July 8, 2025

Emudhra Limited: Update on material event

Summary of rating(s) outstanding

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term/Short-term – Unallocated	35.00	35.00	[ICRA]A (Stable)/[ICRA]A1; outstanding
Total	**35.00**	**35.00**	

**Instrument details are provided in Annexure I*

Rationale

Description of material event

On June 27, 2025, Emudhra Limited (eMudhra) announced the acquisition of a 51% stake in Cryptas International GmbH (Cryptas), along with its wholly owned subsidiaries. Cryptas, headquartered in Austria, is engaged in providing qualified trust services and solutions across authentication, digital compliance, and cybersecurity within the European Union (EU) region. The immediate consideration payable for the acquisition is EUR 5 million, along with an upside payment based on an enterprise value calculated at a 10x multiple of the EBITDA for CY2026 (Consolidated), to be funded through internal accruals. eMudhra has received the requisite approvals from the Austrian government, and the transaction is expected to be completed within the next 3–4 weeks.

Impact of the Material Event

This acquisition will enable eMudhra to expand its presence in the EU market by leveraging the established customer base of PrimeSign (a wholly owned subsidiary of Cryptas), a qualified trust service provider in the EU. Additionally, the acquisition will enable the company to expand its product offerings in the digital compliance and cybersecurity domains for its global clientele. ICRA also notes that the acquisition will be funded through internal accruals/surplus liquidity. As on March 31, 2025, eMudhra had free cash and liquid investments of Rs. 180.8 crore. Given the company's healthy cash flow generation and capital structure, this event is unlikely to have a material impact on eMudhra's credit profile. Nonetheless, the company's ability to successfully integrate the acquired business and achieve the desired synergies will remain monitorable.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, the liquidity position and rating sensitivities: [Click here]

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology IT - Software & Services
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of Emudhra Limited. As on March 31, 2025, Emudhra Limited had 13 subsidiaries, which are enlisted in Annexure II.

About the company

Incorporated in 2008, eMudhra is a Bangalore-based, licensed certifying authority involved in issuing digital signature certificates (DSC) in India under its brand, eMudhra. The company is licensed by the Controller of Certifying Authorities (CCA), Ministry of Information Technology and operates under the guidelines set by the Information Technology Act, 2000. Along with issuing digital signatures, it provides various enterprise solutions and services around digital signatures like authentication solutions, paperless office solutions, solutions for securing data at rest and data in transit and certificate lifecycle management. Apart from these, it also has solutions for the Internet of Things (IoT), and other solutions around Public Key Infrastructure (PKI).

Key financial indicators (audited)

eMudhra - Consolidated	FY2024	FY2025
Operating income	373.1	519.4
PAT	76.4	87.2
OPBDIT/OI	29.8%	23.9%
PAT/OI	20.5%	16.8%
Total outside liabilities/Tangible net worth (times)	0.1	0.2
Total debt/OPBDIT (times)	0.1	0.0
Interest coverage (times)	37.0	107.0

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instruments	Current rating (FY2026)					Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	July 08, 2025	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Unallocated	Long-term/ Short-term	35.00	[ICRA]A (Stable)/ [ICRA]A1	Jun-02-2025	[ICRA]A (Stable)/[ICRA]A1	Jun 06, 2024	[ICRA]A- (Positive)/ [ICRA]A2+	Jun 26, 2023	[ICRA]A- (Stable)/ [ICRA]A2+	Oct 07, 2022	[ICRA]BBB+ (Positive)/ [ICRA]A2
Non-fund based	Short-term	-	-	-	-	-	-	-	-	Oct 07, 2022	[ICRA]A2

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term-Unallocated Limits	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click here

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	**Unallocated**	NA	NA	NA	35.00	[ICRA]A (Stable)/[ICRA]A1

Source: Company

Annexure II: List of entities considered for consolidated analysis

Company name	eMudhra's Ownership	Consolidation approach
eMudhra (MU) Limited	100.00%	Full consolidation
eMudhra Technologies Limited	100.00%	Full consolidation
eMudhra Consumer Services Limited	100.00%	Full consolidation
eMudhra DMCC	100.00%	Full consolidation
eMudhra Pte Ltd	100.00%	Full consolidation
eMudhra INC	100.00%	Full consolidation
eMudhra B.V.	100.00%	Full consolidation
PT eMudhra Technologies Indonesia	59.35%	Full consolidation
Ikon Tech Services LLC	51.00%	Full consolidation
eMudhra Kenya Ltd	100.00%	Full consolidation
TWO95 International Inc	86.80%	Full consolidation
Certinext Inc	100.00%	Full consolidation
eMudhra Employees Stock Option Trust	100.00%	Full consolidation

Source: eMudhra Q4 FY2025 results

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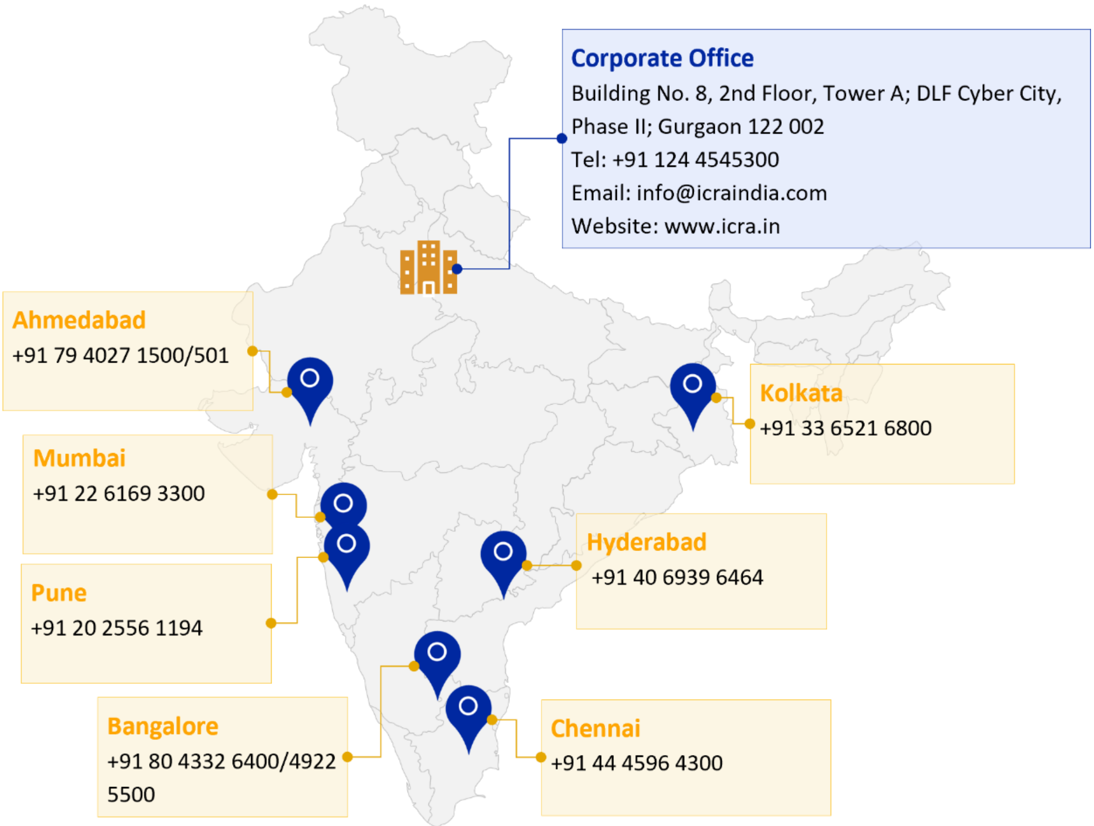

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