

**MPONLINE LIMITED**  
Balance Sheet as at March 31, 2017

(₹ Lakh)

	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>I. ASSETS</b>				
<b>Non - current assets</b>				
(a) Property, plant and equipment	4	238.92	308.76	382.91
(b) Financial assets				
(i) Other financial assets	5(A)	38.99	65.73	43.21
(ii) Loans	6(A)	-	2,900.00	-
(c) Income Tax Asset (net)		201.21	190.17	103.38
(d) Deferred tax assets	7	33.01	19.54	1.37
(e) Other assets	8(A)	125.49	43.54	77.59
<b>Total non-current assets</b>		<b>637.62</b>	<b>3,527.74</b>	<b>608.46</b>
<b>Current assets</b>				
(a) Financial assets				
(i) Investments	9	3,872.87	-	-
(ii) Trade receivables	10	347.63	168.93	226.92
(iii) Unbilled revenue		152.72	171.12	-
(iv) Cash and cash equivalents	11	1,266.61	608.65	354.27
(v) Other balances with banks	12	48.66	2,274.66	3,778.80
(vi) Loans	6(B)	5,602.05	2,100.00	2,000.00
(vii) Other financial assets	5(B)	365.25	186.05	190.37
(b) Other assets	8(B)	277.53	85.99	88.85
<b>Total current assets</b>		<b>11,933.32</b>	<b>5,595.40</b>	<b>6,639.21</b>
<b>TOTAL ASSETS</b>		<b>12,570.94</b>	<b>9,123.14</b>	<b>7,247.67</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Share capital	13	100.00	100.00	100.00
(b) Other equity	14	7,275.40	5,857.10	4,883.29
<b>Total Equity</b>		<b>7,375.40</b>	<b>5,957.10</b>	<b>4,983.29</b>
<b>Non-current liabilities</b>				
(a) Employee benefit obligation	15(A)	18.44	16.24	10.53
(b) Income tax liabilities (net)		109.83	-	-
(c) Other liabilities	16(A)	36.88	28.15	21.67
<b>Total non-current liabilities</b>		<b>165.15</b>	<b>44.39</b>	<b>32.20</b>
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Trade payables	17	368.32	628.69	363.85
(ii) Other financial liabilities	18	3,318.72	1,993.79	1,396.37
(b) Employee benefit obligation	15(B)	7.29	4.76	3.98
(c) Other liabilities	16(B)	1,133.21	443.15	464.01
(d) Income received in advance		202.85	51.26	3.97
<b>Total current liabilities</b>		<b>5,030.39</b>	<b>3,121.65</b>	<b>2,232.18</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,570.94</b>	<b>9,123.14</b>	<b>7,247.67</b>

**III. NOTES FORMING PART OF THE FINANCIAL STATEMENTS** 1-30

In terms of our report attached

For and on behalf of the Board of Directors

**FOR DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

  
**JOE PRETTO**  
Partner

  
**BARINDRA SANYAL**  
Director  
  
**RAJEEV SISAUDIA**  
Chief Operating Officer

  
**MOHAMMED SULEMAN**  
Director  
  
**R SANKAR**  
Company Secretary  
Mumbai, April 12, 2017

Mumbai, April 12, 2017

**MPONLINE LIMITED**  
**Statement of Profit and Loss for the year ended March 31, 2017**

		(₹ Lakh)	
	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
I. Revenue from operations	19	8,637.50	6,860.35
II. Other income	20	657.42	538.12
<b>III. Total Revenue</b>		<b>9,294.92</b>	<b>7,398.47</b>
<b>IV. Expenses:</b>			
(a) Employee benefits expense	15	622.14	559.78
(b) Other operating expenses	21	5,462.58	4,445.21
(c) Finance costs	22	-	1.15
(d) Depreciation	4	111.30	112.70
<b>Total expenses</b>		<b>6,196.02</b>	<b>5,118.84</b>
<b>V. Profit before tax</b>		<b>3,098.90</b>	<b>2,279.63</b>
<b>VI. Tax expense:</b>			
(a) Current tax		1,101.51	812.69
(b) Deferred tax		(13.47)	(18.17)
<b>VII Profit for the year</b>		<b>2,010.86</b>	<b>1,485.11</b>
<b>VIII Other comprehensive income</b>			
(A) (i) Items that will not be reclassified subsequently to the statement of profit and loss:			
(a) Remeasurement of defined employee benefit plans		(2.81)	(5.80)
<b>Total other comprehensive income net of taxes</b>		<b>(2.81)</b>	<b>(5.80)</b>
<b>IX Total comprehensive income for the year</b>		<b>2,008.05</b>	<b>1,479.31</b>
<b>X Earnings per equity share- Basic and diluted (₹)</b>	23	201.09	148.51
Weighted average number of equity shares		10,00,000	10,00,000
Face value per equity share (₹) 10 each			

**XI NOTES FORMING PART OF THE FINANCIAL STATEMENTS** 1-30

In terms of our report attached

For and on behalf of the Board of Directors

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Company Secretary  
Mumbai, April 12, 2017

Mumbai, April 12, 2017

**MPONLINE LIMITED**  
Statement of Cash Flow for the year ended March 31, 2017

	(₹ Lakh)	
	As at March 31, 2017	As at March 31, 2016
<b>I CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the period	3,098.90	2,279.63
<b>Adjustments to reconcile profit or loss to net cash provided by operating activities:</b>		
Depreciation and amortisation	111.30	112.70
(Gain) / Loss on disposal of property, plant and equipment	(0.06)	0.32
Net Gain on investments measured at fair value through profit and loss	(0.54)	-
Bad debts, provision for trade receivables and advances written off	0.44	14.82
Interest income	(583.90)	(534.97)
Unrealised gain on investments measured at fair value through profit and loss	(72.87)	-
<b>Operating profit before working capital changes</b>	<b>2,553.27</b>	<b>1,872.50</b>
<b>Net change in:</b>		
Trade receivables	(179.14)	43.17
Unbilled revenue	18.40	(171.12)
Loans and other financial assets	3.29	(0.46)
Other assets	(286.40)	35.21
Trade payables	(260.36)	264.86
Income received in advance	151.59	47.29
Other financial liabilities	1,324.92	632.35
Other liabilities	700.72	(13.71)
<b>Cash generated from operations</b>	<b>4,026.29</b>	<b>2,710.09</b>
Taxes paid	(1,002.72)	(899.48)
<b>Net cash provided by operating activities</b>	<b>3,023.57</b>	<b>1,810.61</b>
<b>II CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Bank deposits placed	-	(3,982.93)
Inter-corporate deposits placed	(4,688.38)	(5,000.00)
Purchase of investments carried at fair value through profit and loss	(4,300.00)	-
Purchase of property, plant and equipment	(41.41)	(73.80)
Proceeds from Bank Deposits	2,238.91	5,488.77
Proceeds from inter-corporate deposits	4,086.82	2,000.00
Proceeds from disposal/redemption of investments carried at fair value through profit and loss	500.54	-
Interest received	427.66	517.23
<b>Net cash (used in) investing activities</b>	<b>(1,775.86)</b>	<b>(1,050.73)</b>
<b>III CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid (including dividend tax)	(589.75)	(505.50)
<b>Net cash (used in) financing activities</b>	<b>(589.75)</b>	<b>(505.50)</b>
<b>Net increase in cash and cash equivalents</b>	<b>657.96</b>	<b>254.38</b>
Cash and cash equivalents at the beginning of the year	608.65	354.27
<b>Cash and cash equivalents at the end of the year as per Note 11</b>	<b>1,266.61</b>	<b>608.65</b>

**IV NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

In terms of our report attached

**FOR DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

  
**JOE PRETTO**  
Partner

Mumbai, April 12, 2017

1-30

For and on behalf of the Board of Directors

  
**BARINDRA SANTAL**  
Director

  
**MOHAMMED SULEMAN**  
Director

  
**RAJEEV SISAUDIA**  
Chief Operating Officer

  
**R SANKAR**  
Company Secretary  
Mumbai, April 12, 2017

**MPONLINE LIMITED**  
Statement of changes in equity

**A) EQUITY SHARE CAPITAL**

(₹ Lakh)

	Changes in equity share capital during the year	Balance as at March 31, 2016
Balance as on April 01, 2015	-	100.00
100.00		
	Changes in equity share capital during the year	Balance as at March 31, 2017
Balance as on April 01, 2016	-	100.00
100.00		

**B) OTHER EQUITY**

(₹ Lakh)

	General reserve	Retained earnings	Total Equity
Balance as at April 01, 2015	519.00	4,364.29	4,883.29
Profit for the year	-	1,485.11	1,485.11
Other comprehensive income	-	(5.80)	(5.80)
<b>Total comprehensive income</b>	<b>519.00</b>	<b>5,843.60</b>	<b>6,362.60</b>
Dividend (including tax on dividend)	-	(505.50)	(505.50)
<b>Balance as at March 31, 2016</b>	<b>519.00</b>	<b>5,338.10</b>	<b>5,857.10</b>
Balance as at April 01, 2016	519.00	5,338.10	5,857.10
Profit for the period	-	2,010.86	2,010.86
Other comprehensive income	-	(2.81)	(2.81)
<b>Total comprehensive income</b>	<b>519.00</b>	<b>7,346.15</b>	<b>7,865.15</b>
Dividend (including tax on dividend)	-	(589.75)	(589.75)
<b>Balance as at March 31, 2017</b>	<b>519.00</b>	<b>6,756.40</b>	<b>7,275.40</b>

See accompanying notes forming part of the financial statements

1-30

In terms of our report attached

For and on behalf of the Board of Directors


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Partner

  
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Chief Operating Officer

  
**R SANKAR**  
Company Secretary  
Mumbai, April 12, 2017

Mumbai, April 12, 2017

**MPONLINE LIMITED**  
**Notes forming part of the financial statements**

**1 Corporate Information**

The Company primarily operates an e-commerce portal allowing payments and money transfer to be made through the Internet, enabling citizens and businesses to make payment of dues to various departments of state governments, educational institutions, public utilities, insurance companies etc.

The Company, is an unlisted public company is incorporated and domiciled in India. The address of its registered office and principal place of business is 2nd Floor, Nirupam Shopping Mall, Hoshangabad Road, Ahmedpur, Bhopal 462026. As of March 31, 2017 Tata Consultancy Services Limited, the holding company owned 89% of the Company's equity share capital. Tata Sons Limited is the ultimate parent.

The company is a joint venture between Tata Consultancy Services Limited and Madhya Pradesh State Electronics Development Corporation Limited. The joint venture agreement between parties has expired on March 31, 2017. The agreement between the parties has been revised for a further period of ten years.

The financial statements for the year ended March 31, 2017 were approved by the Board of Directors and authorised for issue on April 12, 2017.

**2 Significant accounting policies**

**a) Statement of compliance**

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. Previous year numbers in the financial statements have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2016 and April 1, 2015 and of the comprehensive net income for the year ended March 31, 2016.

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

**b) Basis of Preparation**

These financial statements have been prepared on the historical cost basis, except for mutual fund which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

**c) Use of estimates and judgements**

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities.

**Useful lives of property, plant and equipment**

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

**Valuation of deferred tax assets**

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 2 (g).

**Provisions and contingent liabilities**

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.



**d) Revenue Recognition**

In respect of payment gateway, e-Commerce Portal Service, revenue is recognised upon processing of the transactions (such as payment of utility bills, insurance premium etc.) through the portal.

When the outcome of transactions, involving the rendering of services and other processing transaction revenue can be estimated reliably, revenue associated with such transactions is recognised by reference to the stage of completion of the transaction at the end of each reporting period, provided the stage of completion of the transaction as well as the cost incurred on the transaction and the cost of completion of the transaction can be measured reliably. The stage of completion of the transaction is determined based on the proportion that cost incurred to date, bear to the estimated total cost of the transaction.

When services are performed by number of acts over a specified period of time, revenue is recognised on a straight line basis over the specified period.

All revenues are recognised only when collectability of the resulting receivable is reasonably assured, and are reported net of discounts and indirect and service taxes.

Interest income is recognised using the effective interest method.

**e) Leases**

**Operating leases**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease. Operating lease payments are recognised on a straight line basis over the lease term in the statement of profit and loss, unless the lease agreement explicitly states that increase is on account of inflation.

**f) Cost recognition**

Costs and expenses are recognised when incurred and have been classified according to their primary nature.

The costs of the company are broadly categorised in employee benefit expenses, other operating expenses and depreciation. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses majorly include fees to external consultants, commission expenses, cost of facility running, communication expenses, allowance for doubtful trade receivables and other expenses. Other expenses is an aggregation of costs which are individually not material such as travelling, advertisement, recruitment and training, etc.

**g) 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 recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

**Current income taxes**

The current income tax expense includes income taxes payable by the Company.

Advance taxes and provisions for current income taxes are presented in the balance sheet after offsetting advance tax paid and income tax provision arising in the same tax jurisdiction and the Company intends to settle the asset and liability on a net basis.

**Deferred income taxes**

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income 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 income tax asset to be utilised.

Deferred income tax liabilities are recognised for all taxable temporary differences where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

The Company recognises interest levied and penalties related to income tax assessments in income tax expenses.

**h) Financial Instruments**

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

**Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets 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 payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

**Financial liabilities**

Financial liabilities are measured at amortised cost using the effective interest method.

**i) Property, plant and equipment**

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment loss, if any.

Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Name of the Asset	Method	Useful lives
Computer Equipment	Straight line	4 Years
Office Equipment	Straight line	5 Years
Electrical Installations	Straight line	10 Years
Furniture and Fixtures	Straight line	5 Years
Leasehold Improvements	Straight line	Lease Period
Vehicles	Straight line	4 Years

Fixed assets individually costing ₹10,000 or less are depreciated at the rate of 100% in year of purchase.

**Capital work-in-progress**

Project under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

**Intangible Assets**

Intangible assets purchased are stated at cost, less of accumulated amortisation and accumulated impairment losses, if any.

Intangible assets consist of acquired contract rights, rights under licensing agreement and software licences and customer-related intangibles. Following table summarises the nature of intangibles and the estimated useful lives. Intangible assets are amortised on a straight line basis over its useful lives as given below:

Nature of intangible	Useful lives
Software	24 Months

**j) Impairment**

**i. Financial assets (other than at fair value)**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

**ii. Non-financial assets**

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

**k) Employee benefits**

**a) Defined benefit plans**

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in other comprehensive income for the period in which they occur. Past service cost both vested and unvested is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

**b) Defined contribution plans**

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

**c) Compensated Absences**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the obligation at the balance sheet date.

**l) Earnings per share**

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The Company did not have any potentially dilutive securities in any of the periods presented.



**3 Explanation of transition to Ind AS**

The transition as of April 1, 2015 to Ind AS was carried out from Previous GAAP. The exemptions and exceptions applied by the Company in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, the reconciliations of equity and total comprehensive income in accordance with Previous GAAP to Ind AS are explained below.

**Reconciliations between Previous GAAP and Ind AS**

		(₹ Lakh)	
(i) Equity reconciliation	Note	As at March 31, 2016	As at April 01, 2015
Equity under previous GAAP:		5,361.65	4,487.90
Depreciation	(b)	(9.66)	(15.46)
Tax adjustments including deferred tax adjustment	(d)	15.36	5.35
Dividend (including dividend tax)	(a)	589.75	505.50
<b>Equity under Ind AS</b>		<b>5,957.10</b>	<b>4,983.29</b>

		(₹ Lakh)	
(ii) Comprehensive income reconciliation	Note	For the year ended March 31, 2016	
Net income under Previous GAAP			1,463.50
Employee benefits	(c)		5.80
Depreciation	(b)		5.80
Tax adjustments including deferred tax adjustment	(d)		10.01
<b>Net income under Ind AS</b>			<b>1,485.11</b>
Other comprehensive income	(c)		(5.80)
<b>Comprehensive income under Ind AS</b>			<b>1,479.31</b>

**(a) Dividend (including dividend tax)**

Under Ind AS, dividend to holders of equity instruments is recognised as a liability in the period in which the obligation to pay is established. Under Previous GAAP, dividend payable is recorded as a liability in the period to which it relates.

This has resulted in an increase in equity by ₹ 589.75 lakh and ₹ 505.50 lakh as on March 31, 2016 and April 1, 2015 respectively.

**(b) Depreciation**

In April 2014, the Company revised its method of depreciation from written down value to straight-line basis. This change in method was retrospectively adjusted in accordance with previous GAAP. Under Ind AS, the Company has elected to apply Ind AS 16 - Property, plant and equipment from the date of acquisition of property, plant and equipment and accordingly in Ind AS 8- Accounting policies, changes in accounting estimates and errors, the change in method has been prospectively applied.

This has resulted in a decrease in equity by ₹ 9.66 lakh and ₹ 15.46 lakh as on March 31, 2016 and April 1, 2015 respectively and increase in net income by ₹ 5.80 lakh for year ended March 31, 2016 .

**(c) Employee benefits**

Under previous GAAP, actuarial gains and losses were recognized in statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of net defined benefit liability/asset which is recognized in other comprehensive income in the respective periods.

This has resulted in increase in net income by ₹ 5.80 lakh for year ended March 31, 2016 .However the same does not result in difference in equity or total comprehensive income

**(d) Tax adjustments including deferred tax**

Tax adjustments are also made for deferred tax impact on account of differences between Previous GAAP and Ind AS.

These adjustments have resulted in increase in equity under Ind AS by ₹ 15.36 lakh and ₹ 5.35 lakh as on March 31, 2016 and April 1, 2015 respectively and increase in net income by ₹ 10.01 lakh for year ended March 31, 2016

**MPONLINE LIMITED**  
Notes forming part of the Financial Statements

**4) Property, Plant & Equipment**

Description	Leasehold Improvements	Computer equipment	Vehicles	Office equipment	Electrical Installations	Furniture and fixtures	Total
Cost as of April 01, 2016	117.35	448.13	9.04	88.39	58.75	100.73	827.39
Additions	-	40.24	-	1.29	-	-	41.53
Disposals	-	(9.96)	-	(2.66)	-	(1.20)	(13.82)
Cost as of March 31, 2017	117.35	478.41	9.04	87.02	58.75	99.53	850.10
Accumulated depreciation as of April 01, 2016	(47.14)	(290.83)	(6.64)	(45.65)	(40.07)	(83.30)	(513.63)
Depreciation for the year	(12.71)	(68.43)	(2.23)	(17.99)	(5.46)	(4.48)	(111.30)
Disposals	-	9.96	-	2.59	-	1.20	13.75
Accumulated depreciation as of March 31, 2017	(59.85)	(349.30)	(8.87)	(61.05)	(45.53)	(86.58)	(611.18)
Net carrying amount as of March 31, 2017	57.50	179.11	0.17	25.97	13.22	12.95	238.92

Description	Leasehold Improvements	Computer equipment	Vehicles	Office equipment	Electrical Installations	Furniture and fixtures	Total
Cost as of April 01, 2015	117.35	426.29	9.04	71.70	58.75	100.73	783.86
Additions	-	22.17	-	16.69	-	-	38.86
Disposals	-	(0.33)	-	-	-	-	(0.33)
Cost as of March 31, 2016	117.35	448.13	9.04	88.39	58.75	100.73	822.39
Accumulated depreciation as of April 01, 2015	(33.04)	(220.39)	(4.40)	(30.17)	(34.14)	(78.81)	(400.95)
Depreciation for the year	(14.10)	(70.46)	(2.24)	(15.48)	(5.93)	(4.49)	(112.70)
Disposals	-	0.02	-	-	-	-	0.02
Accumulated depreciation as of March 31, 2016	(47.14)	(290.83)	(6.64)	(45.65)	(40.07)	(83.30)	(513.63)
Net carrying amount as of March 31, 2016	70.21	157.30	2.40	42.74	18.68	17.43	308.76

MPONLINE LIMITED  
Notes forming part of the financial statements

5) OTHER FINANCIAL ASSETS

(A) Non - current financial assets

	(₹ Lakh)		
	As at	As at	As at
	March 31, 2017	March 31, 2016	April 01, 2015
(a) Security deposits	38.99	43.77	43.21
(b) Interest receivable	-	21.96	-
	38.99	65.73	43.21

(B) Current financial assets

	(₹ Lakh)		
	As at	As at	As at
	March 31, 2017	March 31, 2016	April 01, 2015
(a) Security deposits	1.00	-	0.10
(b) Interest receivable	364.25	186.05	190.27
	365.25	186.05	190.37

6) LOANS

(A) Long term loans

	(₹ Lakh)		
	As at	As at	As at
	March 31, 2017	March 31, 2016	April 01, 2015
Considered good			
(a) Corporate deposit	-	2,900.00	-
	-	2,900.00	-

(B) Short term loans

	(₹ Lakh)		
	As at	As at	As at
	March 31, 2017	March 31, 2016	April 01, 2015
Considered good			
(a) Loans and advances to employee	0.50	-	-
(b) Corporate deposit	5,601.55	2,100.00	2,000.00
	5,602.05	2,100.00	2,000.00



**MPONLINE LIMITED**  
Notes forming part of the financial statements

7) INCOME TAXES	(₹ Lakh)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Current Tax		
Current tax expenses for current year	1,101.51	812.69
Deferred tax benefit	(13.47)	(18.17)
<b>Total income tax expense recognised in current year</b>	<b>1,088.04</b>	<b>794.52</b>
Reconciliation of income tax expenses as per statute to income tax expense in the books		
	(₹ Lakh)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit before income taxes	3,098.90	2,279.63
Indian statutory income tax rate	34.608%	34.608%
Expected income tax expense	1,072.47	788.93
<b>Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:</b>		
Donation	15.57	5.19
Interest expenses	-	0.40
<b>Total income tax expense</b>	<b>1,088.04</b>	<b>794.52</b>

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2017 are as follows:

	(₹ Lakh)		
	Opening balance	Recognised / reversed through profit or loss	Closing balance
<b>Deferred tax assets / (liabilities) in relation to:</b>			
Property, plant and equipment	(9.80)	15.69	5.89
Provision for Employee Benefits	10.69	3.03	13.72
Operating lease liabilities	11.79	1.61	13.40
Provision for doubtful receivables	5.13	(5.13)	-
Others	1.73	(1.73)	-
<b>Net deferred tax assets / (liabilities)</b>	<b>19.54</b>	<b>13.47</b>	<b>33.01</b>

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2016 are as follows:

	(₹ Lakh)		
	Opening balance	Recognised / reversed through profit or loss	Closing balance
<b>Deferred tax assets / (liabilities) in relation to:</b>			
Property, plant and equipment	(11.71)	1.91	(9.80)
Provision for Employee Benefits	4.87	5.82	10.69
Operating lease liabilities	8.21	3.58	11.79
Provision for doubtful receivables	-	5.13	5.13
Others	-	1.73	1.73
<b>Net deferred tax assets / (liabilities)</b>	<b>1.37</b>	<b>18.17</b>	<b>19.54</b>

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**MPONLINE LIMITED**  
Notes forming part of the financial statements

Deferred tax balances		(₹ Lakh)		
		As at	As at	As at
		March 31, 2017	March 31, 2016	April 01, 2015
(A) Deferred tax assets				
(a) Employee benefits		13.72	10.69	4.87
(b) Doubtful debts		-	5.13	-
(c) Operating lease liabilities		13.40	11.79	8.21
(d) Others		-	1.73	-
(e) Depreciation		5.89	-	-
		<u>33.01</u>	<u>29.34</u>	<u>13.08</u>
(B) Deferred tax liabilities				
(a) Depreciation		-	(9.80)	(11.71)
		<u>-</u>	<u>(9.80)</u>	<u>(11.71)</u>
		<u>33.01</u>	<u>19.54</u>	<u>1.37</u>
<b>8) OTHER ASSETS</b>				
(A) Other non - current assets		(₹ Lakh)		
		As at	As at	As at
		March 31, 2017	March 31, 2016	April 01, 2015
<b>Considered good</b>				
(a) Prepaid expenses		13.17	43.54	77.59
(b) Balance with Government authorities		112.32	-	-
		<u>125.49</u>	<u>43.54</u>	<u>77.59</u>
(B) Other current assets		(₹ Lakh)		
		As at	As at	As at
		March 31, 2017	March 31, 2016	April 01, 2015
<b>Considered good</b>				
(a) Prepaid expenses		44.87	50.36	61.34
(b) Indirect tax recoverable		-	11.40	0.63
(c) Advance to suppliers		232.00	17.49	12.26
(d) Others (gratuity fund) refer note no.15		0.66	6.74	14.62
		<u>277.53</u>	<u>85.99</u>	<u>88.85</u>
<b>9) INVESTMENT</b>				
Investments -Current		(₹ Lakh)		
		As at	As at	As at
		March 31, 2017	March 31, 2016	April 01, 2015
Mutual funds (unquoted)		3,872.87	-	-
		<u>3,872.87</u>	<u>-</u>	<u>-</u>
<b>10) TRADE RECEIVABLES (Unsecured)</b>				
(a) Considered good		(₹ Lakh)		
		As at	As at	As at
		March 31, 2017	March 31, 2016	April 01, 2015
(a) Considered good		347.63	168.93	226.92
(b) Considered doubtful		-	14.82	-
Less: Provision for doubtful receivables		-	(14.82)	-
		<u>347.63</u>	<u>168.93</u>	<u>226.92</u>

**MPONLINE LIMITED**  
Notes forming part of the financial statements

11) CASH AND CASH EQUIVALENTS	(₹ Lakh)		
	As at	As at	As at
	March 31, 2017	March 31, 2016	April 01, 2015
Balances with banks			
In current accounts	1,266.61	608.65	354.27
	<u>1,266.61</u>	<u>608.65</u>	<u>354.27</u>

Disclosure on Specified Bank Notes :

	(₹ Lakh)		
	SBNs	Other denomination notes	Total
	Closing cash in hand as on Nov 08, 2016	-	0.02
(+) Permitted receipts	-	0.30	0.30
(-) Permitted payments	-	(0.11)	(0.11)
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on Dec 30, 2016	-	<u>0.21</u>	<u>0.21</u>

Note : The disclosure is made to the extent of information available.

12) OTHER BANK BALANCES	(₹ Lakh)		
	As at	As at	As at
	March 31, 2017	March 31, 2016	April 01, 2015
(a) Short term bank deposits	-	2,238.91	3,744.75
(b) Earmarked balances with banks (Balances held as margin money against guarantees)	48.66	35.75	34.05
	<u>48.66</u>	<u>2,274.66</u>	<u>3,778.80</u>

**MPONLINE LIMITED**  
Notes forming part of the financial statements

13) Share Capital

(₹ Lakh)

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 01, 2015
<b>(a) Authorised</b> 10,00,000 Equity shares of ₹ 10 each (March 31, 2016 : 10,00,000 Equity shares of ₹ 10 each) (April 01, 2015 : 10,00,000 Equity shares of ₹ 10 each)	100.00	100.00	100.00
<b>(b) Issued, Subscribed and Fully paid up</b> 10,00,000 Equity shares of ₹ 10 each (March 31, 2016 : 10,00,000 Equity shares of ₹ 10 each) (April 01, 2015 : 10,00,000 Equity shares of ₹ 10 each)	100.00	100.00	100.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

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

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number of shares	(₹)	Number of shares	(₹)
Shares and amount outstanding at the beginning and end	10,00,000	100.00	10,00,000	100.00
<b>Total</b>	<b>10,00,000</b>	<b>100.00</b>	<b>10,00,000</b>	<b>100.00</b>

(ii) Rights, preferences and restrictions attached to equity shares.

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the forthcoming Annual General Meeting, except in case of the interim dividend. In the event of liquidation, the equity share holders would be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Details of shares held by the holding company

Particulars	Number of Equity shares	
	As at March 31, 2017	As at March 31, 2016
Tata Consultancy Services Limited	8,90,000	8,90,000

(iv) Details of shares held by the shareholders holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2017		As at March 31, 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of
<b>Equity shares</b>				
Madhya Pradesh State Electronics Development Corporation Limited	1,10,000	11%	1,10,000	11%
Tata Consultancy Services Limited	8,90,000	89%	8,90,000	89%

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**MPONLINE LIMITED**  
Notes forming part of the financial statements

14) OTHER EQUITY	(₹ Lakh)	
	As at March 31, 2017	As at March 31, 2016
(a) General reserve		
(i) Opening balance	519.00	519.00
(b) Retained earnings		
(i) Opening balance	5,338.10	4,364.29
(ii) Profit for the year	2,008.05	1,479.31
(iii) Less : Appropriations		
(a) Dividend on equity shares	(490.00)	(420.00)
(b) Tax on dividend	(99.75)	(85.50)
	<u>7,275.40</u>	<u>5,857.10</u>





**MPONLINE LIMITED**  
Notes forming part of the financial statements

**15) EMPLOYEE COST**

	(₹ Lakh)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Salaries and Incentives	569.77	516.88
(b) Contribution to provident fund and other funds	32.63	28.80
(c) Staff welfare expenses	19.74	14.10
	622.14	559.78

**(A) Non current employee benefit obligation**

	(₹ Lakh)		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(a) Compensated absences	18.44	16.24	10.53
	18.44	16.24	10.53

**(B) Current employee benefit obligation**

	(₹ Lakh)		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(a) Compensated absences	7.29	4.76	3.98
	7.29	4.76	3.98

**Defined benefit plans**

The Company offers its employees defined benefit plans in the form of a gratuity scheme.

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements.

	(₹ Lakh)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Change in defined benefit obligations ("DBO") during the year</b>		
Present value of DBO at beginning of the year	23.12	13.03
Current service cost	6.15	3.86
Interest cost	1.73	1.04
Benefits Paid during the Year	(2.37)	(0.61)
Actuarial losses	2.59	5.80
<b>Present value of DBO at the end of the years</b>	31.22	23.12
<b>Change in fair value of assets during the year</b>		
Plan assets at beginning of the year	29.86	27.65
Expected return on plan assets	2.24	2.21
Actuarial (loss)	(0.22)	0.00
<b>Fair value of plan assets at the end of the year</b>	31.88	29.86

\* Represent amount below ₹ 1 lakh

	(₹ Lakh)		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>Funded status:</b>			
Surplus of plan assets over obligations	0.66	6.74	14.62

	(₹ Lakh)		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>Category of assets:</b>			
Insurer managed funds	31.89	29.86	27.65



Net gratuity included in employee cost consists of the following components:

(₹ Lakh)

	As at March 31, 2017	As at March 31, 2016
<b>Components of expense</b>		
Service cost	6.15	3.86
Net interest on net defined benefit liability / (asset)	(0.51)	(1.17)
<b>Net gratuity cost</b>	<b>5.64</b>	<b>2.69</b>
<b>Actual return on plan assets</b>	<b>2.02</b>	<b>2.21</b>

Remeasurement of the net defined benefit liability/(asset):

(₹ Lakh)

	As at March 31, 2017	As at March 31, 2016
Actuarial (gains) and losses arising from changes in demographic assumptions.	-	(0.90)
Actuarial (gains) and losses arising from changes in financial assumptions.	1.67	5.61
Actuarial (gains) and losses arising from changes in experience adjustments.	0.92	1.09
<b>Remeasurement of the net defined benefit liability</b>	<b>2.59</b>	<b>5.80</b>
Remeasurement - return on plan assets excluding amount included in interest income	0.22	0.00
<b>Total</b>	<b>2.81</b>	<b>5.80</b>

\* Represent amount below ₹ 1 lakh

(₹ Lakh)

	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Actuarial assumptions</b>		
Discount rate	7.00%	7.50%
Salary escalation rate	8.00%	8.00%
Attrition rate		
i) If Services < = 5 years	15.00%	15.00%
ii) If Services > 5 years	6.00%	6.00%

*P*

The Company is expected to contribute ₹ 6.16 lakh to the defined benefit plan obligation in fiscal 2018.

Remeasurement loss of defined employee benefit plan in other comprehensive income for the fiscals 2017 and 2016 are ₹ 2.81 lakh and ₹ 5.80 lakh respectively.

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate increases (decreases) by 0.50%, the defined benefit obligations would decrease by ₹ 1.74 lakh (increase by ₹ 1.92 lakh) as of March 31, 2017.

If the expected salary growth increases (decreases) by 0.50%, the defined benefit obligations would increase by ₹ 1.89 lakh (decrease by ₹ 1.73 lakh) as of March 31, 2017.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumption may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit Method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

Each year an Asset - Liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles. Investment and contribution policies are integrated within this study.

The defined benefit obligations shall mature after year ended March 31, 2017 as follows:

Year ending March 31,	(₹ Lakh)
	Defined benefit obligations
2018	1.41
2019	1.78
2020	1.91
2021	2.04
2022	2.36
Thereafter	9.99

#### Defined contribution plans

The Company makes contribution towards provident fund and family pension fund (both defined contribution plan) for qualifying employees. Under the plans, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 23.14 lakh and ₹ 22.67 lakh towards contribution provident fund and family pension fund in fiscals 2017 and 2016 respectively. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

**MPONLINE LIMITED**  
Notes forming part of the financial statements

**16) OTHER LIABILITIES**

**(A) Other non current liabilities**

	(₹ Lakh)		
	As at	As at	As at
	March 31, 2017	March 31, 2016	April 01, 2015
(a) Operating Lease liabilities	36.88	28.15	21.67
	<b>36.88</b>	<b>28.15</b>	<b>21.67</b>

**(B) Other current liabilities**

	(₹ Lakh)		
	As at	As at	As at
	March 31, 2017	March 31, 2016	April 01, 2015
(a) Advance received from collection agents	989.03	422.46	411.71
(b) Indirect tax payable and other statutory liabilities	142.36	14.78	50.24
(c) Operating Lease liabilities	1.82	5.91	2.06
	<b>1,133.21</b>	<b>443.15</b>	<b>464.01</b>

**17) TRADE PAYABLES**

	(₹ Lakh)		
	As at	As at	As at
	March 31, 2017	March 31, 2016	April 01, 2015
(a) Dues of Micro and Small enterprises (refer note below)	-	-	-
(b) Others	368.32	628.69	363.85
	<b>368.32</b>	<b>628.69</b>	<b>363.85</b>

Note :

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. The Company has not received any memorandum (as required to be filed by the suppliers with notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) from vendor claiming the status as micro or small enterprises, hence no disclosures have been made.

**18) OTHER FINANCIAL LIABILITIES**

**Other current financial liabilities**

	(₹ Lakh)		
	As at	As at	As at
	March 31, 2017	March 31, 2016	April 01, 2015
(a) Amount collected on behalf of customers	3,315.62	1,975.89	1,355.68
(b) Liabilities against purchase of fixed assets	-	-	34.93
(c) Security deposits received	3.10	3.30	4.55
(d) Amounts refundable against aborted transactions	-	4.60	1.21
(e) Amount payable towards corporate social responsibility	-	10.00	-
	<b>3,318.72</b>	<b>1,993.79</b>	<b>1,396.37</b>

**MPONLINE LIMITED**  
Notes forming part of the financial statements

**19) REVENUE FROM OPERATIONS**

	(₹ Lakh)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Portal Income	7,547.55	6,260.51
(b) UID Income	514.31	516.46
(c) Kiosk Registration Income	543.26	32.46
(d) Manpower Supply	17.47	20.92
(e) Other Operating Income		
(i) Liabilities no longer required written back	14.91	30.00
	<b>8,637.50</b>	<b>6,860.35</b>

**20) OTHER INCOME**

	(₹ Lakh)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Interest income	583.90	534.97
(b) Net gain on investments carried at fair value through profit and loss	73.41	-
(c) Profit / (Loss) on sale of fixed assets	0.06	(0.32)
(d) Miscellaneous Income	0.05	3.47
	<b>657.42</b>	<b>538.12</b>
<b>Interest income comprises :</b>		
Interest on bank deposits	98.39	300.32
Interest income on corporate deposit	485.51	234.65



**MPONLINE LIMITED**  
Notes forming part of the financial statements

**21) OPERATION AND OTHER EXPENSES**

	(₹ Lakh)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Fees to external consultants	1,811.73	1,257.44
(b) Commission	3,183.90	2,740.30
(c) Facility running expenses	200.43	201.72
(d) Communication expenses	116.30	78.55
(e) Cost of equipment and software licences	39.77	58.98
(f) Bad debts and advances written off, provision for trade receivables and advances(net)	0.44	14.82
(g) Expenditure on Corporate Social Responsibility	45.00	40.00
(h) Other expenses (refer note below)	65.01	53.40
	<b>5,462.58</b>	<b>4,445.21</b>

	(₹ Lakh)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>AUDIT FEES</b>		
As auditors – statutory audit	7.00	7.00
Reimbursement of expenses	0.21	0.16
Service tax on above	0.73	0.69
	<b>7.94</b>	<b>7.85</b>

	(₹ Lakh)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>22) FINANCE COST</b>		
Interest expense	-	1.15
	-	<b>1.15</b>

**MPONLINE LIMITED**  
Notes forming part of the financial statements

**23) Earnings per share**

	For the year ended March 31, 2017	For the year ended March 31, 2016
Basic and diluted		
Net profit for the year (₹ Lakh)	2,010.86	1,485.11
Weighted average number of	10,00,000	10,00,000
Earnings per share ₹	<u>201.09</u>	<u>148.51</u>
Face value per equity share ₹	10.00	10.00

**24) Leases**

The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are non-cancellable and are for a period of 2 years 9 months to 10 years and may be renewed for a further period based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments by 5% to 15% every year.

The following is a summary of future minimum lease rental commitments towards non-cancellable operating leases and finance leases:

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
	(₹ Lakh)		
Future minimum lease payments			
(i) not later than one year	71.42	81.02	77.14
(ii) later than one year and not later than five years	264.69	277.80	278.18
(iii) later than five years	110.46	169.90	180.99
	<u>446.57</u>	<u>528.72</u>	<u>536.31</u>
Lease payments recognised in the Statement of Profit and Loss	97.74	98.79	51.55

**25) Financial Instruments**

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(h) to the financial statements.

**a) Financial assets and liabilities**

The carrying value of financial instruments by categories as of March 31, 2017 is as follows:

	Fair value	Amortised cost	Total carrying value through profit or loss
	(₹ Lakh)		
<b>Financial assets:</b>			
Cash and cash equivalents	-	1,266.61	1,266.61
Bank deposits & earmarked bank balances	-	48.66	48.66
Trade receivables	-	347.63	347.63
Investments	3,872.87	-	3,872.87
Loans	-	5,602.05	5,602.05
Unbilled revenue	-	152.72	152.72
Other financial assets	-	404.24	404.24
<b>Total</b>	<u>3,872.87</u>	<u>7,821.91</u>	<u>11,694.78</u>
<b>Financial liabilities:</b>			
Trade payables	-	368.32	368.32
Other financial liabilities	-	3,318.72	3,318.72
<b>Total</b>	<u>-</u>	<u>3,687.04</u>	<u>3,687.04</u>

The carrying value of financial instruments by categories as of March 31, 2016 is as follows:

	Fair value	Amortised cost	Total carrying value through profit or loss
	(₹ Lakh)		
<b>Financial assets:</b>			
Cash and cash equivalents	-	608.65	608.65
Bank deposits & earmarked bank balances	-	2,274.66	2,274.66
Trade receivables	-	168.93	168.93
Loans	-	5,000.00	5,000.00
Unbilled revenue	-	171.12	171.12
Other financial assets	-	251.78	251.78
<b>Total</b>	<u>-</u>	<u>8,475.14</u>	<u>8,475.14</u>
<b>Financial liabilities:</b>			
Trade payables	-	628.69	628.69
Other financial liabilities	-	1,993.79	1,993.79
<b>Total</b>	<u>-</u>	<u>2,622.48</u>	<u>2,622.48</u>

The carrying value of financial instruments by categories as of April 01, 2015 is as follows:

	(₹ Lakh)		
	Fair value through profit or loss	Amortised cost	Total carrying value
<b>Financial assets:</b>			
Cash and cash equivalents	-	354.27	354.27
Bank deposits & ear- marked bank balances	-	3,778.80	3,778.80
Trade receivables	-	226.92	226.92
Loans	-	2,000.00	2,000.00
Other financial assets	-	233.58	233.58
<b>Total</b>	-	<b>6,593.57</b>	<b>6,593.57</b>
<b>Financial liabilities:</b>			
Trade payables	-	363.85	363.85
Other financial liabilities	-	1,396.37	1,396.37
<b>Total</b>	-	<b>1,760.22</b>	<b>1,760.22</b>

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are 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 are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following table summarises financial assets measured at fair value on a recurring basis:

	(₹ Lakh)			
As of March 31, 2017:	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
Mutual fund units	3,872.87			3,872.87
<b>Total</b>	<b>3,872.87</b>	-	-	<b>3,872.87</b>

#### b Financial risk management

The Company is exposed primarily to credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

##### a) Interest rate risk

The Company investments are primarily in fixed rate interest bearing investments. Hence the company is not significantly exposed to interest rate risk.

##### (b) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled revenue, investments, cash and cash equivalents, bank deposits and other financial assets. Corporate deposits of ₹ 5601.55 lakh are with a financial institution having a high credit-rating assigned by credit-rating agencies. None of the other financial instruments of the Company result in material concentration of credit risk.

##### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 11,694.78 lakh and ₹ 8,475.14 lakh as of March 31, 2017 and 2016, respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, unbilled revenue, other financial assets and investments excluding equity and preference investments.

Of the trade receivables balance as at March 31, 2017, ₹ 364.15 lakh, March 31, 2016 ₹ 251.13 lakh, March 31, 2015 ₹ nil is due from Madhya Pradesh State Electronics Development Corporation Limited the Companies largest customer. There are no other customers who represent more than 10% of the total trade receivables and UBR.



**Geographic concentration of credit risk**

The Company has a geographic concentration of trade receivables, net of allowances and unbilled revenue in India.

**(c) Liquidity risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as of: (₹ Lakh)

March 31, 2017	Due in 1st Year	Due in 2nd Year	Due in 3rd Year	Due in 4th Year	Due in 5th Year	Total
Trade payables	368.32					368.32
Other financial liabilities	3,318.72					3,318.72
<b>Total</b>	<b>3,687.04</b>	-	-	-	-	<b>3,687.04</b>

March 31, 2016	Due in 1st Year	Due in 2nd Year	Due in 3rd Year	Due in 4th Year	Due in 5th Year	Total
Trade and other payables	628.69					628.69
Other financial liabilities	1,993.79					1,993.79
<b>Total</b>	<b>2,622.48</b>	-	-	-	-	<b>2,622.48</b>

April 01, 2015	Due in 1st Year	Due in 2nd Year	Due in 3rd Year	Due in 4th Year	Due in 5th Year	Total
Trade and other payables	363.85					363.85
Other financial liabilities	1,396.37					1,396.37
<b>Total</b>	<b>1,760.22</b>	-	-	-	-	<b>1,760.22</b>

**26) Segment Reporting**

The Company has been operating largely in one business segment viz. development, maintenance and management of the MPOnline portal for providing web based services and the other activities of the Company are incidental to the portal. These activities conducted only in the geographic segment viz India. Therefore, the disclosure requirements of the IndAS 108 on "Segment Reporting" are not applicable.

**27) Commitments and contingent liabilities**

Particulars	(₹ Lakh)	
	As at March 31, 2017	As at March 31, 2016
Claim against the Company not acknowledged as debts	2,995.00	-
Indirect tax Demand		

**MPONLINE LIMITED**  
Notes forming part of the financial statements

**28) Related Party Disclosure**

**Ultimate Holding Company**

Tata Sons Limited

**Holding Company**

Tata Consultancy Services Limited

**Investing Party**

Madhya Pradesh State Electronics Development Corporation Limited

**Key Management Personnel (KMP)**

Mr. Satnam Singh Sethi up to June 12, 2016

Mr. Najmur Rahman June 13, 2016 to October 25, 2016

Mr. Rajeev Sisaudia w.e.f. January 11, 2017

Note: Related parties have been identified by the Management.

(₹ Lakh)

Transactions with related parties for the year ended	Holding Company	Investing Party	Total
<b>March 31, 2017</b>			
Purchase of services (Refer note below)	80.99	-	80.99
Sub contracted cost	1,650.68	-	1,650.68
Revenue	-	514.31	514.31
Guarantee given	-	13.28	13.28
Security deposit placed	-	3.00	3.00
Security deposit matured	-	5.00	5.00
Dividend Paid	436.10	53.90	490.00

Note : This includes remuneration of ₹ 48.56 lakh paid to Key Management Personnel.

(₹ Lakh)

Transactions with related parties for the year ended	Holding Company	Investing Party	Total
<b>March 31, 2016</b>			
Purchase of services (Refer note below)	116.12	-	116.12
Sub contracted cost	1,079.45	-	1,079.45
Purchases of goods and services	3.52	-	3.52
Revenue	23.91	516.46	540.37
Reimbursement of expenses	2.39	-	2.39
Guarantee given	-	13.28	13.28
Dividend Paid	373.80	46.20	420.00

Note : This includes remuneration of ₹ 69.00 lakh paid to Key Management Personnel.

(₹ Lakh)

Balances with related parties as at March 31, 2017	Holding Company	Investing Party	Total
Trade payables	45.79	-	45.79
Guarantee given	-	13.28	13.28
Security deposit placed	-	3.00	3.00
Trade receivables	3.64	211.43	215.07
Unbilled revenue	-	152.72	152.72

(₹ Lakh)

Balances with related parties as at March 31, 2016	Holding Company	Investing Party	Total
Trade payables	325.12	-	325.12
Guarantee given	-	13.28	13.28
Security deposit placed	-	5.00	5.00
Trade receivables	13.95	81.00	94.95
Unbilled revenue	-	171.12	171.12

(₹ Lakh)

Balances with related parties as at April 01, 2015	Holding Company	Investing Party	Total
Trade payables	328.45	-	328.45

**29)**

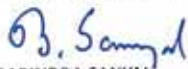
Expenditure on Corporate Social Responsibility Activities	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Gross amount required to be spent by the company during the year.	47.73	43.59
(b) Amount spent during the year on:	-	-
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	-	-
(a) Promoting rehabilitation of children with disability	-	30.00
(b) Contribution to Namami Devi Narmada Jan Abhiyan	45.00	-
Yet to be paid in cash	-	10.00


30) **Subsequent event:**

Dividends paid during the year ended March 31, 2017 include an amount of ₹ 49 per equity share towards final dividend for the year ended March 31, 2016. Dividends paid during the year ended March 31, 2016 include an amount of ₹ 42 per equity share towards final dividend for the year ended March 31, 2015.

The dividends declared by the Company are based on the profits available for distribution as reported in the financial statements of the Company. Accordingly, the retained earnings reported in these financial statements may not be fully distributable. As of March 31, 2017 and March 31, 2016, income (net of dividend tax) available for distribution were ₹ 1858.17 lakh and ₹ 1385.35 lakh respectively. Subsequent to March 31, 2017, the Board of Directors of the Company have proposed a final dividend of ₹75 per share in respect of the year ending March 31, 2017. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of ₹ 902.68 lakh inclusive of dividend distribution tax of ₹ 152.68 lakh

For and on behalf of the Board

  
BARINDRA SANYAL  
Director

  
RAJEEV SISAUDIA  
Chief Operating Officer  
Mumbai, April 12, 2017

  
MOHAMMED SULEMAN  
Director

  
R SANKAR  
Company Secretary  
Mumbai, April 12, 2017

