

Deloitte Haskins & Sells LLP

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MPONLINE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **MPONLINE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Deloitte Haskins & Sells LLP

In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion


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 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 as at 31 March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164(2) the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm Registration No. 117366W/ W-100018)


Joe Pretto
(Partner)
(Membership No. 77491)

Mumbai, 9 April, 2015

MPONLINE LIMITED
Balance Sheet as at 31 March, 2015

Particulars	Note No	As at 31 March, 2015 (₹)	As at 31 March, 2014 (₹)
A EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share Capital	3	10,000,000	10,000,000
(b) Reserves and Surplus	4	438,789,364	324,672,195
		<u>448,789,364</u>	<u>334,672,195</u>
(2) Non - current liabilities			
(a) Deferred tax liabilities (net)	22.6	397,680	-
(b) Other long - term liabilities	5	1,789,259	1,664,795
(c) Long - term provisions	6	1,053,388	736,866
		<u>3,240,327</u>	<u>2,401,661</u>
(3) Current liabilities			
(a) Trade payables	7	36,384,885	19,193,139
(b) Other current liabilities	8	186,813,572	254,129,840
(c) Short - term provisions	9	50,948,398	38,874,505
		<u>274,146,855</u>	<u>312,197,484</u>
TOTAL		<u>726,176,546</u>	<u>649,271,340</u>
B ASSETS			
(1) Non - current assets			
(a) Fixed assets	10		
- Tangible assets		<u>39,837,073</u>	<u>12,927,976</u>
		39,837,073	12,927,976
(b) Deferred tax assets (net)	22.6	-	2,741,516
(c) Long term loans and advances	11	22,417,752	7,395,939
(d) Other non - current assets	12	-	2,554,933
		<u>62,254,825</u>	<u>25,620,364</u>
(2) Current assets			
(a) Current investments	13	200,000,000	-
(b) Trade receivables	14	22,691,673	5,934,358
(c) Cash and bank balances	15	413,307,090	593,362,784
(d) Short - term loans and advances	16	8,895,621	4,608,150
(e) Other current assets	17	19,027,337	19,745,684
		<u>663,921,721</u>	<u>623,650,976</u>
TOTAL		<u>726,176,546</u>	<u>649,271,340</u>


See accompanying notes forming part of the financial statements 1-22.7

In terms of our report attached


For and on behalf of the Board of Directors

FOR DELOITTE HASKINS & SELLS LLP
Chartered Accountants


JOE PRETTO
Partner


BARINDRA SANYAL
Director


SELVENDRAN MANICKAM
Director


SATNAM SINGH SETHI
Chief Operating Officer


R SANKAR
Company Secretary
Mumbai, 9 April, 2015

Mumbai, 9 April, 2015

MPONLINE LIMITED
Statement of Profit and Loss for the year ended 31 March, 2015

Particulars	Note No.	For the year ended 31 March, 2015	For the year ended 31 March, 2014
		(₹)	(₹)
1 Revenue from operations	18	550,161,665	492,722,381
2 Other income	19	51,225,510	47,611,060
3 Total Revenue		601,387,175	540,333,441
4 Expenses:			
(a) Employee benefits expenses	20	42,308,378	28,916,512
(b) Operation and other expenses	21	300,376,522	269,157,769
(c) Depreciation and amortisation expenses	10	7,795,698	5,156,423
Total expenses		350,480,598	303,230,704
5 Profit before tax		250,906,577	237,102,737
6 Tax expenses:			
(a) Current tax expense		83,100,000	81,289,000
(b) Deferred tax		3,139,196	(1,587,565)
		86,239,196	79,701,435
7 Profit for the year		164,667,381	157,401,302
8 Earnings per share (of ₹ 10 each):			
- Basic and Diluted	22.5	164.67	157.40
See accompanying notes forming part of the financial statements	1-22.7		

In terms of our report attached


For and on behalf of the Board of Directors

FOR DELOITTE HASKINS & SELLS LLP
Chartered Accountants


JOE PRETTO
Partner


BARINDRA SANYAL
Director


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Director


SATNAM SINGH SETHI
Chief Operating Officer


R SANKAR
Company Secretary
Mumbai, 9 April, 2015

Mumbai, 9 April, 2015

MPONLINE LIMITED

Statement of Cash Flow for the year ended 31 March, 2015

Particulars	For the year ended 31	For the year ended 31
	March, 2015	March, 2014
	(₹)	(₹)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	250,906,577	237,102,737
Adjustments for:		
Depreciation	7,795,698	5,156,423
Interest income on bank deposits	(50,440,500)	(45,555,821)
Operating profit before working capital changes	208,261,775	196,703,339
Trade receivables	(16,757,315)	893,835
Loans and advances and other current assets	(14,019,835)	(1,638,272)
Trade payables, other liabilities and provisions	(52,874,639)	(219,525,361)
Cash generated from operations	124,609,986	(23,566,459)
Taxes paid	(90,055,918)	(83,436,802)
Net cash provided by/ (used in) operating activities	34,554,068	(107,003,261)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(31,381,661)	(2,261,866)
Fixed Deposits placed	(200,000,000)	-
Interest received	51,239,257	40,688,475
Fixed deposits placed with banks having original maturity over three months	(1,443,500,000)	(1,509,095,541)
Fixed deposits with banks matured having original maturity over three months	1,416,500,000	1,696,672,819
Net Cash (used in)/ provided by investing activities	(207,142,404)	226,003,887
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(33,000,000)	-
Dividend tax paid	(5,608,350)	(2,758,000)
Net Cash (used in) financing activities	(38,608,350)	(2,758,000)
Net increase in cash and cash equivalents	(211,196,686)	116,242,626
Cash and cash equivalents at beginning of the year	246,623,731	130,381,105
Cash and cash equivalents at end of the year	35,427,045	246,623,731
Short term bank deposits	374,474,523	345,000,000
Earmarked balances with banks	3,405,522	1,739,053
Cash and Bank balance at the end of the year as per Note 15	413,307,090	593,362,784

See accompanying notes forming part of the financial statements

1-22.7

In terms of our report attached


For and on behalf of the Board of Directors

FOR DELOITTE HASKINS & SELLS LLP
Chartered Accountants


JOE PRETTO
Partner


BARINDRA SANYAL
Director


SELVENDRAN MANICKAM
Director


SATNAM SINGH SETHI
Chief Operating Officer


R SANKAR
Company Secretary

Mumbai, 9 April, 2015

Mumbai, 9 April, 2015

MPONLINE LIMITED

Notes forming part of the financial statements

1) CORPORATE INFORMATION

MPOnline Limited (the "Company") primarily operates an e-commerce portal allowing payments and money transfer to be made through the Internet, enabling citizens and businesses to make payment of dues to various departments of state governments, educational institutions, public utilities, insurance companies etc. The Company is an unlisted public company that is a majority owned subsidiary of Tata Consultancy Services Limited (the "Parent"). The Government of Madhya Pradesh ("GoMP") is also an investor in the Company.

2) SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act").

Assets and liabilities have been classified as Current or Non-Current on the basis of the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013.

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous year.

2.2 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management of the Company to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the period in which the results are known/ materialise. Example of such estimates include provision for doubtful debts, employee benefit plans, provision for income taxes and useful lives of depreciable fixed assets .

2.3 Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into cash and having original maturities of three months or less from the date of purchase, to be cash equivalents.

2.4 Cash Flow Statement

Cash Flows are reported using the indirect method, whereby Profit / (Loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on the available information.



2.5 Revenue Recognition

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

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

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

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

2.6 Other Income

Interest income is accounted on a time proportion basis taking into account the amount outstanding on the financial instrument and the rate applicable.

2.7 Tangible Fixed Assets

Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price and expenses directly attributable to bringing the asset to its working condition for the intended use. Subsequent expenditure related to an item of fixed asset are added to its book value only if they increase the future benefits/ functional capability from / of the existing asset beyond its previously assessed standard of performance.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements.

Gains or losses arising from disposal or retirement of tangible fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised net, as income or expense, as the case maybe, in the Statement of Profit and Loss in the year of disposal or retirement.

In respect of fixed assets acquired during the period, depreciation/ amortisation is charged on a straight line basis so as to write off the cost of the assets over the useful lives and for the assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is depreciated over the remaining useful life based on an evaluation.

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

Fixed assets exclude computers and other assets individually costing ₹10,000 or less which are not capitalised except when they are part of a larger capital investment programme.



Capital work-in-progress

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

2.8 Intangible Assets

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

Cost of an intangible asset includes purchase price, non-refundable taxes and duties and any other directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset is charged to the Statement of Profit and Loss as an expense unless it is probable that such expenditure will enable the intangible asset increase the future benefits / functioning capabilities from / of the existing asset beyond its previously assessed standard of performance and such expenditure can be measured and attributed to the intangible asset reliably, in which case, such expenditure is capitalised.

Intangible assets are amortised on a straight-line basis over their estimated useful lives. A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the management. The amortisation period and the amortisation method are reviewed at least at each financial year-end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized net, as income or expense as the case may be, in the Statement of Profit and Loss in the year of disposal.

The estimated useful lives of intangible assets used for amortisation are:

Name of the Asset	Method of Depreciation	Rate of Depreciation
Software	Straight line	24 Months

2.9 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is an indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.10 Investments

Long-term investments and current maturities of long-term investments are stated at cost, less provision for other than temporary diminution in value.



2.11 Employee Benefits

i) Post-employment benefit plans

Contribution to defined contribution retirement benefit schemes are recognised as expense when employees have rendered services entitling them to contributions.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

i) Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employee renders the services. These benefits include compensated absences such as paid annual leave and performance incentives which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

iii) Long-term employee benefits

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 (using the Projected Unit Credit Method) at the present value of the defined benefit obligation at the balance sheet date.

2.12 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

2.13 Taxes on income

Tax expense comprises of current and deferred income taxes. Current tax is measured based on applicable tax rates and is computed in accordance with the Income Tax Act, 1961.

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only to the extent that there is virtual certainty that sufficient taxable income will be available to realise these assets. All other deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

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

The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.



2.14 Provisions, Contingent Liabilities and Contingent Assets

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



MPONLINE LIMITED**Notes forming part of the financial statements****Note 3 Share Capital**

Particulars	As at 31 March, 2015	As at 31 March, 2014
	(₹)	(₹)
(a) Authorised 1,000,000 Equity shares of ₹ 10 each (March 31, 2014 : 1,000,000 Equity shares of ₹ 10 each)	10,000,000	10,000,000
(b) Issued, Subscribed and Fully paid up 1,000,000 Equity shares of ₹ 10 each (March 31, 2014 : 1,000,000 Equity shares of ₹ 10 each)	10,000,000	10,000,000
Total	10,000,000	10,000,000

Refer Notes (i) to (iv)

(i) Reconciliation of the number of shares and amount outstanding at the beginning and end of the year :				
Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares	(₹)	Number of shares	(₹)
Shares and amount outstanding at the beginning and end of the year	1,000,000	10,000,000	1,000,000	10,000,000
Total	1,000,000	10,000,000	1,000,000	10,000,000

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

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

(iii) Details of shares held by the holding company		
Particulars	Number of Equity shares	
	As at 31 March, 2015	As at 31 March, 2014
Tata Consultancy Services Limited	8,90,000	8,90,000

(iv) Details of shares held by the shareholders holding more than 5% shares:				
Class of shares / Name of shareholder	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares				
Madhya Pradesh State Electronics Development Corporation Limited	110,000	11%	110,000	11%
Tata Consultancy Services Limited	890,000	89%	890,000	89%



MPONLINE LIMITED**Notes forming part of the financial statements****Note 4 Reserves and surplus**

Particulars	As at 31 March, 2015	As at 31 March, 2014
	(₹)	(₹)
(a) General reserve		
Opening balance	35,400,000	19,600,000
Add: Transferred from surplus in Statement of Profit and Loss	16,500,000	15,800,000
Closing balance	51,900,000	35,400,000
(b) Surplus in Statement of Profit and Loss		
Opening balance	289,272,195	186,279,243
Add: Profit for the year	164,667,381	157,401,302
	453,939,576	343,680,545
Less: Proposed final dividend on equity shares	42,000,000	33,000,000
Tax on dividend	8,550,212	5,603,350
Transferred to:		
- General reserve	16,500,000	15,800,000
Closing balance	386,889,364	289,272,195
Total	438,789,364	324,672,195

The Board of Directors at its meeting held on April 9, 2015 has recommended a final dividend of ₹ 42 per equity share.

Note 5 Other long - term liabilities

Particulars	As at 31 March, 2015	As at 31 March, 2014
	(₹)	(₹)
Operating Lease Liabilities	1,789,259	1,664,795
Total	1,789,259	1,664,795

Note 6 Long-term provisions

Particulars	As at 31 March, 2015	As at 31 March, 2014
	(₹)	(₹)
Provision for employee benefits:		
- Provision for Compensated Absences	1,053,388	736,866
Total	1,053,388	736,866

Note 7 Trade payables**Note :**

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



MPONLINE LIMITED**Notes forming part of the financial statements****Note 8 Other current liabilities**

Particulars	As at 31 March, 2015	As at 31 March, 2014
	(₹)	(₹)
(a) Amount collected on behalf of customers	135,568,093	2,2,335,750
(b) Advance received from collection agents	41,171,383	35,744,703
(c) Liabilities against purchase of fixed assets	3,493,048	169,914
(d) Security deposits received	455,000	390,000
(e) Unearned revenue	396,900	800,400
(f) Other payables		
(i) Statutory dues including taxes deducted at source	5,024,433	4,085,632
(ii) Amounts refundable against aborted transactions	120,785	160,664
(iii) Operating lease obligations	583,930	442,777
Total	186,813,572	25,4,129,840

Note 9 Short-term provisions

Particulars	As at 31 March, 2015	As at 31 March, 2014
	(₹)	(₹)
(a) Provision for employee benefits: - Provision for compensated absences	398,186	266,155
(b) Provision - Others:		
(i) Proposed final dividend on equity shares	42,000,000	33,000,000
(ii) Tax on dividend	8,550,212	5,608,350
Total	50,948,398	38,874,505



MPONLINE LIMITED

Notes forming part of the financial statements

Note 10 Fixed Assets

Name of the Assets	Gross Block				Accumulated Depreciation			Net block	
	As at 1 April 2014 (₹)	Additions during the Year (₹)	Disposals during the Year (₹)	As at 31 March 2015 (₹)	As at 1 April 2014 (₹)	Depreciation for the year (₹)	Deduction / Adjustment during the Year (₹)	As at 31 March 2015 (₹)	As at 31 March 2014 (₹)
Tangible Assets									
Computer Equipment	20,514,874	22,113,867	-	42,628,741	(16,612,101)	(5,427,136)	-	(22,039,237)	20,589,504
	19,425,876	1,088,998	-	20,514,874	(13,413,216)	(3,198,885)	-	(16,612,101)	3,902,773
Office Equipment	3,808,972	3,361,128	-	7,170,100	(1,607,090)	(1,128,248)	-	(2,735,338)	4,434,762
	3,789,278	19,694	-	3,808,972	(1,243,908)	(363,182)	-	(1,607,090)	2,201,882
Electrical Installations	5,874,884	-	-	5,874,884	(2,822,854)	580,899	-	(2,241,955)	3,632,929
	5,874,884	-	-	5,874,884	(2,329,728)	(493,126)	-	(2,822,854)	3,052,030
Furniture and Fixtures	6,913,128	3,160,047	-	10,073,175	(6,913,128)	(967,412)	-	(7,880,540)	2,192,635
	6,764,164	148,964	-	6,913,128	(6,754,919)	(158,209)	-	(6,913,128)	-
Leasehold Improvements	5,664,831	6,069,753	-	11,734,584	(2,581,608)	(722,522)	-	(3,304,130)	8,430,454
	5,664,831	-	-	5,664,831	(1,854,729)	(726,879)	-	(2,581,608)	3,083,223
Vehicle	904,210	-	-	904,210	(216,142)	(131,279)	-	(347,421)	556,789
	-	904,210	-	904,210	-	(216,142)	-	(216,142)	688,068
Total (A)	43,680,899	34,704,795	-	78,385,694	(30,752,923)	(7,795,698)	-	(38,548,621)	39,837,073
	41,519,033	2,161,866	-	43,680,899	(25,596,500)	(5,156,423)	-	(30,752,923)	12,927,976
Intangible Assets									
Software Licences	-	-	-	-	-	-	-	-	-
	145,000	-	145,000	-	(145,000)	-	145,000	-	-
Total (B)	-	-	145,000	-	(145,000)	-	145,000	-	-
	145,000	-	145,000	-	(145,000)	-	145,000	-	-
Total (A+B)	43,680,899	34,704,795	-	78,385,694	(30,752,923)	(7,795,698)	-	(38,548,621)	39,837,073
<i>Previous year</i>	<i>41,664,033</i>	<i>2,161,866</i>	<i>145,000</i>	<i>43,680,899</i>	<i>(25,741,500)</i>	<i>(5,156,423)</i>	<i>(145,000)</i>	<i>(30,752,923)</i>	<i>12,927,976</i>

Figures in Italics relates to previous year



MPONLINE LIMITED
Notes forming part of the financial statements
Note 11 Long-term loans and advances

Particulars	As at 31 March, 2015	As at 31 March, 2014
	(₹)	(₹)
Unsecured, considered good		
(a) Security deposits	4,321,166	1,132,446
(b) Other loans and advances		
(i) Advance income tax (net of provisions ₹ 260,758,234) (31 March, 2014 ₹ 177,658,234)	10,337,938	3,382,020
(ii) Prepaid Expenses	7,758,648	2,881,473
Total	22,417,752	7,395,939

Note 12 Other non-current assets

Particulars	As at 31 March, 2015	As at 31 March, 2014
	(₹)	(₹)
(a) Interest accrued on bank deposits	-	80,410
(b) Long-term bank deposits	-	2,474,523
Total	-	2,554,933

Note 13 Current Investments

Particulars	As at 31 March, 2015	As at 31 March, 2014
	(₹)	(₹)
Current Portion of long term investment (At cost)		
- Other Investments (Fixed Deposits with HDFC Limited)	200,000,000	-
Total	200,000,000	-

Note 14 Trade receivables

Particulars	As at 31 March, 2015	As at 31 March, 2014
	(₹)	(₹)
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	1,848,475	-
	1,848,475	-
Other Trade receivables		
Unsecured, considered good	20,843,198	5,934,358
Total	22,691,673	5,934,358

Note 15 Cash and bank balances

Particulars	As at 31 March, 2015	As at 31 March, 2014
	(₹)	(₹)
(a) Cash and bank balances		
(i) Cash on hand	-	-
(ii) Balances with banks		
In current accounts	35,427,045	46,523,731
In deposit accounts with original maturity less than 3 months	-	200,100,000
	35,427,045	246,623,731
(b) Other bank balances		
(i) Earmarked balances with banks (Balances held as margin money against guarantees)	3,405,522	1,739,053
(ii) Short-term bank deposits	374,474,523	345,000,000
Total	413,307,090	593,362,784



MPONLINE LIMITED**Notes forming part of the financial statements****Note 16 Short-term loans and advances**

Particulars	As at 31 March, 2015	As at 31 March, 2014
	(₹)	(₹)
Unsecured, considered good		
(a) Prepaid expenses	6,134,315	3,096,872
(b) Security deposits	10,000	-
(c) Balances with government authorities		
- Service Tax credit receivable	63,315	299,351
(d) Others loans and advances		
(i) Advance to Suppliers	1,225,987	717,630
(ii) Gratuity Fund (Refer Note No.22.1 (b))	1,462,004	494,297
Total	8,895,621	4,608,150

Note 17 Other current assets

Particulars	As at 31 March, 2015	As at 31 March, 2014
	(₹)	(₹)
Interest accrued on bank deposits and other deposits	19,027,337	19,745,684
Total	19,027,337	19,745,684

Note 18 Revenue from operations

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	(₹)	(₹)
Portal services		
(a) Portal Income	487,493,179	471,829,673
(b) Kiosk Registration Income for use of portal	4,053,786	8,676,539
(c) Other Operating Income		
- Liabilities no longer required written back	58,614,700	12,216,169
Total	550,161,665	492,722,381

Note 19 Other income

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	(₹)	(₹)
(a) Interest income on bank deposits and other deposits	50,440,500	45,555,821
(b) Miscellaneous income	785,010	2,055,239
Total	51,225,510	47,611,060



MPONLINE LIMITED**Notes forming part of the financial statements****Note 20 Employee benefits expenses**

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	(₹)	(₹)
(a) Salaries and incentives	38,580,099	26,593,528
(b) Contribution to provident and other funds	1,758,070	1,221,220
(c) Gratuity	372,115	237,733
(d) Staff welfare expenses	1,598,094	864,031
Total	42,308,378	28,916,512

Note 21 Operation and other expenses

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	(₹)	(₹)
(a) Services rendered by business associates and others	17,454,041	17,948,536
(b) Commission	175,507,526	158,920,697
(c) Sub contracted cost	74,634,947	74,353,257
(d) Software, hardware and material costs	4,518,461	2,593,058
(e) Communication expenses	5,701,406	4,406,550
(f) Travelling and conveyance expenses	2,122,014	1,327,836
(g) Rent	5,305,412	2,848,107
(h) Legal and professional fees	1,769,369	752,530
(i) Payments to auditors (Refer footnote (i) below)	642,043	664,309
(j) Repairs and maintenance	2,423,561	1,492,241
(k) Electricity expenses	2,231,858	1,768,563
(l) Printing and stationery	181,970	39,141
(m) Insurance	74,594	65,903
(n) Rates and taxes	26,920	19,367
(o) Advertisement and Publicity	1,457,784	179,058
(p) Expenditure on Corporate Social Responsibility	3,517,646	-
(q) Other expenses	2,806,970	1,778,616
Total	300,376,522	269,157,769

Footnote : (i) Payments to auditors:

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	(₹)	(₹)
As auditors – statutory audit	600,000	600,000
Reimbursement of expenses	10,571	7,420
Service tax on above	31,472	56,889
Total	642,043	664,309



MPONLINE LIMITED

Notes forming part of the financial statements

	Employee benefit plans
22.1(a)	<p>Defined contribution plans</p> <p>The Company makes contribution towards provident fund and family pension fund (both define contribution plan) for qualifying employees. Under the plans, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 1,758,070 (Year ended 31 March, 2014 ₹ 1,221,220) for contribution towards provident fund and family pension fund in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.</p>

22.1(b)	<p>Defined benefit plans</p> <p>The Company offers its employees defined benefit plans in the form of a gratuity scheme.</p> <p>The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:</p>		
	Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
		(₹)	(₹)
	Components of expense		
	Current service cost	240,944	203,935
	Interest cost	76,131	49,988
	Expected return on plan assets	(120,618)	(43,000)
	Actuarial losses/(gains)	175,658	26,810
	Total expense recognised in the Statement of Profit and Loss	372,115	237,733
	Actual contribution and benefit payments for year		
	Actual benefit payments	-	-
	Actual contributions	1,296,207	822,168
	The Company does not expect to contribute to gratuity in the next year (March 31, 2014 : ₹ Nil).		
	Net asset /(liability) recognised in the Balance Sheet		
	Present value of defined benefit obligation	(1,302,802)	(845,900)
	Fair value of plan assets	2,764,806	1,340,197
	Net asset / (liability) recognised in the Balance Sheet	1,462,004	494,297

	Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
		(₹)	(₹)
	Change in defined benefit obligations ("DBO") during the year		
	Present value of DBO at beginning of the year	845,900	624,851
	Current service cost	240,944	203,935
	Interest cost	76,131	49,988
	Benefit Paid during the Year	(43,615)	(34,713)
	Actuarial (gains) / losses	183,442	1,839
	Present value of DBO at the end of the years	1,302,802	845,900
	Change in fair value of assets during the year		
	Plan assets at beginning of the year	1,340,197	500,000
	Expected return on plan assets	120,618	43,000
	Actual company contributions	1,296,207	822,168
	Actuarial gain / (loss)	7,784	(24,971)
	Benefits paid	-	-
	Plan assets at the end of the year	2,764,806	1,340,197

	Category of Assets		
	Insurer Managed Funds	2,764,806	1,340,197



Actuarial assumptions		
Discount rate	8%	9%
Salary escalation	6%	6%
Rate of Return on Plan Assets	8%	9%
Attrition		
(i) If service Less than 5 years	14.10%	13.80%
(ii) After 5 years	7.90%	7.70%
Mortality tables	India Assured Lives Mortality (2006-08) Ultimate	India Assured Lives Mortality (2006-08) Ultimate

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Experience adjustments	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
Gratuity	(₹)	(₹)	(₹)	(₹)	(₹)
Present value of Defined Benefit Obligation (A)	1,302,802	845,900	624,855	334,655	188,931
Fair value of plan assets (B)	2,764,806	1,340,197	500,000	-	-
Funded status (B-A)	1,462,004	494,297	(124,855)	(334,655)	(188,931)
Experience (gain) / loss adjustments on plan liabilities	67,668	24,126	104,619	(91,131)	(75,418)
Experience gain / (loss) adjustments on plan assets	7,784	(24,971)	-	-	-

22.2 Segment Reporting

The Company has been operating largely in one business segment viz. development, maintenance and management of the MP Online portal for providing web based services and the other activities of the Company are incidental to the portal. These activities conducted only in the geographic segment viz India. Therefore, the disclosure requirements of the Accounting Standard (AS) 17 on "Segment Reporting" are not applicable.

22.3 Related party disclosures

(a) Related parties and their relationship

Ultimate Holding Company

Tata Sons Limited

Holding Company

Tata Consultancy Services Limited

Investing Party

Madhya Pradesh State Electronics Development Corporation Limited

Key Management Personnel (KMP)

Mr. Satnam Singh Sethi (with effect from 1 April, 2014)

Mr. Pramod Bhargava (Till 31 December, 2013)

Note: Related parties have been identified by the Management.

(b) Transactions with related parties for the year ended 31 March, 2015

	Holding Company	Investing Party	Total
Services rendered by Business Associates (Refer note below)	18,629,646	-	18,629,646
	18,270,829	-	18,270,829
Sub contracted cost	73,476,020	-	73,476,020
	76,652,554	-	76,652,554
Dividend Paid	29,370,000	3,630,000	33,000,000
	-	-	-

Note : This includes remuneration of ₹ 6,300,000 (Year ended 31 March, 2014 ₹ 4,121,889) paid to Key Management Personnel.



(c) Balances with related parties as at March 31, 2015			
	Holding Company	Investing Party	Total
Trade Payables	32,845,174	-	32,845,174
	14,925,348	-	14,925,348
<i>Figures in Italics relates to previous year</i>			

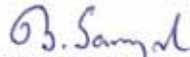
22.4	Details of leasing arrangements	For the year ended 31	For the year ended 31
		March, 2015	March, 2014
		(₹)	(₹)
	The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are non-cancellable and are for a period of 9 years 11 months to 10 years and may be renewed for a further period based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments by 5% to 9% every year.		
	Future minimum lease payments		
	(i) not later than one year	7,714,332	2,539,621
	(ii) later than one year and not later than five years	27,817,770	9,784,601
	(iii) later than five years	18,099,375	2,016,726
	Total	53,631,477	14,340,948
	Lease payments recognised in the Statement of Profit and Loss	5,155,372	2,711,707


22.5	Earnings per share	For the year ended 31	For the year ended 31
		March, 2015	March, 2014
		(₹)	(₹)
	Basic and diluted		
	Net profit for the year	164,667,381	157,401,302
	Weighted average number of equity shares	10,00,000	10,00,000
	Par value per share	10	10
	Earnings per share	164.67	157.40

22.6 Major components of deferred tax balances consist of the following			
	Particulars	For the year ended 31	For the year ended 31
		March, 2015	March, 2014
		(₹)	(₹)
	Deferred tax Liability		
	On difference between book balance and tax balance of fixed assets	(1,706,336)	-
		(1,706,336)	-
	Deferred tax assets		
	Tax effect of items constituting deferred tax assets		
	Provision for compensated absences and gratuity	487,295	634,120
	Provision for lease rentals	821,361	716,364
	On difference between book balance and tax balance of fixed assets	-	1,391,032
		1,308,656	2,741,516
	Deferred tax (liability)/assets (net)	(397,680)	2,741,516

22.7 Previous year's figures	
	Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification disclosure.

For and on behalf of the Board


BARINDRA SANYAL
 Director


SATNAM SINGH SETHI
 Chief Operating Officer
 Mumbai, 9 April, 2015


SELVENDRAN MANICKAM
 Director


R SANKAR
 Company Secretary

