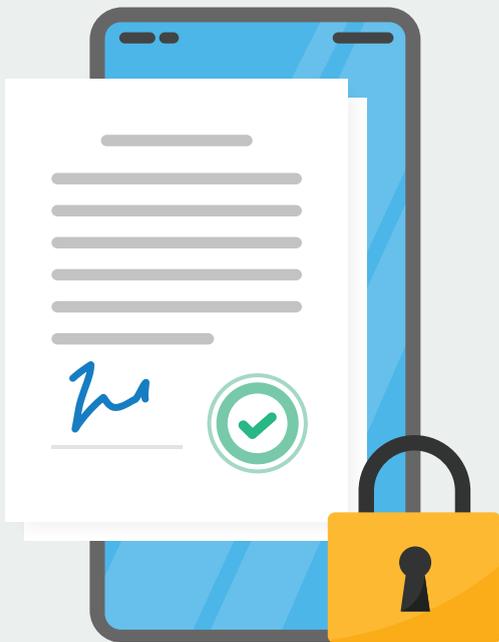




IPO DETAILS

eMudhra Limited



Issue Opens

20th May 22, Fri

Issue Closes

24th May 22, Tue

Min. Lot Size

58 Shares

Issue Price Band

₹243 - ₹256

Industry

CA Services

CA - Certifying Authority

Issue size

Fresh Issue:

6.29 Mn Equity Shares
(₹1,610.00 Mn)

OFS:

9.84 Mn Equity Shares
(₹2,517.86 Mn)

Face Value

₹5

Listing at

NSE, BSE

Rationale

Considering the FY21/FY22 (Annualised) EPS of ₹3.25/₹5.18 on a post issue basis, the company is going to list at a P/E of 78.81x/49.41x with a market cap of ₹19,987 Mn. There are no listed companies in India that are comparable in all aspects of business and services that the company provides.

We assign the "Subscribe" rating to this IPO as the company is the largest licensed Certifying Authority in India with a market share of 37.9% in the digital signature certificates market space, for the Financial Year 2021. Also, it is available at reasonable valuations considering the future growth potential of the company.

Objectives of the Issue

Repayment or pre-payment, in full or in part, of all or certain borrowings availed by the company.

Funding working capital requirements of the company.

Purchase of equipments and funding of other related costs for data centres proposed to be set-up in India and overseas locations.

Funding of expenditure relating to product development.

Investment in eMudhra INC for augmenting its business development, sales, marketing, and other related costs for future growth.

General corporate purposes.

Rating

SUBSCRIBE

APPLY NOW

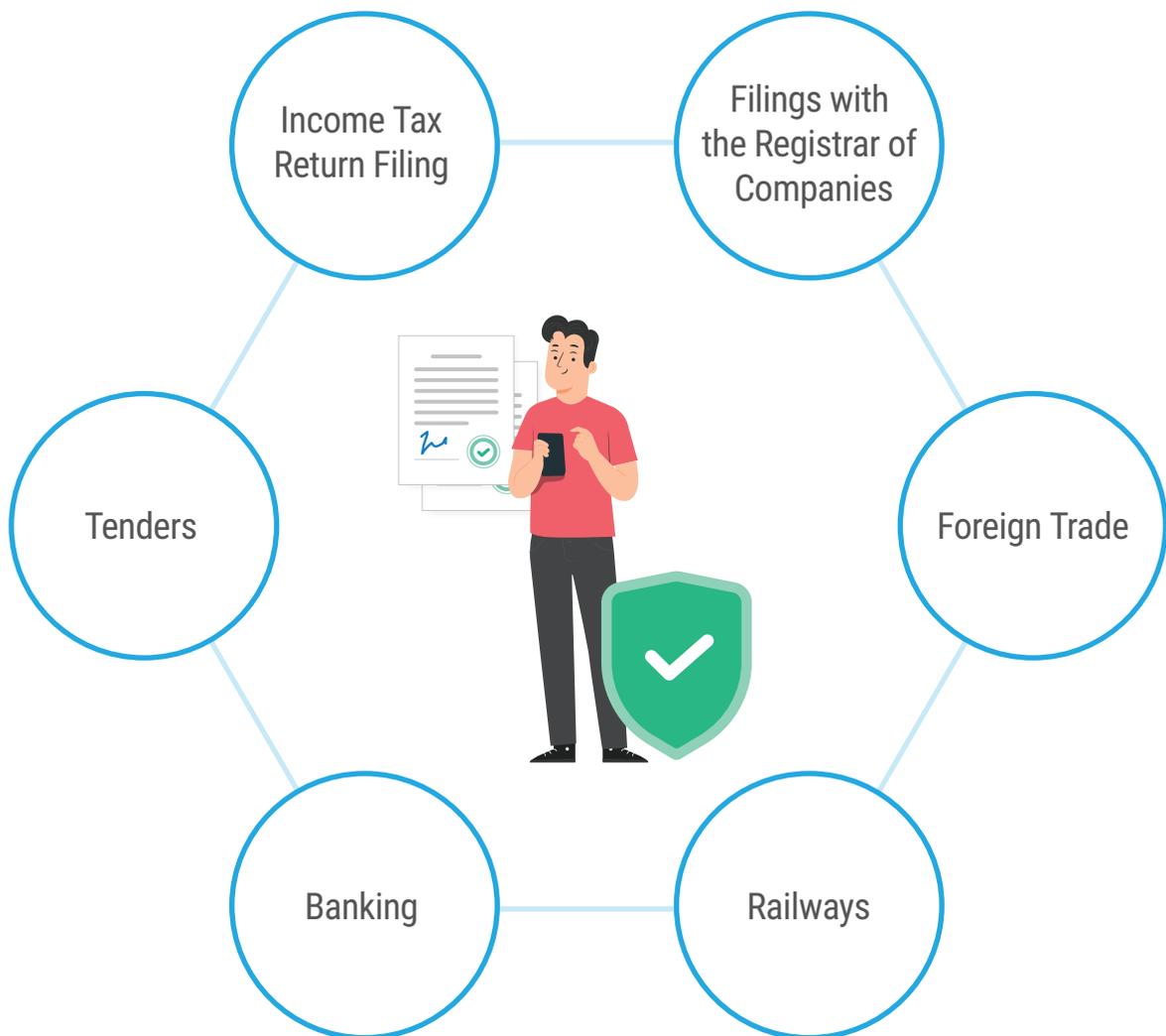


eMudhra Limited

Company Overview

eMudhra Limited is the largest licenced Certifying Authority (“Certifying Authority” or “CA”) in India with a market share of 37.9% in the digital signature certificates market space, for the Financial Year 2021. The company is engaged in the business of providing Digital Trust Services and Enterprise Solutions to individuals and organisations functioning in various industries.

Caters to Subscribers who use Digital Signature Certificates for



Digital Trust Services

The company issues a range of certificates including individual/organisational certificates, SSL/TLS certificates, and device certificates to build a digital trust backbone. Under the Enterprise Solutions vertical, it offers a diverse portfolio of Digital Security and Paperless Transformation Solutions, complementing the Digital Trust Services business, to customers engaged in different industries.



Vast Network

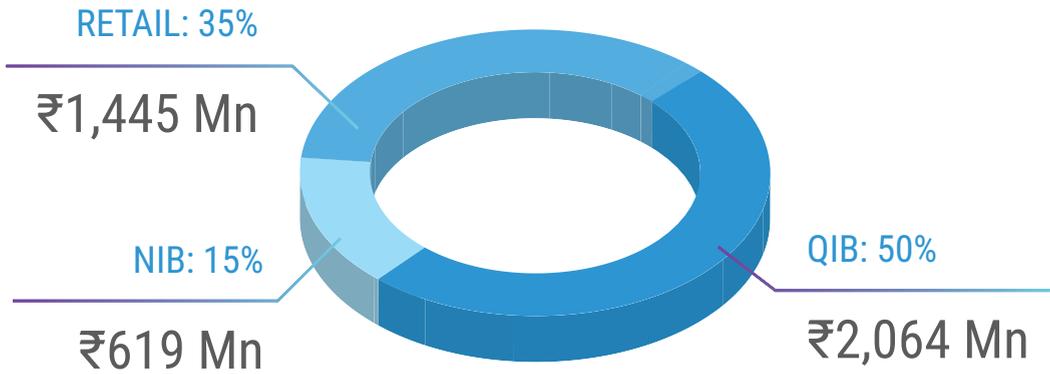
As of December 31, 2021, it has 91,259 channel partners for Digital Trust Services spread across various States and Union Territories in India and out of 539 system integrator partners, 267 are present in India and 272 are present internationally in the United States of America, Europe, Middle East and Africa, and the Asia Pacific. It had 664 full-time employees, including 240 employees in R&D.



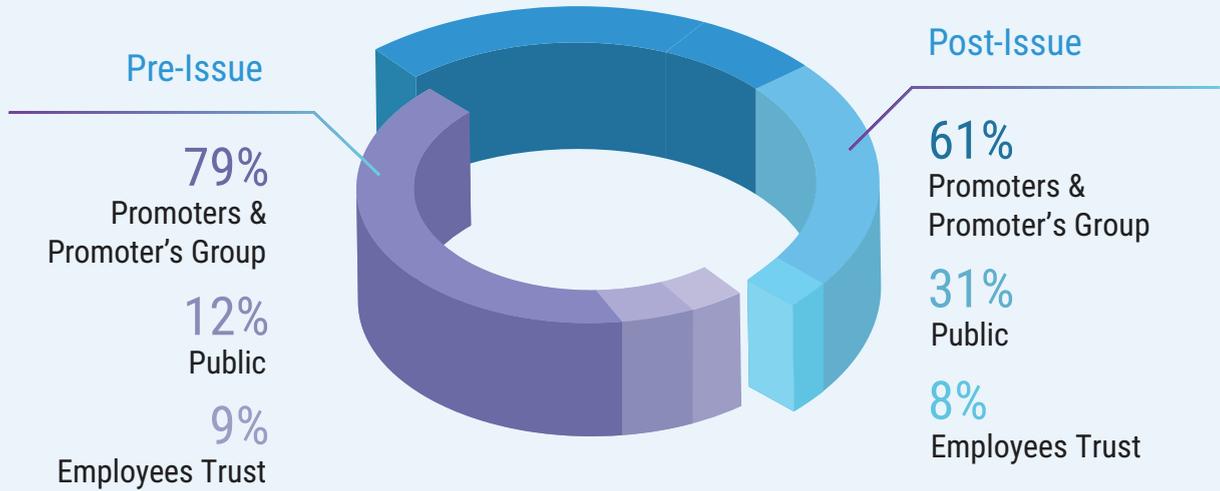
eMudhra Limited

Issue Details

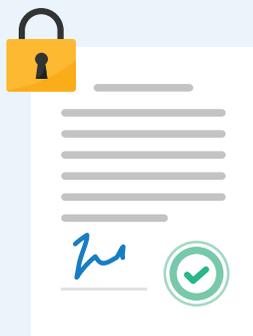
Issue Break-Up



Shareholding Pattern



Capital Structure (in ₹)



615 Mn

Authorized Equity Share Capital



359 Mn

Paid-Up Capital (Pre-Offer)

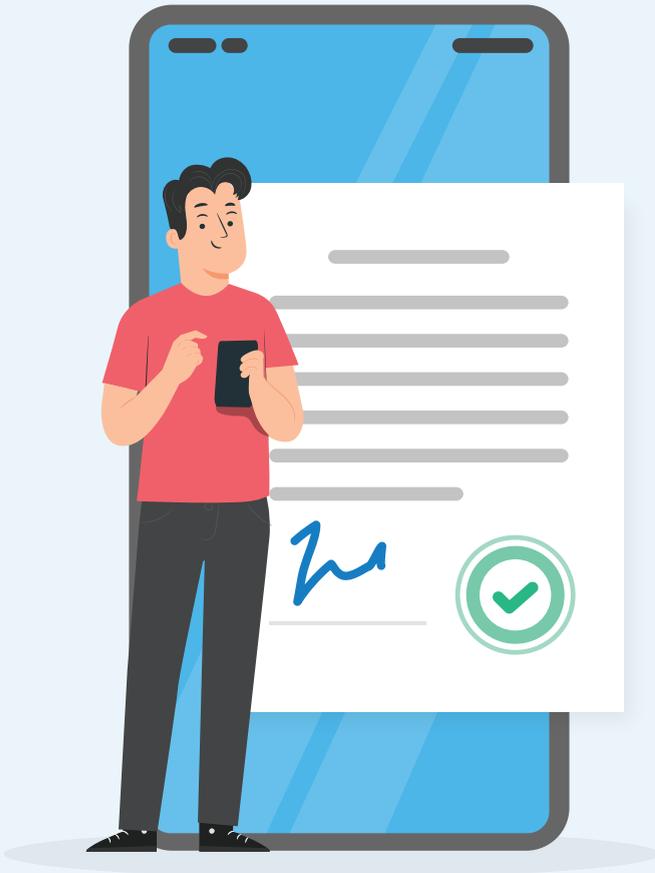


390 Mn

Paid-Up Capital (Post-Offer)



eMudhra Limited
Valuations



Market
Capitalisation

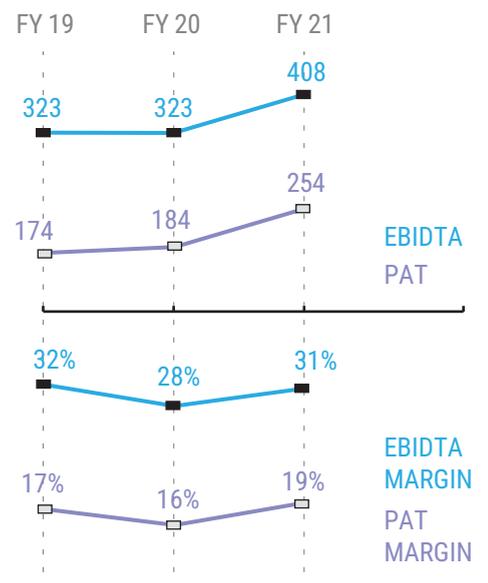
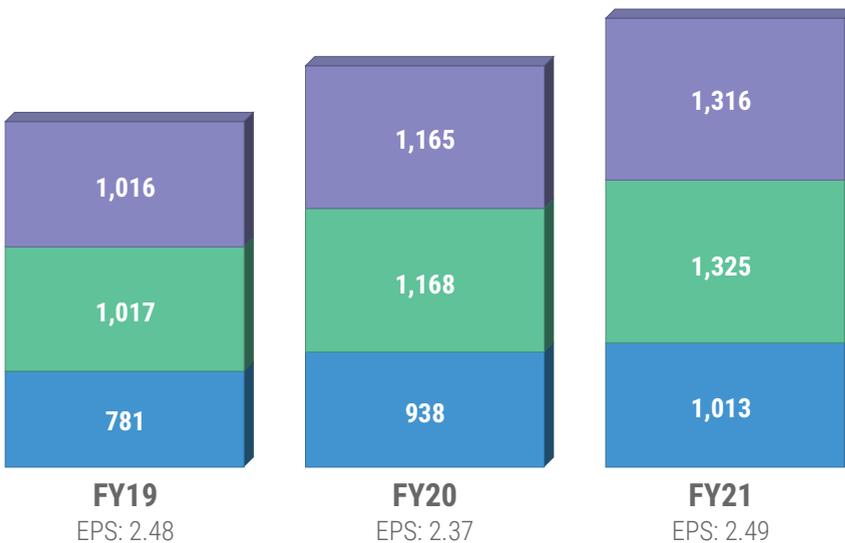
₹19,987 Mn

Price to Earnings
(P/E)

78.81x/49.41x
FY21/FY22 (Annualised)

Financial Snapshot (₹ in Mn)

- Revenue
- Total Income
- Total Expenses





eMudhra Limited

Business Insights



Competitive Strengths

- Largest licenced Certifying Authority in India
- A one-stop shop solution provider in secure digital transformation and well-positioned to capture the favorable industry dynamics in India and globally
- Technology certifications, accreditations, and membership in international bodies
- Technology-backed infrastructure to support quality and secure services and solutions
- Diverse, longstanding, and growing customer base
- Partnerships with leading Indian and global channel partners and enterprise solution partners
- Experienced promoter, board of directors, and senior management team



Business Strategy

- Capitalise on industry opportunities in India and maintain leadership in the Indian Trust Services market and as a 'one-stop shop' player in secure digital transformation
- Leveraging existing data centre infrastructure and setting up new data centres in overseas locations
- Enhance solution offerings to tap the growing needs of digital transformation
- Grow presence in overseas markets
- Expand share of revenues among existing customers, and broaden partner network and customers
- Focus on multiple drivers for margin expansion



Risks

- The company operates in the industry which is competitive and faces significant competition from both established and new companies offering trust services, digital security, and paperless transformation solutions which may have a negative effect on the company's ability to add new customers, retain existing customers, and grow its business
- The company is highly dependent on technology in carrying out business activities and it forms an integral part of its business. If the company faces failure in the technology platform, it may not be able to compete effectively which may result in lower revenue, higher costs, and would adversely affect business and results of operations

Promoters and Management Details

Venkatraman Srinivasan - Executive Chairman

Venu Madhava - Whole-time Director