

June 29, 2026

Emudhra Limited: Ratings reaffirmed

Summary of rating action

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; reaffirmed
Total	35.00	35.00	

*Instrument details are provided in Annexure-II

Rationale

The reaffirmation of ratings for Emudhra Limited (eMudhra) factors in its established track record and leading position as a cyber security-related services provider and certifying authority for issuing digital signature certificates (DSC) in India, and its promoters' extensive experience in the industry. ICRA notes that the company has a reputed customer base, which includes large Banking, Financial Services and Insurance (BFSI) players, Government sector entities and corporates across multiple sectors. The ratings also factor in the steady growth in the company's revenue and earnings over the years, which coupled with its net debt-free position and strong liquidity position has continued to translate into a healthy financial risk profile.

In FY2026, eMudhra reported a healthy revenue growth of 35% on a YoY basis supported by healthy traction across both trust services and enterprise solutions segments, along with continued benefits from its inorganic growth strategy. The growth was driven by strong performance in both the enterprise solutions (55% YoY) and trust services (32% YoY) businesses, with nearly 50% of incremental revenues in FY2026 attributed to acquisitions, including the contribution from recently acquired Cryptas International. eMudhra's increasing geographic diversification, with international revenues accounting for 64% of its total revenues in FY2026, further supports its growth profile, aided by expanded presence across North America, Europe, West Asia, Africa and Southeast Asia. Going forward, eMudhra is expected to sustain its growth momentum, supported by increasing share of product-led revenues, healthy traction in its enterprise offerings (particularly Certinext), and continued investments in emerging cybersecurity solutions such as Post Quantum Cryptography (PQC) and Data Privacy Stack. The company's revenue visibility remains supported by healthy demand across BFSI, Government and enterprise clients, along with ongoing traction across multiple geographies.

The ratings are, however, constrained by eMudhra's moderate, albeit growing, scale of operations and exposure to intense competition across both trust services and enterprise solutions segments. The company's trust services business remains exposed to regulatory and technology-related risks, including changes in digital identity and certification frameworks, cybersecurity threats, and technological obsolescence, which necessitate continuous investments in platform upgrades and security infrastructure. While eMudhra maintains a strong market position in India, pricing pressure from other certification service providers could moderate profitability over the medium term.

Meanwhile, business growth in the enterprise solutions segment remains dependent on sustained customer spending on digital transformation initiatives and successful product adoption across geographies. The business segment remains exposed to competitive intensity from global digital document workflow solution providers. Further, growth is dependent on continued customer adoption of its platforms and sustained investments in product innovation amid evolving technology requirements. Moreover, a significant portion of the division's revenues is generated from Government entities and export clients, exposing the company to elongated receivable cycles and relatively higher working capital intensity.

ICRA also notes the ongoing legal proceedings involving 3i Infotech Limited and eMudhra. While no material impact on eMudhra's operations has been observed so far, developments in this matter remain a key monitorable.

The Stable outlook on the long-term rating reflects ICRA's opinion that the company will report healthy growth in revenue and earnings while maintaining a net debt negative position, supporting its credit profile.

Key rating drivers and their description

Credit strengths

Established position as leading licensed certifying authority for issuing DSC in India – Incorporated in 2008, eMudhra is among the leading players in India's digital trust and transformation space, supported by its licence from the Controller of Certifying Authorities (CCA), Government of India, for issuance of DSCs. Despite increasing competition and the relatively commoditised nature of the DSC business, the company has sustained its leadership position with a market share of around 30%¹ by value in recent years, supported by its long operating track record and extensive partner/reseller network across the country.

Increased diversification of revenues – eMudhra's revenues are well diversified across businesses and geographies. The company operates through two major business verticals—trust services and enterprise solutions. The trust services business includes sales of token-based DSC and SSL certificates through retail and channel partners, while the enterprise solutions segment includes sales of products/solutions for secure online access (emAS), public key infrastructure (emCA), paperless workflow (emSigner) and certificate life cycle management (Certinext) for Government entities, BFSI and corporates (for multiple other sectors). With new product rollouts, increasing marketing and inorganic growth initiatives, the share of eMudhra's enterprise solutions segment increased to around 80% in FY2026 from around 54% in FY2022, reducing its dependence on the relatively commoditised DSC business. Geographically, its revenues are led by India with a share of 36% in FY2026, followed by the US and North American market at 34%. Revenue contribution from Europe increased to around 12% from about 1% in FY2025, primarily following the acquisition of Cryptas, while the West Asian and African, and Asia Pacific markets contributed around 11% and 7%, respectively. The increasing share of enterprise solutions and overseas revenues have strengthened the company's growth profile while improving business diversification.

Healthy financial risk profile – eMudhra's financial profile remains healthy, marked by increasing accrual generation and net worth base, comfortable debt protection metrics and liquidity profile. The company's growth momentum has remained strong over the past two fiscals, reflected by 39% and 35% YoY growth in FY2025 and FY2026, respectively. This has been supported by new product rollouts, expansion of the base business in existing geographies, increased penetration into new markets and inorganic growth. During FY2025-FY2026, eMudhra strengthened its international presence through acquisitions, including the acquisition of a 51% stake in Cryptas International GmbH, which provides access to the European digital trust market, an established customer base and cross-selling opportunities for the company's enterprise solutions. Operating profitability remained healthy with margins of around 22-24% over FY2025-FY2026, while the financial profile continued to be supported by a net debt-free balance sheet, healthy accrual generation and strong liquidity. Going forward, growth is expected to be driven by continued traction in enterprise solutions, product enhancements, increasing international presence and synergy benefits from recent acquisitions, while its financial profile is likely to remain supported by healthy cash generation and limited debt requirements.

Credit challenges

Moderate scale of operations – Despite strong revenue growth over the past two fiscals, eMudhra's scale of operations remains moderate. Going forward, ICRA expects the company to record healthy revenue growth, supported by its leadership position in the digital trust services business, healthy order book in the enterprise solution segment, new product developments and inorganic growth plans.

¹ As per management estimates

Competition from other domestic and international players – The company faces competition from several domestic and international players, such as Digicert Corporation, Entrust Corporation, Sify Communications Ltd., and Capricorn Identity Services Pvt. Ltd., among others. While intense competition limits pricing flexibility to some extent, eMudhra benefits from its leadership position as a licensed certifying authority for DSC in India along with new product developments and its growing presence in the enterprise solutions business globally.

High working capital intensity of business – eMudhra's working capital intensity remains high, driven by the elongated receivable levels in the enterprise solutions segment as a considerable share of revenue comes from public sector entities and export markets. Nevertheless, the impact on its credit profile is mitigated by the company's healthy accrual generation, strong liquidity position and net debt-free status, with working capital requirements being largely funded through internal accruals. Going forward, eMudhra's ability to sustain its growth momentum without any material elongation in receivables or incremental dependence on external debt will remain a key monitorable.

Exposed to changes in regulatory framework and technological obsolescence – Given that the company is a licensed certifying authority by the CCA, it operates under the guidelines set by the Information Technology Act, 2000. This exposes its business to any changes in the regulatory requirements/ audits by the CCA. While there were no material regulatory changes in FY2026, the trust services business remains susceptible to policy changes such as those implemented in FY2025, which had impacted DSC industry volumes. Further, the sector remains exposed to technological obsolescence, competitive pressures, emergence of substitute technologies, evolving customer requirements, and cybersecurity risks, necessitating continued investments in product development and technology upgrades. Nevertheless, eMudhra's increasing focus on enterprise solutions, ongoing product enhancements and improving revenue diversification across products and geographies mitigates these risks to an extent.

Environmental and social risks

Environmental considerations – The company has a data centre in Bangalore and a disaster recovery data centre in Chennai. Energy efficiency and sustainable sourcing of power are critical for data centres, which impact the smooth conduct of business operations. The company has invested in energy-efficient infrastructure and equipment to reduce energy consumption in its data centres.

Social considerations – eMudhra faces the risk of data breaches and cyberattacks that could affect the large volumes of customer data that it manages. Any material lapse on this front could result in substantive liabilities, fines, or penalties and reputational impact. Also, eMudhra remains exposed to the risk of changes in the regulatory environment of the key markets where it operates.

Liquidity position: Strong

eMudhra's liquidity is strong, supported by a healthy cash flow generation and unencumbered cash and cash equivalents of around Rs. 88-90 crore as of March 31, 2026. ICRA expects eMudhra's liquidity to remain comfortable, supported by surplus funds and expected healthy internal accrual generation, in the absence of any major debt funded planned capex.

Rating sensitivities

Positive factors – ICRA could upgrade eMudhra's ratings if the company demonstrates strong growth in revenue and earnings, while maintaining its healthy credit metrics and liquidity position without any material elongation of its working capital cycle.

Negative factors – The ratings may be downgraded if there is any considerable pressure on revenue and internal accrual generation due to reasons such as adverse regulatory changes, or if there is any increase in the working capital intensity, resulting in weakening of the liquidity position.

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, 2026, Emudhra Limited had 14 subsidiaries, which are enlisted in Annexure III.

About the company

Incorporated in 2008, eMudhra is a Bangalore-based, licensed certifying authority involved in issuing DSCs in India under its brand, eMudhra. The company is licensed by the CCA, Ministry of Information Technology, Government of India, 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, as well as certificate lifecycle management. The company also provides solutions for the Internet of Things (IoT), and other solutions around Public Key Infrastructure (PKI).

Key financial indicators

eMudhra - Consolidated	FY2025	FY2026
Operating income	519.4	701.6
PAT	87.2	110.0
OPBDIT/OI	24.0%	22.8%
PAT/OI	16.8%	15.7%
Total outside liabilities/Tangible net worth (times)	0.2	0.3
Total debt/OPBDIT (times)	0.0	0.2
Interest coverage (times)	107.4	31.5

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

Instrument	Type	Current (FY2027)		Chronology of rating history for the past 3 years					
		Amount rated (Rs. crore)	June 29 2026	FY2026		FY2025		FY2024	
				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+
				Jul 08, 2025	[ICRA]A (Stable)/ [ICRA]A1	-	-	-	-

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10, 2026

ICRA-rated instruments fall under the regulatory purview of various Financial Sector Regulators (FSRs), as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026, and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA fall under the regulatory purview of various FSRs, as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)

Sr. No.	Activity Name	FSR
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of FSRs other than SEBI.

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 II: Instrument details

ISIN	Instrument Name	Date of Issuance/Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Unallocated	NA	NA	NA	35.00	[ICRA]A (Stable)/[ICRA]A1

Source: Company

Annexure III: 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	60%	Full consolidation
Ikon Tech Services LLC	51.00%	Full consolidation
eMudhra Kenya Ltd	100.00%	Full consolidation
TWO95 International Inc	93.4%	Full consolidation
Certinext Inc	100.00%	Full consolidation
Cryptas International GmbH	51%	Full consolidation
eMudhra Employees Stock Option Trust	100.00%	Full consolidation

Source: eMudhra annual report

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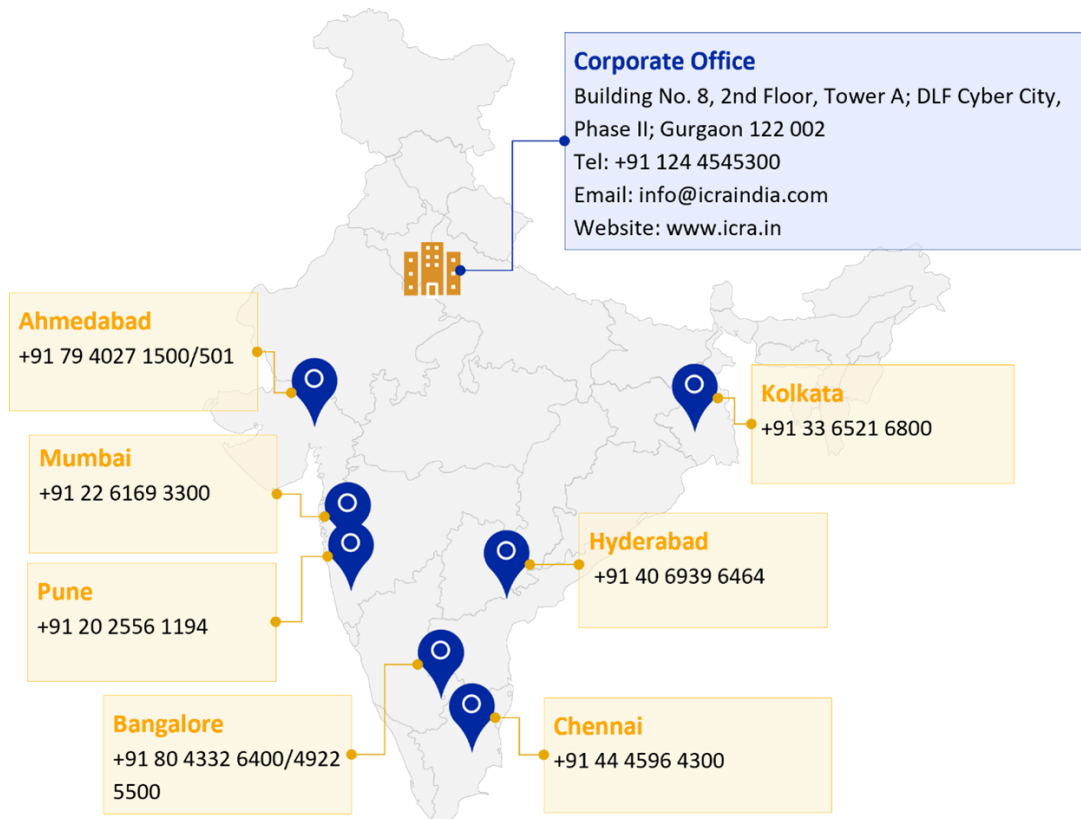
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