

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF EMUDHRA LIMITED**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of **eMudhra Limited** ("the company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (herein 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 Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the company as at 31<sup>st</sup> March 2023, its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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



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### Key Audit Matters

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

Key Audit Matters	Auditor's Response
<p>Revenue recognition</p> <p>Accuracy of recognition, measurement, presentation and disclosure of revenue and related balances towards Ind AS 115- Revenue from contracts with customers.</p> <p>The application of this standard involves the assessment towards identification of performance obligation, determination of transaction price for each of the identified performance obligations, the judgements used in determining the satisfaction of those performance obligations over time or at a point in time.</p> <p>The company revenue from contracts mainly includes sales of software licenses, digital certificates and sales of related accessories for those software licenses.</p>	<p>Our audit procedure involves the identification of internal controls and their operating effectiveness towards application of this standard. We have also carried out substantive testing of the transactions.</p> <p>a) We have assessed the appropriateness of the revenue recognition policies by comparing with the applicable Indian Accounting Standards.</p> <p>b) Selected the samples of continuing contracts as well as new contracts and identified the performance obligations and compared the same with the performance obligation identified by the company.</p> <p>c) Verified the basis of allocation of transaction price to the identified performance obligation if not specifically mentioned in the contract.</p> <p>d) Identified the basis to be considered to determine the satisfaction of performance obligation and compared the same with the judgements used by the company in determining the satisfaction of performance obligation over the time or at a point in time.</p> <p>e) Verified the appropriate evidence considered for determining the satisfaction of performance obligation towards transfer of promised goods or services.</p>



	<p>f) Verified the judgements used by the company in determining the stages of completion of the contracts where the satisfaction of entire performance obligation is partially completed.</p> <p>g) Verified the process towards identification of contracts where the right to consideration is unconditional and is due only after passage of time.</p>
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**Information Other than the Standalone 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 Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report but does not include the standalone Financial Statements and our auditor’s report thereon.

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

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

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

**Responsibilities of Management and Those Charged with governance for the Standalone 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 Standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and the cash flows of the company in accordance with Indian Accounting Standards and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and



maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements 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, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone 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 financial controls 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 system in place with reference to standalone financial statements 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 the 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 standalone 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 Standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order.



2. As required by Section 143(3) of the Act, based on our audit 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 including the Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of accounts.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31<sup>st</sup> March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2023 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 with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls with reference to standalone financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirement of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of Section 197 of the Companies Act, 2013.

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



- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements as at 31<sup>st</sup> March 2023 - Refer Note 45 of the standalone financial statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts to the standalone financial statements. The Company do not have any derivative contracts.
- iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
(b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in the standalone financial statements;
  - a) The final dividend proposed in the previous year, declared and paid by the Company during the current financial year is in accordance with Section 123 of the Act, as applicable.
  - b) The company has not declared and paid interim dividend during the year.
  - c) The Board of Directors of the Company have proposed final dividend for the year which is subject to approval of the members at the ensuing Annual



General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.

- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 01<sup>st</sup> April 2023, and accordingly, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

Place: Bengaluru

Date: 28<sup>th</sup> April, 2023



For Suri & Co.,

Chartered Accountants

Firm Registration No. 004283S

*V. Natarajan*

V Natarajan

Partner

Membership No. 223118

UDIN: 23223118BGYEOH7379

## **Annexure A to the Independent Auditors' report**

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of eMudhra Limited of even date)

### **Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to standalone financial statements of **eMudhra Limited** ("the Company") as of 31<sup>st</sup> March 2023 in conjunction with our audit of the standalone 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 with reference to standalone financial statements criteria established by the Company considering the essential components of internal controls stated in Guidance Note issued by Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to standalone financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 the risks of material misstatement of the standalone 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 controls systems with reference to standalone financial statements.

### **Meaning of Internal Financial Controls with Reference to Standalone Financial Statements**

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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

### **Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control



with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls were operating effectively as at 31<sup>st</sup> March 2023, based on the internal financial control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



Place: Bengaluru  
Date: 28<sup>th</sup> April, 2023

For Suri & Co.,  
Chartered Accountants  
Firm Registration No. 004283S

*V. Natarajan*  
V Natarajan

Partner  
Membership No. 223118  
UDIN:23223118BGYEOH7379

## **Annexure B to the Independent Auditor's Report**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our audit report to the Members of eMudhra Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.  
(B) The Company has maintained proper records showing full particulars of intangible assets.
  - b) The Company has a program of physical verification to cover all the items of Property, Plant and Equipment and relevant details of right-of-use assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets and business. Pursuant to the programme, the physical verification of property, plant and equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us, the records examined by us based on the examination of the deeds provided us, we report that the title deeds, comprising all the immovable properties of land and buildings (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), are in the name of the Company as at Balance sheet date. Refer Note 3a(v) of the standalone financial statements.
  - d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) or intangible assets during the year.
  - e) According to the information and explanation given to us, no proceedings have been initiated during the year or are pending against the Company as at 31<sup>st</sup> March 2023 for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The company has carried out physical verification of inventory during the year, in our opinion, the frequency of verification, coverage, and procedure of such verification by the management is appropriate. No discrepancies of 10% or more in the aggregate were noticed on such physical verification of inventories.



(b) According to the information and explanations given to us and on the basis of our examination of records of the company, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from the banks on the basis of security of current assets. These loans have been repaid fully during the current financial year. In our opinion, the monthly returns or statements filed by the company with such banker are in agreement with books of account of the company.

- iii. a) During the year, the Company has made investments, granted loans or advances in the nature of loans, to its subsidiary companies, the details of which are given below

(Amounts are in Million)

	Guarantees	Security	Loans	Advances in nature of loans
A) Aggregate amount granted/ provided during the year:	-	-	16.88	-
- Subsidiaries	-	-	-	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
- Others (Group entity)	-	-	-	-
Balance outstanding as at balance sheet date in respect of above cases ;	-	-	-	-
- Subsidiaries	-	-	-	-
- Joint Ventures	-	-	-	-
- Associates	-	-	10.81	-
- Others (Group entity)	-	-	-	-

- b) According to information and explanations provided to us, the investments made and the terms and conditions of all the above mentioned loans, during the year are, prima facie, in our opinion, not prejudicial to the Company's interest.



- c) According to information and explanations provided to us, In respect of loans granted by the Company, in our opinion, the terms of repayment has been stipulated and the repayments or receipts are generally been regular.
- d) According to information and explanations given to us and on basis of our examination of the records of the company, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- e) According to information and explanations provided to us and on basis of our examination of the records of the company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdues of existing loan given to the same party.
- f) According to the information and explanations given to us and on the basis of our examination of records of the company, the company has granted loans and advances in the nature of loans repayable on demand or without specifying any period of repayment to the following related party, as defined in section 2(76) of the Companies Act,2013.

(Amounts are in Million)

	All parties	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans:			
-Repayable on demand (A)	-	-	16.88
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total (A+B)	-	-	16.88
Percentage of loans/ advances in nature of loans to the total loans	-	-	100%

- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.



- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. In respect of statutory dues:
- a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Duty of Customs, Cess and other statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Customs Duty, Cess and other statutory dues in arrears as at 31<sup>st</sup> March 2023 for a period of more than six months from the date they became payable, except the followings;

Act	Nature of Due	Due From	Amount (in INR)
Employee Provident Fund Act 1952	Provident Fund	April 2022 to August 2022	18,750

- b) According to the information and explanations given and records provided to us, there are no statutory dues referred to in sub-clause (a) have not been deposited on account of any dispute as at 31<sup>st</sup> March 2023 other than those given below:

Name of the Statue	Nature of dues	Period to which the amount relates	Amount (In Million)	Forum where dispute is pending
Income Tax	Expenditure of capital nature and income on transfer of investments	Assessment Year 2012-13	32.29	The Deputy Commissioner of Income Tax, Bengaluru. The company has filed writ petition against the above demand with Hon'ble High Court of Karnataka

- viii. According to the information and explanation given and records provided to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.



- ix. (a) According to the information and explanation and our verification, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) According to the information and explanation given and records provided to us, the Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained. The term loans have been repaid fully during the current financial year.
- (d) According to the information and explanation given and records provided to us and the procedure performed by us, and on an overall examination of the standalone financial statements of the company, we report that the funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes of the company.
- (e) According to the information and explanation given and records provided to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries and hence reporting under clause 3(ix)(f) of the Order is not applicable.
- x. (a) In our opinion and according to the information's and explanations given to us, The money raised by way of initial public offer during the year have been, prima facie, applied by the Company for the purposes for this they were raised. However, some portion of the amount raised, which remain unutilised during the year, have been invested in bank deposits as on 31<sup>st</sup> March 2023.
- (b) According to the information and explanation given to us, the company has made private placement of shares during the year and the requirements of Section 42 and 62 of the Companies Act, 2013 have been duly complied with and the money raised during the year have been, prima facie, utilised for the purpose for which they were raised.
- xi. (a) In our opinion and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year and up to the date of this report.



- xii. The Company is not a Nidhi Company. Hence reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of Companies Act, 2013, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.  
(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. Hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.  
(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year and in the immediately preceding financial year.
- xviii. There has been resignation of the statutory auditors of the Company during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.



We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) The Company has not transferred the amount remaining unspent in respect of other than ongoing projects, to a Fund specified in Schedule VII to the Companies Act, 2013 till the date of our audit report. However, the time period for such transfer (i.e) six months of the expiry of the financial year as permitted under the second proviso to sub-section (5) of the Section 135 of the Act, has not elapsed till the date of our audit report.

(b) In our opinion and according to the information and explanations given to us, there is no unspent amount falling under section 135(5) of the Companies Act, 2013 pursuant to any ongoing project. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.



For Suri & Co.,  
Chartered Accountants

Firm Registration No. 004283S

*V. Natarajan*  
V Natarajan

Partner

Membership No. 223118

UDIN:23223118BGYEOH7379

Place: Bengaluru

Date: 28<sup>th</sup> April, 2023

**Standalone Balance sheet as at 31st March 2023**

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

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3a	913.74	657.53
(b) Right-of-use assets	4	84.78	104.65
(c) Capital work-in-progress	3b	366.05	249.35
(d) Other Intangible assets	5a	216.65	195.74
(e) Intangible assets under development	5b	106.24	57.04
(f) Financial assets			
(i) Investments	6	524.02	224.98
(ii) Other financial assets	7	18.67	5.23
(g) Other non-current assets	8	2.56	73.49
<b>Total Non-current assets</b>		<b>2,232.71</b>	<b>1,568.01</b>
<b>Current assets</b>			
(a) Inventories	9	10.34	17.25
(b) Financial assets			
(i) Investments	10	209.44	-
(ii) Trade receivables	11	346.25	306.11
(iii) Cash and cash equivalents	12	140.07	36.58
(iv) Bank balances other than (iii) above	13	313.09	50.00
(v) Loans	14	11.31	35.04
(vi) Other financial assets	15	16.92	27.63
(c) Current tax assets (Net)	30	15.33	-
(d) Other current assets	16	376.77	183.54
<b>Total current assets</b>		<b>1,439.52</b>	<b>656.15</b>
<b>Total Assets</b>		<b>3,672.23</b>	<b>2,224.16</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	17	390.36	350.90
(b) Other equity	18	2,807.07	919.93
<b>Total equity</b>		<b>3,197.43</b>	<b>1,270.83</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	-	197.69
(i.a) Lease liabilities	20	61.97	103.27
(b) Provisions	21	22.65	20.36
(c) Deferred tax liabilities (Net)	22	18.61	11.97
(d) Other non-current liabilities	23	0.05	9.21
<b>Total Non-current liabilities</b>		<b>103.28</b>	<b>342.50</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	24	-	256.64
(i.a) Lease Liabilities	25	34.75	24.13
(ii) Trade payables:	26		
a. Total outstanding dues of micro enterprises and small enterprises		54.03	2.63
b. Total outstanding dues of creditors other than micro and small enterprises		150.71	165.39
(iii) Other financial liabilities	27	57.14	38.56
(b) Other current liabilities	28	43.63	22.29
(c) Provisions	29	31.26	41.77
(d) Current tax liabilities (Net)	30	-	59.42
<b>Total current liabilities</b>		<b>371.52</b>	<b>610.83</b>
<b>Total liabilities</b>		<b>474.80</b>	<b>953.33</b>
<b>Total Equity and Liabilities</b>		<b>3,672.23</b>	<b>2,224.16</b>

Corporate information and significant accounting policies

1 & 2

See accompanying notes to the financial statements

As per our report of even date attached

For Suri & Co.,  
Chartered Accountants  
Firm Registration Number: 004283S

V. Natarajan  
Natarajan V  
Partner  
Membership No: 223118



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

V. Srinivasan

V Srinivasan  
Chairman and Director  
DIN: 00640646

Venu Madhava  
Whole time Director  
DIN: 06748204

Saji K Louiz  
Chief Financial Officer

Johnson Xavier  
Company Secretary

Place Bengaluru  
Date: April 28, 2023



eMudhra Limited

CIN:L72900KA2008PLC060368

Standalone statement of profit and loss for the period ended 31st March 2023

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

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Income</b>			
I Revenue from operations	31	1,640.22	1,530.21
II Other income	32	56.50	7.17
<b>III Total Income (I+II)</b>		<b>1,696.72</b>	<b>1,537.38</b>
<b>IV Expenses</b>			
Operating expenses	33	187.75	142.59
Purchase of stock-in-trade	34	285.48	302.28
Changes in inventories of stock in trade	35	6.91	(14.25)
Employee benefits expense	36	491.64	381.12
Finance costs	37	33.77	52.56
Depreciation and amortisation expenses	38	123.36	105.07
Other expenses	39	298.04	177.54
<b>Total expenses (IV)</b>		<b>1,426.95</b>	<b>1,146.92</b>
<b>V Profit/(Loss) before exceptional items and tax (III-IV)</b>		<b>269.77</b>	<b>390.47</b>
VI Exceptional items		-	-
<b>VII Profit/(Loss) before tax (V-VI)</b>		<b>269.77</b>	<b>390.47</b>
<b>VIII Tax expense</b>			
Current tax		62.05	86.99
Deferred tax		7.98	3.11
<b>Total tax expenses</b>		<b>70.03</b>	<b>90.10</b>
<b>IX Profit/(Loss) for the year (VII-VIII)</b>		<b>199.74</b>	<b>300.37</b>
<b>X Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Remeasurement (loss)/gain on defined benefit plan		(5.34)	7.38
Income tax relating to items that will not be reclassified to profit and loss		1.34	-
<b>Other comprehensive income/(loss) for the year (net of tax)</b>		<b>(4.00)</b>	<b>7.38</b>
<b>XI Total comprehensive income/(loss) for the year (IX+X)</b>		<b>195.74</b>	<b>307.75</b>
(comprising profit/(loss) and other comprehensive income for the year)			
<b>XII Earnings per share (Nominal value of share INR 5/- each)</b>			
Basic	40	2.60	4.28
Diluted		2.60	4.28

Corporate information and significant accounting policies

1 & 2

See accompanying notes to the financial statements

As per our report of even date attached

For Suri & Co.,  
Chartered Accountants  
Firm Registration Number: 004283S

V. Natarajan  
Natarajan V  
Partner  
Membership No: 223118



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

V. Srinivasan  
V Srinivasan  
Chairman and Director  
DIN: 00640646

Venu Madhava  
Venu Madhava  
Whole time Director  
DIN:06748204

Saji K Louiz  
Saji K Louiz  
Chief Financial Officer

Johnson Xavier  
Johnson Xavier  
Company Secretary

Place: Bengaluru  
Date: April 28, 2023



eMudhra Limited

CIN:L72900KA2008PLC060368

**Standalone Cash flow statement for the year**

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. Cash flow from Operating activities:</b>		
Profit before tax	269.77	390.47
<b>Adjustments for:</b>		
Depreciation and amortisation expense	123.36	105.07
Interest income from bank deposits and others	(33.01)	(3.08)
Interest on lease liabilities	20.00	16.41
Provision for doubtful debts	8.54	4.74
Bad debts written off	0.70	-
Interest income on security deposit	(0.64)	-
Net gain on assets measured at fairvalue through profit/ loss	(1.47)	-
Share based payment	28.21	-
Provision written back	-	(4.07)
Profit on sale of investments	(0.49)	-
Sundry creditors written back	(2.69)	-
Profit on sale of property, plant and equipment	(0.06)	-
<b>Operating profit before working capital changes</b>	<b>412.22</b>	<b>509.54</b>
<b>Working capital adjustments:</b>		
Decrease/(Increase) in other non-current and current financial assets	(109.15)	(82.88)
Decrease/(Increase) in inventories	6.91	(14.25)
Decrease/(Increase) in trade receivable	(49.37)	(173.25)
Decrease/(Increase) in loans	23.73	(4.43)
Increase/(Decrease) in non-current and current other financial liabilities	18.08	50.19
Increase/(Decrease) in non-current and current provision	(13.45)	(14.86)
Increase/(Decrease) in non-current and current liabilities	12.68	2.54
Increase/(Decrease) in trade payables	39.44	142.69
Increase/(Decrease) in non-current investment	(3.55)	-
Increase/(Decrease) in lease liability	(25.95)	-
<b>Cash generated from operations</b>	<b>311.59</b>	<b>415.29</b>
Income taxes paid (net)	(136.80)	(55.25)
<b>Net Cash flow from / (used in) operating activities (A)</b>	<b>174.79</b>	<b>360.04</b>
<b>B. Cash flow from Investing activities:</b>		
Purchase of PPE and Intangible assets	(530.94)	(288.41)
Sale proceeds from property, plant and equipment	0.10	-
Investment in subsidiaries	(295.48)	(33.54)
Investments in mutual funds	(282.49)	0.62
Redemption of mutual funds	75.00	-
Interest received	33.01	1.58
Increase / (Decrease) from term deposits & other bank balances	(271.29)	(55.23)
<b>Net cash from / (used in) investing activities (B)</b>	<b>(1,272.10)</b>	<b>(374.98)</b>
<b>C. Cash flow from Financing activities:</b>		
Proceeds / (repayment) from short term borrowings (net)	(166.30)	122.95
Proceeds / (repayment) from long term borrowings (net)	(288.03)	(23.21)
Payment of lease liabilities	(23.96)	(26.79)
Payment towards expenses on issue of shares	(112.91)	(51.93)
Proceeds from Private Placement	390.00	-
Proceeds from issuance of shares (Initial Public offering)	1,610.00	-
Payment of preference share capital	(86.00)	-
Payment of equity & preference dividend	(102.00)	(2.72)
Interest paid on lease liabilities	(20.00)	(16.41)
<b>Net cash from / (used in) financing activities(C)</b>	<b>1,200.80</b>	<b>1.89</b>
<b>Net increase/ (decrease) in cash and cash equivalents (D=A+B+C)</b>	<b>103.49</b>	<b>(13.10)</b>
<b>Cash and cash equivalents at the beginning of the year (E)</b>	<b>36.58</b>	<b>49.67</b>
<b>Cash and cash equivalents at the end of the year (D+E)</b>	<b>140.07</b>	<b>36.58</b>

Non-cash changes recognised in respect of liabilities on account of financing activities is Nil (Nil).



eMudhra Limited  
CIN:L72900KA2008PLC060368

**Standalone Cash flow statement for the year**

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Components of cash and cash equivalents as at end of the year</b>		
Balance with banks:		
- On current account	115.88	36.34
Deposit accounts	24.00	-
- Cash on hand	0.19	0.24
<b>Total cash and cash equivalents as per Balance Sheet</b>	<b>140.07</b>	<b>36.58</b>
<b>Cash and cash equivalents as per Statement of Cash Flow</b>	<b>140.07</b>	<b>36.58</b>

See accompanying notes to the financial statements  
As per our report of even date attached

For Suri & Co.,  
Chartered Accountants  
Firm Registration Number: 004283S

*V. Natarajan*  
Natarajan V  
Partner  
Membership No: 223118



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

*V. Srinivasan*  
V Srinivasan  
Chairman and Director  
DIN: 00640646

*Saji K Louiz*  
Saji K Louiz  
Chief Financial Officer

*Venu Madhava*  
Venu Madhava  
Whole time Director  
DIN: 06748204

*Johnson Xavier*  
Johnson Xavier  
Company Secretary

Place: Bengaluru  
Date: April 28, 2023



**A. Equity share capital**

Particulars	Note No.	Amount
Balance as at 1st April 2021		350,90
Changes due to prior period errors		-
<b>Restated balance as at 1st April 2021</b>		<b>350,90</b>
Changes in equity share capital during the year	17	-
- Issue of shares		-
- Buyback of shares		-
<b>Balance as at 31st March 2022</b>		<b>350,90</b>

**B. Other Equity**

Particulars	Note No.	Amount
Balance as at 1st April 2022		350,90
Changes due to prior period errors		-
<b>Restated balance as at 1st April 2022</b>		<b>350,90</b>
Changes in equity share capital during the year	17	-
- Issue of shares		39,46
- Buyback of shares		-
<b>Balance as at 31st March 2023</b>		<b>390,36</b>

**Attributable to the equity holders of the company**

Particulars	Note No.	Reserves and Surplus						Preference share capital	Total Other Equity
		Capital Redemption Reserve	Retained Earnings	Securities Premium	Share based payment reserve	Remeasurement of defined benefit plans through Other Comprehensive Income			
<b>Balance as at 1st April 2021</b>		164,00	359,68	-	-	-	86,00	609,68	
Change in accounting policy or prior period errors		-	-	-	-	-	-	-	
<b>Restated balance as at 1st April 2021</b>		<b>164,00</b>	<b>359,68</b>					<b>609,68</b>	
<b>Add: Transactions during the year</b>	18								
Profit/(loss) for the year		-	300,37	-	5,24	-	-	3,24	
Other comprehensive income (net of taxes)		-	-	-	-	7,38	-	300,37	
Transaction with Owners in their capacity as owner		-	-	-	-	-	-	7,38	
Dividend		-	(3,72)	-	-	-	-	(2,72)	
<b>Balance as at 31st March 2022</b>		<b>164,00</b>	<b>657,33</b>		<b>5,24</b>	<b>7,38</b>	<b>86,00</b>	<b>919,93</b>	
<b>Balance as at 1st April 2022</b>		<b>164,00</b>	<b>657,33</b>		<b>5,24</b>	<b>7,38</b>	<b>86,00</b>	<b>919,93</b>	
Change in accounting policy or prior period errors		-	-	-	-	-	-	-	
<b>Restated balance as at 1st April 2022</b>		<b>164,00</b>	<b>657,33</b>		<b>5,24</b>	<b>7,38</b>	<b>86,00</b>	<b>919,93</b>	
<b>Add: Transactions during the year</b>	18								
Profit/(loss) for the year		-	191,74	-	-	-	-	199,74	
Remeasurement of the net defined benefit		-	-	-	-	(4,00)	-	(4,00)	
On issue of equity shares		-	-	1,960,54	-	-	-	1,960,54	
Transaction costs on issue of shares		-	-	(112,91)	-	-	-	(112,91)	
Transfer to capital redemption reserve upon redemption of preference share		86,00	(86,00)	-	-	-	-	0,00	
Transferred on account of exercise of stock options		-	-	9,81	-	-	-	9,81	
Redemption of Preference shares		-	-	-	-	-	-	-	
Employee stock compensation expense		-	-	-	-	-	-	-	
Transaction with Owners in their capacity as owner		-	-	-	31,77	-	(86,00)	(86,00)	
Dividends (including Preference dividend)		-	(102,00)	-	-	-	-	31,77	
<b>Balance as at 31st March 2023</b>		<b>250,00</b>	<b>669,05</b>	<b>1,857,44</b>	<b>27,20</b>	<b>3,38</b>	-	<b>2,807,07</b>	

See accompanying notes to the financial statements  
 As per our report of even date attached

For Srin & Co.,

Chartered Accountants  
 Firm Registration Number: 0042835



**V. N. Nanyar**  
 Nharujan V  
 Partner  
 Membership No: 223118

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

**V. Srinivasan**

V. Srinivasan  
 Chairman and Director  
 DIN: 00640646

**Saji K. Louiz**  
 Chief Financial Officer



**Venu Madhava**  
 Whole time Director  
 DIN: 00748204

**Johnson**  
 Company Secretary

**eMudhra Limited**

**CIN:L72900KA2008PLC060368**

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

**Note 1 Company Information**

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

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

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act Applicable in India. The company shares are listed on two recognised stock exchange i.e., on National Stock Exchange and Bombay Stock Exchange. The registered office and principal place of business of the Company is located at Plot No 12-P1-A & 12-P1-B, Hi-Tech Defence and Aerospace Park (IT sector), Jala Hobli, BK Palya, Bangalore – 562149.

The standalone financial statements are approved for issue by the Company’s Board of Directors on 28<sup>th</sup> April 2023.

**Note 2 Significant Accounting Policies**

**1. Basis of Preparation**

The standalone financial statements are prepared and presented in accordance with Generally Accepted Accounting Principles in India (GAAP) comprises the mandatory Indian Accounting Standards (Ind AS) [as notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015], as amended from time to time, to the extent applicable, the provisions of the Companies Act, 2013 and these have been consistently applied.

The Standalone financial statements up to and for the year ended March 31, 2021 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

**2. Use of Estimates and judgement**

The preparation of the standalone financial statements in conformity with generally accepted accounting principles in India that requires that the company’s management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, disclosure of contingent liability and contingent assets as at the date of standalone financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Although such estimates are made on a reasonable and prudent basis taking into account of all available information, actual results could differ from these estimates and such differences are recognised in the period in which the results are ascertained and in any future periods affected.

Management also uses judgement in deciding whether individual item or group of items are material in the standalone financial statements. Materiality is judged by reference to the size and nature of the item. The deciding factor is whether omission, misstatement or obscuring the information could individually or collectively influence the economic decision that users make on the basis of the standalone financial statements.



**eMudhra Limited**  
**CIN:L72900KA2008PLC060368**  
**Notes forming part of the standalone financial statements**

Critical estimates and Judgements:

The areas involving critical estimates or judgements are:

- Note 3a - Depreciation rates of Property Plant and equipment
- Note 4 - Determination of lease term
- Note 22 - Recognition of deferred tax asset
- Note 21 and 29 - Gratuity and Compensated absences
- Note 36 - Share based payments

### 3. Basis of Measurement

The standalone financial statements have been prepared on a historical cost basis except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments, if any
- Financial assets and liabilities that are qualified to be measured at fair value
- The defined benefit asset / liability is recognised as the present value of defined benefit obligation less fair value of plan assets.
- Employee share-based payments

### 4. Functional and Presentation Currency

The standalone financial statements are presented in Indian Rupee (INR) which is the functional and the presentation currency of the Company.

### 5. Current/ non-current classification

All assets and liabilities are classified into current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

#### Assets

An asset is classified as current when it satisfies any of the following criteria:

- i) it is expected to be realised in the Company's normal operating cycle;
- ii) it is held primarily for the purpose of being traded;
- iii) it is expected to be realised within 12 months after the reporting date; or
- iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

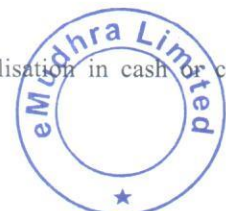
#### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- i) it is expected to be settled in the Company's normal operating cycle;
- ii) it is held primarily for the purpose of being traded;
- iii) it is due to be settled within 12 months after the reporting date; or
- iv) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.



## **6. Revenue Recognition**

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

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

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

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

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

In case of AMC and license subscription model, revenue is recognized on a straight-line basis over the period in which the services are rendered except in those cases where contract/sales order value is less than INR 1 million.

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

Variable consideration primarily consists of discounts, rebates, price concessions, incentives and performance bonuses which are reduced from the transaction price, if specified in the contract with customer/based on customary business practices.

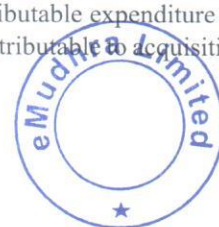
### **Other Income:**

- i) Interest income is recognised using the effective interest rate method.
- ii) Dividend income is recognised when the right to receive is established.
- iii) Rental income arising from operating leases is recognised on a straight-line basis over the lease term unless increase in rentals are in line with the expected inflation or otherwise justified.
- iv) Other income not specifically stated above is recognised on accrual basis.

## **7. Property, Plant and Equipment and Capital Work in-Progress**

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

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



**eMudhra Limited**

**CIN:L72900KA2008PLC060368**

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

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. The cost of property, plant and equipment not ready for their intended use as at each reporting date is disclosed as capital work-in-progress.

Capital work-in-progress comprises supply-cum erection contracts; the value of capital supplies received at site and accepted, capital goods in transit and under inspection. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

**8. Intangible Assets and Intangible Asset under Development**

The cost of software (which is not an integral part of the related hardware) acquired for internal use and Direct expenditure incurred for development of intangible assets resulting in significant future economic benefits, is recognised as an Intangible Asset in the books of accounts when the same is ready for use.

Intangible Assets that are not yet ready for their intended use as at the reporting date are classified as “Intangible Assets under Development”. Cost of Developmental work which is completed, wherever eligible, is recognised as an Intangible Asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

**9. Depreciation / Amortisation**

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The Depreciation is provided as per the useful life prescribed in Schedule II of Companies Act, 2013.

Leasehold improvements are depreciated over the period of lease.

Where cost of a part of the asset is significant to total cost of the asset and estimated useful life of that part is different from the estimated useful life of the remaining asset, estimated useful life of that significant part is determined separately and the significant part is depreciated on straight-line basis over its estimated useful life.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

The residual values, useful lives and methods of depreciation / amortisation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation/amortisation on Property, plant & equipment added/disposed off during the year is provided on pro-rata basis with respect to date of acquisition/disposal.

Intangible assets are amortised over the estimated useful lives of 10 years on a straight-line basis, from the date that they are available for use. The residual values, useful lives and amortisation methods, are reviewed at each financial year end and adjusted prospectively, if appropriate.



#### **10. Impairment of Non-Financial Assets**

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an assets or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset in determining fair value less costs of disposal.

Reversal of impairment provision is made when there is an increase in the estimated service potential of an asset or Cash Generating Unit (CGU), either from use or sale, on reassessment after the date when impairment loss for that asset was last recognised.

#### **11. Leases**

##### **Company as a Lessee: -**

Contracts with third party, which gives the company the right to use of an asset, is accounted in line with the provisions of "Ind AS 116 – Leases" if the recognition criteria as specified in the accounting standard are met.

Lease payments associated with short terms leases and leases in respect of low value assets are charged off as expenses on straight line basis over lease term or other systematic basis, as applicable.

At commencement date, the value of "right of use" is capitalised at the present value of outstanding lease payments plus any initial direct cost and estimated cost, if any, of dismantling and removing the underlying asset and presented as part of Plant, property and equipment. Liability for lease is created for an amount equivalent to the present value of outstanding lease payments and presented as Borrowings. Subsequent measurement of right of use assets is made using Cost model.

Each lease payment is allocated between the liability created and finance cost. The finance cost is charged to the Statement of Profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the company's incremental borrowing rate. Lease modifications, if any are accounted as a separate lease if the recognition criteria specified in the standard are met.

##### **Company as a lessor: -**

Leases are classified as operating lease, or a finance lease based on the recognition criteria specified in Ind AS 116.

##### **a) Finance lease:**

At commencement date, amount equivalent to the "net investment in the lease" is presented as a Receivable.

The implicit interest rate is used to measure the value of the "net investment in Lease". Each lease payment is allocated between the Receivable created and finance income. The finance income is recognised in the Statement of Profit and loss over the lease period so as to reflect a constant periodic rate of return on the net investment in Lease.



**eMudhra Limited**  
**CIN:L72900KA2008PLC060368**  
**Notes forming part of the standalone financial statements**

The asset is tested for de-recognition and impairment requirements as per Ind AS 109 – Financial Instruments.

Lease modifications, if any are accounted as a separate lease if the recognition criteria specified in the standard are met.

**b) Operating lease:**

The company recognises lease payments from operating leases as income on either a straight-line basis or another systematic basis, if required.

Lease modifications, if any are accounted as a separate lease if the recognition criteria specified in the standard are met.

**12. Borrowing Costs**

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

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

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

The capitalisation rate is the weighted average of the borrowing costs applicable to general borrowings outstanding, other than specific borrowings. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**13. Inventories**

The inventories of the company are valued at lower of cost or net realisable value.

The cost of bought out materials is ascertained by using the weighted average cost formula. The cost comprises the purchase cost of the item and cost of bringing such item into factory.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**14. Income Taxes**

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

**Current income tax**

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

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

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



## **Deferred Tax**

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

## **15. Foreign Currencies**

Transactions in foreign currencies are initially recorded by the Company at their respective currency exchange rates at the date the transaction qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency by using the closing exchange rate at the reporting date. Differences arising on settlement or translation of monetary items are recognised in statement of profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the dates of the initial transactions.

## **16. Employee Benefits**

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

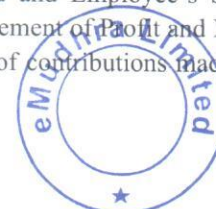
**Post-employment benefits (defined benefit plans)** – The employees' gratuity scheme is a defined benefit plan. In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity for the eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement,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

Actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (asset) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in statement of profit and loss.

Defined Contribution Plan

The company has defined contribution plans for employees comprising of Provident Fund and Employee's State Insurance. The contributions paid/payable to these plans during the year are charged to the Statement of Profit and Loss for the year when the contributions are due. The Company's liability is limited to the extent of contributions made to these funds.



**eMudhra Limited**

**CIN:L72900KA2008PLC060368**

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

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

**17. Provisions/ Contingent liabilities and Contingent Assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) 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 a reliable estimate can be made of the amount of the obligation. When the Company expects some or all a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of profit and loss net of any reimbursement.

Provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Contingent Liabilities/Assets**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a Contingent liability but discloses its existence in the standalone financial statements.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. The Company does not recognize a Contingent asset but discloses its existence in the standalone financial statements where an inflow of economic benefits is probable.

**18. Cash Flow Statement**

Cash flow statement has been prepared in accordance with the indirect method prescribed in Ind AS 7 -Statement of Cash Flows.

**19. Cash and Cash Equivalents**

Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, which are subject to an insignificant risk of change in value.

Bank overdrafts, if any, are classified as borrowings under current liabilities in the balance sheet.



## 20. Financial Instruments

### Initial measurement

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

Subsequent measurement [non-derivative financial instruments]

### Financial assets carried at amortized cost.

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

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

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

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

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

### Financial Liabilities

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

### Trade receivables

Trade receivables are the amount due from the customers for the services rendered in the ordinary course of business. Trade receivables are initially recognised at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at the fair value. The Company holds trade receivables for the receipt of contractual cashflows and therefore measures them subsequently at the amortised cost using effective interest rate method.

### Trade payables and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recorded initially at fair value and subsequently measured at amortised cost using effective interest rate method.

### Investment in Subsidiaries and associates

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

### Share Capital – Ordinary Shares

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



**eMudhra Limited**

**CIN:L72900KA2008PLC060368**

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

**De-recognition of financial instruments**

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

**21. Fair value Measurement**

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

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

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

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

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

**22. Impairment of Financial Assets**

**Financial Assets**

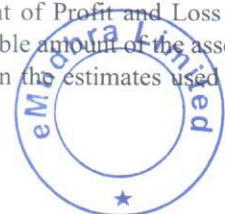
The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. The amount of expected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

**Non-Financial Assets**

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

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

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to



**eMudhra Limited**

**CIN:L72900KA2008PLC060368**

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

determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

**23. Reclassification of Financial Instruments**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the Company reclassifies financial assets, it applies the reclassification prospectively.

**24. Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**25. Dividends**

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

**26. Earnings Per Share**

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

**27. Events after the Reporting Period**

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The standalone financial statements are adjusted for such events before authorisation for issue.

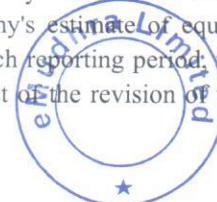
Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted but disclosed.

**28. Prepaid expenses**

Expenses which are spread across multiple financial year have been amortised on straight line basis over the period in which the services are received except in those cases where contract/purchase order is less than INR 1 million.

**29. Share based payments**

Equity-settled share based payments to employees and other providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based payment transactions are set out in note 55. The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the



**eMudhra Limited**

**CIN:L72900KA2008PLC060368**

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

original estimates, if any, is recognized in statement of profit and loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share based payments reserve.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

**30. Segment reporting**

Operating segments are reported in the manner consistent with the internal reporting to the chief operating decision maker (CODM). The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.



3a Property, Plant and Equipment

Particulars	Leasehold land	Buildings*	Computer and hardware	Motor vehicles	Furniture & Fixtures	Plant & Machinery	Office and Electrical equipments	Total
<b>Gross Carrying Amount</b>								
As at April 01, 2021	89.25	544.64	71.44	6.21	-	-	34.06	745.60
Additions/ adjustments during the year	-	2.58	12.36	-	-	-	9.19	24.13
Disposals/ adjustments during the year	-	-	-	-	-	-	-	-
As at March 31, 2022	89.25	547.21	83.80	6.21	44.98	26.67	43.25	769.73
Additions/ adjustments during the year	-	156.27	10.80	-	-	-	55.13	293.85
Disposals/ adjustments during the year	-	-	-	-	-	-	(0.22)	(0.22)
As at March 31, 2023	89.25	703.48	94.60	6.21	44.98	26.67	98.16	1,063.36
<b>Accumulated Depreciation</b>								
As at April 01, 2021	4.22	7.09	50.37	4.29	-	-	23.34	89.31
Depreciation for the year	0.85	9.38	7.50	0.40	-	-	4.75	22.88
Disposal/ adjustments during the year	-	-	-	-	-	-	-	-
As at March 31, 2022	5.07	16.47	57.87	4.69	-	-	28.09	112.19
Depreciation for the year	0.85	11.78	8.28	0.22	4.04	1.69	10.73	37.59
Disposal/ adjustments during the year	(0.48)	0.49	-	-	4.07	-	(4.24)	(0.16)
As at March 31, 2023	5.44	28.74	66.15	4.91	8.11	1.69	34.58	149.62
<b>Net carrying amount</b>								
As at April 01, 2021	85.03	537.54	21.07	1.92	-	-	10.72	656.29
As at March 31, 2022	84.18	530.74	25.93	1.52	-	-	15.16	657.53
As at March 31, 2023	83.81	674.74	28.45	1.30	36.87	24.98	63.59	913.74

Notes:

(i) Details of leasehold land

a. 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 the company by Karnataka Industrial Areas Development Board for a leasehold period of 99 years. The Company obtained possession on 29.03.2016. This land is mortgaged against term loan of INR 250 from Kotak Mahindra Bank. This term loan were fully repaid and mortgage is released in the current year.

b. Lease hold land measuring 2.5 acres in the ELCOSEZ- Jagirampalayam, Salem has been allotted to the Company by Electronics Corporation of Tamil Nadu Limited for a lease period of 99 years.

\* Include assets provided on cancellable operating lease to subsidiaries.

(ii) Depreciation / Amortisation

Depreciation is calculated on straight line basis over the estimated useful lives of the asset. Leased assets are amortised on a straight line basis over their estimated useful lives or their respective lease term whichever is shorter.

(iii) Method of Accounting Depreciation

Depreciation / Amortisation has been calculated as per the Accounting Policy No. 9 of the company and recognised as expense in the Statement of Profit and Loss.

(iv) Estimation of useful life of Assets

The estimated useful lives of various categories of Tangible Assets is as follows:

Asset Class	Years
Leasehold land	99
Buildings*	3 - 60
Computer and hardware	3 - 6
Motor vehicles*	8-10
Furniture & Fixtures	10
Plant & Machinery	15
Office and Electrical equipments	5-10

\* Based on estimated useful life (which are different from the useful life indicated in Schedule II to the Companies Act, 2013) after taking into consideration factors like expected usage of assets, risk of technical and commercial obsolescence etc.

(v) Restriction on title

With reference to the lease hold land allotted by KIADB, the company has received rectification deed from KIADB in September 2022, wherein KIADB has accorded approval to transfer the lease hold land to the company after 2 years of continuous production from the date of commercial production. The company has implemented the project on 01st April 2022 and accordingly sale deed with KIADB will be executed after the completion of 2 years. The company is confident of obtaining the legal title from KIADB on completion of the time period as mentioned in the rectification deed and do not foresee any further obligation towards transfer of title.

(vi) Contractual commitments

Refer Note 44 for outstanding contractual commitments.

(vii) Impairment of assets - Refer note 43

(viii) Refer Note 8 in respect of unadjusted capital advance paid towards Property, Plant and Equipment.

ix. Deemed Cost

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment as at April 1, 2021 measured as per the previous GAAP and use that carrying value as the deemed cost of the other intangible assets.

x. Amount of depreciation recognised as a part of other asset is Nil.



## 3b Capital work-in-progress

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Buildings	13.84	225.58
Office and Electrical equipment	8.56	1.74
Plant & machinery	-	2.55
Furniture & Fixtures	8.46	-
Computer & Hardware	335.19	-
Others	-	19.48
<b>Total</b>	<b>366.05</b>	<b>249.35</b>

## Ageing of Capital work-in-progress as at March 31, 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in Progress	356.96	-	-	9.09	366.05
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>356.96</b>	<b>-</b>	<b>-</b>	<b>9.09</b>	<b>366.05</b>

## Completion schedule - Time and Cost overrun 2022-23

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	
Building	-	9.09	-	-	9.09
<b>Total</b>	<b>-</b>	<b>9.09</b>	<b>-</b>	<b>-</b>	<b>9.09</b>

## Ageing of Capital work-in-progress as at March 31, 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in Progress	240.26	-	9.09	-	249.35
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>240.26</b>	<b>-</b>	<b>9.09</b>	<b>-</b>	<b>249.35</b>

## Completion schedule - Time and Cost overrun 2021-22

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	
Building	-	-	9.09	-	9.09
<b>Total</b>	<b>-</b>	<b>-</b>	<b>9.09</b>	<b>-</b>	<b>9.09</b>



4 Right-of-use assets

Particulars	Plant and Machinery
<b>Gross Carrying Amount</b>	
As at April 01, 2021	138.62
Additions	-
Derecognised	-
<b>As at March 31, 2022</b>	<b>138.62</b>
Additions	19.23
Adjustments	(3.57)
Derecognised	-
<b>As at March 31, 2023</b>	<b>154.28</b>
<b>Accumulated Depreciation</b>	
As at April 01, 2021	4.83
Amortisation for the year	29.14
Derecognised	-
<b>As at March 31, 2022</b>	<b>33.97</b>
Amortisation for the year	35.53
Adjustments	-
Derecognised	-
<b>As at March 31, 2023</b>	<b>69.50</b>
<b>Net carrying amount</b>	
As at April 01, 2021	133.79
As at March 31, 2022	104.65
As at March 31, 2023	84.78

Notes:

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

(i) The following amount have been recognised in the statement of profit and loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation (refer note 38)	35.53	29.14
Interest expense (refer note 37)	20.00	16.41
Expense relating to short term lease (refer note 39)	24.94	42.64

(ii) Extension and termination options

Extension and termination options are included in the property lease agreements. These are used to maximise operational flexibility in terms of managing the assets used in the company's operations. The majority of extension and termination options held are exercisable only by the company and not by the respective lessor.

(iii) Critical judgements in determining the lease term:

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(iv) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 and March 31, 2022 on an undiscounted basis:

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	34.75	29.60
One to two years	32.45	65.88
More than two years	29.52	31.92
<b>Total</b>	<b>96.72</b>	<b>127.40</b>

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

(v) Net Debt Reconciliation

Particulars	Lease liability	Cash	Total
<b>Net debt as on April 01, 2021</b>	<b>(154.20)</b>	<b>49.67</b>	<b>(104.53)</b>
Cash flows	43.36	(13.10)	30.26
Addition on account of recognition of RoU asset	-	-	-
Interest expense	(16.41)	-	(16.41)
Add: Adjustments	(0.14)	-	(0.14)
<b>Net Debt as on March 31, 2022</b>	<b>(127.39)</b>	<b>36.57</b>	<b>(90.82)</b>
Cash flows	43.96	103.49	147.45
Addition on account of recognition of RoU asset	(1.63)	-	(1.63)
Interest expense	(20.00)	-	(20.00)
Less: Adjustments	8.36	-	8.36
<b>Net Debts as on March 31, 2023</b>	<b>(96.70)</b>	<b>140.06</b>	<b>43.36</b>

(vi) References to other leases related notes

For leases accounting policy refer accounting policy no. 11 of the company  
For leases liability related information refer note 20 and 25

(vii) Leases not yet commenced to which lease is committed

As at March 31, 2023, commitments for leases not yet commenced was INR Nil (2022 INR Nil)

(viii) Contractual maturities of financial liabilities : Refer note no 57



5a Other intangible assets

Particulars	Computer Software (Including development costs)
Gross carrying amount	
As at April 01, 2021	625.86
Additions	2.86
Disposals	-
As at March 31, 2022	628.72
Additions	71.16
Disposals	-
As at March 31, 2023	699.88
Accumulated Amortisation	
As at April 01, 2021	379.93
Amortisation for the year	53.05
Disposals	-
As at March 31, 2022	432.98
Amortisation for the year	50.25
Disposals	-
As at March 31, 2023	483.23
Net carrying amount	
As at April 01, 2021	245.93
As at March 31, 2022	195.74
As at March 31, 2023	216.65

(i) Depreciation / Amortisation

Amortisation is calculated on straight line basis over the estimated useful lives of the asset.

(ii) Method of Accounting Depreciation/Amortisation

Amortisation has been calculated as per the Accounting Policy No. 9 of the company and recognised as expense in the Statement of Profit and Loss.

(iii) Estimation of useful life of Assets

The estimated useful lives of the Other Intangible Assets is as follows:

Asset Class	Years
Computer software (including development costs)	10

(iv) Restriction on title: Nil

(v) Contractual commitments

Refer Note 44 for outstanding contractual commitments

(vi) Impairment of assets - Refer note 43

(vii) Refer Note 8 in respect of unadjusted capital advance paid towards Other Intangible assets



eMudhra Limited  
 CIN:172900KA2008PLC060368  
 Notes forming part of the standalone financial statements  
 (All amounts are in INR million, unless otherwise stated)

Note No. Particulars As at March 31, 2023 As at March 31, 2022

5b	Intangible assets under development								
	Internally developed								
	Less: Provision for impairment								
	Total							106.24	57.04
								106.24	57.04

Intangible assets under development ageing schedule 2022-23

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	
Projects in Progress	95.71	10.53	-	-	106.24
Projects temporarily suspended	-	-	-	-	-
Total	95.71	10.53	-	-	106.24

Completion schedule - Time and cost over run 2022-23

Intangible assets under development	To be completed in			Total
	Less than 1 year	1 - 2 years	2 - 3 years	
Projects in Progress	-	-	-	-
Total	-	-	-	-

Intangible assets under development ageing schedule 2021-22

Intangible assets under development	Amount in Intangible assets under development for a period of			Total
	Less than 1 year	1-2 Years	2 - 3 Years	
Projects in Progress	49.46	7.58	-	57.04
Projects temporarily suspended	-	-	-	-
Total	49.46	7.58	-	57.04

Completion schedule - Time and cost over run 2021-22

Intangible assets under development	To be completed in			Total
	Less than 1 year	1 - 2 years	2 - 3 years	
Projects in Progress	-	-	-	-
Total	-	-	-	-

(i) Contractual commitments  
 Refer Note 44 for outstanding contractual commitments

(ii) Impairment of assets - Refer note 43



Note No.	Particulars	As at March 31, 2023	As at March 31, 2022
6	<b>Financial assets</b>		
	<b>Non-current Investment</b>		
	<b>Investment carried at cost:</b>		
	<b>Investment in equity instruments (Unquoted)</b>		
	<b>a) Subsidiaries (at cost)</b>		
	eMudhra (MU) Limited	108.98	108.98
	(5,158,477 (2022:5,158,477) equity shares of face value of MUR10 each)		
	eMudhra Technologies Ltd.	27.47	27.47
	(29,50,552 (2022:29,50,522) equity shares of face value of Rs.10 each fully paid)		
	eMudhra Consumer Services Limited	57.08	57.08
	(50,00,000 (2022:50,000,000) equity shares of face value of Rs.10 each fully paid)		
	eMudhra DMCC	1.01	1.01
	(51 (2022: 51) equity shares of face value of AED 1000 each fully paid)		
	eMudhra INC	303.88	8.39
	(37,25,000 (2022: 105,000) equity shares of face value of USD 1 each fully paid)		
	eMudhra PTE Limited	6.54	6.54
	(1,27,500 (2022:127,500) equity shares of face value of SGD 1 each fully paid)		
	eMudhra BV	4.61	4.61
	(51,000 (2022:51,000) equity shares of face value of EURO 1 each fully paid)		
	PT eMudhra Technologies Indonesia	10.90	10.90
	(147,500 (2022:147,500) equity shares of face value of IDR 15,000 each fully paid)		
	Investment on issue of ESOP's to employees of subsidiary companies	3.55	-
	<b>Total</b>	<b>524.02</b>	<b>224.98</b>
	<b>i. Particulars</b>	<b>2022-23</b>	<b>2021-22</b>
	(a) Aggregate amount of quoted investments and market value thereof	-	-
	(b) Aggregate amount of unquoted investments	520.47	224.98
	(c) Aggregate amount of impairment in value of investments	-	-
	(ii) Related party disclosure : For Related party disclosure refer note 53		
	(iii) Refer note 56 for classification of financial instruments		
7	<b>Other financial assets</b>		
	<b>Non-Current</b>		
	<b>Unsecured, considered good</b>		
	Security deposit	5.24	-
	Bank deposits with maturity more than 12 months*	13.43	5.23
	<b>Total</b>	<b>18.67</b>	<b>5.23</b>
	* Includes INR 13.43 (2022: INR 5.23) held as margin money deposit as against bank Guarantees.		
	(i) Refer note 56 for classification of financial instruments		
8	<b>Other non-current assets</b>		
	Capital advances	0.37	17.64
	Balance with government authorities	0.55	0.55
	Other receivables#	-	52.19
	Prepaid expenses	1.64	3.11
	<b>Total</b>	<b>2.56</b>	<b>73.49</b>
	# Amount is below the round off norm adopted by the company		
9	<b>Inventories (Valued at lower of cost or Net realisable value)</b>		
	Stock in trade*	10.34	17.25
	<b>Total</b>	<b>10.34</b>	<b>17.25</b>
	*includes goods in transit of INR 0.60 (2022: Nil)		
10	<b>Financial assets</b>		
	<b>Current investments</b>		
	<b>Unquoted</b>		
	<b>Investment in mutual funds at fair value through Profit and loss</b>		
	ICICI Prudential Overnight Fund Direct Plan Growth	112.15	-
	[units 92,802.64 @ Rs. 1208.48 per unit]		
	HDFC Overnight Fund Direct Plan Growth	97.29	-
	[units 29,231.01 @ Rs.3328.44 per unit]		
	<b>Total</b>	<b>209.44</b>	<b>-</b>
	<b>i. Particulars</b>	<b>2022-23</b>	<b>2021-22</b>
	(a) Aggregate amount of quoted investments and market value thereof	-	-
	(b) Aggregate amount of unquoted investments	209.44	-
	(c) Aggregate amount of impairment in value of investments	-	-



Note No.	Particulars	As at March 31, 2023	As at March 31, 2022
11	<b>Trade receivables</b>		
	<b>Unsecured, considered good</b>		
	- Related parties	6.09	16.50
	- Others	348.70	294.35
	Less: Allowances for expected credit loss	8.54	4.74
	<b>Total</b>	<b>346.25</b>	<b>306.11</b>
	<b>(i) Payment terms</b>		
	a. In majority of contracts, payment is due on delivery of License. However, in some contracts a portion of dues is linked to satisfaction of further performance obligations like completion of installation and commission activity etc.		
	b. Amount retained by customer in respect of completed performance obligation, due to linking of payment with completion of other performance obligations in the contract, is classified as contract asset. Balance amount receivable is classified as Trade receivable.		
	<b>(i) Financial instruments</b>		
	Refer note 56 for classification of financial instruments		
	<b>(ii) Related party disclosure</b>		
	For related party disclosure refer note 53		
	(iii) Refer note 51 for trade receivable ageing schedule		
12	<b>Cash and cash equivalents</b>		
	Balance with banks:		
	- In current account	115.88	36.34
	- Deposit accounts	24.00	-
	Cash on hand	0.19	0.24
	<b>Total</b>	<b>140.07</b>	<b>36.58</b>
	Cash and cash equivalents includes Term Deposits with original maturity period up to three months. Term Deposits with original maturity period beyond Three months upto Twelve months have been included in Bank balances (Refer Note 13) and Term Deposits with original maturity period beyond Twelve months have been included in Other financial assets (Refer Note 7).		
	(i) Refer note 56 for classification of financial instruments		
	(ii) There are no repatriation restrictions with regard to cash and cash equivalents		
13	<b>Bank balance other than cash and cash equivalents</b>		
	Balances with bank held as margin money deposits as against bank guarantees	4.35	50.00
	In deposit accounts	308.70	-
	Unpaid dividend account	0.04	-
	<b>Total</b>	<b>313.09</b>	<b>50.00</b>
	(i) Refer note 56 for classification of financial instruments		
	(ii) There are no repatriation restrictions with regard to cash and cash equivalents		
14	<b>Loans</b>		
	<b>Unsecured, considered good</b>		
	Loans to related parties	10.81	34.57
	<b>Others</b>		
	Loans to employees	0.50	0.47
	<b>Total</b>	<b>11.31</b>	<b>35.04</b>
	<b>(i) Financial instruments</b>		
	Refer note 56 for classification of financial instruments		
	<b>(ii) Impairment of financial assets</b>		
	Provision for impairment has been made in line with accounting policy no.22 of the company		
	<b>(iii) Related party disclosure</b>		
	For related party disclosure refer note 53		
15	<b>Other financial assets</b>		
	<b>Unsecured, considered good</b>		
	Interest accrued but not due on deposits	7.18	3.05
	Other deposits	1.54	1.20
	Rent deposit	3.05	11.44
	Security deposits	2.91	10.41
	Tender deposit	2.24	1.53
	<b>Total</b>	<b>16.92</b>	<b>27.63</b>
	<b>(i) Financial instruments</b>		
	Refer Note 56 for classification of financial instruments		
	<b>(ii) Impairment of financial assets</b>		
	Provision for impairment has been made in line with accounting policy no. 22 of the company		
	<b>(iii) Related party disclosure</b>		
	For related party disclosure refer note 53		
16	<b>Other current assets</b>		
	<b>Unsecured, considered good</b>		
	Advance to suppliers	8.14	4.28
	<b>Others</b>		
	Prepaid expenses	13.34	12.06
	Balance with government authorities	5.97	-
	Unbilled revenue	324.87	167.20
	Contract asset	20.71	-
	Other current assets	3.74	-
	<b>Total</b>	<b>376.77</b>	<b>183.54</b>



eMudhra Limited  
CIN:L2909KA2008PLC060568  
Notes forming part of the standalone financial statements  
(All amounts are in INR million, unless otherwise stated)

Note No.	Particulars	As at March 31, 2023	As at March 31, 2022
17	Share capital		
	Authorised share capital		
	12,30,00,000 (2022: 12,30,00,000) Equity shares of INR 5 each	615.00	615.00
	2,50,00,000 (2022: 2,50,00,000) Preference shares of INR 10 each	250.00	250.00
	Total	865.00	865.00

**Equity share capital**

(i) Issued, Subscribed and fully paid up share capital  
7,80,72,371 (2022: 7,01,79,692) equity shares of INR 5 each

(ii) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2023	As at March 31, 2022
	No. of Shares	Amount
Share outstanding at the beginning of the year	7,01,79,692	350.90
Add: Share issued during the year	78,92,679	39.46
Less: Shares bought back during the year	-	-
Share outstanding at the end of the year	7,80,72,371	390.36

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

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% Holding	No. of Shares	% Holding
V. Srinivasan	2,71,22,543	34.74%	3,04,11,800	43.33%
Taarav Pte Ltd	1,38,42,877	17.73%	1,83,59,123	26.16%
Lakshmi Kaushik	56,97,159	7.31%	62,01,466	8.84%
Arvind Srinivasan	31,54,646	4.04%	66,36,515	9.46%
eMudhra Employees Stock Option Trust	30,98,551	3.97%	60,57,801	8.63%

(iv) Terms, Rights, preferences and restrictions attaching to each class of shares

**Particulars**

- Shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment.
- The aggregate value of calls unpaid (including Directors and Officers of Company)
- Shares forfeited

d. The company has only one class of equity shares having par value Rs. 5 per share each holder of equity share is entitled to one vote per share. Each share holder has a right to receive the dividend declared by the company. On winding up of the company, the equity share holders will be entitled to get the realise value of the remaining assets of the company, if any, after distribution of preferential amounts as per law. The distribution will be in proportion to the number of equity shares held by the share holders.

(v) During previous five years the company has not bought back its shares

(vi) During the previous five years the company has not allotted any shares as fully paid up pursuant to contract without payment being received in cash

(vii) During the previous five years the company not allotted any shares as fully paid up by way of bonus shares

(viii) Details of share holding of Promoter and Promoter Group

Name of Shareholder	As at 31st March 2023		As at 31st March 2022	
	No. of Equity shares held	% of holding	No. of Equity shares held	% of holding
V. Srinivasan	2,71,22,543	34.74%	3,04,11,800	43.33%
Taarav Pte Ltd	1,38,42,877	17.73%	1,83,59,123	26.16%
Arvind Srinivasan	31,54,646	4.04%	66,36,515	9.46%
Kaushik Srinivasan	9,25,880	1.19%	14,36,518	2.05%
				8.75%
				0.00%

(ix) Final Dividend

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
(a) Final dividend for FY 2021-22	97.59	-

(x) Private placement

The Board of Directors vide its meeting dated April 30, 2022 accorded approval to issue 16,03,618 equity shares at price of Rs. 243.20 per share ( Par value of Rs. 5/- per equity share and premium of Rs. 238.20 per equity share) on preferential basis through private placement to various investors. Accordingly, the company has allotted those shares to those investors on 05th May 2022 and the proceeds from this private placement have been utilised for the purpose as approved and filed with the appropriate authorities.



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

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

Note No.	Particulars	As at March 31, 2023	As at March 31, 2022
<b>18</b>	<b>Other equity</b>		
	Capital redemption reserve [refer note 18.1 below]	250.00	164.00
	Preference share capital [refer note 18.6 below]	-	86.00
	Securities Premium [refer note 18.2 below]	1,857.44	-
	Retained earnings [refer note 18.3 below]	669.05	657.33
	Total other comprehensive income [refer note 18.4 below]	3.38	7.38
	Share based payment reserve [refer note 18.5 below]	27.20	5.24
		<b>2,807.07</b>	<b>919.93</b>
<b>18.1</b>	<b>Capital redemption reserve</b>		
	Balance at the beginning of the year	164.00	164.00
	Add: Transactions during the year	-	-
	Add: Adjusted against securities premium	86.00	-
	Add: transferred from retained earnings	-	-
	<b>Balance as at the end of the year</b>	<b>250.00</b>	<b>164.00</b>
<b>18.2</b>	<b>Securities Premium</b>		
	Balance at the beginning of the year	-	-
	Add: Issue of equity shares	1,960.54	-
	Add: Exercise of stock options by employees	9.81	-
	Less: Transaction costs on issue of equity shares	(112.91)	-
	<b>Balance as at the end of the year</b>	<b>1,857.44</b>	<b>-</b>
<b>18.3</b>	<b>Retained earnings</b>		
	Balance at the beginning of the year	657.32	359.68
	Profit/ (Loss) for the year	199.74	300.37
	Less: Transfer to capital redemption reserve	86.00	-
	Less: Dividend paid (Including preference dividend of INR 4.41 million)	102.00	2.72
	<b>Balance as at the end of the year</b>	<b>669.05</b>	<b>657.33</b>
<b>18.4</b>	<b>Other comprehensive income for the year</b>		
	Balance at the beginning of the year	7.38	-
	Add: Other comprehensive income for the year	(4.00)	7.38
	<b>Balance as at the end of the year</b>	<b>3.38</b>	<b>7.38</b>
<b>18.5</b>	<b>Share based payment reserve</b>		
	Balance at the beginning of the year	5.24	-
	Add: Employee stock compensation expense during the year	31.77	5.24
	Less: Transferred to Securities premium for options exercised	(9.81)	-
	<b>Balance as at the end of the year</b>	<b>27.20</b>	<b>5.24</b>
<b>18.6</b>	<b>Preference Share capital</b>		
	(i) Issued, Subscribed and fully paid up share capital	-	86.00
	Nil (2022: 8,60,000) equity shares of INR 10 each		

**(ii) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:**

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Share outstanding at the beginning of the year	8.60	86.00	8.60	86.00
Add: Share issued during the year	-	-	-	-
Less: Redeemed during the year	(8.60)	(86.00)	-	-
<b>Share outstanding at the end of the year</b>	<b>-</b>	<b>-</b>	<b>8.60</b>	<b>86.00</b>

**(iii). Details of shareholders holding more than 5% in the company**

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% Holding	No. of Shares	% Holding
Venkataraman Srinivasan	-	-	6.65	0.78
Lakshmi Kaushik	-	-	0.97	0.11
Aishwarya Arvind	-	-	0.97	0.11

**(iv) Dividend**

Particulars	For the year ended 31st	For the year ended 31st
	March 2023	March 2022
(a) Final dividend for FY 2021-22	2.58	-
(b) Final dividend for FY 2022-23	1.83	-

(vi) These Preference shares amounting to INR 86 are issued to the promoter group at a face value of INR 10 each. The shares had a 3% coupon rate until its redemption and grouped under other equity. The preference shares are redeemed on December 15 2022.

**Nature and purpose of the reserves**

**Securities premium**

Securities premium is created out of the premium on issue of equity shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013.

**Other Comprehensive income**

Other Comprehensive income are those gains/ losses which are not yet realised and excluded from the statement of profit and loss. It consist of remeasurement of the net defined benefit liability.

**Capital redemption reserve**

Capital redemption reserve is created by transfer from retained earnings an amount equal to face value of shares bought back or redeemed. This reserve is utilised in accordance with the Provisions of Companies Act, 2013.

**Share based payment reserve**

The reserve related to employee share based payment plans granted by the company to its employees. Further information about share based payment to employees is set out in note 55.



Note No.	Particulars	As at March 31, 2023	As at March 31, 2022
19	<b>Borrowings</b>		
	<b>Secured</b>		
	Term loan from bank	-	288.03
	Total borrowings	-	288.03
	Less: Current maturities of long term debts	-	90.34
	<b>Total</b>	-	197.69
	(i) Current maturities of term loans are disclosed under current borrowings - Refer note 24		
	(ii) Terms of loan and Nature of security - Refer 19.1		
	(iii) Refer note 56 for classification of financial instruments		
	(iv) Period and amount of continuing default - Nil		
19.1	<b>Term loan from Bank:</b>		
A	The company has obtained term loan of INR 150 (Term loan-1) for construction of digital signature campus at Devanahalli KIADB IT park, Bengaluru from M/s Canara bank and later this loan facility was taken over by M/s Kotak Mahindra bank Limited (referred as "lender") during May 2019 with an enhancement of INR 100 (Term loan-2) loan towards the same purpose. During FY 2021, lender has sanctioned additional working capital term loan of INR 55.8 (WCTL) under ECLGS scheme (Emergency Credit Line Guarantee Scheme). These loans are fully secured and the details of the same are as below:		
	1.) Primary Security: First and exclusive charge on all existing and future current assets, movable assets, movable fixed assets, tangible and intangible assets of the company.		
	2.) Collateral Security: Memorandum of deposit of title deeds of lease hold property (leased for 99 years) KIADB land located at plot no 12-P1-A & 12-P1-B of Bengaluru Industrial area in Sy No 95/P & 7 (Block no 21, 22 & 24) of B K Palya village, Jala Hobli, Bangalore.		
	Interest:		
	Term Loan: 6 months repo rate with spread of 2.8%		
	Working capital term loan: Fixed rate at 8% p a		
	During the year, the company has preclosed the term loan as per the object clause of Initial Public offer.		
20	<b>Lease liabilities</b>		
	Lease liabilities	61.97	103.27
	<b>Total</b>	61.97	103.27
	(i) Financial instruments		
	Refer Note 56 for classification of financial instruments		
21	<b>Provisions</b>		
	<b>Non current</b>		
	<b>Employee benefits</b>		
	Compensated absences [refer note 54(c)]	1.76	1.28
	Gratuity [refer note 54(b)]	20.89	19.08
	<b>Total</b>	22.65	20.36
23	<b>Other non-current liabilities</b>		
	<b>Contract liability</b>		
	Deferred Revenue	0.05	9.21
	<b>Total</b>	0.05	9.21



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

Note No.	Particulars	As at March 31, 2023	As at March 31, 2022
24	<b>Borrowings</b>		
	<b>Secured</b>		
	<b>Loans repayable on demand - from banks</b>		
	Working capital demand loan	-	125.24
	Current maturities of long term debts	-	90.34
	<b>Unsecured</b>		
	<b>Loans from related party</b>		
	From director	-	41.06
	<b>Total</b>	-	<u>256.64</u>

- (i) Terms of loan and Nature of Security - Refer 24.1  
(ii) Period and amount of continuing default - Nil  
(iii) Refer note 56 for classification of financial instruments

**24.1 Working capital demand loan:**

**A From ICICI Bank:**

The company has taken two working capital limits against deposits from M/s ICICI Bank Limited with an overall limit of INR 47.50 during February 2021 and July 2021. These loans are repayable on demand.

Nature of Security: Fully secured against fixed deposit

This facility is 100% secured on fixed deposit made with this bank amounting to INR 50.00

**B From Kotak Mahindra Bank Limited**

The company had working capital facility from M/s Canara Bank and which was taken over by M/s Kotak Mahindra Bank Limited with a limit of INR 80.00. Company has taken an adhoc unsecured loan of INR 20 from M/s Kotak Mahindra Bank in August 2021 which has been fully repaid during September 2021.

Nature of Security:

1. Primary Security: Secured against receivables and inventory.

2. Collateral Security: (a) Proposed memorandum of deposit of title deeds of lease hold property (leased for 99 years) KIADB land measuring 3 acres located at plot no 12-P1-A & 12-P1-B of Bengaluru Industrial area in Sy No 95/P & 7 (Block no 21, 22 & 24) of B K Palya village, jala Hobli, Bangalore North taluk, Bengaluru Urban Dist..

25	<b>Lease Liabilities</b>		
	Current Liability of Lease	34.75	24.13
	<b>Total</b>	<u>34.75</u>	<u>24.13</u>
26	<b>Trade payables</b>		
	<b>Current</b>		
	Dues to micro enterprises and small enterprises (Refer note 49)	54.03	2.63
	Dues to creditors other than micro enterprises and small enterprises		
	To Related parties	40.09	51.85
	To Others	110.62	113.55
	<b>Total</b>	<u>204.74</u>	<u>168.03</u>

- (i) Financial instruments : Refer Note 56 for classification of financial instruments.  
(ii) Related party disclosure : Refer Note 53 for Related Party Disclosures  
(iii) Refer note 52 for trade payables ageing schedule



Notes forming part of the standalone financial statements

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

Note No.	Particulars	As at March 31, 2023	As at March 31, 2022
27	<b>Other financial liabilities</b>	2.72	9.01
	DSC Portal deposit	-	1.20
	Interest accrued but not due on term loan	0.04	-
	Unpaid dividend	-	0.30
	Other advances from customers#	36.60	2.68
	Employee benefits payable	10.50	10.00
	Rent deposit from related parties	2.53	2.53
	Security deposit from customers	4.75	12.84
	Capital creditors	57.14	38.56
	<b>Total</b>		
	# Amount is below the round off norm adopted by the company		
	(i) Refer note 56 on classification of financial instruments		
28	<b>Other current liabilities</b>	20.77	2.96
	Deferred Revenue	22.86	19.33
	Statutory dues	43.63	22.29
	<b>Total</b>		
29	<b>Provision</b>		
	<b>Current</b>		
	<b>Employee benefits</b>		
	Bonus	28.33	39.68
	Compensated absences [Refer note 54(c)]	2.93	2.09
	Gratuity [Refer note 54(b)]	-	-
	<b>Total</b>	31.26	41.77
30	<b>Current tax liabilities (net)</b>		
	Provision for tax, net	-	59.42
	<b>Total</b>	-	59.42
	<b>Current tax assets (net)</b>		
	Tax payment pending adjustments	15.33	-
	<b>Total</b>	15.33	-



eMudhra Limited

CIN:L72900KA2008PLC060368

Notes forming part of the standalone financial statements

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

Note No.	Particulars	As at March 31, 2023	As at March 31, 2022
22	<b>Deferred tax Liabilities (Net)</b>		
	Deferred tax (asset)/liability, net		
	Deferred tax liabilities	31.21	18.79
	Deferred tax assets	(12.60)	(6.82)
	<b>Total</b>	<b>18.61</b>	<b>11.97</b>

**Deferred tax balance**

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax in relation to:		
Property, plant and equipment	30.83	18.79
Provision for employee benefits	(6.43)	(5.65)
Right of use assets and lease liability	(3.91)	(1.16)
Financial assets	0.38	-
Others	(2.26)	(0.01)
<b>Total</b>	<b>18.61</b>	<b>11.97</b>

2022-23	Opening Balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
<b>Deferred tax liabilities/(assets) in relation to</b>				
Property, plant and equipment	18.79	12.04		30.83
Provision for employee benefits	(5.65)	(0.78)		(6.43)
Remeasurement of defined benefit obligation	-	1.34	(1.34)	-
Right of Use and Lease liability	(1.16)	(2.75)		(3.91)
Financial assets	-	0.38		0.38
Others	(0.01)	(2.25)		(2.26)
<b>Total</b>	<b>11.97</b>	<b>7.98</b>	<b>(1.34)</b>	<b>18.61</b>

2021-22	Opening Balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
<b>Deferred tax liabilities/(assets) in relation to</b>				
Property, plant and equipment	14.70	4.09	-	18.79
Provision for employee benefits	(4.66)	(0.99)	-	(5.65)
Right of Use and Lease liability	(1.16)	-	-	(1.16)
Others	(0.01)	-	-	(0.01)
Share based payments	-	-	-	-
<b>Total</b>	<b>8.87</b>	<b>3.10</b>	<b>-</b>	<b>11.97</b>

**(i) Tax Expense**

**a) Recognised in statement of profit and loss**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Current tax</b>		
In respect of the current year - CT	68.89	86.99
In respect of prior years	(6.84)	-
	<b>62.05</b>	<b>86.99</b>
<b>Deferred tax</b>		
In respect of the current year - DT	7.98	3.11
<b>Total</b>	<b>7.98</b>	<b>3.11</b>
<b>Total tax expense</b>	<b>70.03</b>	<b>90.10</b>

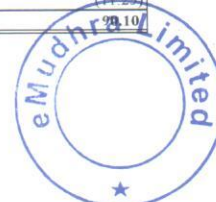
**b) Recognised in Other comprehensive Income**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Deferred tax</b>		
In respect of the current year - OCI	1.34	-
<b>Total</b>	<b>1.34</b>	<b>-</b>

**c) Reconciliation of Effective tax rate**

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rate (%)	Amount	Rate (%)	Amount
<b>Profit Before Tax</b>		269.78		390.47
Tax using the company's Domestic Tax Rate	25.17%	67.90	25.17%	98.27
<b>Effect of</b>				
Non- deductible expenses	1.87%	5.04	0.79%	3.08
Earlier year tax	-2.53%	(6.84)		
Others	1.46%	3.93	-2.88%	(11.25)
<b>Effective Tax</b>		<b>70.03</b>		<b>90.10</b>

During the year the company has utilised the option given u/s 115BAA and accordingly the tax rate applicable is 25.17%



Notes forming part of the standalone financial statements

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

Note No.	Particulars	For the year ended March	For the year ended March
		31, 2023	31, 2022
31	<b>Revenue from operations</b>		
	Sale of software/ solutions services	1,318.50	1,241.29
	Sale of products	321.72	288.92
	<b>Total</b>	<b>1,640.22</b>	<b>1,530.21</b>
	<b>(i) Disaggregation of revenue</b>		
	Revenue earned by the company is disaggregated by its sources based on its key operating segments as disclosed in Note 58		
	<b>(ii) Reconciliation of revenue recognised in Statement of Profit and Loss with contract Price</b>		
	Revenue as per the Statement of Profit and Loss	1,318.50	1,241.29
	Sale of software solutions/services	321.72	288.92
	Sale of products		
	<b>Total (a)</b>	<b>1,640.22</b>	<b>1,530.21</b>
	<b>Add/ (less) adjustment to contract price</b>		
	Foreign Exchange variation claim	-	-
	Price revision	-	-
	Adjustment of commission to controllers	-	-
	Discount and rebate offered	-	-
	Others	-	-
	<b>Total adjustment (b)</b>	<b>-</b>	<b>-</b>
	<b>Contract price (a+b)</b>	<b>1,640.22</b>	<b>1,530.21</b>

**(iii) Satisfaction of performance obligation**

a. In majority of the contracts performance obligation is satisfied "at a point in time" which is primarily determined on customer obtaining the control of the asset. Revenue from licenses where the customer obtains a "right to use" the license are recognised at the time the license is made available to the customer.

b. In Contracts with multiple performance obligations, revenue is recognised using percentage of completion method on satisfaction of each performance obligation.

c. Contract with the customer normally do not contain significant financing component and any advance payment received and /or amount retained by customer is with intention of protecting either parties to the contract.

d. Variable consideration primarily consists of discounts, rebates, price concessions, incentives and performance bonuses which are reduced from the transaction price, if specified in the contract with customer/ based on customary business practices.

e. Warranties provided are mainly in the nature of performance warranty.

f. In case of AMC contracts, output method is used to recognise revenue where passage of time is the criteria for satisfaction of performance obligation.

g. For revenue recognition in respect of performance obligation satisfied at a "point in time" the following criteria is used for determining whether the customer has obtained "Control on asset"

- Transfer of significant risk and rewards
- Customer has legal right/title to the asset
- The entity has transferred the physical possession of the asset
- Customer has accepted the asset
- Entity has the present right to payment for the asset

h. Transaction price is typically determined based on contract entered into with customer. Allocation of transaction price in respect to multiple obligation is based on relative standalone selling price.

i. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period.

j. The Company classifies its right to consideration as either trade receivables or Contract asset. The Company's receivables are rights to consideration that are unconditional. Unbilled revenue comprising revenue in excess of billing where the right to consideration is unconditional and is due only after passage of time.

k. No non-cash considerations are received/given during the current/previous year.

**l. Remaining Performance obligation**

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed remaining performance obligation related disclosures for contracts where the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time-and-material and unit of work based contracts. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in scope of contracts, periodic revaluations, adjustment for revenue that has not materialised and adjustments for currency fluctuations.



Note No.	Particulars	For the year ended March	For the year ended March
		31, 2023	31, 2022
32	<b>Other income</b>		
	Interest income of fixed deposit	33.01	3.08
	Foreign exchange gain	0.76	-
	Interest income on security deposit	0.64	-
	Income from operating lease (refer note no 53)	12.49	-
	Profit on sale of mutual fund	0.49	-
	Other miscellaneous income	7.64	0.02
	Net gain on assets measured at fairvalue through profit/ loss	1.47	-
	Provisions no longer required written back	-	4.07
	<b>Total</b>	<b>56.50</b>	<b>7.17</b>
33	<b>Operating expenses</b>		
	Commission expenses	30.32	62.75
	License fee expenses	87.55	47.97
	Other direct operating expenses	59.64	21.56
	Payment gateway charges	4.50	4.09
	Postage and courier charges	5.74	6.22
	<b>Total</b>	<b>187.75</b>	<b>142.59</b>
34	<b>Purchases of stock-in-trade</b>		
	Purchase of crypto token/hardware's	285.20	302.22
	SSL Certificates	0.28	0.06
	<b>Total</b>	<b>285.48</b>	<b>302.28</b>
35	<b>Changes in inventories of stock-in-trade</b>		
	<b>Stock in trade</b>		
	<b>Opening stock:</b>		
	Crypto token/HSM	17.25	3.00
		17.25	3.00
	<b>Closing stock:</b>		
	Crypto token/HSM	10.34	17.25
		10.34	17.25
	<b>Total</b>	<b>6.91</b>	<b>(14.25)</b>
36	<b>Employee benefits expense</b>		
	Gratuity (refer note 54(b))	4.62	5.12
	Salaries, allowances and bonus	395.02	339.30
	Contribution to provident and other funds (refer note 54(a))	14.39	13.07
	Share based payment (refer note 55)	28.21	5.24
	Compensated absence (refer note 54(c))	1.83	(1.12)
	Employee insurance expenses	9.48	5.60
	Staff welfare expenses	38.09	13.91
	<b>Total</b>	<b>491.64</b>	<b>381.12</b>
37	<b>Financial costs</b>		
	Interest on term loans	3.97	21.79
	Interest on lease liabilities	20.00	16.41
	Interest on income tax	7.70	-
	Interest on overdraft/cash credit facilities	1.59	7.40
	Total interest on financial liabilities carried at amortised cost	33.26	45.60
	Interest on delayed payment of statutory dues	0.51	6.96
	<b>Total</b>	<b>33.77</b>	<b>52.56</b>



Note No.	Particulars	For the year ended March	For the year ended March
		31, 2023	31, 2022
<b>38</b>	<b>Depreciation and amortisation expenses</b>		
	Amortisation on other intangible assets	50.24	53.05
	Depreciation on Right-of-use assets	35.53	29.14
	Depreciation on plant, property and equipment	37.59	22.88
	<b>Total</b>	<b>123.36</b>	<b>105.07</b>
<b>39</b>	<b>Other expenses</b>		
	Auditors' remuneration [refer note 39.1 below]	1.59	1.11
	Business promotion and advertisements	92.51	36.55
	Communication expenses	18.22	13.69
	Contribution for corporate social responsibility expenses[refer note 50]	4.97	2.41
	Power and fuel expenses	13.81	9.39
	Fees rates and taxes	8.65	9.64
	Information technology expenses	13.33	11.97
	Insurance expenses	3.65	1.92
	Legal and professional expenses	38.42	20.21
	Miscellaneous expense	0.86	0.35
	Office maintenance expense	18.68	11.22
	Printing and stationary	1.48	1.31
	Short term leases	24.94	42.64
	Repair and maintenance		
	-Plant and machinery	13.50	1.60
	-others	4.51	1.30
	Provision for doubtful debts	8.54	4.74
	Net bad debts written off	0.70	-
	Travelling and conveyance	29.68	6.85
	Foreign exchange loss	-	0.64
	<b>Total</b>	<b>298.04</b>	<b>177.54</b>
<b>39.1</b>	<b>Payment to statutory auditors</b>		
	As Auditor towards:		
	Statutory audit	0.90	0.82
	Tax audit	0.15	0.15
	Other matters	0.54	0.14
		<b>1.59</b>	<b>1.11</b>



Notes forming part of the standalone financial statements

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

Note No.	Particulars		As at March 31,2023	As at March 31, 2022
40	<b>Earnings per share</b>			
	<b>Basic:</b>			
	Profit after tax	A	199.74	300.37
	Weighted average number of shares outstanding	B	7,69,58,096	7,01,79,692
	Basic earnings per share	A/B	2.60	4.28
	<b>Diluted</b>			
	Profit after tax	A	199.74	300.37
	Weighted average number of shares outstanding	B	7,69,58,096	7,01,79,692
	Diluted earnings per share	A/B	2.60	4.28

41 **Statement of Compliance**

The Financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) [as notified under section 133 of the Companies Act, 2013 (the "Act") read with rule 3 of the companies (Indian Accounting Standard) Rules, 2015], and other relevant provision of the Act.

42 **Operating Cycle**

As per the requirement of schedule III to the companies act 2013, the operating cycle has been determined at company level, as applicable.

43 **Impairment of Assets**

Company has analysed indications of impairment of assets. On the basis of assessment of internal and external factors, none of the assets has found indications of impairment of its assets.

44 **Contractual commitments**

Particulars	As at March 31,2023	As at March 31,2022
a) Estimated amount of contracts remaining to be executed on capital account and not provided as on 31st March (Net of advances)	3.13	-
b) Other commitments i.e. non cancellable contractual commitments (i.e. cancellation of which will result in a penalty disproportionate to the benefits involved) as on 31st March	-	-
<b>Total</b>	<b>3.13</b>	<b>-</b>

45 **Contingent Liabilities**

Particulars	As at March 31,2023	As at March 31,2022
(a) Claims not acknowledged as debts		
- Income tax Appeal (refer note (a))	32.29	32.29
(b) Outstanding letters of credit	-	-
(c) Others	-	-
<b>Total</b>	<b>32.29</b>	<b>32.29</b>

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

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

46 **Contingent assets**

Particulars	As at March 31,2023	As at March 31,2022
Nil	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

47 **Foreign Exchange Exposure**

Pursuant to the announcement of the ICAI requiring the disclosure of "Foreign Exchange Exposure", the major currency wise exposure has on 31st March 2023 is given below. (Previous year figures are shown in brackets)

Currency	Payable		Receivable	
	Foreign Currency	Indian Rupee Equivalent	Foreign Currency	Indian Rupee Equivalent
USD	-	-	0.09	7.44
USD	-	-	(0.23)	(17.08)
EURO	-	-	-	-
EURO #	(0.00)	(0.14)	-	-

Foreign Exchange Exposure towards contingent liability is Nil (2022: Nil)

# Amount is below the round off norm adopted by the company

48 The Code on Social Security, 2020 ("the Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.



Note No. Particulars	As at March 31, 2023	As at March 31, 2022
49 The information regarding dues to Micro and Small Enterprises as required under Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 as on 31st March 2023 is furnished below:		
	2022-23	2021-22
<b>Particulars</b>		
a) The principal and the interest due thereon remaining unpaid as at 31st March	54.03	2.63
Principal *	-	-
Interest *	54.03	2.63
b) The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year ending 31st March	-	-
Principal *	-	-
Interest *	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) The amount of interest accrued and remaining unpaid at the end of the reporting year ended 31st March	-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 25 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

\* The information regarding disclosure with respect to Micro, Small and Medium Enterprises Development Act, 2006 are furnished by the management and are relied upon by the auditors.

50 Corporate Social Responsibility (CSR)	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Particulars</b>		
i) Amount required to be spent by the company during the year	4.97	2.41
ii) Amount of expenditure incurred	-	-
- on Construction activities	3.80	2.41
- on other activities	1.17	-
iii) Shortfall at the end of the year	-	-
iv) Total of previous years shortfall	-	-
v) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NA	NA
vi) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	See note below	
vii) Reason for shortfall: The Company is in the process of identification of projects to meet its obligation		
viii) Nature of CSR activities: Promotion of social health of society in large, promotion of education, employment and art		

The Company has developed a CSR policy and also formed a CSR Committee in accordance with the requirements set out in section 135 of the Companies Act 2013. The areas of CSR activities are promoting education, promoting art and employment. The Company has spent an amount of INR 3.80 (2022: INR 2.41) towards the above CSR activities.

Movement of CSR Provision	As at 31st March 2023	As at 31st March 2022
<b>Particulars</b>		
i) As at 1 April	-	-
ii) Additional provision / appropriation recognised during the year	4.97	2.41
iii) Less: Amount used during the year	(3.80)	(2.41)
iv) Less: Amount reversed during the year	-	-
v) As at 31 March	1.17	-



51 Trade receivables ageing Schedule  
Trade receivables ageing as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	269.81	40.14	35.30	-	1.00	346.25
(ii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – considered doubtful	-	-	-	5.68	2.86	8.54
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>269.81</b>	<b>40.14</b>	<b>35.30</b>	<b>5.68</b>	<b>3.86</b>	<b>354.79</b>

Note: The above amount does not include unbilled revenue of INR. 324.87 and Contract asset of INR 20.71 disclosed under note 16.

Trade receivables ageing as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	208.07	86.81	11.23	-	-	306.11
(ii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – considered doubtful	-	-	-	1.88	2.86	4.74
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>208.07</b>	<b>86.81</b>	<b>11.23</b>	<b>1.88</b>	<b>2.86</b>	<b>310.85</b>

Note: The above amount does not include unbilled revenue of Rs. 167.20 disclosed under note 16.

52 Trade payables Ageing Schedule  
Trade payables ageing as at March 31, 2023

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
<b>Undisputed dues</b>						
(i) MSME	-	54.03	-	-	-	54.03
(ii) Others	70.41	79.76	0.54	-	-	150.71
<b>Disputed dues</b>						
(i) Disputed dues - MSME	-	-	-	-	-	-
(ii) Disputed - Others	-	-	-	-	-	-
<b>Total</b>	<b>70.41</b>	<b>133.79</b>	<b>0.54</b>	<b>-</b>	<b>-</b>	<b>204.74</b>

Trade payables ageing as at March 31, 2022

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
<b>Undisputed dues</b>						
(i) MSME	-	2.63	-	-	-	2.63
(ii) Others	28.51	135.57	1.04	0.29	-	165.40
<b>Disputed dues</b>						
(i) Disputed dues - MSME	-	-	-	-	-	-
(ii) Disputed - Others	-	-	-	-	-	-
<b>Total</b>	<b>28.51</b>	<b>138.20</b>	<b>1.04</b>	<b>0.29</b>	<b>-</b>	<b>168.03</b>



53

## Related Party Transactions

## Disclosure related to subsidiary, associate and group companies

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

SI No	Name of the company	Relationship	March 31, 2023	March 31, 2022
			% of shares held	% of shares held
1	eMudhra (MU) Limited	Wholly owned Subsidiary	100%	100%
2	eMudhra Technologies Limited	Wholly owned Subsidiary	100%	100%
3	eMudhra consumer Services Limited	Wholly owned Subsidiary	100%	100%
4	eMudhra INC	Subsidiary Company	100% *	100%
5	eMudhra PTE Limited	Subsidiary Company	100% *	100%
6	Taarav PTE Limited	Enterprises in which key management personnel exercise significant influence	NA	NA
7	eMudhra DMCC	Subsidiary Company	100% *	100%
8	eMudhra BV	Subsidiary Company	100% *	100%
9	PT eMudhra Technologies Indonesia	Subsidiary Company	59% *	59%
10	Smart Craft Private Limited	Enterprises in which key management personnel exercise significant influence	NA	NA
11	Cedar Grove Real Estates Private Limited	Enterprises in which key management personnel exercise significant influence	NA	NA
12	Bluesky infotech [Partnership firm]	Enterprises in which key management personnel exercise significant influence	NA	NA
13	eMudhra employees stock option trust	Enterprises in which key management personnel exercise significant influence	NA	NA

\* Including the shares held by wholly owned subsidiary company eMudhra (MU) Limited

## 2 Particulars of key management personnel

SI No	Name of the key management personnel		Relationship
	March 31, 2023	March 31, 2022	
1	V. Srinivasan	V. Srinivasan	Chairman and Director
2	Kaushik Srinivasan	Kaushik Srinivasan #	Senior Vice President - Product Development
3	Venu Madhava	Venu Madhava	Whole time director
4	Saji K Louiz	Saji K Louiz	Chief financial officer
5	Johnson Xavier	Johnson Xavier	Company secretary
6	Biju Varghese **	Biju Varghese **	Senior Vice President and Head of Business Development
7	AM Kiran **	AM Kiran **	Vice President - Operations
8	Vijay Kumar **	Vijay Kumar **	Senior Vice President and Head - Technology
9	Ashwin Jhansale **	Ashwin Jhansale ** ##	Senior Vice President and Head of Channel Sales
10	Janarthanan **	Janarthanan **	Senior Vice President and Head - Customer Success
11	Lakshmi Kaushik **	Lakshmi Kaushik **	Relative of Key Managerial Personnel
12	Aishwarya Aravind **	Aishwarya Aravind **	Relative of Key Managerial Personnel

\*\* As identified by the Nomination and Remuneration Committee of the Company

# Resigned from eMudhra Limited with effect from January 31, 2023 and thereafter joined our subsidiary company, eMudhra DMCC, Dubai, with the same designation with effect from February 01, 2023

## Retired from the company with effect from April 15, 2023



eMudhra Limited

CIN:L72900KA2008PLC060368

Notes forming part of the standalone financial Statements

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

3 Transactions with Related Parties:

Sl No	Nature of transaction	Related party	Transactions	
			2022-23	2021-22
1	Sales of products/services	Bluesky Infotech [Partnership firm]	100.52	107.44
		eMudhra DMCC	0.82	-
2	Software licensing fees received	eMudhra consumer Services Limited	1.33	9.00
		eMudhra INC	3.09	1.40
		eMudhra BV	-	1.65
		eMudhra PTE Limited	0.19	2.14
		eMudhra DMCC	22.87	54.73
		PT eMudhra Technologies Indonesia	3.30	-
3	Purchase of products/services	eMudhra Technologies Limited	-	-
		Bluesky Infotech [Partnership firm]	11.83	38.68
4	Software licensing fees paid	eMudhra consumer Services Limited	65.72	37.91
		eMudhra Technologies Limited	21.82	10.06
5	Borrowings/ (Repayment), net	eMudhra employees stock option trust	(19.36)	(0.19)
		eMudhra Technologies Limited	(4.40)	4.40
6	Investment	eMudhra Inc	295.48	-
7	Commission paid	Bluesky Infotech	6.48	13.97
8	Expenses incurred on behalf and reimbursed	eMudhra consumer Services Limited	31.72	-
9	Rental income	eMudhra Technologies Limited	0.49	-
		eMudhra consumer Services Limited	12.00	-
10	Dividend paid	eMudhra employees stock option trust	7.17	-

Note: Does not include fair value of employee stock options given to the employees of subsidiary companies.



## 4 Detailed transactions with Key management personnel

Sl No	Nature of transaction	Related party	2022-23	2021-22
1	Loan taken/ (Repaid)			
		V. Srinivasan	(41.06)	41.06
2	Salary and allowances paid *			
		Venu Madhava	5.74	4.68
		Kaushik Srinivasan	5.17	5.17
		Saji K Louiz	5.91	4.07
		Johnson Xavier	3.15	1.89
		Biju Varghese	5.79	5.33
		AM Kiran	3.75	3.66
		Vijay Kumar	7.35	7.26
		Ashwin Jhansale	4.95	4.77
		Janarthanan	5.24	4.69
3	Dividend paid			
		V. Srinivasan	37.32	2.00
		Taarav PTE Limited	17.30	-
		Kaushik Srinivasan	1.16	-
		Lakshmi Kaushik	7.62	0.29
		Arvind Srinivasan	7.19	-
		Aishwarya Arvind	1.58	0.29
4	Public issue expenses adjusted #			
		V. Srinivasan	20.96	-
		Taarav PTE Limited	27.53	-
		Kaushik Srinivasan	3.32	-
		Lakshmi Kaushik	3.28	-
		Arvind Srinivasan	5.38	-
		Aishwarya Arvind	0.87	-
5	Redemption of Preference shares			
		V. Srinivasan	66.53	-
		Lakshmi Kaushik	9.73	-
		Aishwarya Arvind	9.73	-

# Represents share issue expense incurred by the selling share holders and adjusted against advance

\* Does not include post employment benefits based on actuarial valuation as this is done for the Company as a whole.

**Directors sitting fees:**

The sitting fees paid to non executive Directors is INR 7.41 as at 31st March 2023 and INR 4.14 as on 31st March 2022 respectively.

The Board of Directors has approved the payment of commission at 1% on the Net profit to the Non Executive directors. The payment of commission are within the limit specified in section 198 of the Companies Act, 2013



eMudhra Limited

CIN:L72900KA2008PLC060368

Notes forming part of the standalone financial Statements

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

5 Closing balances with Related Parties:

Sl No	Particulars	Related party	As at	
			March 31, 2023	March 31, 2022
1	Trade payable			
		eMudhra consumer Services Limited	40.09	40.23
		eMudhra Technologies Limited	-	11.63
		V. Srinivasan	-	41.06
2	Trade Receivable			
		eMudhra DMCC	0.81	16.50
		eMudhra PTE Limited	0.19	-
		eMudhra INC	1.83	-
		PT eMudhra Technologies Indonesia	3.26	-
3	Loans			
		eMudhra employees stock option trust	10.81	30.17
		eMudhra Technologies Limited *	-	4.40
4	Rental Deposit			
		eMudhra consumer Services Limited	10.00	-
		eMudhra Technologies Limited	0.50	-

\* During the year, the closing balance of loans is adjusted with the balances payable.

Note: The Company's related Party transactions during the year ended March 31, 2023 and March 31, 2022 and the outstanding balances as at March 31, 2023 and March 31, 2022 are within its subsidiaries with whom the Company generally enters its transactions which are at arms length and in the ordinary course of business.



54 Disclosures under Indian Accounting Standard 19

a) Defined Contribution Plan

The Company makes contribution to Provident fund, which is a defined contribution plan for its qualifying employees. The Company recognised Rs. 16.56 (2022: Rs. 11.77) towards Provident fund and Employee State Insurance contribution in the Statement of Profit and Loss. The contribution payable to this plan by the Company is at rates specified in the rules of this Scheme.

b) Post Retirement Benefit - Defined Benefit Plan

The Company provides gratuity to employees in India as per Payment of Gratuity Act, 1972. The Company has a Gratuity Scheme for its employees, which is a funded plan. Every year, the Company remits fund to the Gratuity Trust to the extent of shortfall of the assets over the fund obligations, which is determined through actuarial valuation. As per the Gratuity Scheme, gratuity is payable to an employee on the cessation of his employment after he has rendered continuous service for not less than five years in the Company. For every completed year of service or part thereof in excess of six months, the Company shall pay gratuity to an employee at the rate of fifteen days salary based on the last drawn basic & dearness allowance.

The following table summarises the components of net benefit expense recognised in the Statement of Profit & Loss and amounts recognised in the Balance Sheet and the movement in the net defined benefit obligation over the years as per Actuarial valuation are as follows :

Particulars	2022-23	2021-22
<b>(i) Present Value of Defined Benefit Obligation</b>		
Balance at the beginning of the year	27.54	30.34
Current service cost	4.50	4.09
Interest cost	1.39	1.40
Actuarial (gain)/loss	5.64	(7.02)
Benefits paid	(1.34)	(1.27)
<b>Balance at the end of the year</b>	<b>37.73</b>	<b>27.54</b>
<b>(ii) Fair value of Plan Assets</b>		
Balance at the beginning of the year	8.35	7.09
Expected return on plan assets	0.48	0.37
Contribution	9.03	1.81
Actuarial gain/(loss)	0.30	0.35
Benefits paid	(1.34)	(1.27)
<b>Balance at the end of the year</b>	<b>16.82</b>	<b>8.35</b>
<b>(iii) Assets and liabilities recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	37.73	27.54
Present value of plan assets	16.82	8.35
<b>Amount recognised as assets/(liability)</b>	<b>(20.91)</b>	<b>(19.19)</b>
Recognised under:		
Non Current provision (Refer Note 21)	(20.91)	(19.19)
Current provision (Refer Note 29)	-	-
<b>Total</b>	<b>(20.91)</b>	<b>(19.19)</b>
<b>(iv) Expenses recognised in the Statement of Profit and Loss</b>		
Current service cost	4.50	4.09
Interest cost	1.39	1.40
Expected return plan assets	(0.48)	(0.37)
<b>Total expenses</b>	<b>5.41</b>	<b>5.12</b>
Less: Transferred to Intangible assets under development	(0.79)	-
<b>Net expenses</b>	<b>4.62</b>	<b>5.12</b>
<b>(v) Expenses recognised in the other comprehensive income</b>		
Actuarial (gain)/loss	5.64	(7.02)
Return on Plan Assets	(0.30)	(0.35)
	<b>5.34</b>	<b>(7.38)</b>



eMudhra Limited

CIN:L72900KA2008PLC060368

Notes forming part of the standalone financial statements

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

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

Particulars	March 31, 2023	March 31, 2022
Insurer managed funds	100%	100%

(vii) Actuarial assumptions

Discount rate	7.31%	5.77%
Salary growth	10.00%	10.00%
Attrition rate		30.00%
	Grade 2 - 0.00%	
	Grade 3 - 14.00%	
	Grade 4 - 13.00%	
	Grade 5 - 24.00%	

viii) Sensitivity Analysis

Defined benefit obligation

	March 31, 2023	March 31, 2022
<b>Discount Rate</b>		
a. Discount rate - 100 basis points	40.08	28.42
a. Discount rate - 100 basis points impact (%)	6.25%	3.23%
b. Discount rate + 100 basis points	35.62	26.70
b. Discount rate + 100 basis points impact (%)	-5.58%	-3.02%
<b>Salary increase rate</b>		
a. Rate - 100 basis points	36.12	26.75
a. Rate - 100 basis points impact (%)	-4.25%	-2.85%
b. Rate + 100 basis points	39.37	28.34
b. Rate + 100 basis points impact (%)	4.36%	2.93%

(ix) Expected contribution to the fund for the year March 31, 2024 is INR 5.73 (March 31, 2023 is INR 6.96)

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.
- 4) Sensitivity analysis involves changing one key actuarial assumption at a time keeping the other assumptions constant. Sensitivity analysis has been carried out using the Direct Method by re-running the entire valuation model for the changed assumptions by using magnitude of variation of plus or minus 100 basis points.
- 5) No change in the method and assumptions used for preparing sensitivity analysis as compared to previous year
- 6) Maturity profile of the gratuity defined benefit obligation is given below

Expected Future Cashflows

Particulars	March 31, 2023	March 31, 2022
Year 1	5.73	6.96
Year 2	4.35	5.77
Year 3	4.00	4.61
Year 4	5.09	3.70
Year 5	3.90	3.16
Year 6-10	16.26	7.13
Above 10 years	10.56	1.83



eMudhra Limited

CIN:L72900KA2008PLC060368

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

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

**(c) Long Term Compensated Absences :**

The Company has a Long Term Compensated Absence Scheme for its employees, which is a Non-Funded Scheme. The employees of the company are entitled to 18 days in a year and can maximum accumulate and carry forward to the extent of 18 days. The accumulated leaves are encashable on retirement, withdrawal, death and disability.

The following table summarises the components of net benefit expense recognised in the Statement of Profit & Loss and amount recognised in the Balance Sheet for the plan as furnished in the disclosure report provided by the Actuary :

<b>Particulars</b>	<b>2022-23</b>	<b>2021-22</b>
<b>i) Expenses Recognised in the Statement of Profit &amp; Loss :</b>		
Net Expenses Recognised in the Statement of Profit & Loss	2.02	(1.12)
Less: Transferred to Intangible assets under development	(0.18)	-
	<u>1.84</u>	<u>(1.12)</u>
<b>ii) Amounts to be recognised in Balance Sheet :</b>		
Liability recognised in Balance Sheet	4.69	3.37
<b>iii) Actuarial Assumptions :</b>		
Discount Rate	7.31%	5.77%
Rate of increase in compensation level	10.00%	10.00%

iv) Based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is expected to be taken or paid within the next 12 months/beyond 12 months.

<b>Particulars</b>	<b>2022-23</b>	<b>2021-22</b>
Current leave obligations expected to be settled within the next 12 months	2.93	2.09
Leave obligations expected to be settled beyond 12 months	1.76	1.28
<b>Total</b>	<b>4.69</b>	<b>3.37</b>



## 55 Share based payments

## eMudhra ESOP Scheme 2016

The Company adopted "eMudhra ESOP Scheme 2016" to reward the employees including the employees of subsidiary companies for their performance and to motivate them to contribute to the growth and profitability of the Company. eMudhra ESOP Scheme 2016 is established with effect from the date on which it was approved by the Shareholder of the Company i.e., March 23, 2016 and shall continue to be in force until (i) its termination by the Board, or (ii) the date on which all of the options available for grant under the eMudhra ESOP Scheme 2016 have been granted and exercised. The objective of eMudhra ESOP Scheme 2016 is to reward the employees including the employees of subsidiary companies for their contribution to the successful operation of the Company and to provide an incentive for continued contribution to the success of the Company.

## (i) Summary of Employee stock options granted under the plan:

Particulars	2022-23		2021-22	
	Number of ESOPs	Weighted Average exercise price	Number of ESOPs	Weighted Average exercise price
Opening Balance as at 1st April	54,16,500	5.00	47,80,000	5.00
Granted during the year	1,38,500	5.00	7,84,000	5.00
Exercised during the year	(29,21,750)	5.00	(37,500)	5.00
Forfeited during the year	(48,125)	5.00	(1,10,000)	5.00
<b>Closing balance as at 31st March</b>	<b>25,85,125</b>	<b>5.00</b>	<b>54,16,500</b>	<b>5.00</b>
<b>Vested and exercisable as at 31st March</b>	<b>16,77,376</b>	<b>-</b>	<b>42,33,125</b>	<b>-</b>

## (ii) ESOPs outstanding at the end of the year have the following expiry date and exercised prices:

Plan	Grant date	Expiry Date	Exercise Price	No of shares outstanding	
				March 31, 2023	March 31, 2022
ESOP	Various dates	4 years	5.00	25,85,125	54,16,500
<b>Total</b>				<b>25,85,125</b>	<b>54,16,500</b>

## (iii) Expenses arising from share-based payments transaction

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employees benefit expense were as follows:

Particulars	2022-23	2021-22
Total employee share-based payment expense	28.21	5.24

## (iv) The fair value of options granted is estimated on the date of grant using the following assumptions

Particulars	2022-23		2021-22	
Dividend yield	Nil	Nil	Nil	Nil
Risk free interest rate (%)	7.29%	5%	5%	5%
Volatility %	40.65%	20%	20%	20%
Strike price	5	5	5	5
Fair value of the shares at the time of grant	329.5	23.32	23.32	23.32
Expected life of options	2.75	4	4	4

The expected life of the ESOP is estimated based on the vesting term and contractual term of the ESOP, as well as expected exercise behaviour of the employee who receives the ESOP.



eMudhra Limited

CIN:L72900KA2008PLC060368

Notes forming part of the standalone financial statements

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

56 Financial Instruments

The carrying value and fair value of financial instruments by categories were as follows:

Particulars	Fair value hierarchy	As at March 31, 2023		As at March 31, 2022	
		FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Assets:</b>					
<b>Non Current</b>					
(i) Investments	3	-	524.02	-	224.98
(ii) Other financial assets	3	-	18.67	-	5.23
<b>Current</b>					
(i) Investments	1	209.44	-	-	-
(ii) Trade receivables	3	-	346.25	-	306.11
(iii) Cash & cash equivalents	3	-	140.07	-	36.58
(iv) Other bank balances [other than (iii) above]	3	-	313.09	-	50.00
(v) Loans	3	-	11.31	-	35.04
(iv) Other financial assets	3	-	16.92	-	27.63
<b>Total</b>		<b>209.44</b>	<b>1,370.33</b>	<b>-</b>	<b>685.57</b>
<b>Liabilities:</b>					
<b>Non Current</b>					
(i) Borrowings	3	-	-	-	197.69
(ii) Lease liabilities	3	-	61.97	-	103.27
<b>Current</b>					
(i) Borrowings	3	-	-	-	256.64
(ii) Lease liabilities	3	-	34.75	-	24.13
(iii) Trade Payables	3	-	204.74	-	168.02
(iv) Other financial liabilities	3	-	57.14	-	38.56
<b>Total</b>		<b>-</b>	<b>358.60</b>	<b>-</b>	<b>788.30</b>

**Fair value hierarchy**

Level 1 - Level 1 hierarchy includes financial instruments measured using Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).



## 57 Financial risk management

**Risk management framework**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's risk management policy is set by the Board. The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk relating to foreign currency exchange rate. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. A summary of the risks have been given below.

**(i) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and other financial assets carried at amortised cost. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivables and Security deposits. The exposure is limited to its carrying value.

**(a) Trade and other receivables**

The credit exposure of trade receivables is primarily on account of receivable from customers. The Company has a process in place to monitor outstanding

The Company's exposure to credit risk for trade and other receivables by category is as follows:

Particulars	Carrying amount	
	As at March 31, 2023	As at March 31, 2022
Trade receivables (Gross)	354.79	310.85
Unbilled revenue	324.87	167.20
Contract assets	20.71	-
Less: Expected credit loss	8.54	4.74
	<b>691.83</b>	<b>473.31</b>

Following are the financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Investments	733.47	224.98
Trade receivables	346.25	306.11
Cash and cash equivalents	140.07	36.58
Other Bank balances	313.09	50.00
Loans	11.31	35.04
Other financial assets	35.59	32.86
	<b>1,579.78</b>	<b>685.57</b>

**(ii) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, that it will always have sufficient liquidity to meet its liabilities when due. The Company's Management is responsible for liquidity and fund The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities over the next six months. The Company also monitors the level of expected cash inflows on trade receivables together with expected cash outflows on trade payables and other financial liabilities.

Following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

**As at March 31, 2023**

Particulars	within 12 months	1-5 Years	Total carrying amount
Trade payables	204.20	0.54	204.74
Lease liability	34.75	61.97	96.72
Other financial liabilities (excluding trade payables)	57.14	-	57.14
	<b>296.09</b>	<b>62.51</b>	<b>358.60</b>

**As at March 31, 2022**

Particulars	within 12 months	1-5 Years	Total carrying amount
Borrowings	256.64	197.69	454.33
Trade payables	166.70	1.33	168.03
Lease liability	29.60	97.80	127.40
Other financial liabilities (excluding trade payables)	38.56	-	38.56
	<b>491.50</b>	<b>296.82</b>	<b>788.32</b>

**(iii) Market risk**

Market risk is the risk that changes in market prices such as foreign exchange rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.



**(iv) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The majority of the Company's assets are located in India and Indian rupee being the functional currency of the Company. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to operating activities.

The Company's foreign currency payables and receivables are as follows:

**Exposure to currency risk**

The summary quantitative data about the Company's gross exposure to currency risk is as follows:

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	USD	USD
Payables	-	-
Receivables	0.09	0.23
<b>Net Exposure</b>	<b>(0.09)</b>	<b>(0.23)</b>

Note: The outstanding exposure in respect of Euro for the previous year is less than millions. Hence no exposure is disclosure

**Sensitivity analysis:**

A reasonably possible strengthening (weakening) of the INR, against USD would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasts sales and purchases.

Particulars	Impact on Profit	
	As at	As at
	March 31, 2023	March 31, 2022
USD – Increase by 5%	(0.37)	(0.85)
USD – Decrease by 5%	0.37	0.85

**(v) Capital Management**

The Company's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and
- Maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The management monitors the return on capital as well as the level of dividends to shareholders. The company's goal is to continue to be able to provide return to

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Net debt	-	454.33
Total equity	3,197.43	1,270.83
<b>Net debt to equity ratio</b>	<b>-</b>	<b>0.36</b>

**58 Segment Information**

The Company publishes Standalone financial statements along with Consolidated financial statements. In accordance with Ind AS 108 Operating segments, the Company has disclosed the segment information in the audited Consolidated financial statements. Accordingly, the segment information is given in the audited Consolidated financial statements of eMudhra Limited and its subsidiaries for the year ended 31st March 2023.



59 Ratios for the year ended March 31, 2023

Ratio	Numerator	Denominator	For the year ended March 31, 2023	For the year ended March 31, 2022	Variance %	Reason for major variance
Current Ratio	Current Assets	Current Liabilities	3.87	1.22	218	During the year the company has made public issue of shares and the proceeds from the issue is utilised as per the objects of the issue and the pending utilisation is deposited with the banks resulting in increase as compared to the previous year
Debt equity Ratio	Total Debt	Shareholders Equity	-	0.23	(100)	During the year the company has made public issue of shares and the proceeds from the issue is utilised as per the objects of the issue towards repayment of debts as per objects of the issue resulting in decrease as compared to the previous year
Debt Service Coverage ratio	Earning for debt service = Net profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of PP&E	Debt Service = Interest and principal repayments including lease payments.	1.07	6.81	(84)	During the year the company has made public issue of shares and the proceeds from the issue is utilised as per the objects of the issue towards repayment of debts as per objects of the issue resulting in decrease as compared to the previous year
Return on Equity Ratio	Net Income	Average Shareholder Equity	0.09	0.27	(67)	During the year the company has made public issue of shares and thereby the equity base is increased compared to the previous year which resulted in decrease in the ratio
Inventory Turnover Ratio	COGS	Average Inventory	11.99	22.56	(47)	The concentration is to sell the products rather than trading the materials/services and hence the decrease
Trade Receivables turnover ratio	Revenue from operations	Avg Accounts Receivable	5.03	6.90	(27)	The reduction in on account of better collectability of dues that are due and business growth as compared to previous year
Trade Payables turnover ratio	Purchases of hardware	Avg Accounts payables	3.68	6.42	(43)	The ratio has improved since the company could make the payment to the creditors as due and business growth as compared to previous year
Net capital turnover ratio*	Revenue from operations	Working Capital	4.05	1.37	195	The increase is on account of business growth and effective management of working capital as compared to previous year
Net profit ratio	Net Profit	Revenue from operations	0.12	0.20	(38)	The decrease is on account of increase in the marketing and brand building costs and issuance of employee stock options and employee costs as compared to previous year
Return on Capital employed	EBIT (Earnings before interest and tax)	Capital Employed (Total Assets - Current Liabilities)	0.09	0.32	(71)	During the year the company has made public issue of shares and thereby the equity base is increased compared to the previous year which resulted in decrease in the ratio
Return on investment**	Net income	Cost of investment	0.06	0.06	12	

\* The Working capital considered as denominator does not include cash and cash equivalents and current investments.

\*\* Cost of investment considered as denominator includes fixed deposit made with banks and Net income considered as numerator includes interest earned on fixed deposits



- 60 The Company has completed its initial public offer (IPO) of 1,61,24,456 shares of face value of Rs. 5 each for cash at an issue price of INR 256 per equity share aggregating to INR 4127.86, consisting fresh issue of 62,89,062 equity shares aggregating to INR 1610.00 and an offer for sale of 98,35,394 equity share aggregating to INR 2517.86 by the selling shareholders. The equity share of the company were listed on BSE Limited and NSE Limited on June 01, 2022. Out of the fresh issue of INR 1610.00, INR 88.05 was adjusted towards various estimated offer expenses and net amount received in the monitoring agency bank account is INR 1521.95.

The utilisation of IPO proceeds is summarised below:

Particulars	Objects of the issue as per prospectus	Utilisation upto 31.03.2023	Unutilised as on 31.03.2023
Repayment or pre-payment, in full or in part, of all or certain borrowings availed by Company;	350.00	350.00	-
Funding working capital requirements of Company;	402.19	346.55	55.64
Purchase of equipments and funding of other related costs for data centers proposed to be set-up in India and overseas locations;	463.64	307.19	156.45
Funding of expenditure relating to product development;	150.30	49.58	100.72
Investment in eMudhra INC for augmenting its business development, sales, marketing and other related costs for future growth.	152.67	152.67	-
General Corporate Purposes	3.15	3.15	-
<b>Total</b>	<b>1,521.95</b>	<b>1,209.14</b>	<b>312.81</b>

IPO Proceeds which were unutilised as at 31st March 2023 were temporarily invested in deposit with banks and in current account maintained with Monitoring agency account.

- 61 **COVID - 19 Impact**  
The Company has considered the possible effects that may result from the pandemic relating to COVID 19 in the preparation of the financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of pandemic, the company has used its available internal and external sources of information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the financial statements may differ from the estimate as at the date of approval of the financial statements.
- 62 **Recent accounting pronouncements**  
Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:  
Ind AS 1 - Presentation of Financial Statements -This amendment requires the entities to disclose the immaterial accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements  
Ind AS 8 -Accounting Policies, Changes in Accounting Estimates and Errors-This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.  
Ind AS 12 - Income Taxes This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and off setting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.
- 63 During the year, the Company has reclassified certain balances to exhibit better presentation and accordingly the previous year balances has been reclassified.
- 64 **Details of benami property held**  
No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and
- 65 **Borrowing secured against current assets**  
As on the reporting date, the company has no outstanding borrowings from banks and financial institutions on the basis of security of current assets. However, the quarterly returns or statements of current assets filed during the year by the company with banks and financial institutions are in agreement with the books of accounts.
- 66 **Wilful defaulter**  
The company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.
- 67 **Relationship with struck off companies**  
The company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.
- 68 **Compliance with number of layers of companies**  
The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- 69 **Compliance with approved scheme(s) of arrangements**  
The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.



**70 Utilisation of borrowed funds and share premium**

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

**71 Undisclosed income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

**72 Details of crypto currency or virtual currency**

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

**73 Valuation of Property, Plant and Equipment**

The Company has not revalued its property, plant and equipment (including right-of-use assets) during the current or previous year.

**74 Title deeds of immovable properties not held in name of the company**

The title deeds of immovable properties are held in the name of the company except for the disclosure made in Note 3a(v)

**75 Registration of charges or satisfaction with Registrar of Companies**

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

**76 Utilisation of borrowings availed from banks and financial institutions**

The company has not availed any borrowings during the year from banks and financial institutions.


**77 Dividend not recognised at the end of the reporting period**

The directors have recommended a final dividend of INR 1.25 per share. [Represents absolute figure].

The proposed dividend is subject to approval of shareholders in the ensuing Annual General Meeting and if approved would result in cash outflow of approximately of Rs.97.59

See accompanying notes to the financial statements  
As per our report of even date attached


For Suri & Co.,  
Chartered Accountants  
Firm Registration Number: 004283S

  
Natarajan V  
Partner  
Membership No: 223118



Place: Bengaluru  
Date: April 28, 2023

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

  
V Srinivasan  
Chairman and Director  
DIN: 00640646

  
Saji K Louiz  
Chief Financial Officer

  
Venu Madhava  
Whole time Director  
DIN: 06748204

  
Johnson Xavier  
Company Secretary

