

B S R & Co. LLP

Chartered Accountants

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Independent Auditor's Report

To the Members of MP Online Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MP Online Limited (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Independent Auditor's Report (*Continued*)

MP Online Limited

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's director's report, but does not include the financial statements and our auditors' report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report (*Continued*)

MP Online Limited

Auditor's Responsibilities for the Audit of the Financial Statements (*Continued*)

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Independent Auditor's Report (Continued)

MP Online Limited

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note 19 to the financial statements.
 - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 23 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Independent Auditors' Report (*Continued*)

MP Online Limited

Report on Other Legal and Regulatory Requirements (*Continued*)

- (ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 23 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.
- e) As stated in note 24 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, no remuneration has been paid by the Company to any of its directors. Accordingly, provisions of Section 197 of the Act relating to remuneration to directors are not applicable. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Mumbai
29 April 2022

Jaclyn Desouza
Partner
Membership No: 124629
UDIN: 22124629AICTFR4290

MP Online Limited

Annexure A to the Independent Auditor's report on the financial statements of MP Online Limited for the year ended 31 March 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.
(B) The Company does not have any intangible assets. Accordingly, clause 3(i)(a) B of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, plant and equipment by which all Property, plant and equipment are verified every year. In accordance with this programme, Property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets). Further the Company does not have any intangible assets.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is a service company, primarily rendering development, management_ services of online portal for providing web-based services by Government to citizens . Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

MP Online Limited

Annexure A to the Independent Auditor's report on the financial statements of MP Online Limited for the year ended 31 March 2022 (Continued)

- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it (and/or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Sales tax, Service tax, Duty of excise and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, , Cess and other material statutory dues have been regularly deposited with the appropriate authorities. As explained to us, the Company did not have any dues of Customs.

According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-tax, , Cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

MP Online Limited

Annexure A to the Independent Auditor's report on the financial statements of MP Online Limited for the year ended 31 March 2022 (Continued)

- (b) According to the information and explanations given to us, there are no dues of GST, Provident fund, Employees' State Insurance, Income-tax, , Service tax, , Cess or other statutory dues which have not been deposited by the Company on account of disputes, except for the following:

| Name of the Statute | Nature of the Dues | Amount (Rs in Lakhs) | Period | Forum where dispute is pending |
|--------------------------|--------------------|----------------------|--------------------------------|--------------------------------------|
| The Finance Act, 1994 | Service tax | 2,882.96** | October 2009 to September 2014 | Appellate Tribunal |
| The Finance Act, 1994 | Service tax | 1,177.67** | October 2014 to March 2016 | Appellate Tribunal |
| The Finance Act, 1994 | Service tax | 929.33** | April 2016 to June 2017 | Appellate Tribunal |
| The Income Tax Act, 1961 | Income Tax | 7.15 | AY 2014-15 | Commissioner of Income Tax (Appeals) |
| The Income Tax Act, 1961 | Income Tax | 2.35 | AY 2018-19 | Commissioner of Income Tax (Appeals) |

** These amounts are net of amount paid/ adjusted under protest Rs. 275.80 lakhs. As explained to us, the Company did not have any dues of Customs.

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.
- (e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(f) is not applicable.

MP Online Limited

Annexure A to the Independent Auditor's report on the financial statements of MP Online Limited for the year ended 31 March 2022 (Continued)

- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
(c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
(b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
(d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

MP Online Limited

Annexure A to the Independent Auditor's report on the financial statements of MP Online Limited for the year ended 31 March 2022 (Continued)

- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Mumbai
29 April 2022

Jaclyn Desouza
Partner
Membership No: 124629
UDIN: 22124629AICTFR4290

MP Online Limited

Annexure B to the Independent Auditor's Report on the financial statements of MP Online Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of MP Online Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company as at and for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

MP Online Limited

Annexure B to the Independent Auditors' Report on the financial statements of MP Online Limited for the year ended 31 March 2022 (Continued)

Auditors' Responsibility (Continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Firm's Registration No: 101248W/W-100022

Jaclyn Desouza
Partner

Membership No: 124629
UDIN: 22124629AICTFR4290

Mumbai
29 April 2022

MPONLINE LIMITED
Balance Sheet

(₹ in lakhs)

| | Note | As at | |
|--|------|------------------|------------------|
| | | March 31, 2022 | March 31, 2021 |
| | | ₹ | ₹ |
| I. ASSETS | | | |
| Non - current assets | | | |
| Property, plant and equipment | 8(a) | 208.09 | 246.30 |
| Right-of-use assets | 7 | 458.43 | 505.94 |
| Financial assets | | | |
| Trade receivables | | | |
| Billed | 6(b) | - | - |
| Other financial assets | 6(e) | 72.35 | 69.07 |
| Income tax assets (net) | | 115.01 | 115.01 |
| Deferred tax assets (net) | 15 | 162.41 | 113.84 |
| Other assets | 8(b) | 288.71 | 282.87 |
| Total non-current assets | | 1,305.00 | 1,333.03 |
| Current assets | | | |
| Financial assets | | | |
| Investments | 6(a) | 12,061.23 | 9,284.32 |
| Trade receivables | | | |
| Billed | 6(b) | 110.61 | 289.27 |
| Cash and cash equivalents | 6(c) | 1,793.12 | 1,228.13 |
| Loans | 6(d) | 1.19 | 8.80 |
| Other financial assets | 6(e) | 29.10 | 3,073.01 |
| Other assets | 8(b) | 571.15 | 434.70 |
| Total current assets | | 14,566.40 | 14,318.23 |
| TOTAL ASSETS | | 15,871.40 | 15,651.26 |
| II. EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 6(m) | 100.00 | 100.00 |
| Other equity | 9 | 12,040.85 | 10,256.19 |
| Total Equity | | 12,140.85 | 10,356.19 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Lease liabilities | | 495.21 | 526.97 |
| Employee benefit obligations | 12 | 32.52 | 4.24 |
| Total non-current liabilities | | 527.73 | 531.21 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Lease liabilities | | 84.12 | 82.33 |
| Trade payables | | | |
| Dues of micro enterprises and small enterprises | 6(f) | - | - |
| Dues to creditors other than micro enterprises and small enterprises | 6(g) | 226.85 | 405.00 |
| Other financial liabilities | 6(i) | 1,567.92 | 3,006.11 |
| Unearned and deferred revenue | | 38.03 | 16.53 |
| Other liabilities | 8(c) | 986.33 | 1,106.30 |
| Employee benefit obligations | 12 | 114.68 | 50.12 |
| Income tax liabilities (net) | | 184.89 | 97.47 |
| Total current liabilities | | 3,202.82 | 4,763.86 |
| TOTAL EQUITY AND LIABILITIES | | 15,871.40 | 15,651.26 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1-24

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 MPOOnline Limited

CIN number : U72400MP2006PLC018777

Jaclyn Desouza

Partner

Membership no. 124629

Mumbai, April 29, 2022

Lakshminarayanan G S

Director

DIN : 07982712

Venguswamy Ramaswamy

Director

DIN : 07943675

Mumbai, April 29, 2022

MPONLINE LIMITED
Statement of Profit and Loss

| | | (₹ in lakhs) | |
|--|-------------|-----------------|-----------------|
| | | Year ended | Year ended |
| | | March 31, 2022 | March 31, 2021 |
| | Note | | |
| Revenue from operations | 10 | 7,704.03 | 6,982.06 |
| Other Income | 11 | 520.93 | 633.70 |
| TOTAL INCOME | | 8,224.96 | 7,615.76 |
| Expenses | | | |
| Employee benefit expenses | 12 | 1,201.05 | 1,011.71 |
| Finance cost | 14 | 52.35 | 54.47 |
| Depreciation expense | 7, 8(a) | 103.78 | 117.80 |
| Other expenses | 13(a) | 4,402.11 | 4,337.21 |
| TOTAL EXPENSES | | 5,759.29 | 5,521.19 |
| PROFIT BEFORE TAX | | 2,465.67 | 2,094.57 |
| Tax expense | | | |
| Current tax | 15 | 667.72 | 615.60 |
| Deferred tax | 15 | (33.00) | (74.70) |
| TOTAL TAX EXPENSE | | 634.72 | 540.90 |
| PROFIT FOR THE YEAR | | 1,830.95 | 1,553.67 |
| OTHER COMPREHENSIVE INCOME /(LOSS) | | | |
| Items that will not be reclassified subsequently to profit and loss | | | |
| Remeasurement of defined employee benefit plans | | (61.86) | 12.35 |
| Income tax on items that will not be reclassified subsequently to profit and loss | | 15.57 | (3.11) |
| TOTAL OTHER COMPREHENSIVE INCOME /(LOSS) | | (46.29) | 9.24 |
| TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR | | 1,784.66 | 1,562.91 |
| Earnings per equity share- Basic and diluted (₹) | 16 | 183.10 | 155.37 |
| Weighted average number of equity shares | | 10,00,000 | 10,00,000 |
| NOTES FORMING PART OF THE FINANCIAL STATEMENTS | 1-24 | | |

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

Jaclyn Desouza
Partner
Membership no. 124629
Mumbai, April 29, 2022

Lakshminarayanan G S
Director
DIN : 07982712

Venguswamy Ramaswamy
Director
DIN : 07943675
Mumbai, April 29, 2022

MPONLINE LIMITED
Statement of changes in equity

A) EQUITY SHARE CAPITAL

(₹ in lakhs)

| Balance as at April 1, 2021 | Changes in equity share capital due to prior period errors | Restated balance as at April 1, 2021 | Changes in equity share capital during the year | Balance as at March 31, 2022 |
|-----------------------------|--|--------------------------------------|---|------------------------------|
| 100 | - | - | - | 100 |

| Balance as at April 1, 2020 | Changes in equity share capital due to prior period errors | Restated balance as at April 1, 2021 | 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 |
|-------------------------------------|-----------------|-------------------|------------------|
| Balance as at April 1, 2021 | 519.00 | 9,737.19 | 10,256.19 |
| Profit for the year | | 1,830.95 | 1,830.95 |
| Other comprehensive income | | (46.29) | (46.29) |
| General reserve | (519.00) | 519.00 | - |
| Total comprehensive income | - | 12,040.85 | 12,040.85 |
| Balance as at March 31, 2022 | - | 12,040.85 | 12,040.85 |
| Balance as at April 01, 2020 | 519.00 | 9,254.28 | 9,773.28 |
| Profit for the year | | 1,553.67 | 1,553.67 |
| Other comprehensive income | | 9.24 | 9.24 |
| Total comprehensive income | 519.00 | 10,817.19 | 11,336.19 |
| Dividend | | (1,080.00) | (1,080.00) |
| Balance as at March 31, 2021 | 519.00 | 9,737.19 | 10,256.19 |

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.

Retained earnings

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-24

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 MPOOnline Limited

CIN number : U72400MP2006PLC018777

Jaclyn Desouza

Partner

Membership no. 124629

Mumbai, April 29, 2022

Lakshminarayanan G

Director

DIN : 07982712

Venguswamy Ramaswamy

Director

DIN : 07943675

Mumbai, April 29, 2022

MPO NLINE LIMITED
Statement of Cash Flows

| | (₹ in lakhs) | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2022 | Year ended March 31, 2021 |
| I CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit for the year | 2,465.67 | 2,094.57 |
| Adjustments to reconcile profit and loss to net cash provided by operating activities | | |
| Depreciation expense | 103.78 | 117.80 |
| Net gain on investments | (272.06) | (135.63) |
| Bad debts and advances written off, allowance for doubtful trade receivables and advances (net) | 225.34 | 392.57 |
| Interest income | (119.47) | (430.16) |
| Unrealised gain on investments | (129.40) | (64.59) |
| Finance costs | 52.35 | 54.47 |
| Operating profit before working capital changes | 2,326.21 | 2,029.03 |
| Net change in | | |
| Trade receivables | 178.66 | 68.21 |
| Loans and other financial assets | 5.71 | 170.74 |
| Other assets | (142.29) | 124.17 |
| Trade payables | (178.15) | 87.17 |
| Unearned and deferred revenue | 21.50 | 14.12 |
| Employee benefit obligations | 108.41 | (5.17) |
| Other liabilities and provisions | (1,558.16) | 1,340.81 |
| Cash generated from operations | 761.89 | 3,829.08 |
| Taxes paid (net of refunds) | (595.87) | (470.70) |
| Net cash generated from operating activities | 166.02 | 3,358.38 |
| II CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Bank deposits placed | (0.72) | (3,096.43) |
| Inter-corporate deposits placed | - | - |
| Purchase of investments | (10,999.45) | (14,899.31) |
| Payment for purchase of property, plant and equipment | (18.06) | (20.19) |
| Proceeds from bank deposits | 3,000.00 | 70.00 |
| Proceeds from inter-corporate deposits | - | 8,656.76 |
| Proceeds from disposal / redemption of investments | 8,351.94 | 7,273.65 |
| Interest received | 160.47 | 256.32 |
| Net cash generated from / (used in) investing activities | 494.18 | (1,759.20) |
| III CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividend | - | (1,080.00) |
| Interest paid | (52.35) | (40.33) |
| Repayment of lease liabilities | (42.86) | (36.61) |
| Net cash (used in) financing activities | (95.21) | (1,156.94) |
| Net change in cash and cash equivalents | 564.99 | 442.24 |
| Cash and cash equivalents at the beginning of the year | 1,228.13 | 785.89 |
| Cash and cash equivalents at the end of the year (Refer Note 6(c)) | 1,793.12 | 1,228.13 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1-24

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 MPO nline Limited
CIN number : U72400MP2006PLC018777

Jaclyn Desouza
Partner
Membership no. 124629
Mumbai, April 29, 2022

Lakshminarayanan G S
Director
DIN : 07982712

Venguswamy Ramaswamy
Director
DIN : 07943675
Mumbai, April 29, 2022

MPONLINE LIMITED
Notes forming part of the financial statements

1 Corporate information

MPOne 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, 2022 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, 2022 were approved by the Board of Directors and authorised for issue on April 29, 2022.

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.

MPONLINE LIMITED
Notes forming part of the financial statements

5 Recent pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

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.

Impairment of 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.

(a) Investments - current

Investments carried at fair value through profit or loss

Mutual funds units (quoted)

| As at March 31, 2022 | As at March 31, 2021 |
|-------------------------|-------------------------|
| 12,061.23 | 9,284.32 |
| 12,061.23 | 9,284.32 |

Aggregate value of quoted investments is as follows:

Aggregate value of quoted investments
Aggregate market value of quoted investments

| (₹ in lakhs) | |
|-------------------------|-------------------------|
| As at March 31, 2022 | As at March 31, 2021 |
| 12,061.23 | 9,284.32 |
| 12,061.23 | 9,284.32 |

(b) Trade receivables - Billed

Trade receivables - Billed (unsecured) consist of the following:

Trade receivables - Billed - Non current

Trade receivables - Billed
Less : Allowance for doubtful trade receivables - Billed
Considered good

| (₹ in lakhs) | |
|-------------------------|-------------------------|
| As at March 31, 2022 | As at March 31, 2021 |
| 519.57 | 298.61 |
| (519.57) | (298.61) |
| - | - |

Ageing for trade receivables – non-current outstanding as at March 31, 2022 is as follows:

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|---|--|-------------------|-------------|-------------|-------|-------------------|-----------------|
| | Less than 6 months | | | | | More than 3 years | |
| | Not due | 6 months - 1 year | 1 - 2 years | 2 - 3 years | years | | |
| Trade receivables - Billed | | | | | | | |
| Undisputed trade receivables – considered good | - | - | - | 6.24 | - | 513.33 | 519.57 |
| Undisputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed trade receivables – credit impaired | - | - | - | - | - | - | - |
| Disputed trade receivables – considered good | - | - | - | - | - | - | - |
| Disputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed trade receivables – credit impaired | - | - | - | - | - | - | - |
| | - | - | - | 6.24 | - | 513.33 | 519.57 |
| Less: Allowance for doubtful trade receivables - Billed | | | | | | | (519.57) |
| | | | | | | | - |

Ageing for trade receivables – non-current outstanding as at March 31, 2021 is as follows:

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|---|--|-------------------|-------------|-------------|--------|-------------------|-----------------|
| | Less than 6 months | | | | | More than 3 years | |
| | Not due | 6 months - 1 year | 1 - 2 years | 2 - 3 years | years | | |
| Trade receivables - Billed | | | | | | | |
| Undisputed trade receivables – considered good | - | - | - | - | 298.61 | - | 298.61 |
| Undisputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed trade receivables – credit impaired | - | - | - | - | - | - | - |
| Disputed trade receivables – considered good | - | - | - | - | - | - | - |
| Disputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed trade receivables – credit impaired | - | - | - | - | - | - | - |
| | - | - | - | - | 298.61 | - | 298.61 |
| Less: Allowance for doubtful trade receivables - Billed | | | | | | | (298.61) |
| | | | | | | | - |

Trade receivables - Billed - Current

Trade receivables - Billed
Less : Allowance for doubtful trade receivables - Billed
Considered good

| (₹ in lakhs) | |
|-------------------------|-------------------------|
| As at March 31, 2022 | As at March 31, 2021 |
| 110.61 | 289.27 |
| - | - |
| - | - |
| 110.61 | 289.27 |

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, 2022 | March 31, 2021 |
| Balances with banks | | |
| In current accounts | 1,793.12 | 1,228.13 |
| | 1,793.12 | 1,228.13 |

d) Loans

Loans (unsecured) consist of the following:

Loans - Current

| | (₹ in lakhs) | |
|-----------------------------------|----------------|----------------|
| | As at | As at |
| | March 31, 2022 | March 31, 2021 |
| Unsecured, considered good | | |
| Loans and advances to employee | 1.19 | 8.80 |
| | 1.19 | 8.80 |

e) Other financial assets

Other financial assets consist of the following:

Other financial assets - Non-current

| | (₹ in lakhs) | |
|---------------------------------|----------------|----------------|
| | As at | As at |
| | March 31, 2022 | March 31, 2021 |
| Security deposits | 25.20 | 24.02 |
| Earmarked balances with banks * | 47.15 | 45.05 |
| | 72.35 | 69.07 |

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

Other financial assets - Current

| | As at | As at |
|-------------------------------|----------------|-----------------|
| | March 31, 2022 | March 31, 2021 |
| Bank deposits | - | 3,000.00 |
| Earmarked balances with banks | 23.62 | 25.00 |
| Interest receivable | 5.48 | 48.01 |
| | 29.10 | 3,073.01 |

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

f) Micro and small enterprises

The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) for dues to micro enterprises and small enterprises as at March 31, 2022 and March 31, 2021 is as under:

| | (₹ in lakhs) | |
|---|----------------|----------------|
| | As at | As at |
| | March 31, 2022 | March 31, 2021 |
| Dues remaining unpaid to any supplier Principal | - | - |
| Interest on the above | - | - |
| Amount of interest paid in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year | - | - |
| Amount of interest accrued and remaining unpaid | - | - |
| Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006 | - | - |
| | - | - |

MPONLINE LIMITED
Notes forming part of the financial statements

g) Trade payables

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

| Particulars | (₹ in lakhs) | | | | | |
|-------------------------|---|-------------|-------------|-------|---------------|----------------------|
| | Outstanding for following periods from due date of payment | | | | | |
| | Not due | Less than 1 | | | More than 3 | |
| year | | 1 - 2 years | 2 - 3 years | years | | |
| MSME | - | - | - | - | - | - |
| Others | 23.42 | - | - | - | 156.56 | 179.98 |
| Disputed dues - MSME | - | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - | - |
| | 23.42 | - | - | - | 156.56 | 179.98 |
| Accrued expenses | | | | | | <u>46.87</u> |
| | | | | | | <u>226.85</u> |

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

Ageing for trade payables outstanding as at March 31, 2021 is as follows:

| Particulars | (₹ in lakhs) | | | | | |
|-------------------------|---|-------------|--------------|-------|---------------|----------------------|
| | Outstanding for following periods from due date of payment | | | | | |
| | Not due | Less than 1 | | | More than 3 | |
| year | | 1 - 2 years | 2 - 3 years | years | | |
| MSME | - | - | - | - | - | - |
| Others | 104.82 | 5.45 | 61.06 | - | 156.56 | 327.89 |
| Disputed dues - MSME | - | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - | - |
| | 104.82 | 5.45 | 61.06 | - | 156.56 | 327.89 |
| Accrued expenses | | | | | | <u>77.11</u> |
| | | | | | | <u>405.00</u> |

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

MPONLINE LIMITED
Notes forming part of the financial statements

h) Other financial liabilities

Other financial liabilities consist of the following:

Other financial liabilities - Current

| | (₹ in lakhs) | |
|---|-----------------|-----------------|
| | As at | As at |
| | March 31, 2022 | March 31, 2021 |
| Amount collected on behalf of customers | 1,509.23 | 2,998.94 |
| Security deposits received | 58.29 | 6.29 |
| Accrued payroll | 0.40 | 0.88 |
| | 1,567.92 | 3,006.11 |

i) Financial instruments by category

The carrying value of financial instruments by categories as of March 31, 2022 is as follows:

| | (₹ in lakhs) | | |
|------------------------------|-----------------------------------|-----------------|----------------------|
| | Fair value through profit or loss | Amortised cost | Total carrying value |
| Financial assets | | | |
| Cash and cash equivalents | - | 1,793.12 | 1,793.12 |
| Investments | 12,061.23 | - | 12,061.23 |
| Trade receivables | - | 110.61 | 110.61 |
| Loans | - | 1.19 | 1.19 |
| Other financial assets | - | 101.45 | 101.45 |
| Total | 12,061.23 | 2,006.37 | 14,067.60 |
| Financial liabilities | | | |
| Trade payables | - | 226.85 | 226.85 |
| Lease liabilities | - | 579.33 | 579.33 |
| Other financial liabilities | - | 1,567.92 | 1,567.92 |
| Total | - | 2,374.10 | 2,374.10 |

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 |
| Financial assets | | | |
| Cash and cash equivalents | - | 1,228.13 | 1,228.13 |
| Investments | 9,284.32 | - | 9,284.32 |
| Trade receivables | - | 289.27 | 289.27 |
| Loans | - | 8.80 | 8.80 |
| Other financial assets | - | 3,142.08 | 3,142.08 |
| Total | 9,284.32 | 4,668.28 | 13,952.60 |
| Financial liabilities | | | |
| Trade payables | - | 405.00 | 405.00 |
| Lease liabilities | - | 609.30 | 609.30 |
| Other financial liabilities | - | 3,006.11 | 3,006.11 |
| Total | - | 4,020.41 | 4,020.41 |

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade payables as at March 31, 2022 and 2021 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.

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.

j) 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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Notes forming part of the financial statements

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 |
| As at March 31, 2022 | | | | |
| Financial assets | | | | |
| Mutual fund units | 12,061.23 | - | - | 12,061.23 |
| Total | 12,061.23 | - | - | 12,061.23 |
| As at March 31, 2021 | | | | |
| Financial assets | | | | |
| Mutual fund units | 9,284.32 | - | - | 9,284.32 |
| Total | 9,284.32 | - | - | 9,284.32 |

k) 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, investments, cash and cash equivalents, bank deposits and other financial assets. 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 ₹ 14,067.61 lakhs and ₹ 13,952.60 lakhs as of March 31, 2022 and 2021, 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, 2022 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.

| | (₹ in lakhs) | |
|------------|------------------------------|------------------------------|
| | Year ended March 31, 2022 | Year ended March 31, 2021 |
| Customer A | 17.45 | 22.69 |
| Customer B | 327.81 | 327.81 |
| Customer C | 191.76 | 191.76 |
| Customer D | 40.17 | - |
| | 577.19 | 542.26 |

Geographic concentration of credit risk

The Company has a geographic concentration of trade receivables, net of allowances 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) | | | | |
|-----------------------------|-----------------|-----------------|------------------------|--------------------|-----------------|
| March 31, 2022 | Due in 1st Year | Due in 2nd Year | Due in 3rd to 5th Year | Due after 5th Year | Total |
| Trade and other payables | 226.85 | - | - | - | 226.85 |
| Lease liabilities | 84.12 | 62.77 | 111.44 | 1,460.15 | 1,718.48 |
| Other financial liabilities | 1,567.92 | - | - | - | 1,567.92 |
| Total | 1,878.89 | 62.77 | 111.44 | 1,460.15 | 3,513.25 |
| March 31, 2021 | 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 |
| Total | 3,493.44 | 84.12 | 136.38 | 1,497.98 | 5,211.92 |

MPONLINE LIMITED
Notes forming part of the financial statements

m) Equity instruments

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

| | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Authorised 1,000,000 equity shares of ₹ 10 each (March 31, 2021 : 1,000,000 Equity shares of ₹ 10 each) | 100.00 | 100.00 |
| Issued, Subscribed and Fully paid up 1,000,000 equity shares of ₹ 10 each (March 31, 2021 : 1,000,000 Equity shares of ₹ 10 each) | 100.00 | 100.00 |
| Total | 100.00 | 100.00 |

a. Reconciliation of the number of shares

| | As at March 31, 2022 | | As at March 31, 2021 | |
|------------------------|----------------------|------------------------|----------------------|------------------------|
| | Number of shares | Amount (₹ in lakhs) | Number of shares | Amount (₹ in lakhs) |
| Equity shares | | | | |
| Opening balance | 10,00,000 | 100.00 | 10,00,000 | 100.00 |
| Issued during the year | - | - | - | - |
| Closing balance | 10,00,000 | 100.00 | 10,00,000 | 100.00 |

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, 2022 | As at March 31, 2021 |
| Equity shares Holding Company 8,90,000 equity shares (March 31, 2021: 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, 2022 | | As at March 31, 2021 | |
|--|--------------------------|-------------------------------|--------------------------|--------------------------------------|
| | Number of shares held | % holding in that class of | Number of shares held | % holding in that class of shares |
| Equity shares | | | | |
| 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. Disclosure of Shareholding of Promoters

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

| Promoter name | Shares held by promoters | | | | % Change during the year |
|--|--------------------------|-------------------|----------------------|-------------------|-----------------------------|
| | As at March 31, 2022 | | As at March 31, 2021 | | |
| | Number of shares | % of total shares | Number of shares | % of total shares | |
| Madhya Pradesh State Electronics Development Corporation Limited | 1,10,000 | 11% | 1,10,000 | 11% | 0% |
| Tata Consultancy Services Limited | 8,90,000 | 89% | 8,90,000 | 89% | 0% |

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.

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 |
|--|------------------------|--------------------|---------------|------------------|--------------------------|------------------------|-----------------|
| Cost as at April 1, 2021 | 204.00 | 581.15 | 9.04 | 109.43 | 16.28 | 52.69 | 972.59 |
| Additions | - | 18.06 | - | - | - | - | 18.06 |
| Disposals | - | - | - | - | - | - | - |
| Cost as at March 31, 2022 | 204.00 | 599.21 | 9.04 | 109.43 | 16.28 | 52.69 | 990.65 |
| Accumulated depreciation as at April 1, 2021 | (54.42) | (512.54) | (9.04) | (81.54) | (16.06) | (52.69) | (726.29) |
| Disposals | - | - | - | - | - | - | - |
| Depreciation for the year | (11.84) | (32.97) | - | (11.24) | (0.22) | - | (56.27) |
| Accumulated depreciation as at March 31, 2022 | (66.26) | (545.51) | (9.04) | (92.78) | (16.28) | (52.69) | (782.56) |
| Net carrying amount as at March 31, 2022 | 137.74 | 53.70 | - | 16.65 | - | - | 208.09 |

* ₹ 18.05 lakhs has been capitalised to Property, plant and equipment during the year ended March 31, 2022.

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

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

MPONLINE LIMITED
Notes forming part of the financial statements

b) Other assets

Other assets consist of the following:

Other assets - Non - current

| | (₹ in lakhs) | |
|-------------------------------------|----------------|----------------|
| | As at | As at |
| | March 31, 2022 | March 31, 2021 |
| Unsecured, considered good | | |
| Prepaid expenses | 12.91 | 7.07 |
| Balance with Government authorities | 275.80 | 275.80 |
| | 288.71 | 282.87 |

Other assets - Current

| | As at | As at |
|-----------------------------------|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Unsecured, considered good | | |
| Prepaid expenses | 57.64 | 61.87 |
| Other advance* | 513.51 | 372.83 |
| | 571.15 | 434.70 |

* Paid to MP Electricity Board & NSDL for wallet

c) Other liabilities

Other liabilities - Current

| | (₹ in lakhs) | |
|--|----------------|-----------------|
| | As at | As at |
| | March 31, 2022 | March 31, 2021 |
| Advance received from collection agents | 917.92 | 1,050.29 |
| Indirect tax payable and other statutory liabilities | 68.41 | 56.01 |
| | 986.33 | 1,106.30 |

MPONLINE LIMITED
Notes forming part of the financial statements

9) Other Equity

| | (₹ in lakhs) | |
|-------------------------------------|------------------|------------------|
| | As at | As at |
| | March 31, 2022 | March 31, 2021 |
| General reserve | | |
| Opening balance and closing balance | 519.00 | 519.00 |
| Transfer to retained earnings | (519.00) | - |
| | <u>-</u> | <u>519.00</u> |
| Retained earnings | | |
| Opening balance | 9,737.19 | 9,254.28 |
| Profit for the year | 1,830.95 | 1,553.67 |
| Other comprehensive income | (46.29) | 9.24 |
| General reserve | 519.00 | - |
| Total comprehensive income | <u>12,040.85</u> | <u>10,817.19</u> |
| Dividend | - | (1,080) |
| | <u>12,040.85</u> | <u>9,737.19</u> |
| | <u>12,040.85</u> | <u>10,256.19</u> |

MPONLINE LIMITED
Notes forming part of the financial statements

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) | |
|----------------------|-----------------|-----------------|
| | Year ended | Year ended |
| | March 31, 2022 | March 31, 2021 |
| Transaction revenue | 7,618.20 | 6,904.86 |
| Adhar authentication | 34.04 | - |
| Franchisee fees | 39.54 | 36.22 |
| Manpower supply | 12.25 | 40.98 |
| | 7,704.03 | 6,982.06 |

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) |
|---|---------------|
| Movement in contract liabilities is given below: | Amount |
| Opening balance as on April 1, 2021 | 16.53 |
| Less : Revenue recognised that was included in the contract liability balance at the beginning of the period. | 623.29 |
| Add : Increase due to invoicing during the year, excluding amounts recognised as revenue during the year. | 644.79 |
| Closing balance as on March 31, 2022 | 38.03 |

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
Notes forming part of the financial statements

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, 2022 | March 31, 2021 |
| Interest income | 117.87 | 430.16 |
| Net gain on investments carried at fair value through profit or loss | 129.40 | 64.59 |
| Net gain on sale of investments carried at fair value through profit or loss | 272.06 | 135.63 |
| Miscellaneous income | 1.60 | 3.32 |
| | 520.93 | 633.70 |
| Interest income comprises : | | |
| Interest on bank deposits | 117.87 | 49.42 |
| Interest income on corporate deposit | - | 380.74 |

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.

MPONLINE LIMITED
Notes forming part of the financial statements

Employee benefit expenses consist of the following:

| | (₹ in lakhs) | |
|---|-----------------|-----------------|
| | Year ended | Year ended |
| | March 31, 2022 | March 31, 2021 |
| Salaries, incentives and allowances | 1,085.60 | 932.74 |
| Contribution to provident and other funds | 61.71 | 41.05 |
| Staff welfare expenses | 53.74 | 37.92 |
| | 1,201.05 | 1,011.71 |

Employee benefit obligations consist of the following:

Employee benefit obligation - Non-Current

| | (₹ in lakhs) | |
|----------|----------------|----------------|
| | As at | Year ended |
| | March 31, 2022 | March 31, 2021 |
| Gratuity | 32.52 | 4.24 |
| | 32.52 | 4.24 |

Employee benefit obligation - Current

| | (₹ in lakhs) | |
|----------------------|----------------|----------------|
| | As at | As at |
| | March 31, 2022 | March 31, 2021 |
| Gratuity | 58.55 | 17.95 |
| Compensated absences | 56.13 | 32.17 |
| | 114.68 | 50.12 |

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, 2022 | March 31, 2021 |
| Change in benefit obligations | | |
| Benefit obligations, beginning of the year | 63.03 | 64.56 |
| Service cost | 7.95 | 9.07 |
| Interest cost | 4.41 | 4.36 |
| Actuarial losses on obligations for the year | 62.12 | (13.72) |
| Benefit paid | (1.47) | (1.24) |
| Benefit obligations, end of the year | 136.04 | 63.03 |
| Change in plan assets | | |
| Fair value of plan assets, beginning of the year | 40.85 | 38.62 |
| Interest income | 2.86 | 2.60 |
| Employers' contributions | 1.00 | 1.00 |
| Return on plan assets, excluding interest income | 0.27 | (1.37) |
| Fair value of plan assets, end of the year | 44.98 | 40.85 |

MPONLINE LIMITED
Notes forming part of the financial statements

(₹ in lakhs)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Net obligation: | | |
| (Deficit) of plan assets over obligations | (91.07) | (22.19) |
| | (91.07) | (22.19) |

(₹ in lakhs)

| | As at March 31, 2022 | As at March 31, 2021 |
|----------------------------|-------------------------|-------------------------|
| Category of assets: | | |
| Insurer managed funds | 44.98 | 40.85 |
| | 44.98 | 40.85 |

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

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Service cost | 7.95 | 9.07 |
| Net interest on net defined benefit liability / (asset) | 1.55 | 1.75 |
| Net periodic gratuity / pension cost | 9.50 | 10.82 |
| Actual return on plan assets | 2.86 | 2.60 |

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

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Actuarial (gains) arising from changes in demographic assumptions | 0.94 | (0.10) |
| Actuarial losses arising from changes in financial assumptions | (5.03) | (14.40) |
| Actuarial losses arising from changes in experience adjustments | 66.21 | 0.78 |
| Return on plan assets, excluding interest income | (0.26) | 1.37 |
| Remeasurement of the net defined benefit liability / (assets) | 61.86 | (12.35) |

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

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Discount rate | 7.25% | 7.00% |
| Salary escalation rate | 6% | 6% |
| Attrition rate | | |
| i) If Services < = 5 years | 22.11% | 20.67% |
| ii) If Services > 5 years | 2.01% | 1.58% |
| Mortality rate | Indian Assured Lives Mortality (2012-14) | 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 ₹ 32.52 lakhs to the defined benefit plan obligation for the year ending March 31, 2023.

Remeasurement (gain) / loss of defined employee benefit plan in other comprehensive income for the fiscals 2022 and 2021 are ₹ 61.86 lakhs and ₹ (12.35) 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, 2022 | March 31, 2021 |
| Increase of 0.50% | (9.34) | (4.77) |
| Decrease of 0.50% | 10.31 | 5.31 |

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, 2022 | March 31, 2021 |
| Increase of 0.50% | 10.39 | 5.33 |
| Decrease of 0.50% | (9.49) | 4.84 |

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, 2022 as follows:

| | (₹ in lakhs) |
|-----------------------|------------------------------------|
| Year ending March 31, | Defined benefit obligations |
| 2023 | 4.56 |
| 2024 | 4.31 |
| 2025 | 3.97 |
| 2026 | 4.12 |
| 2027 | 6.46 |
| 2028 to 2032 | 31.46 |

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 ₹ 50.97 lakhs (March 31, 2021: ₹ 27.84 lakhs) for provident fund during the year ended March 31, 2022.

MPONLINE LIMITED
Notes forming part of the financial statements

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 | Year ended |
| | March 31, 2022 | March 31, 2021 |
| Fees to external consultants | 732.90 | 166.28 |
| Facility expenses | 82.68 | 285.50 |
| Cost of equipment and software licences | 25.99 | 25.06 |
| Communication expenses | 185.27 | 289.96 |
| Commission | 2,997.97 | 3,001.10 |
| Bad debts and advances written off, allowance for doubtful trade receivables and advances (net) | 225.34 | 392.57 |
| Expenditure on Corporate Social Responsibility (refer to in note 13b) | 49.64 | 58.25 |
| Others (includes auditors remuneration referred to in note 17) | 102.32 | 118.49 |
| | 4,402.11 | 4,337.21 |

b) Corporate Social Responsibility (CSR) expenditure

| | (₹ in lakhs) | |
|--|---|----------------|
| | Year ended | Year ended |
| | March 31, 2022 | March 31, 2021 |
| | ₹ | ₹ |
| 1 Amount required to be spent by the company during the year | 49.12 | 58.24 |
| 2 Amount of expenditure incurred on: | | |
| (i). Construction/acquisition of any asset | - | - |
| (ii) On purposes other than (i) above | 49.64 | 58.24 |
| 3 Shortfall at the end of the year | - | - |
| 4 Total of previous years shortfall | - | - |
| 5 Reason for shortfall | - | - |
| 6 Nature of CSR activities | Education and welfare of children with disabilities | |
| 7 Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard | - | - |

14) Finance costs

Finance costs consist of the following:

| | (₹ in lakhs) | |
|-------------------------------|----------------|----------------|
| | Year ended | Year ended |
| | March 31, 2022 | March 31, 2021 |
| Interest on lease liabilities | 52.35 | 54.47 |
| | 52.35 | 54.47 |

MPONLINE LIMITED
Notes forming part of the financial statements

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, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Current tax | | |
| Current tax expenses for current year | 667.72 | 615.60 |
| Current tax benefit pertaining to prior years | | |
| | 667.72 | 615.60 |
| Deferred tax expenses/(benefit) | (33.00) | (74.70) |
| Deferred tax expense / (benefit) pertaining to prior years | | |
| | (33.00) | (74.70) |
| Total income tax expense recognised in current year | 634.72 | 540.90 |
| Income tax expense recognised in OCI | | |
| Deferred tax on remeasurement of defined employee benefit plan | 15.57 | (3.11) |

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, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Profit before income taxes | 2,465.67 | 2,094.57 |
| Indian statutory income tax rate | 25.17% | 25.17% |
| Expected income tax expense | 620.61 | 527.20 |
| Tax effect of adjustments to reconcile expected income tax expense | | |
| Disallowance of CSR expenses | 12.49 | 14.66 |
| Others (net) | 1.62 | (0.96) |
| Total income tax expense | 634.72 | 540.90 |

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, 2022** are as follows:

(₹ in lakhs)

| | Opening balance | Recognised in profit and loss | Recognised through OCI | Recognised through Retained earning | Closing balance |
|---|-----------------|-------------------------------|------------------------|-------------------------------------|-----------------|
| Deferred tax assets / (liabilities) in relation to | | | | | |
| Property, plant and equipment | 32.22 | (5.80) | | | 26.42 |
| Provision for employee benefits | 13.90 | 7.68 | 15.57 | | 37.15 |
| Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income | (29.79) | (32.57) | | | (62.36) |
| Operating lease liabilities | 26.01 | 4.41 | | | 30.42 |
| Others | 71.50 | 59.28 | | | 130.78 |
| Net deferred tax assets / (liabilities) | 113.84 | 33.00 | 15.57 | - | 162.41 |

Gross deferred tax assets and liabilities are as follows:

(₹ in lakhs)

| As at March 31, 2022 | Assets | Liabilities | Net |
|--|---------------|--------------|---------------|
| Deferred tax assets / (liabilities) in relation to | | | |
| Property, plant and equipment | 26.42 | | 26.42 |
| Provision for employee benefits | 37.15 | (37.15) | 74.30 |
| Unrealised gain on securities carried at fair value through profit or loss / other | | 62.36 | (62.36) |
| Operating lease liabilities | 30.42 | | 30.42 |
| Others | 130.78 | | 130.78 |
| Total deferred tax assets / (liabilities) | 224.77 | 25.21 | 199.56 |

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 |
|---|-----------------|-------------------------------|------------------------|-------------------------------------|-----------------|
| Deferred tax assets / (liabilities) in relation to | | | | | |
| 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 |
| Net deferred tax assets / (liabilities) | 42.25 | 68.48 | 3.11 | - | 113.84 |

Gross deferred tax assets and liabilities are as follows:

(₹ in lakhs)

| As at March 31, 2021 | Assets | Liabilities | Net |
|--|---------------|--------------|---------------|
| Deferred tax assets / (liabilities) in relation to | | | |
| 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 | | 29.79 | (29.79) |
| Operating lease liabilities | 26.01 | | 26.01 |
| Others | 75.17 | 3.67 | 71.50 |
| Total deferred tax assets / (liabilities) | 147.30 | 33.46 | 113.84 |

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 | Year ended |
| | March 31, 2022 | March 31, 2021 |
| Profit for the year (₹ in lakhs) | 1,830.95 | 1,553.67 |
| Weighted average number of equity shares | 10,00,000 | 10,00,000 |
| Earnings per share basic and diluted (₹) | 183.10 | 155.37 |
| Face value per equity share (₹) | 10 | 10 |

17) Auditors remuneration

| | (₹ in lakhs) | |
|---|----------------|----------------|
| | Year ended | Year ended |
| | March 31, 2022 | March 31, 2021 |
| Services as statutory auditors | 5.00 | 5.00 |
| Re-imbursment of out of pocket expenses | 0.28 | 0.23 |
| | 5.28 | 5.23 |

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, 2022 there are three customers that contribute more than 10% each of total revenue.

| | (₹ in lakhs) | |
|------------|----------------|----------------|
| | Year ended | Year ended |
| | March 31, 2022 | March 31, 2021 |
| Customer A | 111.35 | 984.42 |
| Customer B | 962.41 | 115.88 |
| Customer C | 1,194.59 | 1,150.52 |

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, 2022, the Company has demands amounting to ₹ 5,265.76 lakhs (March 31, 2021: ₹ 5,265.76 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 ₹ 9.50 lakhs as at March 31, 2022 and 2021, respectively.

Bank guarantees

The Company has provided guarantees to third parties aggregating ₹ 60.00 lakhs (March 31, 2021: ₹ 60.00 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 Private Limited

Holding Company

Tata Consultancy Services Limited

Significant shareholder

Madhya Pradesh State Electronics Development Corporation Limited

Key Management Personnel (KMP)

Rajeev Sisaudia - Chief Operating Officer up to December 31, 2021

Arun Panchal - Chief Operating Officer w.e.f. January 01, 2022

Sankar Ramamurthy - Company Secretary**

Transactions with related parties are as follows:

(₹ in lakhs)

| | Year ended March 31, 2022 | | |
|----------------------------------|---------------------------|-------------------------|--------|
| | Holding Company | Significant shareholder | Total |
| Revenue from operations | 12.25 | 34.04 | 46.29 |
| Purchases of goods and services* | 602.18 | 31.11 | 633.29 |
| Reimbursement of expenses | 4.51 | 12.43 | 16.94 |

(₹ in lakhs)

| | Year ended March 31, 2021 | | |
|----------------------------------|---------------------------|-------------------------|----------|
| | Holding Company | Significant shareholder | Total |
| Revenue from operations | 29.75 | - | 29.75 |
| Purchases of goods and services* | 199.49 | 28.61 | 228.10 |
| Reimbursement of expenses | 1.50 | 15.50 | 17.00 |
| Dividend paid | 961.20 | 118.80 | 1,080.00 |

* The key management personnel of the Company are on deputation and draw remuneration ₹ 56.25 lakhs and ₹ 59.04 lakhs from Tata Consultancy Services Limited as at March 31, 2022 and 2021, respectively. 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.

(₹ in lakhs)

| | As at March 31, 2022 | | |
|-------------------|----------------------|-------------------------|---------------|
| | Holding Company | Significant shareholder | Total |
| Trade receivables | 14.56 | 231.93 | 246.49 |
| Security deposit | - | 8.15 | 8.15 |
| Total | 14.56 | 240.08 | 254.64 |

(₹ in lakhs)

| | As at March 31, 2021 | | |
|-------------------|----------------------|-------------------------|---------------|
| | Holding Company | Significant shareholder | Total |
| Trade receivables | - | 191.76 | 191.76 |
| Security deposit | - | 8.15 | 8.15 |
| Total | - | 199.91 | 199.91 |

MPONLINE LIMITED
Notes forming part of the financial statements

Balances payable to related parties are as follows:

(₹ in lakhs)

| | As at March 31, 2022 | | |
|--|-------------------------|----------------------------|--------------|
| | Holding Company | Significant shareholder | Total |
| Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities | 23.41 | - | 23.41 |
| Total | 23.41 | - | 23.41 |

(₹ 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 |
| Total | 42.81 | - | 42.81 |

22) Additional Regulatory Information

a) Ratios

| Ratio | Numerator | Denominator | Current year | Previous year |
|---|---|--|--------------|---------------|
| Current ratio (in times)* | Total current assets | Total current liabilities | 4.55 | 3.01 |
| Debt-Equity ratio (in times) | Debt consists of borrowings and lease liabilities | Total equity | 0.05 | 0.06 |
| Debt service coverage ratio (in times) | Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments | Debt service = Interest and lease payments+Principal repayments | NA | NA |
| Return on equity ratio (in %) | Profit for the year less Preference dividend (if any) | Average total equity | 20% | 20% |
| Trade receivables turnover ratio (in times)** | Revenue from operations | Average trade receivables | 9.63 | 3.69 |
| Trade payables turnover ratio (in times) | Cost of equipment and software licences + Other expenses | Average trade payables | 13.93 | 12.00 |
| Net capital turnover ratio (in times) | Revenue from operations | Average working capital (i.e. Total current assets less Total current liabilities) | 0.68 | 0.73 |
| Net profit ratio (in %) | Profit for the year | Revenue from operations | 24% | 22% |
| Return on capital employed (in %) | Profit before tax and finance costs | Capital employed = Net worth + Lease liabilities + Deferred tax liabilities | 20% | 20% |
| Return on investment (in %) | Income generated from invested funds | Average invested funds in treasury investments | NA | NA |

*Current ratio (in times) has improved in the current financial year as the Company has repaid the advances taken from customers to the extent of ₹1,489 lakhs which is reducing the current liability.

**Trade receivables turnover ratio (in times) increased as there is an increase in revenue in the current financial year along with improved collections.

MPONLINE LIMITED
Notes forming part of the financial statements

23) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

24) Subsequent event:

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, 2022, income (net of dividend tax) available for distribution were ₹ 12,040.85 lakhs. On April 29, 2022 the Board of Directors of the Company have proposed a final dividend of ₹ 203 per equity share in respect of the year ended March 31, 2022.

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

Jaclyn Desouza
Partner
Membership no. 124629
Mumbai, April 29, 2022

Lakshminarayanan G S
Director
DIN : 07982712

Venguswamy Ramaswamy
Director
DIN : 07943675
Mumbai, April 29, 2022