,40,78,183	11,49,21,738

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

	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)
Balance at the end of the period/ year	2,16,58,648	1,94,24,034

(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)
Balance at the end of the year	70,00,889	49,02,857

(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
Amount recognised as assets/(liability)	(1,46,57,759)	(1,45,21,177)

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)
Total	(1,46,57,759)	(1,45,21,177)

(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
Total expenses	23,83,134	74,17,250

(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%
(vi) Actuarial assumptions		
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
32 Earnings per share			
Basic:			
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
Diluted			
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
33 Foreign Exchange Earnings / Expenses			
Foreign exchange earned (Net)		3,92,66,329	4,32,64,176
Foreign exchange used		1,22,34,096	10,30,69,526

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, Deverabesenhalli, Bangalore, Karnataka	Subsidiary	51%
3	eMudhra Consumer Service Limited	#56, Sai Arcade, Deverabesenhalli, Bangalore, Karnataka	Subsidiary	76%
4	eMudhra DMCC	No 3006, One Lake Plaza, Cluster T, JLT Po Box no - 32620, 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, Deverabesenhalli, 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	17,70,684	-	-
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	Licensing 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	-	-
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	Licensing 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

(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	Sale of shares				
	V. Srinivasan :				
	- Emudhra Consumer Service Limited	1,20,00,000	-	-	-
	- Emudhra Technologies Limited	1,24,91,457	-	-	-
2	Receipt of loan				
	V. Srinivasan	1,55,08,543	2,50,00,000	-	-
3	Repayment of loan				
	V. Srinivasan	1,55,08,543	2,50,00,000		
4	Salary and allowances paid				
	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	Preference dividend paid				
	V. Srinivasan	16,06,719	16,06,719		
	Mythili Srinivasan	3,89,312	3,89,312		
	Kaushik Srinivasan	2,91,984	2,91,984		
	Arvind Srinivasan	2,91,984	2,91,984		

Note:

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

	For the Year ended March 31, 2020	For the Year ended March 31, 2019
35 Revenue from Operation:		
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
	<u>1,03,03,75,794</u>	<u>90,03,33,118</u>

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	18,89,429
Unspent amount	-

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

As per our report of even date

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

D. Ashok

Ashok Kumar Doddi
Partner
Membership No: 217909

Bangalore, June 10, 2020



For and on behalf of the Board of Directors

V. Srinivasan

V Srinivasan
Chairman
DIN: 00640646

Venu Madhava
Venu Madhava
Director
DIN: 06748204

Saji K Louiz
Saji K Louiz
Chief Financial Officer

Johnson Xavier
Johnson Xavier
Company Secretary



Bangalore, June 10, 2020

Manohar Chowdhry & Associates

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

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, (the 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 aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs (financial position) of the Company as at March 31, 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



Manohar Chowdhry & Associates

CHARTERED ACCOUNTANTS

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 Company's Board of Directors is 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.

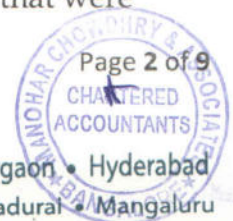
Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 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 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



Manohar Chowdhry & Associates

CHARTERED ACCOUNTANTS

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 Directors 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.



Manohar Chowdhry & Associates

CHARTERED ACCOUNTANTS

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.

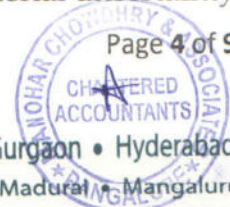
We have not audited the financial statements of eMudhra INC (hereinafter referred as foreign subsidiary) whose financial statements reflect a total revenue of Rs. 23 lakhs in the consolidated revenue. These financial statements are unaudited and have been furnished to us by management and have been certified 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 are 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

Page 4 of 9



Manohar Chowdhry & Associates

CHARTERED ACCOUNTANTS

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.

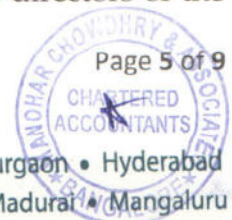
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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



Manohar Chowdhry & Associates

CHARTERED ACCOUNTANTS

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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated financial statements disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note no.22 to the financial statements.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Bangalore

Date: 10.06.2020

For **Manohar Chowdhry & Associates**

Chartered Accountants

Firm Registration No: 001997S



Ashok Kumar Doddi

Partner

M No: 217909

UDIN :20217909AAAABY9049

Manohar Chowdhry & Associates

CHARTERED ACCOUNTANTS

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.

Auditors' Responsibility

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



Page 7 of 9

Manohar Chowdhry & Associates

CHARTERED ACCOUNTANTS

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.

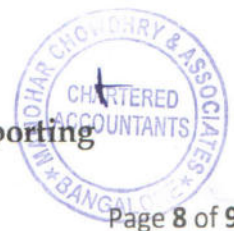
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

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



Page 8 of 9

Manohar Chowdhry & Associates

CHARTERED ACCOUNTANTS

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: 10.06.2020

For Manohar Chowdhry & Associates

Chartered Accountants

Firm Registration No: 001997S



Ashok Kumar Doddi

Partner

M No: 217909

UDIN :20217909AAAABY9049

Page 9 of 9

eMudhra Limited
Consolidated Cash Flow Statement

(Amount in Rs.)

	Year ended March 31, 2020	Year ended March 31, 2019
Cash flow from operating activities		
Profit before tax	25,24,37,914	21,09,88,916
Adjustments for :		
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	<u>34,15,33,774</u>	<u>29,68,83,010</u>
Changes in working capital:		
(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	<u>4,39,23,297</u>	<u>5,85,61,862</u>
Cash generated from operations	<u>25,15,78,262</u>	<u>20,26,31,617</u>
Direct taxes paid (net of refunds)	<u>(4,13,68,327)</u>	<u>(4,08,58,143)</u>
Net cash from operating activities	<u>21,02,09,935</u>	<u>16,17,73,474</u>
Cash flow from investing activities		
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
Net cash from / (used in) investing activities	<u>(29,28,73,231)</u>	<u>(31,44,77,293)</u>
Cash flow from financing activities		
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	<u>(64,44,856)</u>	<u>(25,66,396)</u>
Net cash from / (used in) financing activities	<u>15,07,27,243</u>	<u>11,03,82,111</u>
Net increase/decrease in cash and cash equivalents	<u>6,80,63,947</u>	<u>(4,23,21,708)</u>
Cash and cash equivalents at the beginning of the period	<u>2,32,60,082</u>	<u>6,55,81,790</u>
Cash and cash equivalents at the end of the period	<u>9,13,24,029</u>	<u>2,32,60,082</u>
Cash and cash equivalents comprises of:		
Cash on hand	2,74,838	2,55,107
Balance with banks		
In current accounts	9,10,49,191	2,30,04,975
Deposit accounts	-	-
Total	<u>9,13,24,029</u>	<u>2,32,60,082</u>

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

Ashok Kumar Doddi
Partner
Membership No: 217909

Bangalore, June 10, 2020



V. Srinivasan

V Srinivasan
Chairman
DIN: 00640646

Saji K Louiz
Chief Financial Officer

Venu Madhava
Director
DIN: 06748204

Johnson Xavier
Company Secretary



eMudhra Limited
Consolidated balance sheet

(Amount in Rs.)

	Notes	As at March 31,2020	As at March 31,2019
EQUITY AND LIABILITIES			
Shareholder's Funds			
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	-
Non-current liabilities			
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
Current liabilities			
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
Total		1,54,39,34,062	1,19,06,90,555
ASSETS			
Non-Current Assets			
Fixed assets			
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
Current Assets			
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
Total		1,54,39,34,062	1,19,06,90,555
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

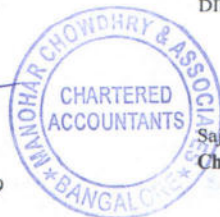
For and on behalf of the Board of Directors

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

V Srinivasan
Chairman
DIN: 00640646

Venu Madhava
Director
DIN: 06748204

Ashok Kumar Doddi
Partner
Membership No.217909



Saji K Louiz
Chief Financial Officer

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
INCOME			
Revenue from operations		1,16,42,36,682	1,01,02,65,537
Other income	23	33,50,537	9,55,459
Total revenue		1,16,75,87,219	1,01,12,20,996
EXPENSES			
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
Total Expense		91,51,49,305	80,02,32,080
Profit before Exceptional and Extraordinary Items and Tax		25,24,37,914	21,09,88,916
Profit(loss) before tax		25,24,37,914	21,09,88,916
Tax Expense:			
Current tax		4,13,68,327	4,08,58,143
Deferred tax		44,77,879	12,63,733
Profit(loss) after tax		20,65,91,707	16,88,67,040
Dividend paid on preference shares		60,08,008	58,33,573
Profit(loss) for the year		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 equity share(Nominal value of Rs.5 per share)			
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


 Ashok Kumar Doddi
 Partner
 Membership No: 217909



Bangalore, June 10, 2020


 V Srinivasan
 Chairman
 DIN: 00640646


 Saji K Louiz
 Chief Financial Officer


 Venu Madhava
 Director
 DIN: 06748204


 Johnson Xavier
 Company Secretary



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, 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 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.

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.

eMudhra Limited
Notes forming part of the consolidated financial statements

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 use 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.

eMudhra Limited
Notes forming part of the consolidated financial statements

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

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

XIII. Provisions and Contingent Liabilities

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

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that

arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

XIV. Cash and Cash Equivalents

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

XV. Earnings per share

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

XVI. Impairment of Assets

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

For Manohar Chowdhry & Associates

Chartered Accountant

Firm Registration Number: 001997S



Ashok Kumar Doddi

Partner

Membership No: 217909



For and on behalf of the Board of Directors



V Srinivasan

Chairman

DIN: 00640646



Venu Madhava

Director

DIN: 06748204



Saji K Louiz

Chief Financial Officer



Johnson Xavier

Company Secretary

Bangalore, June 10, 2020



Bangalore, June 10, 2020

3 Share capital

(Amount in Rs, unless otherwise stated)

	As at	
	March 31,2020	March 31,2019
Authorised		
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
	86,50,00,000	86,50,00,000
Issued		
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
Subscribed & Paid - up		
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
	51,18,98,460	51,18,98,460

(a) Reconciliation of number of shares

Equity Shares:

	As at		As at	
	March 31,2020		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
Balance at the end of the year	7,01,79,692	35,08,98,460	7,01,79,692	35,08,98,460

Preference Shares:

	As at		As at	
	March 31,2020		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
Balance at the end of the year	1,61,00,000	16,10,00,000	1,61,00,000	16,10,00,000

(b) Rights, preferences and restrictions attached to shares

Equity shares

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

Preference shares

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

	As at		As at	
	March 31,2020	%	March 31,2019	%
Equity Shares:				
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
4 Reserves and surplus		
Capital redemption reserve		
Opening balance	8,90,00,000	8,90,00,000
Add: transferred during the year	-	-
Balance as at the end of the year	8,90,00,000	8,90,00,000
Surplus in the Statement of Profit and Loss		
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	-	-
Balance as at the end of the year	43,08,76,340	25,88,30,324
Opening Balance	(3,22,60,825)	(3,33,08,257)
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	-	-
	(8,38,73,142)	(3,22,60,825)
	43,60,03,198	31,55,69,499
5 Long-term borrowings		
Secured term loans:		
From Bank	18,73,02,377	11,33,56,919
	18,73,02,377	11,33,56,919
Nature of security and terms of repayment for secured borrowings:		
Nature of security	Terms of Repayment	
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. Collatral 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.Collatral 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		
6 Other long-term liabilities		
Trade deposits	25,25,000	25,25,000
Unpaid dividend on preference shares	-	-
Income received in advance	85,00,860	29,78,368
	1,10,25,860	55,03,368
7 Deferred tax liabilities (net)		
Deferred tax on account of:		
Depreciation	75,80,013	31,02,134
	75,80,013	31,02,134
8 Long-term provisions		
Provision for employee benefits: (refer note 31)		
Provision for gratuity	1,26,57,759	1,33,21,177
Provision for compensated absences	33,66,528	41,97,382
	1,60,24,287	1,75,18,559

eMudhra Limited

Notes forming part of the consolidated financial statements

(Amount in Rs.)

	As at March 31,2020	As at March 31,2019
9 Short-term borrowings		
Unsecured		
From director	1,97,04,523	-
From associated enterprise	2,16,00,000	-
Secured		
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
	<u>14,78,05,721</u>	<u>8,72,49,130</u>
<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.</p>		
Nature of Security:		
1. Primary Security: Secured against receivables and inventory of the company.		
2. Collateral Security: (a) Proposed memorandum of deposit of title deeds of lease hold property (leased for 99 years) KIADB land located at plot no 12-P1-A & 12-P1-B of 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) PResidential 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.		
10 Trade payables		
Trade payables (refer note 36)	7,46,49,806	4,29,36,036
	<u>7,46,49,806</u>	<u>4,29,36,036</u>
11 Other current liabilities		
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
	<u>12,54,43,828</u>	<u>9,14,22,979</u>
12 Short-term provisions		
Provision for employee benefits:		
(refer note 31)		
Provision for gratuity	20,00,000	12,00,000
Provision for compensated absences	15,66,063	9,33,470
	<u>35,66,063</u>	<u>21,33,470</u>

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, 2019
Own Assets:										
Leasehold land*	8,92,52,215	-	-	8,92,52,215	25,25,855	-	8,54,547	-	33,80,402	8,58,71,813
Building	3,19,72,469	-	-	3,19,72,469	32,22,360	-	10,73,567	-	42,95,927	2,76,76,541
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	1,66,36,277
Motor vehicles	62,05,721	-	-	62,05,721	31,08,878	-	6,27,154	-	37,36,032	30,96,843
Office equipment's	3,08,25,798	31,40,580	-	3,39,66,778	1,52,37,733	1,169	40,60,063	-	1,92,98,984	1,55,88,045
Leasehold building	68,10,868	4,72,721	-	72,83,589	67,93,039	-	1,03,958	-	68,96,997	17,829
Total	22,00,92,571	1,23,19,859	-	23,24,12,430	6,92,77,108	14,282	1,30,84,292	-	8,23,75,682	15,00,36,748

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, 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
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
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
Semantic analytics	2,14,04,050	-	-	2,14,04,050	96,28,890	-	21,40,405	-	1,17,69,295	96,34,755
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
Brand	6,08,750	-	-	6,08,750	6,08,750	-	-	-	6,08,750	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

*Note: Out of this land worth Rs.8,30,01,213 is the the lease hold land measuring 12140.00 Sq. Mtrs located at plot no. 12- P1- A & 12 -P1-B(Corner) of Bengaluru IT Park Industrial Area in SY nos. 95/P & 7 (Block no.21,22 &24- Part) of B K Palya Village , Jala Hobli, Bengaluru North Taluk, has been allotted to our company by Karnataka Industrial Areas Development Board as per the allotment letter no KIADB/HO/Allo/AS/300/7/8927/15-16 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- Jagrammalayam, 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
15 Non-current investments		
Quoted instruments:-		
Investment In Mutual Fund:		
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)		
	<u>15,00,000</u>	<u>15,00,000</u>
16 Long term loans and advances		
Unsecured, considered good		
Capital advances	-	95,000
Deposits:		
Security deposits	1,77,58,958	1,57,54,950
Tender deposits	13,75,276	12,42,276
	<u>1,91,34,234</u>	<u>1,70,92,226</u>
Other loans and advances		
Income Tax (Net of provisions)	1,60,61,926	-
Other advances	4,57,706	9,03,082
	<u>1,65,19,632</u>	<u>9,03,082</u>
Other non current assets		
Others		
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
	<u>3,73,22,528</u>	<u>3,81,05,163</u>
	<u>7,29,76,394</u>	<u>5,61,00,471</u>
Note: Rs.66,38,525 held as lien by banks against bank guarantees.		
17 Inventories		
Details of stock- in- trade		
Crypto token	63,74,602	28,04,948
SSL Certificates	82,62,997	-
	<u>1,46,37,599</u>	<u>28,04,948</u>
18 Trade receivables		
Unsecured, considered good		
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
	<u>23,25,93,031</u>	<u>20,94,66,045</u>

eMudhra Limited

Notes forming part of the consolidated financial statements

	(Amount in Rs.)	
	As at March 31,2020	As at March 31,2019
19 Cash and cash equivalents		
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)	-	-
	<u>9,13,24,029</u>	<u>2,32,60,082</u>
20 Short-term loans and advances		
Unsecured, considered good		
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
	<u>14,52,73,365</u>	<u>6,36,04,151</u>
21 Other current assets		
Interest accrued on fixed deposit	8,98,976	5,24,942
	<u>8,98,976</u>	<u>5,24,942</u>

eMudhra Limited

Notes forming part of the Financial Statements

	(Amount in Rs.)	
	As at March 31,2020	As at March 31,2019
22 Contingent liabilities		
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
	<u>1,55,65,308</u>	<u>1,49,64,493</u>

Note:

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

(b) The 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 have 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 have 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.

	For the Year ended March 31, 2020	For the Year ended March 31, 2019
23 Other income		
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	-	-
Total	33,50,537	9,55,459
24 Operating expenses		
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
Total	14,25,36,805	11,27,02,777
25 Purchases of stock-in-trade		
Purchase of hardware's	22,11,13,957	20,37,41,924
SSL Certificates	3,76,75,575	-
Total	25,87,89,532	20,37,41,924
26 Changes in inventories of stock-in-trade		
Finished Goods:		
Opening stock:		
Crypto token	28,04,948	33,76,771
SSL Certificates	-	-
Total Opening stock	28,04,948	33,76,771
Closing stock:		
Crypto token	63,74,602	28,04,948
SSL Certificates	82,62,997	-
Total Closing stock	1,46,37,599	28,04,948
Total	(1,18,32,652)	5,71,823
27 Employee benefit expense		
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
Total	28,58,62,760	26,01,11,184
28 Financial costs		
Interest expense	64,44,856	25,66,396
Total	64,44,856	25,66,396
29 Depreciation and amortization expense		
Amortization on intangible assets	7,29,17,249	7,41,47,942
Depreciation on tangible assets	1,30,84,292	1,00,48,393
Total	8,60,01,541	8,41,96,335
30 Other expenses		
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
Total	14,73,46,463	11,73,49,900

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

	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)
Balance at the end of the period/ year	2,16,58,648	1,94,24,034
(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)
Balance at the end of the year	70,00,889	49,02,857
(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
Amount recognised as assets/(liability)	(1,46,57,759)	(1,45,21,177)
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)
Total	(1,46,57,759)	(1,45,21,177)
(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
Total expenses	23,83,134	74,17,250

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%
(vi) Actuarial assumptions		
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
32 Earnings per share			
Basic:			
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
Diluted			
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
33 Foreign Exchange Earnings / Expenses			
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 :

Sl No	Name of the company	Address	Relationship	% of shares held
1	Smart Craft Pvt Limited	#56, Sai Arcade, Deverabesenhalli, 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

Sl 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

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

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

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

(B.2) Summary of transactions 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	Sale of shares				
	V. Srinivasan :				
	- Emudhra Consumer Service Limited	1,20,00,000	-	-	-
	- Emudhra Technologies Limited	1,24,91,457	-	-	-
2	Receipt of loan:				
	V. Srinivasan	1,55,08,543	2,50,00,000	-	-
3	Repayment of loan:				
	V. Srinivasan	1,55,08,543	2,50,00,000		
4	Salary and allowances paid:				
	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	Preference dividend paid:				
	V. Srinivasan	16,06,719	16,06,719		
	Mythili Srinivasan	3,89,312	3,89,312		
	Kaushik Srinivasan	2,91,984	2,91,984		
	Arvind Srinivasan	2,91,984	2,91,984		

Note:

- The information disclosed above is based on the names of the parties as identified by the management, which has been relied upon by the auditors.
- Provision for leave encashment and group gratuity which is based on actuarial valuation done on overall company basis is excluded while arriving at salary and allowances.
- The Salary and allowances paid to key managerial persons includes leave encashment and incentive but doesn't includes PF contribution and other indirect benefits.
- The names of the related parties with whom the transaction has been carried out only has been reported.
- During the year, the KMP's have met various office expenses from credit cards and the same has been reimbursed directly to the credit card by the company. Such reimbursements to the the credit cards are not included in the table above, which is amounting to Rs.14,270,917 (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
	<u>1,16,42,36,682</u>	<u>1,01,02,65,537</u>

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	18,89,429
Unspent amount	-

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

As per our report of even date

For Manohar Chowdhry & Associates

Firm Registration Number: 001997S

Chartered Accountant



Ashok Kumar Doddi

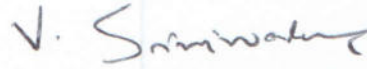
Partner

Membership No: 217909



Bangalore, June 10, 2020

For and on behalf of the Board of Directors



V Srinivasan

Chairman

DIN: 00640646

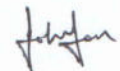


Venu Madhava

DIN: 06748204



Saji K Louiz

Chief Financial Officer


Johnson Xavier

Company Secretary

Bangalore, June 10, 2020