

**MPONLINE LIMITED**  
**Balance Sheet**

(₹ in lakhs)

	Note	As at March 31, 2019	As at March 31, 2018
<b>I. ASSETS</b>			
<b>Non - current assets</b>			
(a) Property, plant and equipment	3	280.65	157.20
(b) Financial assets			
(i) Loans receivables	5(A)	-	4,742.22
(ii) Other financial assets	6(A)	21.37	142.30
(c) Income tax assets (net)		197.88	197.88
(d) Deferred tax assets (net)	7	21.72	-
(e) Other assets	8(A)	252.85	165.66
<b>Total non-current assets</b>		<b>774.47</b>	<b>5,405.26</b>
<b>Current assets</b>			
(a) Financial assets			
(i) Investments	4	1,072.71	4,369.64
(ii) Trade receivables	9	1,090.93	601.95
(iii) Unbilled receivables (Previous year: Unbilled revenue)		-	13.61
(iv) Cash and cash equivalents	10	1,174.79	600.44
(v) Other balances with banks	11	2,040.00	49.08
(vi) Loans receivables	5(B)	5,742.57	1.39
(vii) Other financial assets	6(B)	525.44	1.66
(b) Other assets	8(B)	117.15	245.58
<b>Total current assets</b>		<b>11,763.59</b>	<b>5,883.35</b>
<b>TOTAL ASSETS</b>		<b>12,538.06</b>	<b>11,288.61</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Share capital	12	100.00	100.00
(b) Other equity		9,301.83	8,546.53
<b>Total Equity</b>		<b>9,401.83</b>	<b>8,646.53</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Deferred tax liabilities (net)	7	-	10.90
(b) Employee benefit obligation	18(ii)	19.02	5.48
(c) Other liabilities	14(A)	35.99	18.59
<b>Total non-current liabilities</b>		<b>55.01</b>	<b>34.97</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables			
1. Dues of micro enterprises and small enterprises	15 (A)	-	-
2. Dues of creditors other than micro enterprises and small enterprises	15 (B)	340.31	391.78
(ii) Other financial liabilities	13	1,797.32	1,203.87
(b) Income tax liabilities (net)		87.49	54.13
(c) Employee benefit obligation	18(ii)	24.49	20.49
(d) Other liabilities	14(B)	821.38	872.49
(e) Unearned and deferred revenue		10.23	64.35
<b>Total current liabilities</b>		<b>3,081.22</b>	<b>2,607.11</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,538.06</b>	<b>11,288.61</b>


NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1-28


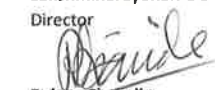
As per our report of even date attached

For and on behalf of the Board of MPOnline Limited

For B S R & Co. LLP  
Chartered Accountants  
Firm's registration number : 101248W/W-100022

  
Balajirao Pothana  
Partner  
Membership no. 122632

Mumbai, 10, April, 2019

  
Lakshminarayanan G S  
Director  
  
Rajeev Sisodia  
Chief Operating Officer

  
Manish Rastogi  
Director  
  
R Sankar  
Company Secretary  
Mumbai, 10 April, 2019

**MPONLINE LIMITED**  
**Statement of Profit and Loss**

		(₹ in lakhs)	
	Note	Year ended March 31, 2019	Year ended March 31, 2018
I. Revenue from operations	16	7,669.37	10,486.15
II. Other Income (net)	17	643.92	594.70
<b>III. TOTAL INCOME</b>		<b>8,313.29</b>	<b>11,080.85</b>
<b>IV. Expenses:</b>			
(a) Employee benefit expenses	18 (i)	914.33	774.56
(b) Other expenses	19	4,375.60	6,799.34
(c) Depreciation and amortisation expense	3	74.48	121.46
<b>TOTAL EXPENSES</b>		<b>5,364.41</b>	<b>7,695.36</b>
<b>V. PROFIT BEFORE TAX</b>		<b>2,948.88</b>	<b>3,385.49</b>
<b>VI. Tax expense:</b>			
(a) Current tax	7	917.61	1,174.42
(b) Deferred tax	7	(30.70)	43.91
<b>TOTAL TAX EXPENSE</b>		<b>886.91</b>	<b>1,218.33</b>
<b>VII PROFIT FOR THE YEAR</b>		<b>2,061.97</b>	<b>2,167.16</b>
<b>VIII OTHER COMPREHENSIVE INCOME /(LOSS)</b>			
<b>(A) (i) Items that will not be reclassified subsequently to profit and loss</b>			
(a) Remeasurement of defined employee benefit plans		(6.59)	8.59
(ii) Income tax on items that will not be reclassified subsequently to profit and loss		1.92	(1.94)
<b>TOTAL OTHER COMPREHENSIVE INCOME /(LOSS)</b>		<b>(4.67)</b>	<b>6.65</b>
<b>IX TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>2,057.30</b>	<b>2,173.81</b>
<b>X Earnings per equity share- Basic and diluted (₹)</b>	22	206.20	216.72
Weighted average number of equity shares		1,000,000	1,000,000

**NOTES FORMING PART OF THE FINANCIAL STATEMENT 1-28**

As per our report of even date attached

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For **B S R & Co. LLP**

Chartered Accountants

Firm's registration number : 101248W/W-100022



**Balajirao Pothana**

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Membership no. 122632

Mumbai, 10, April, 2019



**Lakshminarayanan G S**

Director



**Rajeev Sisaudia**

Chief Operating Officer



**Manish Rastogi**

Director



**R Sankar**

Company Secretary

Mumbai, 10, April, 2019

**MPONLINE LIMITED**  
**Statement of Cash Flows**

(₹ in lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
<b>I CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the year	2,948.88	3,385.49
Adjustments to reconcile profit and loss to net cash provided by operating activities		
Depreciation and amortisation expense	74.48	121.46
Net gain on disposal of property, plant and equipment	-	(1.50)
Net gain on investments	(62.34)	(66.09)
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	-	(0.11)
Interest income	(540.85)	(362.01)
Unrealised gain on investments	(40.73)	(165.10)
<b>Operating profit before working capital changes</b>	<b>2,379.44</b>	<b>2,912.14</b>
Net change in		
Trade receivables	(488.98)	(254.21)
Unbilled receivables (Previous year: Unbilled revenue)	13.61	139.11
Loans and other financial assets	579.24	(2,185.87)
Other assets and inventories	41.24	(120.15)
Trade payables	(51.03)	24.33
Income received in advance	(54.12)	(138.51)
Employee benefit obligation	17.54	0.24
Other liabilities and provisions	-	(42.77)
<b>Cash generated from operations</b>	<b>2,436.94</b>	<b>334.31</b>
Taxes paid (net of refunds)	(890.82)	(1,226.81)
<b>Net cash provided by/(used in) operating activities</b>	<b>1,546.12</b>	<b>(892.50)</b>
<b>II CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Bank deposits placed	(3,990.92)	(94.74)
Inter-corporate deposits placed	(1,000.00)	(6,742.22)
Purchase of investments	(437.66)	(5,000.00)
Payment for purchase of property, plant and equipment	(197.96)	(38.23)
Proceeds from bank deposits	2,000.00	45.66
Proceeds from inter-corporate deposits	-	7,601.55
Proceeds from disposal / redemption of investments	3,837.66	4,734.42
Interest received	119.11	622.56
<b>Net cash provided by investing activities</b>	<b>330.23</b>	<b>1,129.00</b>
<b>III CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend	(1,080.00)	(749.99)
Tax on dividend	(222.00)	(152.68)
<b>Net cash provided by/(used in) financing activities</b>	<b>(1,302.00)</b>	<b>(902.67)</b>
<b>Net change in cash and cash equivalents</b>	<b>574.35</b>	<b>(666.17)</b>
Cash and cash equivalents at the beginning of the year	600.44	1,266.61
<b>Cash and cash equivalents at the end of the year (Refer Note 10)</b>	<b>1,174.79</b>	<b>600.44</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

1-28

Note: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'

As per our report of even date attached

For and on behalf of the Board of MPOnline Limited

For B S R & Co. LLP

Chartered Accountants


Firm's registration number : 101248W/W-100022

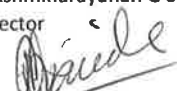
  
Balajirao Pothana


Partner


Membership no. 122632

Mumbai, 10, April, 2019

  
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Director

  
R Sankar  
Company Secretary  
Mumbai, 10, April, 2019

**MPONLINE LIMITED**  
**Statement of changes in equity**

**A) EQUITY SHARE CAPITAL**

(₹ in lakhs)

Balance as at April 1, 2017	Changes in equity share capital during the year	Balance as at March 31, 2018
100	-	100
Balance as at April 1, 2018	Changes in equity share capital during the year	Balance as at March 31, 2019
100	-	100

**B) OTHER EQUITY**

(₹ in lakhs)

	General reserve	Retained earnings	Total equity
<b>Balance as at April 1, 2017</b>	519.00	6,756.40	7,275.40
Profit for the year		2,167.16	2,167.16
Other comprehensive income		6.65	6.65
<b>Total comprehensive income</b>	<b>519.00</b>	<b>8,930.21</b>	<b>9,449.21</b>
Dividend		(750.00)	(750.00)
Tax on dividend		(152.68)	(152.68)
<b>Balance as at March 31, 2018</b>	<b>519.00</b>	<b>8,027.53</b>	<b>8,546.53</b>
<b>Balance as at April 1, 2018</b>	519.00	8,027.53	8,546.53
Profit for the year		2,061.97	2,061.97
Other comprehensive income		(4.67)	(4.67)
<b>Total comprehensive income</b>	<b>519.00</b>	<b>10,084.83</b>	<b>10,603.83</b>
Dividend		(1,080.00)	(1,080.00)
Tax on dividend		(222.00)	(222.00)
<b>Balance as at March 31, 2019</b>	<b>519.00</b>	<b>8,782.83</b>	<b>9,301.83</b>

**Nature and purpose of reserves**

**General reserve**

The general reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-28**

As per our report of even date attached


For and on behalf of the Board of MPOnline Limited

For B S R & Co. LLP  
Chartered Accountants  
Firm's registration number : 101248W/W-100022

  
**Balajirao Pothana**  
Partner  
Membership no. 122632

Mumbai, 10, April, 2019

  
**Lakshminarayanan G S**  
Director

  
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Chief Operating Officer

  
**Manish Rastogi**  
Director

  
**R Sankar**  
Company Secretary  
Mumbai, 10, April, 2019

**MPONLINE LIMITED**

**Notes forming part of the financial statements**

**1 Corporate information**

MPOnline Limited (herein referred to as 'the Company') is a subsidiary of Tata Consultancy Services Limited ('TCS' or 'Holding Company'). 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.

The Company, is a public company 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, 2019 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 ('Significant Shareholder'). The joint venture agreement between parties is valid until March 31, 2027.

The financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on April 10, 2019.

**2 Significant accounting policies**

**a) Statement of compliance**

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

**b) Basis of preparation**

These financial statements have been prepared in Indian Rupee which is the functional currency of the Company.

These financial statements have been prepared on the historical cost basis, except for financial instruments which are measured at fair values at the end of each reporting period and employee retirement obligations as explained in the accounting policies below. Historical cost is generally based on fair value of consideration given in exchange of goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in division II of Schedule III to the Company's Act, 2013. Based on the nature of services rendered to customer and time elapsed between deployment of resources and realisation in cash and cash equivalents of the consideration for such a services rendered, the Company has considered an operating cycle of 12 months.

**c) Use of estimates and judgements**

The preparation of these 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 relating to contingent liabilities as 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 sources of estimation of uncertainty at the date of the 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, fair value of financial instruments have been discussed below. Key source of estimation of uncertainty in respect of revenue recognition, employee benefits and provision and contingent liabilities have been discussed in their respective policies.

*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 has been explained in detail under Note 2 (h).

*Fair value of financial instruments*

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The policy has been further explained in detail under note 2(i).



**MPONLINE LIMITED**

**Notes forming part of the financial statements**

**d) Revenue recognition**

The Company earns revenue primarily from providing IT enabled services in the State of Madhya Pradesh.

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the profit or loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The impact of adoption of the standard on the financial statements of the Company is not material.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue from time and material is recognised on output basis measured by number of transactions processed.

Revenue is measured based on the transaction price, which is the consideration as specified in the contract with the customer. Revenue excludes taxes collected from customers.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

The Company disaggregates revenue from contracts with customers by nature of services.

**Use of significant judgements in revenue recognition**

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

- e) Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.

**f) Operating lease**

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, unless the lease agreement explicitly states that increase is on account of inflation.

**g) Cost recognition**

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

The costs of the Company are broadly categorised into employee benefit expenses, cost of equipment and software licences, depreciation and amortisation and other operating expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses mainly include fees to external consultants, facility expenses, travel expenses, communication expenses, bad debts and advances written off, allowance for doubtful trade receivables and advances (net) and other expenses. Other expenses is an aggregation of costs which are individually not material such as commission and brokerage, recruitment and training, entertainment, etc.

**h) 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 statement of profit and 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**

Current tax is measured based on taxable profit for the year and is computed in accordance with the Income Tax Act, 1961 using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Advance taxes and provisions for current income taxes are presented in the Balance Sheet after offsetting advance taxes paid and income tax provisions arising in the same tax jurisdictions.



**MPONLINE LIMITED**

**Notes forming part of the financial statements**

***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 assets 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 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 include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

**i) 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 model 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 other comprehensive income***

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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

Financial assets are measured at fair value through profit or loss unless they are 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 or loss are immediately recognised in statement of profit and loss.

***Financial liabilities***

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

***Derecognition of financial instruments***

**Financial Assets:**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risk and rewards of ownership of the asset to another party. On derecognition of a financial asset, the difference between assets carrying amount and the sum of consideration received or receivable or the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

**Financial Liabilities:**

The Company derecognises financial liabilities when and only when the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.



MPONLINE LIMITED

Notes forming part of the financial statements

i) **Property, plant and equipment**

Property, plant and equipment are stated at cost, less accumulated depreciation (other than freehold land) and impairment loss, if any. Cost of an item of property, plant and equipment comprises of its purchases price including non refundable taxes, after deducting trade discount and any directly attributable cost of bringing the item to its working condition for its intended use.

Depreciation is provided for property, plant and equipment on straight line basis so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Type of asset	Useful lives
Leasehold improvements	Lease term
Computer equipment	4 years
Vehicles	4 years
Office equipment	5 years
Electrical installations	10 years
Furniture and fixtures	5 years

Based on technical evaluation, the Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

k) **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. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. 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.

In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

ii. **Non-financial assets**

**Tangible assets**

Property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. 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.

l) **Employee benefits**

i) **Short-term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognized in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.



**MPONLINE LIMITED**

**Notes forming part of the financial statements**

**(ii) 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. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in 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.

**iii) Defined contribution plans**

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

**iv) Compensated absences**

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. 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 defined benefit obligation at the balance sheet date.

**m) Earnings per share**

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

**n) 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. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.



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

**3 ) PROPERTY, PLANT & EQUIPMENT**

Property, plant and equipment consist of the following:

Description	Leasehold improvements	Computer equipment	Vehicles	Office equipment	Electrical installations	Furniture and fixtures	Total
Cost as at April 1, 2018	117.35	512.25	9.04	87.69	58.75	99.53	884.61
Additions	143.30	-	-	54.63	-	-	197.93
Disposals	(56.65)	(40.94)	-	(33.13)	(42.47)	(46.84)	(220.03)
Cost as at March 31, 2019	204.00	471.31	9.04	109.19	16.28	52.69	862.51
Accumulated depreciation as at April 1, 2018	(77.91)	(422.53)	(9.04)	(69.66)	(57.10)	(91.17)	(727.41)
Disposals	56.65	40.94	-	33.13	42.47	46.84	220.03
Depreciation for the year	(9.45)	(45.76)	-	(14.32)	(0.52)	(4.43)	(74.48)
Accumulated depreciation as at March 31, 2019	(30.71)	(427.35)	(9.04)	(50.85)	(15.15)	(48.76)	(581.86)
Net carrying amount as at March 31, 2019	173.29	43.96	-	58.34	1.13	3.93	280.65

Description	Leasehold improvements	Computer equipment	Vehicles	Office equipment	Electrical installations	Furniture and fixtures	Total
Cost as at April 1, 2017	117.35	478.41	9.04	87.02	58.75	99.53	850.10
Additions	-	39.07	-	0.67	-	-	39.74
Disposals	-	(5.23)	-	-	-	-	(5.23)
Cost as at March 31, 2018	117.35	512.25	9.04	87.69	58.75	99.53	884.61
Accumulated depreciation as at April 1, 2017	(59.85)	(349.30)	(8.87)	(61.05)	(45.53)	(86.58)	(611.18)
Disposals	-	5.23	-	-	-	-	5.23
Depreciation for the year	(18.06)	(78.46)	(0.17)	(8.61)	(11.57)	(4.59)	(121.46)
Accumulated depreciation as at March 31, 2018	(77.91)	(422.53)	(9.04)	(69.66)	(57.10)	(91.17)	(727.41)
Net carrying amount as at March 31, 2018	39.44	89.72	-	18.03	1.65	8.36	157.20



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

**4) INVESTMENTS**

Investments consist of the following:

	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>Investments - current</b>		
(a) Investments carried at fair value through profit or loss		
Mutual funds units (quoted)	1,072.71	4,369.64
	<b>1,072.71</b>	<b>4,369.64</b>

Aggregate value of quoted investments is as follows:

	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
Aggregate value of quoted investments	1,072.71	4,369.64
Aggregate market value of quoted investments	1,072.71	4,369.64

**5) LOANS**

Loans (unsecured) consist of the following:

	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>(A) Loans - Non - current</b>		
Unsecured, considered good		
Inter-corporate deposits*	-	4,742.22
	<b>-</b>	<b>4,742.22</b>

\*Inter-corporate deposits placed with financial institutions yield fixed interest rate.

**(B) Loans - Current**

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Loans and advances to employee	0.35	1.39
Inter-corporate deposits*	5,742.22	-
	<b>5,742.57</b>	<b>1.39</b>

\*Inter-corporate deposits placed with financial institutions yield fixed interest rate.

**6) OTHER FINANCIAL ASSETS**

Other financial assets consist of the following:

	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>(A) Other financial assets - Non-current</b>		
Unsecured, considered good		
Security deposits	21.37	40.26
Interest receivable	-	102.04
	<b>21.37</b>	<b>142.30</b>

**(B) Other financial assets - Current**

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Interest receivable	525.44	1.66
	<b>525.44</b>	<b>1.66</b>



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

**7) INCOME TAXES**

The income tax expense consists of the following:

	(₹ in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>Current tax</b>		
Current tax expenses for current year	917.61	1,174.42
	<b>917.61</b>	<b>1,174.42</b>
Deferred tax expenses/(benefit)	(30.70)	43.91
	<b>(30.70)</b>	<b>43.91</b>
<b>Total income tax expense recognised in current year</b>	<b>886.91</b>	<b>1,218.33</b>
<b>Income tax expense recognised in OCI</b>		
Deferred tax on remeasurement of defined employee benefit plan.	1.92	(1.94)

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

	Year ended March 31, 2019	Year ended March 31, 2018
Profit before income taxes	2,948.88	3,385.49
Indian statutory income tax rate	29.12%	34.61%
Expected income tax expense	858.71	1,171.65
<b>Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense</b>		
Disallowance of CSR expenses	8.51	9.10
Gain on sale of fixed assets	-	25.22
Others (net)	19.69	12.36
<b>Total income tax expense</b>	<b>886.91</b>	<b>1,218.33</b>

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2019 are as follows:

	Opening balance	Recognised in profit and loss	Recognised in other comprehensive	Closing balance
<b>Deferred tax assets / (liabilities) in relation to</b>				
Property, plant and equipment	44.50	(4.33)	-	40.17
Provision for employee benefits	9.39	1.75	1.92	13.06
Unrealised gain / (loss) on securities carried at fair value through profit or loss / other comprehensive income	(48.08)	34.48	-	(13.60)
Operating lease liabilities	5.41	5.12	-	10.53
Others	(22.12)	(6.32)	-	(28.44)
<b>Net deferred tax assets / (liabilities)</b>	<b>(10.90)</b>	<b>30.70</b>	<b>1.92</b>	<b>21.72</b>

Gross deferred tax assets and liabilities are as follows:

As at March 31, 2019	Assets	Liabilities	Net
<b>Deferred tax assets / (liabilities) in relation to</b>			
Property, plant and equipment	40.17	-	40.17
Provision for employee benefits	13.06	-	13.06
Unrealised gain / (loss) on securities carried at fair value through profit or loss / other comprehensive income	-	13.60	(13.60)
Operating lease liabilities	10.53	-	10.53
Others	-	28.44	(28.44)
<b>Total deferred tax assets / (liabilities)</b>	<b>63.76</b>	<b>42.04</b>	<b>21.72</b>



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

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2018 are as follows:

	Opening balance	Recognised in profit and loss	Recognised in other comprehensive	Closing balance
<b>Deferred tax assets / (liabilities) in relation to</b>				
Property, plant and equipment	5.89	38.61	-	44.50
Provision for employee Benefits	13.73	(2.40)	(1.94)	9.39
Unrealised gain / (loss) on securities carried at fair value through profit or loss / other comprehensive income	-	(48.08)	-	(48.08)
Operating lease liabilities	13.39	(7.98)	-	5.41
Others	1.94	(24.06)	-	(22.12)
<b>Net deferred tax assets / (liabilities)</b>	<b>34.95</b>	<b>(43.91)</b>	<b>(1.94)</b>	<b>(10.90)</b>

Gross deferred tax assets and liabilities are as follows:

As at March 31, 2018	Assets	Liabilities	Net
<b>Deferred tax assets / (liabilities) in relation to</b>			
Property, plant and equipment	44.50	-	44.50
Provision for employee benefits	9.39	-	9.39
Unrealised gain / (loss) on securities carried at fair value through profit or loss / other comprehensive income	-	48.08	(48.08)
Operating lease liabilities	5.41	-	5.41
Others	-	22.12	(22.12)
<b>Total deferred tax assets / (liabilities)</b>	<b>59.30</b>	<b>70.20</b>	<b>(10.90)</b>



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

**8) OTHER ASSETS**

Other assets consist of the following:

**(A) Other assets - Non - current**

	(₹ in lakhs)
	As at
	March 31, 2019
	As at
	March 31, 2018
<b>Unsecured, considered good</b>	
(a) Prepaid expenses	45.04
(b) Balance with Government authorities	207.81
	<b>252.85</b>
	<b>165.66</b>

**(B) Other assets - Current**

	As at	As at
	March 31, 2019	March 31, 2018
<b>Unsecured, considered good</b>		
(a) Prepaid expenses	52.62	62.87
(b) Advance to suppliers	64.53	181.67
(c) Others	-	1.04
	<b>117.15</b>	<b>245.58</b>

**9) TRADE RECEIVABLES**

Trade receivables (unsecured) consist of the following:

**Trade receivables - Current**

	(₹ in lakhs)
	As at
	March 31, 2019
	As at
	March 31, 2018
a) Trade receivables - Considered good	1,090.93
	<b>1,090.93</b>
	<b>601.95</b>

Above balances of trade receivables include balances with related parties (Refer note 25).

**10) CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of the following:

	(₹ in lakhs)
	As at
	March 31, 2019
	As at
	March 31, 2018
(a) Balances with banks	
- In current accounts	1,174.79
	<b>1,174.79</b>
	<b>600.44</b>

**11) OTHER BALANCES WITH BANKS**

Other balances with banks consist of the following:

	(₹ in lakhs)
	As at
	March 31, 2019
	As at
	March 31, 2018
(a) Earmarked balances with banks*	40.00
(b) Short-term bank deposits more than 3 months	2,000.00
	<b>2,040.00</b>
	<b>49.08</b>

\*Earmarked balances includes balances held as margin money against guarantees.



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

**12) Share capital**

The authorised, issued, subscribed and fully paid-up share capital comprises of the following: (₹ in lakhs)

	As at March 31,	As at March 31,
<b>Authorised</b> 1,000,000 equity shares of ₹ 10 each (March 31, 2018 : 1,000,000 Equity shares of ₹ 10 each)	100.00	100.00
<b>Issued, Subscribed and Fully paid up</b> 1,000,000 equity shares of ₹ 10 each (March 31, 2018 : 1,000,000 Equity shares of ₹ 10 each)	100.00	100.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

(i) Reconciliation of the number of shares

	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount (₹)	Number of shares	Amount (₹)
<b>Equity shares</b>				
Opening balance	1,000,000	100.00	1,000,000	100.00
Issued during the year	-	-	-	-
Closing balance	<b>1,000,000</b>	<b>100.00</b>	<b>1,000,000</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 and carry a right to dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of the interim dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Shares held by holding company and subsidiaries of holding company

	Number of shares	
	As at March 31,	As at March 31,
<b>Equity shares</b>		
<b>Holding Company</b> 8,90,000 equity shares (March 31, 2018: 8,90,000) are held by Tata Consultancy Services	8,90,000	8,90,000

(iv) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Class of shares / Name of shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares</b>				
Madhya Pradesh State Electronics Development	110,000	11%	110,000	11%
Tata Consultancy Services Limited	890,000	89%	890,000	89%

(v) The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.



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

**13) OTHER FINANCIAL LIABILITIES**

Other financial liabilities consist of the following:

**Other financial liabilities - Current**

	(₹ in lakhs)	
	As at	As at
	March 31, 2019	March 31, 2018
(a) Amount collected on behalf of customers	1,783.39	1,197.73
(b) Security deposits received	12.61	5.25
(c) Accrued payroll	1.32	0.89
	<b>1,797.32</b>	<b>1,203.87</b>

**14) OTHER LIABILITIES**

Other liabilities consist of the following:

**(A) Other liabilities - Non-current**

	(₹ in lakhs)	
	As at	As at
	March 31, 2019	March 31, 2018
Operating lease liabilities	35.99	18.59
	<b>35.99</b>	<b>18.59</b>

**(B) Other liabilities - Current**

	As at	As at
	March 31, 2019	March 31, 2018
(a) Advance received from collection agents	735.75	758.18
(b) Indirect tax payable and other statutory liabilities	85.45	114.31
(c) Operating lease liabilities	0.18	-
	<b>821.38</b>	<b>872.49</b>

**15) TRADE PAYABLES**

	(₹ in lakhs)	
	As at	As at
	March 31, 2019	March 31, 2018
(A) Dues of Micro and Small enterprises (refer note below)	-	-
(B) Others	340.31	391.78
	<b>340.31</b>	<b>391.78</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.



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

**16) REVENUE FROM OPERATIONS**

Revenue disaggregation by nature is as follows:

	(₹ in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
(a) Transaction revenue	7,579.01	10,028.44
(b) Adhar authentication	2.06	213.00
(c) Franchisee fees	37.78	188.34
(d) Manpower supply	49.11	54.02
(e) Other income	1.41	2.35
	<b>7,669.37</b>	<b>10,486.15</b>

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient aligning Ind AS 115. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

The Company does not have any contract assets.

**Movement in contract liabilities is given below:**

	(₹ in lakhs)
Opening balance as on April 1, 2018	64.35
Less : Revenue recognised that was included in the contract liability balance at the beginning of the period.	64.35
Add : Increase due to invoicing during the year, excluding amounts recognised as revenue during the year.	10.23
Closing balance as on March 31, 2019	<b>10.23</b>

All the revenue is derived in the state of Madhya Pradesh in India.

**17) OTHER INCOME (net)**

Other income (net) consist of the following :

	(₹ in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
(a) Interest income	540.85	362.01
(b) Net gain on investments carried at fair value through profit or loss	40.73	165.10
(c) Net gain on sale of investments carried at amortised cost	62.34	66.09
(d) Net gain on disposal of property, plant and equipment	-	1.50
	<b>643.92</b>	<b>594.70</b>

<b>Interest income comprises :</b>		
Interest on bank deposits	134.74	3.12
Interest income on corporate deposit	406.11	358.89



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

**18) EMPLOYEE BENEFITS**

i) Employee benefit expenses consist of the following:

	(₹ in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
(a) Salaries, incentives and allowances	832.15	699.31
(b) Contribution to provident and other funds	37.81	38.23
(c) Staff welfare expenses	44.37	37.02
	<b>914.33</b>	<b>774.56</b>

Employee benefit obligations consist of the following:

**(ii) (A) Employee benefit obligation - Non-Current**

	As at March 31, 2019	As at March 31, 2018
Gratuity	10.54	-
Compensated absences	8.48	5.48
	<b>19.02</b>	<b>5.48</b>

**(B) Employee benefit obligation - Current**

	As at March 31, 2019	As at March 31, 2018
Compensated absences	24.49	20.49
	<b>24.49</b>	<b>20.49</b>

**Employee benefits plans**

**(i) Defined benefit plan**

**Gratuity**

In accordance with law, the Company operates a scheme of Gratuity which is a defined benefit plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service.

The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.

The following table sets out the details of the defined benefit retirement plans and the amounts recognised in the financial statements:

	(₹ in lakhs)	
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Change in benefit obligations</b>		
Benefit obligations, beginning of the year	32.51	31.22
Service cost	6.00	6.82
Interest cost	2.52	2.19
Actuarial (Gains) / Losses on obligations for the year	5.88	(7.23)
Benefit paid	-	(0.49)
<b>Benefit obligations, end of the year</b>	<b>46.91</b>	<b>32.51</b>
<b>Change in plan assets</b>		
Fair value of plan assets, beginning of the year	33.54	32.67
Interest income	2.59	2.23
Employers' contributions	0.93	-
Return on plan assets, excluding interest income	(0.71)	(1.36)
<b>Fair value of plan assets, end of the year</b>	<b>37.06</b>	<b>33.54</b>

**Funded surplus:**

(Deficit) / surplus of plan assets over obligations

	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
	(10.55)	1.40
	<b>(10.55)</b>	<b>1.40</b>



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

	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>Category of assets:</b>		
Insurer managed funds	37.06	33.54
	<b>37.06</b>	<b>33.54</b>

Net periodic gratuity included in employee cost consists of the following components: (₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Service cost	6.00	6.82
Net interest on net defined benefit liability / (asset)	(0.07)	(0.04)
<b>Net periodic gratuity / pension cost</b>	<b>5.93</b>	<b>6.78</b>
<b>Actual return on plan assets</b>	<b>2.59</b>	<b>2.23</b>

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

Particulars	As at March 31, 2019	As at March 31, 2018
Actuarial (gains) arising from changes in demographic assumptions	(1.33)	(2.94)
Actuarial losses and (gains) arising from changes in financial assumptions	5.39	(8.81)
Actuarial losses arising from changes in experience adjustments	1.82	2.59
Return on plan assets, excluding interest income	0.71	0.57
<b>Remeasurement of the net defined benefit liability / (assets)</b>	<b>6.59</b>	<b>(8.59)</b>

The assumptions used in according for the defined benefit plan are set out below:

	Year ended March 31, 2019	Year ended March 31, 2018
Discount rate	7.50%	7.75%
Salary escalation rate	7%	6%
Attrition rate		
i) If Services < = 5 years	17.00%	16.00%
ii) If Services > 5 years	6.00%	8.00%
Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

The Company is expected to contribute ₹ 17.02 lakhs to the defined benefit plan obligation for the year ending March 31, 2020.

Remeasurement (gain) / loss of defined employee benefit plan in other comprehensive income for the fiscals 2019 and 2018 are ₹ 6.59 lakhs and ₹ (8.59) lakhs 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 increase / (decrease) as follows:

	(₹ in lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Increase of 0.50%	(2.27)	(1.24)
Decrease of 0.50%	2.48	1.34



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

If the expected salary growth increases / decreases by 0.50%, the defined benefit obligations would increase / (decrease) as follows:

	(₹ in lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Increase of 0.50%	2.48	1.35
Decrease of 0.50%	(2.29)	(1.26)

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 Balance sheet.

The defined benefit obligations shall mature after year ended March 31, 2019 as follows:

	(₹ in lakhs)
<b>Year ending March 31,</b>	<b>Defined benefit obligations</b>
2020	3.40
2021	3.52
2022	3.74
2023	3.11
2024	3.07
2025 to 2029	16.37

**(ii) Defined contribution plan**

**Provident Fund**

In accordance with law, the employees of the Company are entitled to receive benefits under the provident fund plan in which both the employee and employer (at a determined rate) contribute monthly.

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. The Company offers its employees defined contribution plan in the form of provident fund and family pension fund. Provident fund and family pension fund covers substantially all regular employees. While both, the employee and the Company pay predetermined contributions into the provident fund, contribution into the family pension fund are made by only the Company. The contribution is based on certain proportion of employee's salary. Contributions to Provident Fund are made to The Regional Provident Fund Commissioner for qualifying employees.

The Company contributed ₹ 27.31 lakhs (March 31, 2018: ₹ 25.32 lakhs) for provident fund during the year ended March 31, 2019.

**19) OTHER EXPENSES**

	(₹ in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
(a) Fees to external consultants	884.47	2,472.49
(b) Facility expenses	394.11	295.79
(c) Cost of equipment and software licences	36.86	37.34
(d) Communication expenses	225.93	170.08
(e) Commission	2,705.29	3,432.68
(f) Bad debts and advances written off, allowances for doubtful trade receivables and advances (net)	-	(0.11)
(g) Expenditure on Corporate Social Responsibility	58.43	52.58
(h) Others (includes auditors remuneration)	70.51	338.49
	<b>4,375.60</b>	<b>6,799.34</b>
<b>Payment to auditors</b>		
	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
For services as statutory auditors	4.10	4.10
	<b>4.10</b>	<b>4.10</b>



**MPONLINE LIMITED**  
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**20) 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 3 years to 30 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 10% every year to 15% every three year.

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

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
Due within one year	29.95	0.38
Due in a period between one	110.03	-
Due after five years	118.21	-
<b>Total minimum lease commitment</b>	<b>258.19</b>	<b>0.38</b>

**21) 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 assets and financial liabilities are disclosed in note 2(i) to the financial statements.

**a) Financial assets and liabilities**

The carrying value of financial instruments by categories as of March 31, 2019 is as follows:

(₹ in lakhs)

	Fair value through profit or loss	Amortised cost	Total carrying value
<b>Financial assets:</b>			
Cash and cash equivalents	-	1,174.79	1,174.79
Short-term bank deposits more than 3 months	-	2,000.00	2,000.00
Earmarked bank balances	-	40.00	40.00
Investments	1,072.71	-	1,072.71
Trade receivables	-	1,090.93	1,090.93
Loans receivables*	-	5,742.57	5,742.57
Other financial assets	-	546.81	546.81
<b>Total</b>	<b>1,072.71</b>	<b>10,595.10</b>	<b>11,667.81</b>
<b>Financial liabilities:</b>			
Trade payables	-	340.31	340.31
Other financial liabilities	-	1,797.32	1,797.32
<b>Total</b>	<b>-</b>	<b>2,137.63</b>	<b>2,137.63</b>

\* Loans include inter-corporate deposits of ₹ 5,742.22 lakhs, with original maturity period within 12 months.

The carrying value of financial instruments by categories as of March 31, 2018 is as follows:

	Fair value through profit or loss	Amortised cost	Total carrying value
<b>Financial assets:</b>			
Cash and cash equivalents	-	600.44	600.44
Earmarked bank balances	-	49.08	49.08
Investments	4,369.64	-	4,369.64
Trade receivables	-	601.95	601.95
Unbilled receivables (Previous year: Unbilled revenue)	-	13.61	13.61
Loans receivables*	-	4,743.61	4,743.61
Other financial assets	-	143.96	143.96
<b>Total</b>	<b>4,369.64</b>	<b>6,152.65</b>	<b>10,522.29</b>
<b>Financial liabilities:</b>			
Trade payables	-	391.78	391.78
Other financial liabilities	-	1,203.87	1,203.87
<b>Total</b>	<b>-</b>	<b>1,595.65</b>	<b>1,595.65</b>

\* Loans include inter-corporate deposits of ₹ 4,742.22 lakhs, with original maturity within 24 months.

**Measurement of fair value**

The management assessed the fair values of cash and cash equivalents, trade receivables, unbilled revenue, loan receivables, other financial assets, trade payable and other financial liabilities at their carrying amounts due to short term maturities of these investments.



**MPONLINE LIMITED**  
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**Fair value hierarchy**

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 financial instruments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market. The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required):

	(₹ in lakhs)			
	Level 1	Level 2	Level 3	Total
<b>As at March 31, 2019:</b>				
<b>Financial assets:</b>				
Mutual fund units	1,072.71			1,072.71
<b>Total</b>	<b>1,072.71</b>	-	-	<b>1,072.71</b>
<b>As at March 31, 2018:</b>				
<b>Financial assets:</b>				
Mutual fund units	4,369.64			4,369.64
<b>Total</b>	<b>4,369.64</b>	-	-	<b>4,369.64</b>

**b Financial risk management**

The Company is exposed primarily to credit and liquidity risk 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 focus of the Board is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

**i) a) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

**b) 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.

**ii) 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 receivables (Previous year: Unbilled revenue), investments, cash and cash equivalents, bank deposits and other financial assets. Inter-corporate deposits of ₹ 5,742.22 lakhs and ₹ 4,742.22 lakhs as of March 31, 2019 and 2018, respectively, 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 ₹ 11,667.81 lakhs and ₹ 10,522.29 lakhs as of March 31, 2019 and 2018, respectively, being the total of the Carrying amount of balances with banks, bank deposits, investments, trade receivables, unbilled receivables (Previous year: Unbilled revenue) and other financial assets.

Of the trade receivables balance as at March 31, 2019, ₹ 841.29 lakhs (March 31, 2018 ₹ 484.13 lakhs) is due from three largest customers of the Company. There are no other customers who represent more than 10% of the total trade receivables and Unbilled receivables (Previous year : Unbilled revenue).

**Geographic concentration of credit risk**

The Company has a geographic concentration of trade receivables, net of allowances and Unbilled receivables (Previous year: Unbilled revenue) in India.

**Foreign currency exchange risk**

The Company has no exposure to foreign currency risk.



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

**iii) 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:

	(₹ in lakhs)				
March 31, 2019	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total
Trade and other payables	340.31	-	-	-	340.31
Other financial liabilities	1,797.32	-	-	-	1,797.32
<b>Total</b>	<b>2,137.63</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,137.63</b>
March 31, 2018	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total
Trade and other payables	391.78	-	-	-	391.78
Other financial liabilities	1,203.87	-	-	-	1,203.87
<b>Total</b>	<b>1,595.65</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,595.65</b>

**iv) Other price risks**

The fair value of investment in mutual funds is ₹ 1,072.71 lakhs and ₹ 4,369.64 lakhs as on March 31, 2019 and March 31, 2018 respectively. The Company is exposed to price risks arising from investment in mutual funds. The investments are made in acceptable funds, while optimizing the returns.

**22) Earnings per share (EPS)**

	(₹ in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year (₹ in lakhs)	2,061.97	2,167.16
Weighted average number of equity shares	1,000,000	1,000,000
<b>Earnings per share basic and diluted (₹)</b>	<b>206.20</b>	<b>216.72</b>
Face value per equity share (₹)	10	10

**23) 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 Ind AS 108 on "Segment Reporting" are not applicable.

For the year ended March 31, 2019 there are two customers that contribute more than 10% each of total revenue.

	(₹ in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Industrial Training Institute	-	2,659.40
Professional Examination Board	779.38	2,079.04
M.P. Board of Secondary Education	920.99	-

**24) Commitments and contingent liabilities**

**Indirect tax matters**

The Company has ongoing disputes with tax authorities mainly relating to treatment of characterisation and classification of certain items. As at March 31, 2019, the Company has demands amounting to ₹ 4,268.44 lakhs (March 31, 2018: ₹ 2,995.28 lakhs) from various indirect tax authorities which are being contested by the Company.



*Dr.*

**MPONLINE LIMITED**  
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**25) Related Party transactions**

MPOOnline Limited's principal related parties consist of its Holding Company Tata Consultancy Services Limited, Madhya Pradesh State Electronics Development Corporation Limited and key managerial personnel. The Company's material related party transactions and outstanding balances are with related parties with whom the Company routinely enter into transactions in the ordinary course of business.

**Ultimate Holding Company**

Tata Sons Limited

**Holding Company**

Tata Consultancy Services Limited

**Significant shareholder**

Madhya Pradesh State Electronics Development Corporation Limited

**Key Management Personnel (KMP)**

Rajeev Sisaudia - Chief Executive Officer

Sankar Ramamurthy - Company Secretary\*

Transactions with related parties are as follows:

(₹ in lakhs)

	Year ended March 31, 2019		
	Holding Company	Significant shareholder	Total
Revenue from operations	40.25	2.28	42.53
Purchases of goods and services **	854.46	16.69	871.15
Reimbursement of expenses	12.01	-	12.01
Dividend paid	961.20	118.80	1,080.00
Security deposit placed	-	8.15	8.15

\* The Company Secretary of the Company is on deputation and draws remuneration from Tata Consultancy Services Limited. Service charges are not payable by the Company to Tata Consultancy Services Limited.

\*\*This includes remuneration of ₹ 55.20 lakhs paid to Key Management Personnel.

(₹ in lakhs)

	Year ended March 31, 2018		
	Holding Company	Significant shareholder	Total
Revenue from operations	48.50	213.00	261.50
Purchases of goods and services **	2,358.12	13.56	2,371.68
Reimbursement of expenses	1.46	-	1.46
Guarantees matured	-	13.28	13.28
Dividend paid	667.50	82.50	750.00
Security deposit placed	-	3.00	3.00

\*\*This includes remuneration of ₹ 48.56 lakhs paid to Key Management Personnel.

Balances receivable from related parties are as follows:

(₹ in lakhs)

	As at March 31, 2019		
	Holding Company	Significant shareholder	Total
Trade receivables and unbilled receivables (Previous year: Unbilled revenue)	20.36	191.76	212.12
Security deposit	-	8.15	8.15
<b>Total</b>	<b>20.36</b>	<b>199.91</b>	<b>220.27</b>

(₹ in lakhs)

	As at March 31, 2018		
	Holding Company	Significant shareholder	Total
Trade receivables and unbilled receivables (Previous year: Unbilled revenue)	-	270.80	270.80
Security deposit	-	3.00	3.00
<b>Total</b>	<b>-</b>	<b>273.80</b>	<b>273.80</b>



*Y. B.*

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

Balances payable to related parties are as follows:

(₹ in lakhs)

	As at March 31, 2019		
	Holding Company	Significant shareholder	Total
liabilities	20.36	-	20.36
<b>Total</b>	<b>20.36</b>	<b>-</b>	<b>20.36</b>
Commitments			

(₹ in lakhs)

	As at March 31, 2018		
	Holding Company	Significant shareholder	Total
Trade payables, unearned and deferred revenue, other financial liabilities and other	-	287.41	287.41
<b>Total</b>	<b>-</b>	<b>287.41</b>	<b>287.41</b>
Commitments			

**26) Expenditure on Corporate Social Responsibility Activities**

The Company has contributed an amount of ₹ 40 Lakhs to Arushi Society (welfare of children with disabilities) and ₹ 18.43 lakhs to MP Gopalan Board (Protection of flora and fauna and animal welfare) and ₹ 52.58 lakhs for FY 2017-18 to Society for Communication & Social Research towards Corporate Social Responsibility (CSR), computed at 2% of its average net profit for the immediately preceding three financial years.

**27) New standards not yet adopted:**

**Ind AS 116, Leases**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 has issued Ind AS 116 Leases. The standard is applicable from April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. IFRS 16 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will not reassess whether a contract, is or contains a lease, at the date of initial application using the practical expedient provided by the standard.

The Company will recognise new assets and liabilities for its operating leases of premises. The nature of expenses related to those leases will now change because the Company will recognise a depreciation charge for right of use assets and interest expense on lease liabilities.

Previously, the Company recognised operating lease expense on a straight line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

A preliminary assessment indicates that on transition, for leases, the Company will recognise a right-of-use asset of ₹ 555.16 lakhs and a corresponding lease liability of ₹ 616.40 lakhs with the cumulative effect of applying the standard in retained earnings (net of tax) amounting to ₹ (17.76) lakhs. There will be consequent reclassification in the cash flow categories in the statement of cash flows.

The management is in the process of evaluating the below recently notified standards:

- Ind AS 12, Income Taxes (amendments relating to income tax consequences of dividend)
- Appendix C to Ind AS 12, Income taxes (corresponding to IFRIC 23 Uncertainty over Income Tax Treatments)
- Amendments to Ind AS 109, Financial Instruments
- Amendments to Ind AS 19, Employee Benefits
- Amendments to Ind AS 23, Borrowing Costs

The Management is in the process of quantifying the impact of these.



*[Handwritten signature]*

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

**28) Subsequent event:**

Dividends paid during the year ended March 31, 2019 include an amount of ₹ 108 per equity share towards final dividend for the year ended March 31, 2018. Dividends paid during the year ended March 31, 2019 include an amount of ₹ 75 per equity share towards final dividend for the year ended March 31, 2018.

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, 2019 and March 31, 2018, income (net of dividend tax) available for distribution were ₹ 9,351.72 lakhs and ₹ 8,546.53 lakhs respectively. Subsequent to March 31, 2019, the Board of Directors of the Company have proposed a final dividend of ₹108 per share in respect of the year ending March 31, 2018. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of ₹ 1,080 lakhs inclusive of dividend distribution tax of ₹ 222 lakhs.

As per our report of even date attn: For and on behalf of the Board of MPOnline Limited

For **B S R & Co. LLP**

Chartered Accountants

Firm's registration number : 101248W/W-100022


  
Balajirao Pothana

Partner

Membership no. 122632

Mumbai, 10 April, 2019

  
Lakshminarayanan G S  
Director

  
Rajeev Sisaudia  
Chief Operating Officer

  
Manish Rastogi  
Director

  
R Sankar  
Company Secretary  
Mumbai, 10 April, 2019