

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

		(₹ in lakhs)	
Note		As at March 31, 2021	As at March 31, 2020
<b>I. ASSETS</b>			
<b>Non - current assets</b>			
Property, plant and equipment	8(a)	246.30	295.57
Right-of-use assets	7	505.94	554.28
Financial assets			
Other financial assets	6(f)	69.07	21.37
Income tax assets (net)		115.01	107.93
Deferred tax assets (net)	15	113.84	42.25
Other assets	8(b)	282.87	290.37
<b>Total non-current assets</b>		<b>1,333.03</b>	<b>1,311.77</b>
<b>Current assets</b>			
Financial assets			
Investments	6(a)	9,284.32	1,458.44
Trade receivables	6(b)	289.27	656.09
Cash and cash equivalents	6(c)	1,228.13	785.89
Other balances with banks	6(d)	-	43.62
Loans	6(e)	8.80	8,659.50
Other financial assets	6(f)	3,073.01	221.40
Other assets	8(b)	434.70	551.37
<b>Total current assets</b>		<b>14,318.23</b>	<b>12,376.31</b>
<b>TOTAL ASSETS</b>		<b>15,651.26</b>	<b>13,688.08</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	6(m)	100.00	100.00
Other equity	9	10,256.19	9,773.28
<b>Total Equity</b>		<b>10,356.19</b>	<b>9,873.28</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Lease liabilities		526.97	583.23
Employee benefit obligations	12	30.13	35.62
<b>Total non-current liabilities</b>		<b>557.10</b>	<b>618.85</b>
<b>Current liabilities</b>			
Financial liabilities			
Lease liabilities		82.33	48.55
Trade payables			
Dues of micro enterprises and small enterprises	6(g)	-	-
Dues to creditors other than micro enterprises and small enterprises	6(h)	405.00	317.83
Other financial liabilities	6(i)	3,006.11	1,926.69
Unearned and deferred revenue		16.53	2.41
Employee benefit obligations	12	24.23	23.91
Income tax liabilities (net)		97.47	31.65
Other liabilities	8(c)	1,106.30	844.91
<b>Total current liabilities</b>		<b>4,737.97</b>	<b>3,195.95</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>15,651.26</b>	<b>13,688.08</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**1-22**

As per our report of even date attached

For and on behalf of the Board of MPOnline Limited  
CIN number : U72400MP2006PLC018777

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

Chartered Accountants

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

**Rajiv Shah**

Partner

Membership no. 112878

Mumbai, 28, April, 2021

**Lakshminarayanan G S**

Director

DIN : 07982712

**Tej Bhatla**

Director

DIN : 08491426

Mumbai, 28, April, 2021

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

			(₹ in lakhs)
		Year ended	Year ended
	Note	March 31, 2021	March 31, 2020
Revenue from operations	10	6,982.06	7,047.55
Other Income	11	633.70	750.94
<b>TOTAL INCOME</b>		<b>7,615.76</b>	<b>7,798.49</b>
<b>Expenses</b>			
Employee benefit expenses	12	1,011.71	1,003.23
Finance cost	14	54.47	56.14
Depreciation expense	7, 8(a)	117.80	125.03
Other expenses	13(a)	4,337.21	4,211.52
<b>TOTAL EXPENSES</b>		<b>5,521.19</b>	<b>5,395.92</b>
<b>PROFIT BEFORE TAX</b>		<b>2,094.57</b>	<b>2,402.57</b>
<b>Tax expense</b>			
Current tax	15	615.60	617.41
Deferred tax	15	(74.70)	(11.46)
<b>TOTAL TAX EXPENSE</b>		<b>540.90</b>	<b>605.95</b>
<b>PROFIT FOR THE YEAR</b>		<b>1,553.67</b>	<b>1,796.62</b>
<b>OTHER COMPREHENSIVE INCOME /(LOSS)</b>			
<b>Items that will not be reclassified subsequently to profit and loss</b>			
Remeasurement of defined employee benefit plans		12.35	(8.06)
<b>Income tax on items that will not be reclassified subsequently to profit and loss</b>		<b>(3.11)</b>	<b>2.03</b>
<b>TOTAL OTHER COMPREHENSIVE INCOME /(LOSS)</b>		<b>9.24</b>	<b>(6.03)</b>
<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>1,562.91</b>	<b>1,790.59</b>
<b>Earnings per equity share- Basic and diluted (₹)</b>	16	155.37	179.66
Weighted average number of equity shares		10,00,000	10,00,000
<b>NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b>	<b>1-22</b>		

As per our report of even date attached

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

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DIN : 08491426

Mumbai, 28, April, 2021

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

**A) EQUITY SHARE CAPITAL**

(₹ in lakhs)

Balance as at April 1, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020
100	-	100

Balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
100	-	100

\* Refer note 6(m)

**B) OTHER EQUITY**

(₹ in lakhs)

	General reserve	Retained earnings	Total equity
<b>Balance as at April 1, 2019</b>	519.00	8,765.69	9,284.69
Profit for the year		1,796.62	1,796.62
Other comprehensive income		(6.03)	(6.03)
<b>Total comprehensive income</b>	<b>519.00</b>	<b>10,556.28</b>	<b>11,075.28</b>
Dividend		(1,080.00)	(1,080.00)
Tax on dividend		(222.00)	(222.00)
<b>Balance as at March 31, 2020</b>	<b>519.00</b>	<b>9,254.28</b>	<b>9,773.28</b>
<b>Balance as at April 01, 2020</b>	<b>519.00</b>	<b>9,254.28</b>	<b>9,773.28</b>
Profit for the year		1,553.67	1,553.67
Other comprehensive income		9.24	9.24
<b>Total comprehensive income</b>	<b>519.00</b>	<b>10,817.19</b>	<b>11,336.19</b>
Dividend		(1,080.00)	(1,080.00)
<b>Balance as at March 31, 2021</b>	<b>519.00</b>	<b>9,737.19</b>	<b>10,256.19</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.

**Retained earnings**

This reserve represents undistributed accumulated earnings of the Company as on the balance sheet date.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-21**

As per our report of even date attached

For and on behalf of the Board of MPOnline Limited  
CIN number : U72400MP2006PLC018777

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

Chartered Accountants

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

**Rajiv Shah**

Partner

Membership no. 112878

Mumbai, 28, April, 2021

**Lakshminarayanan G S**

Director

DIN : 07982712

**Tej Bhatla**

Director

DIN : 08491426

Mumbai, 28, April, 2021

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

	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>I CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit for the year</b>	2,094.57	2,402.57
<b>Adjustments to reconcile profit and loss to net cash provided by operating activities</b>		
Depreciation expense	117.80	125.03
Net gain on investments	(135.63)	(66.68)
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	392.57	-
Interest income	(430.16)	(635.64)
Unrealised gain on investments	(64.59)	(7.08)
Finance costs	54.47	56.14
<b>Operating profit before working capital changes</b>	<b>2,029.03</b>	<b>1,874.34</b>
<b>Net change in</b>		
Trade receivables	68.21	434.84
Loans and other financial assets	170.74	(2.39)
Other assets	124.17	(484.69)
Trade payables	87.17	(22.48)
Unearned and deferred revenue	14.12	(7.82)
Employee benefit obligations	(5.17)	7.96
Other liabilities and provisions	1,340.81	153.08
<b>Cash generated from operations</b>	<b>3,829.08</b>	<b>1,952.84</b>
Taxes paid (net of refunds)	(470.70)	(583.30)
<b>Net cash provided by operating activities</b>	<b>3,358.38</b>	<b>1,369.54</b>
<b>II CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Bank deposits placed	(3,096.43)	(8.62)
Inter-corporate deposits placed	-	(8,656.76)
Purchase of investments	(14,899.31)	(1,800.00)
Payment for purchase of property, plant and equipment	(20.19)	(89.89)
Proceeds from bank deposits	70.00	2,005.00
Proceeds from inter-corporate deposits	8,656.76	5,742.22
Proceeds from disposal / redemption of investments	7,273.65	1,488.03
Interest received	256.32	939.68
<b>Net cash generated from / (used in) investing activities</b>	<b>(1,759.20)</b>	<b>(380.34)</b>
<b>III CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend	(1,080.00)	(1,080.00)
Tax on dividend	-	(222.00)
Interest paid	(40.33)	(43.20)
Repayment of lease liabilities	(36.61)	(32.90)
<b>Net cash (used in) financing activities</b>	<b>(1,156.94)</b>	<b>(1,378.10)</b>
<b>Net change in cash and cash equivalents</b>	<b>442.24</b>	<b>(388.90)</b>
Cash and cash equivalents at the beginning of the year	785.89	1,174.79
<b>Cash and cash equivalents at the end of the year (Refer Note 5c)</b>	<b>1,228.13</b>	<b>785.89</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**1-21**

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 **B S R & Co. LLP**

*Chartered Accountants*

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

For and on behalf of the Board of MPOnline Limited  
CIN number : U72400MP2006PLC018777

**Rajiv Shah**

*Partner*

Membership no. 112878

Mumbai, 28, April, 2021

**Lakshminarayanan G S**

*Director*

DIN : 07982712

**Tej Bhatla**

*Director*

DIN : 08491426

Mumbai, 28, April, 2021

**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 and insurance companies.

The Company, is a public company incorporated and domiciled in India. The address of its registered office and principal place of business Office Block No.14 to 17, DB City Corporate block , DB Mall Fourth Floor, Arera Hills, MP Nagar, Bhopal 462011. As of March 31 , 2021 Tata Consultancy Services Limited, the holding company owned 89% of the Company's equity share capital. Tata Sons Private Limited is the ultimate parent.

The Company is a venture between Tata Consultancy Services Limited and Madhya Pradesh State Electronics Development Corporation Limited ('Significant Shareholder'). The shareholding agreement between parties is valid until March 31,2027.

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on April 28, 2021.

**2 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.

**3 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.

The statement of cash flows have been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

**4 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.

The Company uses the following critical accounting estimates in preparation of its financial statements :

**a) 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.

**b) Fair value measurement 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.

**c) Provision for income tax and deferred tax assets**

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax.

A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

**d) Provisions and contingent liabilities**

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to disclose contingent liabilities. 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.

**e) Employee benefits**

The accounting of employee benefit plans in the nature of defined benefit requires the Company to use assumptions. These assumptions have been explained under employee benefits note.

**f) Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

**g) Impact of COVID-19 (Pandemic)**

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts, impact on leases and impact on effectiveness of its hedges. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

**5 Recent pronouncements**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013.

The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Balance Sheet:**

Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

Specified format for disclosure of shareholding of promoters.

Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**Statement of profit and loss:**

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

**6 Financial assets, financial liabilities and equity 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 liabilities are measured at amortised cost using the effective interest method.

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

**Equity instruments**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

The Company assesses at each date of balance sheet whether a financial asset or a Group of financial assets is impaired.

**Investments carried at fair value through profit or loss**

Mutual fund units (unquoted)

-	-
<b>As at</b>	<b>As at</b>
<b>March 31, 2021</b>	<b>March 31, 2020</b>
9,284.32	1,458.44
<b>9,284.32</b>	<b>1,458.44</b>

**Investments - current**

**Investments carried at fair value through profit or loss**

Mutual funds units (quoted)

Aggregate value of quoted investments is as follows:

	(₹ in lakhs)
<b>As at</b>	<b>As at</b>
<b>March 31, 2021</b>	<b>March 31, 2020</b>
9,284.32	1,458.44
9,284.32	1,458.44
<b>As at</b>	<b>As at</b>
<b>March 31, 2021</b>	<b>March 31, 2020</b>
-	-
-	-
-	-

Considered good

Less: Allowance for doubtful trade receivables

**Trade receivables - Current**

	(₹ in lakhs)
<b>As at</b>	<b>As at</b>
<b>March 31, 2021</b>	<b>March 31, 2020</b>
289.27	656.09
-	-
<b>289.27</b>	<b>656.09</b>
298.61	-
(298.61)	-
-	-

Trade receivables

Less: Allowance for doubtful trade receivables

**Considered good**

Trade receivables

Less: Allowance for doubtful trade receivables

**Credit Impaired**

Above balances of trade receivables include balances with related parties (Refer note 21).



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

**c) Cash and cash equivalents**

Cash and cash equivalents consist of the following:

	(₹ in lakhs)	
	As at	As at
	March 31, 2021	March 31, 2020
<b>Balances with banks</b>		
In current accounts	1,228.13	785.89
	<b>1,228.13</b>	<b>785.89</b>

**d) Other balances with banks**

Other balances with banks consist of the following:

	(₹ in lakhs)	
	As at	As at
	March 31, 2021	March 31, 2020
Earmarked balances with banks *	-	43.62
	<b>-</b>	<b>43.62</b>

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

**e) Loans**

Loans (unsecured) consist of the following:

**Loans - Current**

	(₹ in lakhs)	
	As at	As at
	March 31, 2021	March 31, 2020
<b>Unsecured, considered good</b>		
Loans and advances to employee	8.80	2.74
Inter-corporate deposits*	-	8,656.76
	<b>8.80</b>	<b>8,659.50</b>

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

**f) Other financial assets**

Other financial assets consist of the following:

**Other financial assets - Non-current**

	(₹ in lakhs)	
	As at	As at
	March 31, 2021	March 31, 2020
Security deposits	24.02	21.37
Earmarked balances with banks	45.05	-
	<b>69.07</b>	<b>21.37</b>

**Other financial assets - Current**

	As at	As at
	March 31, 2021	March 31, 2020
Bank deposits	3,000.00	-
Earmarked balances with banks	25.00	-
Interest receivable	48.01	221.40
	<b>3,073.01</b>	<b>221.40</b>

**g) Micro and small enterprises**

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.

**h) Trade payables**

	(₹ in lakhs)	
	As at	As at
	March 31, 2020	March 31, 2019
Others	405.00	317.83
	<b>405.00</b>	<b>317.83</b>

Above balances of trade payables include balances with related parties (Refer note 21).

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

**i) Other financial liabilities**

Other financial liabilities consist of the following:

**Other financial liabilities - Current**

Amount collected on behalf of  
customers  
Security deposits received  
Accrued payroll

(₹ in lakhs)	
As at	As at
March 31, 2021	March 31, 2020
2,998.94	1,914.55
6.29	11.11
0.88	1.03
<b>3,006.11</b>	<b>1,926.69</b>

**j) Financial instruments by category**

The carrying value of financial instruments by categories as of March 31, 2021 is as follows:

(₹ in lakhs)		
	Fair value through profit or loss	Amortised cost
		Total carrying value
<b>Financial assets</b>		
Cash and cash equivalents	-	1,228.13
Investments	9,284.32	-
Trade receivables	-	289.27
Loans*	-	8.80
Other financial assets	-	3,142.08
<b>Total</b>	<b>9,284.32</b>	<b>4,668.28</b>
<b>Financial liabilities</b>		
Trade payables	-	405.00
Lease liabilities	-	609.30
Other financial liabilities	-	3,006.11
<b>Total</b>	-	<b>4,020.41</b>

\* Loans include inter-corporate deposits of ₹ Nil.

The carrying value of financial instruments by categories as of March 31, 2020 is as follows:

(₹ in lakhs)		
	Fair value through profit or loss	Amortised cost
		Total carrying value
<b>Financial assets</b>		
Cash and cash equivalents	-	785.89
Earmarked bank balances		43.62
Investments	1,458.44	-
Trade receivables	-	656.09
Loans*	-	8,659.50
Other financial assets	-	242.77
<b>Total</b>	<b>1,458.44</b>	<b>10,387.87</b>
<b>Financial liabilities</b>		
Trade payables	-	317.83
Lease liabilities	-	631.78
Other financial liabilities	-	1,926.69
<b>Total</b>	-	<b>2,876.30</b>

\* Loans include inter-corporate deposits of ₹ 8,656.76 lakhs, with original maturity period within 12 months.

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables, loans and trade payables as at March 31, 2021 and 2020 approximate the fair value. Difference between carrying amounts and fair values of bank deposits, earmarked balances with banks, other financial assets and other financial liabilities subsequently measured at amortised cost is not significant in each of the periods presented. Fair value measurement of lease liabilities is not required. Fair value of investments carried at amortised cost is 9284.32 and 1458.44 crore as at March 31, 2021 and 2020, respectively.

**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.

**k) 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.

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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, 2021</b>				
<b>Financial assets</b>				
Mutual fund units	9,284.32	-	-	9,284.32
<b>Total</b>	<b>9,284.32</b>	<b>-</b>	<b>-</b>	<b>9,284.32</b>
<b>As at March 31, 2020</b>				
<b>Financial assets</b>				
Mutual fund units	1,458.44	-	-	1,458.44
<b>Total</b>	<b>1,458.44</b>	<b>-</b>	<b>-</b>	<b>1,458.44</b>

**I) 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.

**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.

**Foreign currency exchange rate risk**

The Company has no exposure to foreign currency risk.

**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.

**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, investments, cash and cash equivalents, bank deposits and other financial assets. Inter-corporate deposits of ₹ Nil and ₹ 8,656.76 lakhs as of March 31, 2021 and 2020, 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 ₹ 13,952.60 lakhs and ₹ 11,846.31 lakhs as of March 31, 2021 and 2020, respectively, being the total of the Carrying amount of balances with banks, bank deposits, investments, trade receivables and other financial assets.

Of the trade receivables balance as at March 31, 2021 is due from following three largest customers of the Company. There are no other customers who represent more than 10% of the total trade receivables and unbilled receivables.

	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Customer A	22.69	-
Customer B	327.81	324.45
Customer C	191.76	191.76
Customer D	-	90.41
	<b>542.26</b>	<b>606.62</b>

**Geographic concentration of credit risk**

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

**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)				
<b>March 31, 2021</b>	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total
Trade and other payables	405.00	-	-	-	405.00
Lease liabilities	82.33	84.12	136.38	1,497.98	1,800.81
Other financial liabilities	3,006.11	-	-	-	3,006.11
<b>Total</b>	<b>3,493.44</b>	<b>84.12</b>	<b>136.38</b>	<b>1,497.98</b>	<b>5,211.92</b>
<b>March 31, 2020</b>	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total
Trade and other payables	317.83	-	-	-	317.83
Lease liabilities	76.95	82.33	182.67	1,535.81	1,877.76
Other financial liabilities	1,926.69	-	-	-	1,926.69
<b>Total</b>	<b>2,321.47</b>	<b>82.33</b>	<b>182.67</b>	<b>1,535.81</b>	<b>4,122.28</b>

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**m) Equity instruments**

The authorised, issued, subscribed and fully paid-up share capital comprises of the following:

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>Authorised</b> 1,000,000 equity shares of ₹ 10 each (March 31, 2020 : 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, 2020 : 1,000,000 Equity shares of ₹ 10 each)	100.00	100.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

**a. Reconciliation of the number of shares**

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount (₹ in lakhs)	Number of shares	Amount (₹ in lakhs)
<b>Equity shares</b>				
Opening balance	10,00,000	100.00	10,00,000	100.00
Issued during the year	-	-	-	-
Closing balance	<b>10,00,000</b>	<b>100.00</b>	<b>10,00,000</b>	<b>100.00</b>

**b. Rights, preferences and restrictions attached to 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.

**c. Shares held by holding company**

	Number of shares	
	As at March 31, 2021	As at March 31, 2020
<b>Equity shares</b> <b>Holding Company</b> 8,90,000 equity shares (March 31, 2019: 8,90,000) are held by Tata Consultancy Services Limited	8,90,000	8,90,000

**d. 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, 2021		As at March 31, 2020	
	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 Corporation	1,10,000	11%	1,10,000	11%
Tata Consultancy Services Limited	8,90,000	89%	8,90,000	89%

- e.** 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.

## 7 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

### Company as a lessee

The details of the right-of-use asset held by the Company is as follows:

	(₹ in lakhs)	
	Additions for the year ended March 31, 2021	Net carrying amount as at March 31, 2021
Leasehold Building	-	505.94
	-	<b>505.94</b>
	Additions for the year ended March 31, 2020	Net carrying amount as at March 31, 2020
Leasehold Building	-	554.28
	-	<b>554.28</b>
	(₹ in lakhs) Year ended March 31, 2021	(₹ in lakhs) Year ended March 31, 2020
<b>Depreciation</b>		
Leasehold Building	48.34	48.34
	<b>48.34</b>	<b>48.34</b>

Interest on lease liabilities is ₹54.47 lakhs and ₹56.14 lakhs for the years ended March 31, 2021 and 2020, respectively.

The total cash outflow for leases is ₹80.20 lakhs and ₹76.10 lakhs for the years ended March 31, 2021 and 2020, respectively.

The Company incurred ₹2.23 lakhs and ₹Nil for the years ended March 31, 2021 and 2020, respectively, towards expenses relating to short-term leases and leases of low-value assets.

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

**8 Non-financial assets and non-financial liabilities**

**a) Property, plant and equipment**

Property, plant and equipment are stated at cost, less accumulated depreciation 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

Property, plant and equipment 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.

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**Notes forming part of the Financial Statements**

Property, plant and equipment consist of the following:

(₹ in lakhs)

Description	Leasehold improvements	Computer equipment	Vehicles	Office equipment	Electrical installations	Furniture and fixtures	Total
<b>Cost as at April 1, 2020</b>	<b>204.00</b>	<b>560.96</b>	<b>9.04</b>	<b>109.43</b>	<b>16.28</b>	<b>52.69</b>	<b>952.40</b>
Additions	0.00	20.19	0.00	0.00	0.00	0.00	20.19
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Cost as at March 31, 2021</b>	<b>204.00</b>	<b>581.15</b>	<b>9.04</b>	<b>109.43</b>	<b>16.28</b>	<b>52.69</b>	<b>972.59</b>
<b>Accumulated depreciation as at April 1, 2020</b>	<b>(42.58)</b>	<b>(467.59)</b>	<b>(9.04)</b>	<b>(69.32)</b>	<b>(15.61)</b>	<b>(52.69)</b>	<b>(656.83)</b>
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation for the year	(11.84)	(44.95)	0.00	(12.22)	(0.45)	0.00	(69.46)
<b>Accumulated depreciation as at March 31, 2021</b>	<b>(54.42)</b>	<b>(512.54)</b>	<b>(9.04)</b>	<b>(81.54)</b>	<b>(16.06)</b>	<b>(52.69)</b>	<b>(726.29)</b>
<b>Net carrying amount as at March 31, 2021</b>	<b>149.58</b>	<b>68.61</b>	<b>0.00</b>	<b>27.89</b>	<b>0.22</b>	<b>0.00</b>	<b>246.30</b>

\* ₹ 20.19 lakhs has been capitalised and transferred to Property, plant and equipment during the year ended March 31, 2021.

(₹ in lakhs)

Description	Leasehold improvements	Computer equipment	Vehicles	Office equipment	Electrical installations	Furniture and fixtures	Total
<b>Cost as at April 1, 2019</b>	<b>204.00</b>	<b>471.31</b>	<b>9.04</b>	<b>109.19</b>	<b>16.28</b>	<b>52.69</b>	<b>862.51</b>
Additions	-	89.65	-	0.24	-	-	89.89
Disposals	-	-	-	-	-	-	0.00
<b>Cost as at March 31, 2020</b>	<b>204.00</b>	<b>560.96</b>	<b>9.04</b>	<b>109.43</b>	<b>16.28</b>	<b>52.69</b>	<b>952.40</b>
<b>Accumulated depreciation as at April 1, 2019</b>	<b>(30.71)</b>	<b>(427.35)</b>	<b>(9.04)</b>	<b>(50.85)</b>	<b>(15.15)</b>	<b>(48.76)</b>	<b>(581.86)</b>
Disposals	-	-	-	-	-	-	0.00
Depreciation for the year	(11.87)	(40.24)	0.00	(18.47)	(0.46)	(3.93)	(74.97)
<b>Accumulated depreciation as at March 31, 2020</b>	<b>(42.58)</b>	<b>(467.59)</b>	<b>(9.04)</b>	<b>(69.32)</b>	<b>(15.61)</b>	<b>(52.69)</b>	<b>(656.83)</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>161.42</b>	<b>93.37</b>	<b>0.00</b>	<b>40.11</b>	<b>0.67</b>	<b>0.00</b>	<b>295.57</b>

\* ₹ 89.89 lakhs has been capitalised and transferred to Property, plant and equipment during the year ended March 31, 2020.

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**b) Other assets**

Other assets consist of the following:

**Other assets - Non - current**

	(₹ in lakhs)	
	As at	As at
	March 31, 2021	March 31, 2020
<b>Unsecured, considered good</b>		
Prepaid expenses	7.07	14.57
Balance with Government authorities	275.80	275.80
	<b>282.87</b>	<b>290.37</b>

**Other assets - Current**

	As at	As at
	March 31, 2021	March 31, 2020
<b>Unsecured, considered good</b>		
Prepaid expenses	61.87	50.30
Other advance	372.83	501.07
	<b>434.70</b>	<b>551.37</b>

In Previous Year 2019-20, Prepaid rent of ₹12.95 has been reclassified to right-to-use asset pursuant to transition to Ind AS 116.

**c) Other liabilities**

**Other liabilities - Current**

	As at	As at
	March 31, 2021	March 31, 2020
Advance received from collection agents	1,050.29	813.26
Indirect tax payable and other statutory liabilities	56.01	31.65
	<b>1,106.30</b>	<b>844.91</b>

In Previous Year 2019-20, operating lease liability of ₹36.17 lakhs has been reclassified to retained earnings pursuant to transition to Ind AS 116.



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**9) Other Equity**

	(₹ in lakhs)	
	As at	As at
	March 31, 2021	March 31, 2020
<b>General reserve</b>		
Opening balance and closing balance	519.00	519.00
	<b>519.00</b>	<b>519.00</b>
<b>Retained earnings</b>		
Opening balance	9,254.28	8,782.83
Profit for the year	1,553.67	1,796.62
Other comprehensive income	9.24	(6.03)
Transition impact of Ind AS 116 (net of tax)	-	(17.14)
<b>Total comprehensive income</b>	<b>10,817.19</b>	<b>10,556.28</b>
Dividend	(1,080.00)	(1,080.00)
Tax on dividend	-	(222.00)
	<b>9,737.19</b>	<b>9,254.28</b>
	<b>10,256.19</b>	<b>9,773.28</b>

**10) Revenue recognition**

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.

Revenue disaggregation by nature is as follows:

	(₹ in lakhs)	
	<b>Year ended</b>	<b>Year ended</b>
	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Transaction revenue	6,904.86	7,001.01
Franchisee fees	36.22	38.47
Manpower supply	40.98	8.07
	<b>6,982.06</b>	<b>7,047.55</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.

	(₹ in lakhs)
<b>Movement in contract liabilities is given below:</b>	<b>Amount</b>
Opening balance as on April 1, 2020	2.41
Less : Revenue recognised that was included in the contract liability balance at the beginning of the period.	2.40
Add : Increase due to invoicing during the year, excluding amounts recognised as revenue during the year.	16.52
Closing balance as on March 31, 2021	<b>16.53</b>

For the current year, the revenue recognised in the statement of profit and loss equals to the contracted price. All the revenue is derived in the state of Madhya Pradesh in India

**MPONLINE LIMITED**  
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**11) Other Income**

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

Other income (net) consist of the following :

	(₹ in lakhs)	
	Year ended	Year ended
	March 31, 2021	March 31, 2020
Interest income	430.16	635.64
Net gain on investments carried at fair value through profit or loss	64.59	7.08
Net gain on sale of investments other than equity shares carried at fair value through profit or loss	135.63	66.68
Interest income on income tax refunds	-	41.54
Miscellaneous income	3.32	-
	<b>633.70</b>	<b>750.94</b>
<b>Interest income comprises :</b>		
Interest on bank deposits	49.42	121.55
Interest income on corporate deposit	380.74	514.09

**12) Employee benefits**

**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.

**Defined contribution plans**

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

**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.

**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.

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Employee benefit expenses consist of the following:

	(₹ in lakhs)	
	Year ended	Year ended
	March 31, 2021	March 31, 2020
Salaries, incentives and allowances	932.74	910.09
Contribution to provident and other funds	41.05	39.40
Staff welfare expenses	37.92	53.74
	<b>1,011.71</b>	<b>1,003.23</b>

Employee benefit obligations consist of the following:

**Employee benefit obligation - Non-Current**

	(₹ in lakhs)	
	As at	As at
	March 31, 2021	March 31, 2020
Gratuity	4.24	8.41
Compensated absences	25.89	27.21
	<b>30.13</b>	<b>35.62</b>

**Employee benefit obligation - Current**

	(₹ in lakhs)	
	As at	As at
	March 31, 2021	March 31, 2020
Gratuity	17.95	17.55
Compensated absences	6.28	6.36
	<b>24.23</b>	<b>23.91</b>

Employee benefit plans consist of the following:

**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	Year ended
	March 31, 2021	March 31, 2020
<b>Change in benefit obligations</b>		
Benefit obligations, beginning of the year	64.56	46.91
Service cost	9.07	7.46
Interest cost	4.36	3.52
Actuarial losses on obligations for the year	(13.72)	7.58
Benefit paid	(1.24)	(0.91)
<b>Benefit obligations, end of the year</b>	<b>63.03</b>	<b>64.56</b>
<b>Change in plan assets</b>		
Fair value of plan assets, beginning of the year	38.62	36.36
Interest income	2.60	2.73
Employers' contributions	1.00	-
Return on plan assets, excluding interest income	(1.37)	(0.47)
<b>Fair value of plan assets, end of the year</b>	<b>40.85</b>	<b>38.62</b>

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

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Net obligation:</b>		
(Deficit) of plan assets over obligations	(22.18)	(25.94)
	<b>(22.18)</b>	<b>(25.94)</b>

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Category of assets:</b>		
Insurer managed funds	40.85	38.62
	<b>40.85</b>	<b>38.62</b>

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

Particulars	As at March 31, 2021	As at March 31, 2020
Service cost	9.07	7.46
Net interest on net defined benefit liability / (asset)	1.75	0.79
<b>Net periodic gratuity / pension cost</b>	<b>10.82</b>	<b>8.25</b>
<b>Actual return on plan assets</b>	<b>2.61</b>	<b>2.73</b>

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

Particulars	As at March 31, 2021	As at March 31, 2020
Actuarial (gains) arising from changes in demographic assumptions	(0.10)	(1.75)
Actuarial losses arising from changes in financial assumptions	(14.40)	7.28
Actuarial losses arising from changes in experience adjustments	0.78	2.06
Return on plan assets, excluding interest income	1.37	0.47
<b>Remeasurement of the net defined benefit liability / (assets)</b>	<b>(12.35)</b>	<b>8.06</b>

The assumptions used in according for the defined benefit plan are set out below: (₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Discount rate	7.00%	6.75%
Salary escalation rate	6%	7%
Attrition rate		
i) If Services < = 5 years	20.67%	18.21%
ii) If Services > 5 years	1.58%	1.88%
Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Future mortality experience assumptions are taken based on the published statistics by the Life Insurance Corporation of India.		

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

The Company is expected to contribute ₹ 17.94 lakhs to the defined benefit plan obligation for the year ending March 31, 2022.

Remeasurement (gain) / loss of defined employee benefit plan in other comprehensive income for the fiscals 2021 and 2020 are ₹ 12.35 lakhs and ₹ 8.06 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)	
	Year ended	Year ended
	March 31, 2021	March 31, 2020
Increase of 0.50%	(4.77)	(4.98)
Decrease of 0.50%	5.31	5.56

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

	(₹ in lakhs)	
	Year ended	Year ended
	March 31, 2021	March 31, 2020
Increase of 0.50%	5.33	5.52
Decrease of 0.50%	4.84	(4.99)

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, 2021 as follows:

	(₹ in lakhs)
Year ending March 31,	<b>Defined benefit obligations</b>
2022	1.70
2023	1.97
2024	1.69
2025	1.52
2026	1.59
2027 to 2031	14.37

**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 expensed contributed ₹ 27.84 lakhs (March 31, 2020: ₹ 27.72 lakhs) for provident fund during the year ended March 31, 2021.

**13) 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 in employee benefit expenses, depreciation and amortisation expense and other expenses. Other expenses mainly include fees to external consultants, facility expenses, travel expenses, cost of equipment and software licences, communication expenses, commission, bad debts and advances written off, allowance for doubtful trade receivable 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.

**a) Other expenses**

Other expenses consist of the following:

	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Fees to external consultants	166.28	541.54
Facility expenses	285.50	305.91
Cost of equipment and software licences	25.06	22.11
Communication expenses	289.96	249.26
Commission	3,001.10	2,889.50
Provision / (Write back) for doubtful debts	392.57	-
Expenditure on Corporate Social Responsibility	58.25	62.89
Others (includes auditors remuneration)	118.49	140.31
	<b>4,337.21</b>	<b>4,211.52</b>

**b) Corporate Social Responsibility (CSR) expenditure**

The Company has contributed an amount of ₹ 29.12 Lakhs to Arushi Society (welfare of children with disabilities) and ₹ 29.12 lakhs to Madhuri Aayaam Education and Welfare Socety (welfare of children with disabilities) for the year ended March 31, 2021 and ₹ 32.85 Lakhs to Arushi Society (welfare of children with disabilities) and ₹ 30.04 lakhs to Madhuri Aayaam Education and Welfare Socety (welfare of children with disabilities) for the year ended March 31, 2020.

Computed at 2% of its average net profit for the immediately preceding three financial years, on Corporate Social Responsibility (CSR). The Company has spent an amount of ₹ 58.24 lakhs and ₹ 62.89 lakhs during the year ended March 31, 2021 and 2020, respectively, towards CSR expenditure for purposes other than construction / acquisition of any asset.

**14) Finance costs**

Finance costs consist of the following:

	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest on lease liabilities	54.47	56.14
	<b>54.47</b>	<b>56.14</b>

**15) Income Tax**

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.

**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.

The income tax expense consists of the following:

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Current tax</b>		
Current tax expenses for current year	615.60	617.41
	<b>615.60</b>	<b>617.41</b>
Deferred tax expenses/(benefit)	(74.70)	(11.46)
	<b>(74.70)</b>	<b>(11.46)</b>
<b>Total income tax expense recognised in current year</b>	<b>540.90</b>	<b>605.95</b>
<b>Income tax expense recognised in OCI</b>		
Deferred tax on remeasurement of defined employee benefit plan	(3.11)	2.03

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

	Year ended March 31, 2021	Year ended March 31, 2020
Profit before income taxes	2,094.57	2,402.57
Indian statutory income tax rate	25.17%	25.17%
Expected income tax expense	527.20	604.73
<b>Tax effect of adjustments to reconcile expected income tax expense</b>		
Disallowance of CSR expenses	14.66	7.91
Difference due to tax rate change	-	2.21
Others (net)	(0.96)	(8.90)
<b>Total income tax expense</b>	<b>540.90</b>	<b>605.95</b>



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

**Deferred tax balance**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2021 are as follows:

(₹ in lakhs)

	Opening balance	Recognised in profit and loss	Recognised through OCI	Recognised through Retained earning	Closing balance
<b>Deferred tax assets / (liabilities) in relation to</b>					
Property, plant and equipment	29.47	2.75			32.22
Provision for employee benefits	15.24	(4.45)	3.11		13.90
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(6.50)	(23.29)			(29.79)
Operating lease liabilities	12.46	13.55			26.01
Others	(8.42)	79.92			71.50
<b>Net deferred tax assets / (liabilities)</b>	<b>42.25</b>	<b>68.48</b>	<b>3.11</b>	<b>-</b>	<b>113.84</b>

Gross deferred tax assets and liabilities are as follows:

(₹ in lakhs)

As at March 31, 2021	Assets	Liabilities	Net
<b>Deferred tax assets / (liabilities) in relation to</b>			
Property, plant and equipment	32.22		32.22
Provision for employee benefits	13.90		13.90
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income		29.79	(29.79)
Operating lease liabilities	26.01		26.01
Others	75.17	3.67	71.50
<b>Total deferred tax assets / (liabilities)</b>	<b>147.30</b>	<b>33.46</b>	<b>113.84</b>

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2020 are as follows:

(₹ in lakhs)

	Opening balance	Recognised in profit and loss	Recognised through OCI	Recognised through Retained earning	Closing balance
<b>Deferred tax assets / (liabilities) in relation to</b>					
Property, plant and equipment	40.17	(10.70)		-	29.47
Provision for employee benefits	13.06	0.15	2.03	-	15.24
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(13.60)	0.06		7.04	(6.50)
Operating lease liabilities	10.53	1.93		-	12.46
Others	(28.44)	20.02		-	(8.42)
<b>Net deferred tax assets / (liabilities)</b>	<b>21.72</b>	<b>11.46</b>	<b>2.03</b>	<b>7.04</b>	<b>42.25</b>

Gross deferred tax assets and liabilities are as follows:

(₹ in lakhs)

As at March 31, 2020	Assets	Liabilities	Net
<b>Deferred tax assets / (liabilities) in relation to</b>			
Property, plant and equipment	29.47	-	29.47
Provision for employee benefits	15.24	-	15.24
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	-	13.54	(13.54)
Operating lease liabilities	19.50	-	19.50
Others	-	8.42	(8.42)
<b>Total deferred tax assets / (liabilities)</b>	<b>64.21</b>	<b>21.96</b>	<b>42.25</b>

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

**16) 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.

	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Profit for the year (₹ in lakhs)	1,553.67	1,796.62
Weighted average number of equity shares	10,00,000	10,00,000
<b>Earnings per share basic and diluted (₹)</b>	<b>155.37</b>	<b>179.66</b>
Face value per equity share (₹)	10	10

**17) Auditors remuneration**

	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Services as statutory auditors	5.00	4.10
Re-imbursement of out of pocket expenses	0.23	-
	<b>5.23</b>	<b>4.10</b>

**18) Segment information**

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 one 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, 2021 there are three customers that contribute more than 10% each of total revenue.

	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Customer A	984.42	381.80
Customer B	115.88	913.26
Customer C	1,150.52	808.72

**19) Commitments and Contingencies**

**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, 2021, the Company has demands amounting to ₹ 5265.76 lakhs (March 31, 2020: ₹ 5265.76 lakhs) from indirect tax authority which are being contested by the Company.

**Income tax matters**

The Company has ongoing disputes with income tax authorities relating to tax treatment of certain items. The disputes relate to tax treatment of certain expenses claimed as deductions, computation or eligibility of tax incentives or allowances, and characterisation of fees for services received.

The Company has contingent liability in respect of demands from direct tax authorities, which are being contested by the Company on appeal amounting ₹ 9.50 lakhs and ₹ Nil as at March 31, 2021 and 2020, respectively.

**Bank guarantees**

The Company has provided guarantees to third parties aggregating ₹58.00 lakhs (March 31, 2020: ₹43.62 lakhs). The Company does not expect any outflow of resources in respect of the above.

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

- 20) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**21) Related Party transactions**

The Company'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, 2021			
	Holding Company	Significant shareholder	Key Management Personnel*	Total
Revenue from operations	29.75	-	-	29.75
Purchases of goods and services	140.45	28.61	-	169.06
Managerial remuneration	-	-	59.04	59.04
Reimbursement of expenses	1.50	15.50	-	17.00
Dividend paid	961.20	118.80	-	1,080.00

(₹ in lakhs)

	Year ended March 31, 2020			
	Holding Company	Significant shareholder	Key Management Personnel*	Total
Purchases of goods and services	448.79	28.61	-	477.40
Managerial remuneration	-	-	57.12	57.12
Reimbursement of expenses	-	20.21	-	20.21
Dividend paid	961.20	118.80	-	1,080.00

The key management personnel of the Company are on deputation and draw remuneration from Tata Consultancy Services Limited.

Service charges are payable by the Company to Tata Consultancy Services Limited

\* 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.

	As at March 31, 2021		
	Holding Company	Significant shareholder	Total
Trade receivables and unbilled receivables	-	191.76	191.76
Security deposit	-	8.15	8.15
<b>Total</b>	-	<b>199.91</b>	<b>199.91</b>

(₹ in lakhs)

	As at March 31, 2020		
	Holding Company	Significant shareholder	Total
Trade receivables and unbilled receivables	-	191.76	191.76
Security deposit	-	8.15	8.15
<b>Total</b>	-	<b>199.91</b>	<b>199.91</b>

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

**Balances payable to related parties are as follows:**

(₹ in lakhs)

	As at March 31, 2021		
	Holding Company	Significant shareholder	Total
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	42.81	-	42.81
<b>Total</b>	<b>42.81</b>	<b>-</b>	<b>42.81</b>

(₹ in lakhs)

	As at March 31, 2020		
	Holding Company	Significant shareholder	Total
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	33.45	-	33.45
<b>Total</b>	<b>33.45</b>	<b>-</b>	<b>33.45</b>

**22) Subsequent event:**

Dividend paid during the year ended March 31, 2021 pertains to final dividend for the year ended March 31, 2020.

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 at March 31, 2021, income (net of dividend tax) available for distribution were ₹ 9737.19 lakhs. On April 28, 2021 the Board of Directors of the Company have proposed a final dividend of ₹ Nil per equity share in respect of the year ended March 31, 2021.

**Note:**

Previous Years Figures have been reclassified wherever necessary.

As per our report of even date attached

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

*Chartered Accountants*

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

For and on behalf of the Board of MPOnline Limited

CIN number : U72400MP2006PLC018777

**Rajiv Shah**

*Partner*

Membership no. 112878

Mumbai, 28, April, 2021

**Lakshminarayanan G S**

*Director*

DIN : 07982712

**Tej Bhatla**

*Director*

DIN : 08491426

Mumbai, 28, April, 2021