

INDEPENDENT AUDITOR'S REPORT

TO THE MANAGEMENT OF EMUDHRA INC

Report on the Special Purpose Financial Statements

We have audited the accompanying financial statements of eMudhra INC being the subsidiary company of eMudhra Limited ("Parent Company") which comprise the balance sheet as at March 31, 2023, and the statement of profit and loss (including Other Comprehensive Income), the Statement of Changes in Equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management of eMudhra INC in connection with consolidation of financial statements with the eMudhra Limited ("Parent Company") in accordance 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, results of operations and cash flows of the Company in accordance 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.; this includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is also responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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 Management is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the



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GSTIN - 29AABFS5023Q1ZR

entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give a true and fair view of the state of affairs of eMudhra INC as at March 31, 2023, and of its profit, total comprehensive income, changes in equity and its cash flows for the year then ended in accordance 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.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared by the management of eMudhra INC in connection with consolidation of financial statements with the eMudhra Limited ("Parent Company") in accordance 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. As a result, the financial statements may not be suitable for another purpose.

Restriction on distribution and Use

Our report is intended solely for the purpose of consolidation of financial statements of eMudhra Limited ("Parent Company") and should not be distributed to or use by other parties or purpose.



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

V. Natarajan
V Natarajan
Partner

Membership No.223118
UDIN: 23223118BGYEON1444

Place: Bengaluru

Date: 28th April, 2023

eMudhra INC

Balance sheet as at 31st March 2023

(All amounts are in USD, unless otherwise stated)

Particulars	Note No.	As at March 31,2023	As at March 31,2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	977	2,043
(b) Other Intangible assets	4	19,08,938	-
Total Non-current assets		19,09,915	2,043
Current assets			
(a) Financial assets			
(i) Trade receivables	5	8,65,081	3,66,946
(ii) Cash and cash equivalents	6	18,99,724	16,262
(iii) Loans	7	10,00,000	2,26,000
(b) Other current assets	8	6,00,000	-
Total current assets		43,64,805	6,09,208
Total Assets		62,74,720	6,11,251
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	9	38,25,000	2,05,000
(b) Other equity	10	9,76,310	(1,58,092)
Total equity		48,01,310	46,908
Liabilities			
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	11	9,00,000	2,37,440
(ii) Trade payables	12	3,24,750	3,26,903
(b) Other current liabilities	13	237	-
(c) Current Tax Liabilities (Net)	14	2,48,423	-
Total current liabilities		14,73,410	5,64,343
Total liabilities		14,73,410	5,64,343
Total equity and liabilities		62,74,720	6,11,251

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

Place: Bengaluru
Date : April 28, 2023

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

Arvind Srinivasan
Arvind Srinivasan
Director

Place: Dubai
Date : April 28, 2023

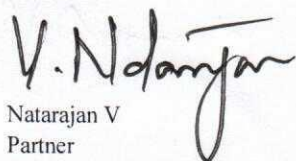
eMudhra INC

Statement of profit and loss for the year ended 31st March 2023

(All amounts are in USD, unless otherwise stated)

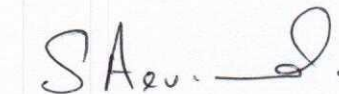
Particulars	Note No.	For the year ended March 31,2023	For the year ended March 31,2022
Income			
I Revenue from operations	15	43,27,171	9,26,900
II Other income	16	-	2,579
III Total Income (I+II)		43,27,171	9,29,479
IV Expenses			
Operating expenses	17	23,32,082	5,07,078
Employee benefits expense	18	1,98,040	75,244
Depreciation and amortisation expenses	19	62,610	1,067
Other expenses	20	3,40,122	1,09,964
Total expenses (IV)		29,32,854	6,93,353
V Profit/(Loss) before exceptional items and tax (III-IV)		13,94,317	2,36,126
VI Exceptional items		-	-
VII Profit/(Loss) before tax (V-VI)		13,94,317	2,36,126
VIII Tax expense			
Current tax		2,64,714	-
Total tax expenses		2,64,714	-
IX Profit/(Loss) for the year (VII-VIII)		11,29,603	2,36,126
X Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurement (loss)/gain on defined benefit plan (net of taxes)		-	-
Other comprehensive income/(loss) for the year		-	-
XI Total comprehensive income/(loss) for the year (IX+X)		11,29,603	2,36,126
(comprising profit/(loss) and other comprehensive income for the year)			
XII Earnings per share (Nominal value of share USD 1/- each)	21		
Basic		0.70	1.15
Diluted		0.70	1.15
Corporate information and significant accounting policies			
See accompanying notes to the financial statements	I & 2		
As per our report of even date attached			

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


Natarajan V
Partner
Membership No: 223118



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


Arvind Srinivasan
Director

Place: Bengaluru
Date : April 28, 2023

Place: Dubai
Date : April 28, 2023

eMudhra INC

Cash flow statement for the year ended 31st March 2023

(All amounts are in USD, unless otherwise stated)

Particulars	For the year ended March 31,2023	For the year ended March 31,2022
A. Cash flow from Operating activities:		
Profit before tax	13,94,317	2,36,126
Adjustments for:		
Depreciation and amortisation expense	62,610	1,067
Share based payment	4,799	-
Operating profit before working capital changes	14,61,726	2,37,193
Working capital adjustments:		
Decrease/(Increase) in other non-current and current financial assets	(6,00,000)	-
Decrease/(Increase) in trade receivable	(4,98,134)	(3,33,001)
Increase/(Decrease) in non-current and current other current liabilities	237	-
Increase/(Decrease) in other current liabilities and current provisions	-	-
Increase/(Decrease) in trade payables	(2,153)	2,69,446
Cash generated from operations	3,61,676	1,73,638
Income taxes paid (net)	(16,292)	-
Net Cash flow from / (used in) operating activities (A)	3,45,384	1,73,638
B. Cash flow from Investing activities:		
Purchase of property, plant and equipment and Intangible assets	(19,70,482)	-
Net cash from / (used in) investing activities (B)	(19,70,482)	-
C. Cash flow from Financing activities:		
Proceeds / (repayment) from short term borrowings (net)	6,62,560	2,37,440
Proceeds / (repayment) from long term borrowings (net)	-	(1,87,440)
Decrease/(Increase) in loans	(7,74,000)	(2,26,000)
Proceeds from issue of equity shares	36,20,000	-
Net cash from / (used in) financing activities(C)	35,08,560	(1,76,000)
Net increase/ (decrease) in cash and cash equivalents (D=A+B+C)	18,83,462	(2,362)
Cash and cash equivalents at the beginning of the year (E)	16,262	18,624
Cash and cash equivalents at the end of the year (D+E)	18,99,724	16,262
Components of cash and cash equivalents as at end of the year		
	For the year ended March 31,2023	For the year ended March 31,2022
Balance with banks:		
- On current account	18,99,724	16,262
Total cash and cash equivalents as per Balance Sheet	18,99,724	16,262
Cash and cash equivalents as per Statement of Cash Flow	18,99,724	16,262

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



Place: Bengaluru
Date : April 28, 2023

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

Arvind Srinivasan
Arvind Srinivasan
Director

Place: Dubai
Date : April 28, 2023

eMudhra INC

Statement of changes in equity for the year ended 31 March 2023

(All amounts are in USD, unless otherwise stated)

A. Equity share capital

Particulars	Note No.	Amount
Balance as at 1st April 2021		2,05,000
Changes due to prior period errors		-
Restated balance as at 1st April 2021		2,05,000
Changes in equity share capital during the year	9	
- Issue of shares		-
- Buyback of shares		-
Balance as at 31st March 2022		2,05,000

Particulars	Note No.	Amount
Balance as at 1st April 2022		2,05,000
Changes due to prior period errors		-
Restated balance as at 1st April 2022		2,05,000
Changes in equity share capital during the year	9	
- Issue of shares		36,20,000
- Buyback of shares		-
Balance as at 31st March 2023		38,25,000

B. Other Equity

Particulars	Note No.	Attributable to the equity holders of the company			Total Other Equity
		Reserves and Surplus			
		Retained Earnings	Share based payment reserve	Securities premium	
Balance as at 1st April 2021		(4,02,618)	-	8,400	(3,94,218)
Change in accounting policy or prior period errors		-	-	-	-
Restated balance as at 1st April 2021		(4,02,618)	-	8,400	(3,94,218)
Add: Transactions during the year					
Profit/(loss) for the year	10	2,36,126	-	-	2,36,126
Other comprehensive income (net of taxes)		-	-	-	-
Transaction with Owners in their capacity as owner					
Dividend		-	-	-	-
Balance as at 31st March 2022		(1,66,492)	-	8,400	(1,58,092)
Balance as at 1st April 2022		(1,66,492)	-	8,400	(1,58,092)
Change in accounting policy or prior period errors		-	-	-	-
Restated balance as at 1st April 2022		(1,66,492)	-	8,400	(1,58,092)
Add: Transactions during the year					
Profit/(loss) for the year	10	11,29,603	-	-	11,29,603
Employee stock compensation expense		-	4,799	-	4,799
Other comprehensive income (net of taxes)		-	-	-	-
Transaction with Owners in their capacity as owner					
Dividend		-	-	-	-
Balance as at 31st March 2023		9,63,111	4,799	8,400	9,76,310

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 INC

Arvind Srinivasan
Arvind Srinivasan
Director

Place: Bengaluru
Date : April 28, 2023

Place: Dubai
Date : April 28, 2023

eMudhra INC

Notes forming part of the financial statements

Note 1 Company Information

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

The company is a subsidiary of eMudhra Limited, a public limited company incorporated and domiciled in India and has its registered office at Plot No 12-P1-A & 12-P1-B, Hi-Tech Defence and Aerospace Park (IT sector), Jala Hobli, BK Palya, Bangalore – 562149, India.

The company is incorporated and domiciled in state of Delaware, USA and has registered office at 97 Cedar Grove Lane, Suite 202, Somerset, NJ 08873

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

Note 2 Significant Accounting Policies

1. Basis of Preparation

These financial statements are prepared for the purpose of preparation of consolidated financial statements by its parent company, eMudhra Limited. The 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 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 financial statements in conformity with generally accepted accounting principles in India requires 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 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 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 financial statements.

3. Basis of Measurement

The 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



eMudhra INC

Notes forming part of the financial statements

4. Functional and Presentation Currency

The financial statements have been presented in United States Dollar (USD), which is the company's functional currency. All financial information are presented in USD, unless otherwise stated.

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

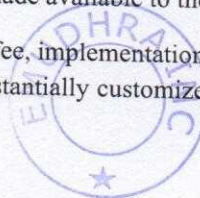
The Company's contracts/sales orders with customers include promises to transfer multiple products/services ("performance obligations") to a customer. Revenues from customer contracts/sales orders are considered for recognition and measurement when the contracts/sales orders have been accepted, expressed /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 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



eMudhra INC

Notes forming part of the financial statements

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 USD (equivalent to 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.

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.



eMudhra INC

Notes forming part of the financial statements

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.

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.



eMudhra INC

Notes forming part of the financial statements

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.

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:

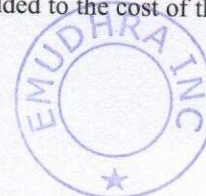
The company recognises lease payments from operating leases as income on either a straight-line basis or another systematic basis, if required.

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.



eMudhra INC

Notes forming part of the financial statements

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



eMudhra INC

Notes forming part of the financial statements

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. 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 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 financial statements where an inflow of economic benefits is probable.

17. Cash Flow Statement

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

18. Cash and Cash Equivalents

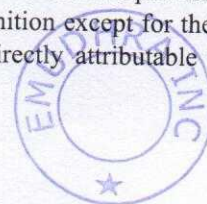
Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, which are subject to an insignificant risk of change in value.

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

19. 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



eMudhra INC

Notes forming part of the financial statements

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.

Share Capital – Ordinary Shares

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

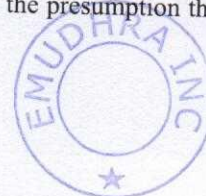
De-recognition of financial instruments

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

20. 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



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Notes forming part of the financial statements

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

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

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

- Level 1 – Quoted 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.

21. 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.

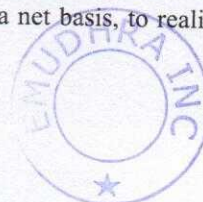
If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss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

22. 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.

23. 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.



eMudhra INC

Notes forming part of the financial statements

24. 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.

25. 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.

26. 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 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.

27. 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 USD (equivalent INR 1 million).

28. 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. Equity settled shares are issued by eMudhra Limited ("parent company"). The disclosure requirement in accordance with the Ind AS 102, Share based payment are disclosed by the Parent company in the consolidated financial statements of the group for the year ended 31st March 2023.s



3 Property, plant and Equipment

Particulars	Computer and Hardware
Gross carrying amount	
As at April 01, 2021	3,315
Additions/ adjustments during the year	-
Disposals/ adjustments during the year	-
As at March 31, 2022	3,315
Additions/ adjustments during the year	-
Disposals/ adjustments during the year	-
As at March 31, 2023	3,315
Accumulated Depreciation	
As at April 01, 2021	205
Depreciation for the year	1,067
Disposal/ adjustments during the year	-
As at March 31, 2022	1,272
Depreciation for the year	1,066
Disposal/ adjustments during the year	-
As at March 31, 2023	2,338
Net carrying amount	
As at April 01, 2021	3,110
As at March 31, 2022	2,043
As at March 31, 2023	977

(i) Depreciation / Amortisation

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

(ii) 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.

(iii) Estimation of useful life of Assets

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

Asset Class	Years
Computer and hardware	3

(iv) Restriction on title: Nil**(v) Contractual commitments**

Refer Note 23 for outstanding contractual commitments.

(vi) Impairment of assets - Refer note 22

(vii) Deemed Cost

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 Property, Plant and Equipment.

(viii) Amount of depreciation recognised as a part of other asset is Nil.



eMudhra INC

Notes forming part of the financial statements

(All amounts are in USD, unless otherwise stated)

4 Other intangible assets

Particulars	Computer Software (Including development costs)
Gross carrying amount	
As at April 01, 2021	-
Additions	-
Disposals	-
As at March 31, 2022	-
Additions	19,70,482
Disposals	-
As at March 31, 2023	19,70,482
Accumulated Amortisation	
As at April 01, 2021	-
Amortisation for the year	-
Disposals	-
As at March 31, 2022	-
Amortisation for the year	61,544
Disposals	-
As at March 31, 2023	61,544
Net carrying amount	
As at April 01, 2021	-
As at March 31, 2022	-
As at March 31, 2023	19,08,938

(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 23 for outstanding contractual commitments

(vi) Impairment of assets - Refer note 22



eMudhra INC

Notes forming part of the financial statements

(All amounts are in USD, unless otherwise stated)

Note No.	Particulars	As at March 31,2023	As at March 31,2022
5	Trade receivables		
	Unsecured, considered good		
	- Related parties	5,09,300	-
	- Others	3,55,781	3,66,946
	Total	8,65,081	3,66,946
	(i) Payment terms		
	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.		
	(ii) Financial instruments		
	Refer note 29 for classification of financial instruments		
	(iii) Related party disclosure		
	For related party disclosure refer note 28		
	(iv) Refer note 26 for trade receivable ageing schedule		
6	Cash and cash equivalents		
	Balance with banks:		
	- In current account	18,99,724	16,262
	Total	18,99,724	16,262
	(i) Refer note 29 for classification of financial instruments		
	(ii) There are no repatriation restrictions with regard to cash and cash equivalents		
7	Loans		
	Unsecured, considered good		
	Loans to related parties	10,00,000	2,26,000
	Total	10,00,000	2,26,000
	(i) Financial instruments		
	Refer note 29 for classification of financial instruments		
	(ii) Impairment of financial assets		
	Provision for impairment has been made in line with accounting policy no.21 of the company		
	(iii) Related party disclosure		
	For related party disclosure refer note 28		
	(vi) Loans to related parties are interest free and repayable on demand		
8	Other current assets		
	Others		
	Unbilled revenue	6,00,000	-
	Total	6,00,000	-



eMudhra INC

Notes forming part of the financial statements

(All amounts are in USD, unless otherwise stated)

Note No.	Particulars	As at	
		March 31,2023	March 31,2022
9	Share capital		
	Authorised share capital		
	3,825,000 (2022: 205,000) Equity shares of USD 1 each	38,25,000	2,05,000
	Total	38,25,000	2,05,000
	Equity share capital		
	(i) Issued, Subscribed and fully paid up share capital		
	3,825,000 (2022: 205,000) Equity shares of USD 1 each	38,25,000	2,05,000

(ii) Reconciliation of the equity share 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	No. of Shares	Amount
Share outstanding at the beginning of the year	2,05,000	2,05,000	2,05,000	2,05,000
Add: Share issued during the year	36,20,000	36,20,000	-	-
Less: Shares bought back during the year	-	-	-	-
Share outstanding at the end of the year	38,25,000	38,25,000	2,05,000	2,05,000

(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
eMudhra Limited	37,25,000	97%	1,05,000	51%
eMudhra (MU) Limited	1,00,000	3%	1,00,000	49%

(iv) During previous 5 years the company has not bought back its shares

(v) During the previous 5 years the company has not allotted any shares as fully paid up pursuant to contract without payment being received in cash

(vi) During the previous 5 years the company not allotted any shares as fully paid up by way of bonus shares



eMudhra INC**Notes forming part of the financial statements**

(All amounts are in USD, unless otherwise stated)

Note No.	Particulars	As at March 31,2023	As at March 31,2022
10	Other equity		
	Retained earnings [refer note 10.1 below]	9,63,111	(1,66,492)
	Securities Premium [refer note 10.2 below]	8,400	8,400
	Share based payment reserve [refer note 10.3 below]	4,799	-
		9,76,310	(1,58,092)
10.1	Retained earnings		
	Balance at the beginning of the year	(1,66,492)	(4,02,618)
	Profit/ (Loss) for the year	11,29,603	2,36,126
	Balance as at the end of the year	9,63,111	(1,66,492)
10.2	Securities Premium		
	Balance at the beginning of the year	8,400	8,400
	Balance as at the end of the year	8,400	8,400
10.3	Share based payment reserve		
	Balance at the beginning of the year	-	-
	Add: Fair value of services received during the year	4,799	-
	Balance as at the end of the year	4,799	-

Nature and purpose of the reserves**Securities premium**

Securities premium is created out of the premium on issue of equity shares.

Share based payment reserve

The reserve related to employee share based payment plans granted by the eMudhra Limited ("parent company") to the employees of the company.



eMudhra INC**Notes forming part of the financial statements**

(All amounts are in USD, unless otherwise stated)

Note No.	Particulars	As at March 31,2023	As at March 31,2022
11	Borrowings		
	Unsecured		
	Loans from related party		
	From Other related parties	9,00,000	-
	From director	-	2,37,440
	Total	9,00,000	2,37,440
	(i) Financial instruments		
	Refer note 29 for classification of financial instruments		
	(ii) Related party disclosure		
	For related party disclosure refer note 28		
	(iii) The loan from related parties are interest free and are repayable on demand		
12	Trade payables		
	Current		
	To related parties	1,20,782	-
	To Others	2,03,968	3,26,903
	Total	3,24,750	3,26,903
	(i) Financial instruments : Refer note 29 for classification of financial instruments.		
	(ii) Related party disclosure : Refer note 28 for Related Party Disclosure		
	(iii) Refer note 27 for trade payables ageing schedule		
13	Other current liabilities		
	Other advances from customers	237	-
	Total	237	-
14	Current Tax Liabilities (Net)		
	Provision for tax, net	2,48,423	-
	Total	2,48,423	-



eMudhra INC**Notes forming part of the financial statements**

(All amounts are in USD, unless otherwise stated)

Note No.	Particulars	For the year ended March 31,2023	For the year ended March 31,2022
15	Revenue from operations		
	Sale of software solutions/services	43,27,171	9,26,900
	Total	43,27,171	9,26,900

(i) Disaggregation of revenue

Revenue earned by the company is disaggregated by its sources based on its key operating segments as disclosed in note 31

(ii) Reconciliation of revenue recognised in Statement of Profit and Loss with contract Price

Revenue as per the Statement of Profit and Loss

Sale of software solutions/services	43,27,171	9,26,900
Total (a)	43,27,171	9,26,900
Add/ (less) adjustment to contract price		
Foreign Exchange variation claim	-	-
Price revision	-	-
Discount and rebate offered	-	-
Others	-	-
Total adjustment (b)	-	-
Contract price (a+b)	43,27,171	9,26,900

(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"

- i. Transfer of significant risk and rewards
- ii. Customer has legal right/title to the asset
- iii. The entity has transferred the physical possession of the asset
- iv. Customer has accepted the asset
- v. 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 willnot occur and is reassessed at the end of each reporting period.



eMudhra INC

Notes forming part of the financial statements

(All amounts are in USD, unless otherwise stated)

Note No.	Particulars	For the year ended March 31,2023	For the year ended March 31,2022
	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.		
16	Other income		
	Other Income	-	2,579
	Total	-	2,579
17	Operating expenses		
	License fee expenses	3,25,532	1,61,248
	Other direct operating expenses	19,98,386	3,39,455
	Payment gateway charges	8,146	6,375
	Postage and courier charges	18	-
	Total	23,32,082	5,07,078
18	Employee benefits expense		
	Salaries, allowances and bonus	1,65,570	60,000
	Contribution to provident and other funds	13,333	4,821
	Share based payment	3,199	-
	Employee insurance expenses	13,636	9,593
	Staff welfare expenses	2,302	830
	Total	1,98,040	75,244
19	Depreciation and amortisation expense		
	Amortisation on other intangible assets	61,544	-
	Depreciation on plant, property and equipment	1,066	1,067
	Total	62,610	1,067
20	Other expenses		
	Business promotion expenses	26,044	-
	Communication expenses	541	2,185
	Fees rates and taxes	525	9,671
	Legal and professional expenses	2,92,760	96,313
	Miscellaneous expense	-	1,795
	Office maintenance expense	3	-
	Printing and stationary	31	-
	Travelling and conveyance	20,217	-
	Foreign exchange loss	1	-
	Total	3,40,122	1,09,964



eMudhra INC

Notes forming part of the financial statements

(All amounts are in USD, unless otherwise stated)

Note No.	Particulars		As at March 31,2023	As at March 31,2022
21	Earnings per share			
	Basic:			
	Profit after tax	A	11,29,603	2,36,126
	Weighted average number of shares outstanding	B	16,23,247	2,05,000
	Basic Earnings Per Share	A/B	0.70	1.15
	Diluted			
	Profit after tax	A	11,29,603	2,36,126
	Weighted average number of shares outstanding	B	16,23,247	2,05,000
	Diluted Earnings Per Share	A/B	0.70	1.15
22	Impairment of Assets			
	Company has analysed indications of impairment of assets of each cash generating units (CGU). On the basis of assessment of internal and external factors, none of the unit has found indications of impairment of its assets			
23	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)		-	-
	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		-	-
	Total		-	-
24	Contingent Liabilities			
	Particulars		As at March 31,2023	As at March 31,2022
	(a) Claims not acknowledged as debts		-	-
	(b) Outstanding letters of credit		-	-
	(c) Others		-	-
	Total		-	-
25	Contingent assets			
	Particulars		As at	As at
	Nil		-	-
	Total		-	-



26 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	8,63,297	1,784	-	-	-	8,65,081
(ii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Total	8,63,297	1,784	-	-	-	8,65,081

Note: The above amount does not include unbilled revenue of USD 600,000 disclosed under note 8.

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	3,54,446	12,500	-	-	-	3,66,946
(ii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Total	3,54,446	12,500	-	-	-	3,66,946

Note: The above amount does not include unbilled revenue of USD Nil disclosed under note 8.

27 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	
Undisputed dues						
(i) MSME	-	-	-	-	-	-
(ii) Others	1,92,947	1,31,803	-	-	-	3,24,750
Disputed dues						
(i) Disputed dues - MSME	-	-	-	-	-	-
(ii) Disputed - Others	-	-	-	-	-	-
Total	1,92,947	1,31,803	-	-	-	3,24,750

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	
Undisputed dues						
(i) MSME	-	-	-	-	-	-
(ii) Others	3,26,903	-	-	-	-	3,26,903
Disputed dues						
(i) Disputed dues - MSME	-	-	-	-	-	-
(ii) Disputed - Others	-	-	-	-	-	-
Total	3,26,903	-	-	-	-	3,26,903



eMudhra INC**Notes forming part of the financial statements**

(All amounts are in USD, unless otherwise stated)

28 Related Party Transactions**A. Disclosure related to subsidiary, associate and group companies****1 Particulars of subsidiary, associate and group companies :**

SI No.	Name of the company	Relationship
1	eMudhra (MU) Limited	Group Company
2	eMudhra Technologies Limited	Group Company
3	eMudhra consumer Services Limited	Group Company
4	eMudhra Limited	Parent Company
5	eMudhra PTE Limited	Group Company
6	Taarav PTE Limited	Enterprises in which key management personnel exercise significant influence
7	eMudhra DMCC	Group Company
8	eMudhra BV	Group Company
9	PT eMudhra Technologies Indonesia	Group Company
10	Smart Craft Private Limited	Enterprises in which key management personnel exercise significant influence
11	Cedar Grove Real Estates Private Limited	Enterprises in which key management personnel exercise significant influence
12	Bluesky Infotech [Partnership firm]	Enterprises in which key management personnel exercise significant influence
13	eMudhra employees stock option trust	Enterprises in which key management personnel exercise significant influence

2 Particulars of key managerial person

SI No	Name of the key managerial person		Relationship
	March 31,2023	March 31,2022	
1	V. Srinivasan	V. Srinivasan	Director
2	Kaushik Srinivasan	Kaushik Srinivasan	Director
3	Arvind Srinivasan	Arvind Srinivasan	Director



eMudhra INC

Notes forming part of the financial statements

(All amounts are in USD, unless otherwise stated)

28 Related Party Transactions

3 Transactions with Related Parties:

SI No	Nature of transaction	Related party	Nature of relationship	Transactions	
				2022-23	2021-22
1	Purchase of Property, Plant and equipment				
		PT eMudhra Technologies Indonesia	Group Company	16,00,000	-
2	Sales of software Licencing fees				
		eMudhra BV	Group Company	1,05,800	-
		eMudhra DMCC	Group Company	2,94,000	-
		eMudhra PTE Limited	Group Company	1,09,500	-
3	Purchase of software Licencing fees				
		eMudhra consumer Services Limited	Group Company	2,78,471	1,30,031
		eMudhra Limited	Parent Company	38,345	18,842
		eMudhra Technologies Limited	Group Company	8,717	12,375
4	Loan Provided(received) Net				
		eMudhra DMCC	Group Company	(2,26,000)	2,26,000
		eMudhra BV	Group Company	5,00,000	-
		eMudhra PTE Limited	Group Company	5,00,000	-
5	Borrowings/ (Repayment), net				
		Taarav PTE Limited	Enterprises in which key management personnel exercise significant influence	(3,00,000)	-
		eMudhra DMCC	Group Company	(6,00,000)	-
6	Issue of equity Shares				
		eMudhra Limited	Parent Company	36,20,000	-

4 Detailed transactions with key managerial persons

SI No	Nature of transaction	Related party	Nature of relationship	2022-23	2021-22
1	Borrowings/ (Repayment), net				
		V. Srinivasan	Director	(2,37,440)	50,000



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

(All amounts are in USD, unless otherwise stated)

28 Related Party Transactions**5 Closing balances with Related Parties:**

SI No	Nature of transaction	Related party	Nature of relationship	As at	
				March 31,2022	March 31,2022
1	Trade Payable				
		eMudhra consumer Services Limited	Group Company	93,263	-
		eMudhra Limited	Parent Company	22,552	-
		eMudhra Technologies Limited	Group Company	4,967	-
		Total		1,20,782	-
2	Borrowings				
		Taarav PTE Limited	Group Company	3,00,000	-
		eMudhra DMCC	Group Company	6,00,000	-
		V. Srinivasan	Promoter and director	-	2,37,440
		Total		9,00,000	2,37,440
3	Trade Receivable				
		eMudhra BV	Group Company	1,05,800	-
		eMudhra DMCC	Group Company	2,94,000	-
		eMudhra PTE Limited	Group Company	1,09,500	-
		Total		5,09,300	-
4	Loans				
		eMudhra BV	Group Company	5,00,000	-
		eMudhra PTE Limited	Group Company	5,00,000	-
		eMudhra DMCC	Group Company	-	2,26,000
		Total		10,00,000	2,26,000

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 parent company and group companies with whom the Company generally enters its transactions which are at arms length and in the ordinary course of business.



eMudhra INC**Notes forming part of the financial statements**

(All amounts are in USD, unless otherwise stated)

29 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
Assets:					
Current					
(i) Trade receivables	3	-	8,65,081	-	3,66,946
(ii) Cash & cash equivalents	3	-	18,99,724	-	16,262
(iii) Loans	3	-	10,00,000	-	2,26,000
Total		-	37,64,805	-	6,09,208
Liabilities:					
Current					
(i) Borrowings	3	-	9,00,000	-	2,37,440
(ii) Trade Payables	3	-	3,24,750	-	3,26,903
Total		-	12,24,750	-	5,64,343

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).



30 Financial risk management

(i) 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.

(ii) 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)	8,65,081	3,66,946
Unbilled revenue	6,00,000	-
	14,65,081	3,66,946

Following are the financial assets

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Trade receivables	8,65,081	3,66,946
Cash and cash equivalents	18,99,724	16,262
Loans	10,00,000	2,26,000
	37,64,805	6,09,208

(iii) 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
	Borrowings	9,00,000	-
Trade payables	3,24,750	-	3,24,750
	12,24,750	-	12,24,750

As at March 31, 2022

Particulars	within 12 months	1-5 Years	Total carrying amount
	Borrowings	2,37,440	-
Trade payables	3,26,903	-	3,26,903
	5,64,343	-	5,64,343

(iv) 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.



(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	9,00,000	2,37,440
Total equity	48,01,310	46,908
Net debt to equity ratio	0.19	5.06



eMudhra INC

Notes forming part of the financial statements

(All amounts are in USD, unless otherwise stated)

31 Segment Information

The parent company discloses the segment information in the consolidated financial statements of the group and accordingly the same is not disclosed.

32 The disclosure requirement in accordance with the Ind AS 102, Share based payment are disclosed by the Parent company in the consolidated financials statements of the group for the year ended 31st March 2023.

33 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 ascertain ties 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.

34 During the year, the Company has reclassified certain balances to exhibit better presentation and accordingly the previous year balances has been reclassified.

35 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.

36 Valuation of Property, Plant and Equipment

The Company has not revalued its property, plant and equipment during the current or previous year.

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



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

Arvind Srinivasan
Director

Place: Bengaluru
Date : April 28, 2023

Place: Dubai
Date : April 28, 2023