

**AUDITED REPORT**

**OF**

**MILLENNIUM ONLINE (INDIA) LTD.**

**205,1st Floor Wing - A , Shree Padma Arked  
Nr. Handloom House  
Nanpura, Surat-395001**

**FOR**

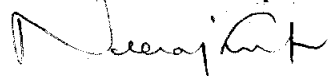
**THE PERIOD FROM:-**

**01-04-2012 TO 30-06-2013**

**AUDITED BY :**

**M/s. PKMG & COMPANY  
*Chartered Accountants*  
4021, WORLD TRADE CENTRE  
RING ROAD  
SURAT 395 002**

For Millennium Online (India) Ltd.



Director/Auth. Sign.

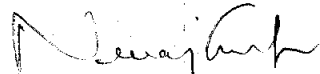
# MILLENNIUM ONLINE (INDIA) LTD.

**BOARD OF DIRECTORS :** Niraj Gupta  
Jayshree Gupta

**AUDITORS :** M/s. PKMG & COMPANY  
4021, WORLD TRADE CENTRE  
RING ROAD  
SURAT 395 002

**REGISTERED OFFICE :** 205,1st Floor Wing - A , Shree Padma Arked  
Nr. Handloom House  
Nanpura, Surat-395001

For Millennium Online (India) Ltd.



Director/Auth. Sign.

# PKMG & COMPANY

CHARTERED ACCOUNTANTS

## AUDITOR'S REPORT

The Members,  
MILLENNIUM ONLINE (INDIA) LIMITED  
Surat.

### Report on the financial Statement:

- 1 We have audited the accompanying financial statements of **MILLENNIUM ONLINE (INDIA) LIMITED 205,1<sup>st</sup> Floor Wing-A , Shree Padma Arked , Nr. Handloom House, Nanpura, Surat-395001. PAN : AADCM1338B** ("the Company"), which comprise the Balance Sheet for the period ended 15 Months as at June 30, 2013, the Statement of Profit and Loss for the 15 Months then ended, and a summary of significant accounting policies and other explanatory information.
- 2 Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.
- 3 Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
- 4 An audit involves performing procedures to obtain audit evidence about the amounts and 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
- 5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



For Millennium Online (India) Ltd.

*Nilesh K. Patel*  
Director/Auth. Sign.

# PKMG & COMPANY

CHARTERED ACCOUNTANTS

In our opinion and to the best of our information and according to the explanations given to us, the 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:

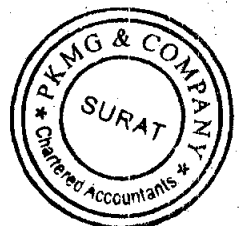
- a) in the case of the Balance Sheet, of the state of affairs of the Company for the period ended 15 Months as at June 30, 2013; and
  - b) in the case of the Profit and Loss Account, of the profit/ loss for the 15 Months ended on that date;
- 6 As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 7 As required by section 227(3) of the Act, we report that:
- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) the Balance Sheet, Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors as on June 30, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**M/s. PKMG & COMPANY**  
**Chartered Accountants**  
**Firm Reg Nos : 129894 W**

*Mahavir*

**Place : Surat**  
**Date : 24-Oct-2013**

**Mahavir Gokhare**  
**Partner**  
**Mem. No. : 112600**



For M/s. Online (India) Ltd.

*Niraj*

Director/Auth. Sign.

**MILLENNIUM ONLINE (INDIA) LTD.**

Referred to in paragraph 3 of our report of even date,

**i. Fixed Assets :-**

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies with respect to book records were noticed on such verification.
- (c) The company has not disposed of the substantial part of fixed assets during the year which affect the going concern assumption.

**ii. Inventory :-**

- (a) As informed to us, the stocks of finished goods, packing material and other material have been physically verified by the management at reasonable intervals.
- (b) In our opinion, the procedures of physical verification of stocks followed by the management are adequate and reasonable in relation to the size of the company and nature of its business.
- (c) The company has maintained proper records of inventories. The discrepancies noticed on verification of stocks as compared to book records were not material and these have been properly dealt with in the books of account.

**iii. Loans & Advances :-**

- (a) The Company has not taken any loans from Directors & its relatives during the year covered in the register maintained under section 301 of the Companies Act 1956. Total loan accepted from all the parties covered u/s 301 is NIL and total loan repaid by all the parties covered u/s 301 is NIL. The Company has not provided loans and advances to parties covered u/s 301 of the Companies Act 1956.
- (b) As per information & explanations given to us, the rate of interest is Nil on the Unsecured Loans taken and provided by the company. Other terms & conditions, if applicable on loan taken are not prima facie prejudicial to the interest of the company.
- (c) The parties to whom an advance in the nature of loans has been given are repaying the principal amount as stipulated, wherever applicable.
- (d) There is no overdue amount of loans taken by the company.

**iv. Internal control procedure :-**

In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the company and the nature of its business, with regard to purchase of inventory fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the company.

**v. Transactions with parties u/s 301 :-**

- (a) The transactions made in pursuance to contracts or arrangements that need to be entered into the register maintained u/s 301 of the Companies Act, 1956 have been recorded in register.
- (b) There are transactions of purchases and sales of goods, material, lease of building and machinery & services, etc. made in pursuance contracts or arrangements entered into the register maintained u/s 301 of the Companies Act, 1956 aggregating during the year to Rs. 5,00,000/- or more in respect of each party. The purchase and sale are made at prevailing market price.



For Millennium Online (India) Ltd.

*Nehajit*  
Director/Auth. Sign.

**vi. Public Deposits :-**

The Company has not accepted deposits which are exempted/ excluded from the provisions of Section 58A of the Companies Act,1956 and the Companies (Acceptance of Deposits) Rules, 1975.

**vii. Internal Audit System :-**

In our opinion , the company has an internal audit system which commensurate with its size and nature of its business.

**viii. Cost Records :-**

Rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 is not applicable to company.

**ix. Statutory Dues :-**

(a) As per the records of the company, the company is not generally regular in depositing undisputed statutory dues including P.F. & E.S.I., Income Tax, Sales Tax, Vat, Custom Duty, Excise Duty, Cess and any other statutory dues with appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 30th June 2013 for a period more than six months from the date they became payable.

(b) As per the information and explanations given to us, there is no disputed amounts payable in respect of such statutory dues.

**x. Accumulated/Cash Losses**

The company has no accumulated losses and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

**xi. Repayment of Dues to Banks/ Financial Institution etc. :-**

In our opinion and according to the information and explanations given to us, company has not defaulted in repayment of dues to financial institutions or Banks.

**xii. Granting of Loan & Advances :-**

According to the information and explanations given to us, company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

**xiii. Chit Fund / Nidhi / Mutual Fund :-**

The company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

**xiv. Dealing or Trading in Shares etc. :-**

The company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

**xv. Guarantee Given by Company :-**

As explained to us by the management, the company has not given guarantee for loans taken by others from banks or financial institutions.

**xvi. Utilisation of Term Loan :-**

The term loan received during the year have been applied for which they were raised.

**xvii. Application of Short Term Fund for Long Term Investment and vice-a-versa .**

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 raised on short-term basis have been used for long term investments but long term investment has been used for short term purpose.

**xviii. Preferential Allotment of Shares :-**

According to the information and explanations given to us, the company has not made preferential allotment of shares during the year.



For Millennium Online (India) Ltd.  
*[Signature]*  
Director/Auth. Sign.

**xix. Creation of Securities for Debentures Issue :-**

According to the information and explanations given to us, the company has not issued any Debenture during the year.

**xx. End Use of Money :-**

According to the information and explanations given to us, the company has not raised any money by way of public issues during the year.

**xxi. Fraud Noticed or Reported :-**

According to information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**M/s. PKMG & COMPANY**  
**Chartered Accountants**  
**Firm Reg Nos : 129894 W**

*Mahavir Gokharu*

**Mahavir Gokharu**  
**Partner**  
**Mem. No.: 112600**



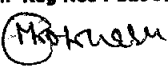
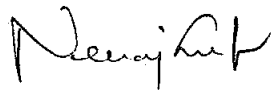


**Date 24-Oct-13**

**Place: Surat**

For Millennium Online (India) Ltd.

*Neejath*

Director/Auth. Sign.

<b>MILLENNIUM ONLINE (INDIA) LTD.</b>			
<b>BALANCE SHEET AS AT JUNE 30, 2013</b>			
		<b>15 MONTHS</b>	<b>12 MONTHS</b>
		<b>For The Period From 01-Apr-12 To 30-Jun-13</b>	<b>For The Period From 01-Apr-11 To 31-Mar-12</b>
		<b>Notes</b>	
<b>EQUITIES AND LIABILITIES</b>			
<b>1) SHAREHOLDERS FUNDS :</b>			
(a) Share Capital	1	15,000,000	5,000,000
(b) Reserves and Surplus	2	1,512,913	1,072,975
<b>Total(A)</b>		<b>16,512,913</b>	<b>6,072,975</b>
<b>2) NON CURRENT LIABILITIES:</b>			
(a) Long term borrowings	3	6,023	18,478
(b) Deferred Tax			
(c) Other long term liabilities			
(d) long Term Provisions			
<b>Total(B)</b>		<b>6,023</b>	<b>18,478</b>
<b>(3) CURRENT LIABILITIES :</b>			
(a) Short Term borrowings	4	20,916,032	7,146,169
(b) Trade Payables	5	17,439,979	19,125,025
(c) Other Current liabilities	6	674,473	1,038,908
(d) Short Term Provisions	7	105,000	109,604
<b>Total(C)</b>		<b>39,135,484</b>	<b>27,419,706</b>
<b>Total Equity and Liabilities</b>		<b>55,654,420</b>	<b>33,511,159</b>
<b>Assets</b>			
<b>NON-CURRENT ASSETS:</b>			
<b>(a) Fixed Assets :</b>			
(i) Tangible assets	8	915,429	983,824
(ii) Intangible asset			
(iii) Capital Work in progress	10	-	31,506
(b) Non-Current investments			
(c) Deferred Tax asset (Net)			
(d) Loan term Loans & advances	9	768,000	2,630,810
<b>Sub Total-Non-Current Assets</b>		<b>1,683,429</b>	<b>3,646,140</b>
<b>CURRENT ASSETS:</b>			
(a) Current investments	11	23,892,811	12,243,615
(b) Inventories	12	16,214,912	11,702,686
(c) Trade Receivables	13	1,358,104	1,016,343
(d) Cash and Cash Equivalent	14	12,505,164	4,902,375
(e) Short term loans and advances			
(f) Other Current Investments			
<b>Sub Total-Current Assets</b>		<b>53,970,991</b>	<b>29,865,019</b>
<b>Total Assets</b>		<b>55,654,420</b>	<b>33,511,159</b>
Significant accounting policies		1 to 23	
Notes on Financial statements			
The accompanying notes are an integral part of the financial statements.			
As per our report of even date		<b>MILLENNIUM ONLINE (INDIA) LTD.</b>	
<b>For PKMG &amp; Company</b>			
<b>Chartered Accountants</b>			
Firm Reg Nos : 129894 W			
			
<b>Mahavir Gokharu</b>		<b>Director</b>	
<b>Partner</b>			
<b>Mem. No.: 112600</b>		<b>Director</b>	
<b>Date 24-Oct-13</b>			
<b>Place: Surat</b>			
			

For Millennium Online (India) Ltd.

  
 Director/Auth. Sign.



<b>MILLENNIUM ONLINE (INDIA) LTD.</b>				
<b>PROFIT AND LOSS STATEMENT FOR THE 15 MONTHS ENDED JUNE 30, 2013</b>				
For the period ended				
	Notes		For The Period From 01-Apr-12 To 30-Jun-13	For The Period From 01-Apr-11 To 31- Mar-12
<b>INCOME :</b>				
Net sales/Revenue from operations	15		143,528,361	97,935,591
Other Incomes	16		-	12,075
<b>Total Revenue</b>			<b>143,528,361</b>	<b>97,947,666</b>
<b>EXPENDITURE :</b>				
Purchase of Traded goods	17		129,613,655	83,492,738
(Increase)/Decrease in inventories of finished goods, work in progress and Stock-in-trade	18		(11,649,196)	(1,001,115)
Employees Benefit expense	19		3,958,358	2,888,156
Finance Cost	21		4,762,388	1,886,182
Other Expenses	20		15,949,917	10,141,474
Depreciation and amortization expense	8		240,755	94,428
<b>Total expenses</b>			<b>142,875,877</b>	<b>97,501,863</b>
<b>Profit/(loss) before Tax</b>			652,484	445,803
Prior Period Expenses				
<b>Tax Expenses</b>			225,000	130,530
Current Tax			(12,455)	11,121
Deferred Tax				(9,398)
Excess/Short provision of tax			212,545	132,253
<b>Total Tax expenses</b>			<b>439,939</b>	<b>313,550</b>
<b>Profit/(loss) for the year</b>			<b>0.29</b>	<b>0.63</b>
<b>Earnings per equity share of face value of Rs. 10 each</b>	22			
Basic and Diluted (In Rs.)				

Significant accounting policies  
Notes on Financial statements

1 to 23

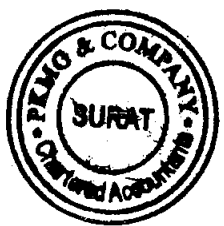
The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For PKMG & Company  
Chartered Accountants  
Firm Reg Nos : 129894 W

MILLENNIUM ONLINE (INDIA) LTD.

*Mahavir Gokharu*

**Mahavir Gokharu**  
Partner  
Mem. No.: 112600



*Neeraj Kulkarni*

Director

*Arpit*

Director

Date 24-Oct-13  
Place: Surat

For Millennium Online (India) Ltd.  
*Neeraj Kulkarni*  
Director/Auth. Sign.

## MILLENNIUM ONLINE (INDIA) LTD.

## NOTES ON FINANCIAL STATEMENTS FOR THE 15 MONTHS ENDED 30 JUNE 2013.

PARTICULARS		30-Jun-13	31-Mar-12
<b>1</b>	<b>SHARE CAPITAL :</b>		
	<b>Authorised Capital</b>		
	15,00,000 Equity share of Rs. 10/- each	15000000	5000000
	5,00,000 Equity share of Rs. 10/- each		
	<b>Issued, Subscribed and Paid-up</b>		
	15,00,000 equity Share of Rs. 10/- each fully paid up	15000000	5000000
	5,00,000 Equity share of Rs. 10/- each		
	<b>Total</b>	<b>15,00,000</b>	<b>5,00,000</b>
<b>Reconciliation of the shares outstanding at the beginning and at the end of the reporting period</b>			
<b>Equity Shares</b>		<b>30-Jun-13</b>	<b>31-Mar-12</b>
	At the beginning of the Year	500000	350000
	Add: Issued during the Year	1000000	150000
	<b>Equity Shares at the end of the Year</b>	<b>1,500,000</b>	<b>500,000</b>
<b>Details of shareholders holding more than 5% shares in the company</b>			
	<b>Name of the Shareholders</b>	<b>No. of Shares &amp; % of holding</b>	<b>No. of Shares &amp; % of holding</b>
(i)	Neeraj Gupta	79.82%	79.82%
(ii)	Jayshree Gupta	20.02%	20.02%
<b>2</b>	<b>RESERVES AND SURPLUS :</b>		
	<b>Securities Premium account</b>		
	<b>Surplus/(Deficit) in the statement of Profit and loss</b>		
	Balance as per the last financial statements	1,072,974	759,425
	Profit for the year	439,939	313,550
	Less: Appropriation	-	-
	<b>Net surplus in the statement of profit and loss</b>	<b>1,512,913</b>	<b>1,072,975</b>
	<b>Total Reserves and surplus</b>	<b>1,512,913</b>	<b>1,072,975</b>
<b>3</b>	<b>DEFERRED TAX LIABILITIES(NET)</b>		
	<b>Deferred tax liability</b>		
	Fixed assets: impact of difference between tax depreciation and depreciation charged for the financial reporting	6,023	18,478
	<b>Deferred tax asset</b>		
	Disallowances under IT, 1961.	6,023	18,478
	<b>Net deferred tax liabilities</b>	<b>6,023</b>	<b>18,478</b>
<b>4</b>	<b>SHORT-TERM BORROWINGS</b>		
	<b>Secured:</b>		
	Cash Credit	20,916,032	7,146,169
	(a)	20,916,032	7,146,169
	<b>Unsecured:</b>		
	Unsecured Loan	-	-
	(b)	-	-
	<b>Total(A+B)</b>	<b>20,916,032</b>	<b>7,146,169</b>



For Millennium Online (India) Ltd.

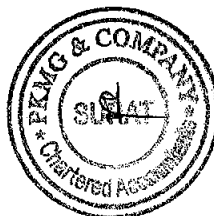
Director/Auth. Sign.

**MILLENNIUM ONLINE (INDIA) LTD.**

**Details of Cash Credit (interest, security etc)**

a) Cash Credit From Bnak Of Broda carries Interest @ 15.25% p.a.,having limit of Rs. 2.15 crore, the cash credit has been gurantee of the Director of the company.

<b>5</b>	<b>TRADE PAYABLE</b>		
	Total Trade Payables	42,379,297	19,125,025
	Less:- Branch Creditors	24,939,318	
	<b>Total</b>	<b>17,439,979</b>	<b>19125025</b>
<b>6</b>	<b>OTHER CURENT LIABILITIES</b>		
	VAT Payable	659,837	573,913
	CST Payable	6,792	456,336
	TDS Payable	7,844	8,659
	<b>Total</b>	<b>674,473</b>	<b>1,038,908</b>
<b>7</b>	<b>SHORT TERM PROVISIONS</b>		
	Other Provisions		103,260
	Provision for Salary		814
	Provision for Tele. Exp.		5,530
	Provision for IT	75,000	
	Provision for Rent	30,000	
	<b>Total</b>	<b>105,000</b>	<b>109,604</b>
<b>8</b>	<b>TANGIBLE ASSETS</b>		
	Total Tangible assets	915,429	983,824
		<b>915,429</b>	<b>983,824</b>
<b>9</b>	<b>LONG-TERM LOANS AND ADVANCES</b>		
	(Unsecured and Considered good)		
	MTA ( Godown Deposit)	45,000	
	Deposit	723,000	141,000
	<b>Total A</b>	<b>768,000</b>	<b>141,000</b>
	<b>Other loans and advances</b>		
	Other loans and advances		2,489,810
	<b>Total B</b>		<b>2,489,810</b>
	<b>Total (A+B)</b>	<b>768,000</b>	<b>2,630,810</b>
<b>10</b>	<b>INVESTMENTS</b>		
	<b>(a) Non-Current Investments</b>		
	Interest Accrued on NSC	-	11,506
	NSC	-	20,000
	Fixed Deposits	-	
	<b>Total Non-Current Investments</b>	<b>-</b>	<b>31,506</b>
<b>11</b>	<b>INVENTORIES</b>		
	Closing Stock	23,892,811	12,243,615
	<b>Total</b>	<b>23,892,811</b>	<b>12,243,615</b>



For Millennium Online (India) Ltd.

*Neeraj Kulkarni*

Director/Auth. Sign.

MILLENNIUM ONLINE (INDIA) LTD.

12	<b>TRADE RECEIVABLES</b>  Unsecured and Considered good a) Over six Months b) Less than six months Less:- Firm Debtors	259,498 40,894,733 24,939,319 -	11,702,686
	<b>TOTAL</b>	<b>16,214,912</b>	<b>11,702,686</b>
13	<b>CASH AND CASH EQUIVALENT</b>  Cash on hand  <b>Bank balances</b> Bank Of Baroda (1277) Bank Of Baroda (0704) Bank Of Baroda (0466) ICICI Bank Ltd (0183) IDBI Bank YES Bank Bank Of Baroda (0704) Bank Of Baroda (0882)	965,096  38,025 22,147 4,741 7,523 10,000 81,816 50,064 178,692	633,162       383,181
	<b>Total</b>	<b>1,358,104</b>	<b>1,016,343</b>
14	<b>SHORT-TERM LOANS AND ADVANCES</b> (Unsecured and Considered good) Pre-Paid Insurance Vat receivable Advance to supplier FD (As Margin Money) Sundry Loan	7,170   8,968,184 3,529,810 -	2,867 70,250 4,828,794 464
	<b>Total</b>	<b>12,505,164</b>	<b>4,902,375</b>
15	<b>NET SALES/REVENUE FROM OPERATION</b> <b>Sale of Goods</b> Sales Less: Branch Transfer  <b>Less:-Sales Return</b>	265,657,971 122,129,610 <b>TOTAL-A</b> 143,528,361  - <b>TOTAL-B</b> -	98,045,356  <b>98,045,356</b>  109,765 <b>109,765</b>
	<b>Total(A-B)</b>	<b>143,528,361</b>	<b>97,935,591</b>
16	<b>OTHER INCOMES:</b> Interest on NSC Interest on FD	- -	4132 7943
	<b>Total</b>	<b>-</b>	<b>12075</b>
17	<b>PURCHASE OF TRADED GOODS</b> Purchase (CST) Less: Firm Purchases  <b>TOTAL</b>	251,743,266 122,129,611  <b>129,613,655</b>	83,492,738   <b>83,492,738</b>



For Millennium Online (India) Ltd.  
*[Signature]*  
 Director/Auth. Sign.

MILLENNIUM ONLINE (INDIA) LTD.

18	<b>(INCREASE)/DECREASE IN INVENTORIES</b> Inventories at the beginning of the year Computer Part		12,243,615	11,242,500	
		<b>Total(A)</b>	<b>12,243,615</b>	<b>11,242,500</b>	
	Inventories at the end of the year Computer Part		23,892,811	12,243,615	
		<b>Total(B)</b>	<b>23,892,811</b>	<b>12,243,615</b>	
<b>TOTAL(A-B)</b>			<b>(11,649,196)</b>	<b>(1,001,115)</b>	
19	<b>EMPLOYEE BENEFIT EXPENSE</b>				
	Salary, Bonus & Leave Salary		3,950,881	2,884,661	
	Staff Welfare Expense		7,477	3,495	
<b>TOTAL</b>			<b>3,958,358</b>	<b>2,888,156</b>	
20	<b>OTHER EXPENSES</b>				
	<b>Direct Expenses:</b>				
	Customs & Excise duty expenses		9,518,338	6,112,503	
	Clearing & forwarding expenses		592,190	534,394	
	Carriage Inward Exp.		171,221	162,540	
	Clearing agency charges		159,949	212,373	
	Freight & transportation expenses		-	470,450	
	<b>TOTAL</b>	<b>(A)</b>	<b>10,441,698</b>	<b>7,492,260</b>	
	<b>Administration Expenses :</b>				
	Advertisement Exp.		96,053	33,000	
Audit Fees		22,472	22,472		
Conveyance Expenses		43,081	82,039		
Corporation Tax		16,646	27,624		
Computer Exp.		49,337	28,706		
Courier Charges		381,709	433,377		
Discount Exp.		79,935			
Director Remuneration		456,506	223,000		
Electricity expenses		170,593	47,608		
Freight		996,231	32,802		
Internet Exp.		2,246			
Hamali expenses		-	4,215		
Insurance expenses		124,742	12,299		
Office expenses		564,166	290,939		
Professional fess		18,800			
Rounding		733	38,100		
Rent expenses		1,271,804	863,000		
Printing & Stationary expenses		90,656	54,313		
Telephone expenses		257,180	121,141		
Travelling expenses		699,703	191,923		
Vehicle expenses		129,907	57,533		
VAT Audit Fees		27,978	8,989		
Repairing & Service		9,207	15,026		
<b>TOTAL</b>		<b>(B)</b>	<b>5,508,219</b>	<b>2,588,106</b>	
<b>Selling and distribution Expenses:</b>					
Discount				60,133	
Packing Expenses				975	
<b>TOTAL</b>		<b>(C)</b>		<b>61,108</b>	
<b>TOTAL(A+B+C)</b>			<b>15,949,917</b>	<b>10,141,474</b>	



For Millennium Online (India) Ltd.

*Neejath*

Director/Auth. Sign.

MILLENNIUM ONLINE (INDIA) LTD.

<b>20.1</b>	<b>Payment to Auditors</b>		
	Statutory Audit fees	22,472	22,472
		<b>22,472</b>	<b>22,472</b>
<b>20.2</b>	<b>Expenditure in foreign Currency</b>		
	Purchase	58,899,265	36,663,261
		<b>58,899,265</b>	<b>36,663,261</b>
<b>21</b>	<b>FINANCE COSTS</b>		
	Bank Commission, interest & other charges	90,979	202,533
	Bank Interest	836,100	827,577
	Interest Exp.	1,960,885	8,983
	Interest on VAT/CST	3,848	234
	Exchange rate loss	1,727,192	798,265
	Loan Processing fess	143,384	48,590
	<b>TOTAL</b>	<b>4,762,388</b>	<b>1,886,182</b>
<b>8</b>	<b>DEPRECIATION AND AMORTIZATION EXPENSES</b>		
	Depreciation of tangible assets	240,755	94,428
	<b>TOTAL</b>	<b>240,755</b>	<b>94,428</b>
<b>22</b>	<b>Earning Per share (EPS)</b>		
i)	Net Profit after tax as per statement of profit and loss	439,939	313,549
ii)	Weighted Average number of equity shares	1,500,000	500,000
iii)	Basic and Diluted Earnings per share	0.29	0.63
iv)	Face Value per equity share	10	10
<b>23</b>	<b>Related Party Disclosure</b>		
<b>Sr No.</b>	<b>Name of Party</b>	<b>Amount</b>	<b>Amount</b>
1	Neeraj Gupta (Direc. Remu.)	391,506	391,506
2	Jayshree Gupta (Direc. Remu.)	65,000	65,000
3	Neeraj Gupta (HUF) (Rent Expenses)	180,000	180,000
4	Microsoft Infosys (Purchases)	22,628,813	22,628,813



For Millennium Online (India) Ltd.  
*Neeraj Gupta*  
 Director/Auth. Sign.

**23 Summary of significant accounting policies****A. Basis of Preparation of Financial Statements**

The financial statements have been prepared in accordance with the generally accepted accounting principles in India (GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

**B. Use of estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

**C. Fixed Assets**

Fixed Assets are stated at cost of acquisition, expenses incidental to the acquisition less accumulated depreciation thereon. Fixed assets added during the year are valued at cost net of Refundable CENVAT but includes all direct expenses like clearing & forwarding expenses, freight, transportation, loading, unloading and erection charges to bring the assets to factory and put them in working condition for its intended use.

**D. Borrowing Cost**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

**E. Impairment of Tangible and Intangible assets**

The company assesses at each reporting date whether there is an indication that an assets may be impaired. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**G. Investments**

Investments, which are readily realizable and intended to be held not more than one year from date on which investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investments basis. Long-term investments are carried at cost.

**H. Depreciation**

Depreciation on fixed assets has been provided on Written Down Value method as per section 205(2)(b) of the Companies Act, 1956 at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

Depreciation on addition/ deletion to Fixed Assets during the year is provided on pro-rata basis from/up to date of such addition/ deletion as the case may be.



For Millennium Online (India) Ltd.

Director/Auth. Sign.

**I. Inventories**

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw materials, stores and spares, packing materials, trading and other products are determined on weighted average basis.

**J. Revenue Recognition**

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

**Sale of Goods**

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods.

**K. Foreign currency transaction**

(i) Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) All other exchange differences are recognized as income or as expenses in the period in which they arise.

**L. Income Tax**

Tax expense comprises current and deferred tax. Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

**M. Earning per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

**N. Balance confirmation**

Balances of Unsecured Loans, Loans & Advances, Sundry Creditors are subject to confirmation. For some items of expenditure for which, no vouchers, papers, documents or such other evidences were available for verification, we have relied on the explanations given by the management and the company's management, has also duly certified the said amount of expenditure as being incurred for the purpose of business of the company.

- O** Previous year Figures have been re-grouped and re-classified, wherever felt necessary to confirm to this year's classification.



For Millennium Online (India) Ltd.

*Naveen K. S.*

Director/Auth. Sign.



**MILLENNIUM ONLINE (INDIA) LTD.**

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT JUNE 30, 2013**

**9. FIXED ASSETS :**

Description	Rate WDV	Gross Block		Depreciation		Net Block As at			
		As at 01.04.2012	Addition	As at 30.06.2013	For the Year	Sale / Transfer	Up to 30.06.2013	30.06.2013	31.03.2012
Furniture & Fixtures	18.10%	670,612	16,400	687,012	129,368	-	208,467	478,545	591,513
Computer	40.00%	197,901	81,230	279,131	47,736	-	203,551	75,580	42,086
Epibix	13.91%	7,000	-	7,000	851	-	2,819	4,181	5,032
Trademark	0.00%	5,100	-	5,100	-	-	-	5,100	5,100
Air Condition	13.91%	185,363	-	185,363	26,917	-	53,037	132,326	159,243
Mobile Handset	13.91%	41,151	43,990	85,141	8,772	-	24,303	60,838	25,620
Bag Rework Station	13.91%	148,694	-	148,694	24,963	-	25,980	122,714	147,677
Inventor	13.91%	10,000	30,740	40,740	2,148	-	4,595	36,145	7,553
<b>TOTAL</b>		<b>1,265,821</b>	<b>172,360</b>	<b>1,438,181</b>	<b>240,755</b>	<b>-</b>	<b>522,752</b>	<b>915,429</b>	<b>983,824</b>
Previous Year		<b>374,648</b>	<b>891,173</b>	<b>1,265,821</b>	<b>94,428</b>	<b>-</b>	<b>281,997</b>	<b>983,824</b>	<b>187,079</b>



For Millennium Online (India) Ltd.

*Neeaj Singh*

Director (Tech. Sgn.)