

**MP ONLINE LIMITED**  
**Balance Sheet as at 31 March, 2013**

Particulars	Note No	As at 31 March, 2013	As at 31 March, 2012
		(₹)	(₹)
<b>A EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's funds</b>			
(a) Share Capital	3	1,00,00,000	1,00,00,000
(b) Reserves and Surplus	4	20,58,79,243	11,40,59,941
		21,58,79,243	12,40,59,941
<b>(2) Non-current liabilities</b>			
(a) Long-term provisions	5	1,24,855	3,34,655
		1,24,855	3,34,655
<b>(3) Current liabilities</b>			
(a) Trade payables	6	2,13,04,033	2,85,89,714
(b) Other current liabilities	7	47,33,65,367	35,16,23,871
(c) Short-term provisions	8	53,13,436	1,67,22,497
		49,99,82,836	39,69,36,082
<b>TOTAL</b>		<b>71,59,86,934</b>	<b>52,13,30,678</b>
<b>B ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	9.A	1,59,22,533	1,91,95,204
(ii) Intangible assets	9.B	-	-
		1,59,22,533	1,91,95,204
(b) Deferred tax assets (net)	21.6	11,53,951	5,01,488
(c) Long term loans and advances	10	40,25,426	46,50,717
(d) Other non-current assets	11	10,04,14,800	1,69,91,314
		12,15,16,710	4,13,38,723
<b>(2) Current assets</b>			
(a) Trade receivables	12	68,28,193	40,42,076
(b) Cash and bank balances	13	56,64,85,728	46,56,18,810
(c) Short-term loans and advances	14	66,12,355	72,23,864
(d) Other current assets	15	1,45,43,948	31,07,205
		59,44,70,224	47,99,91,955
<b>TOTAL</b>		<b>71,59,86,934</b>	<b>52,13,30,678</b>

See accompanying notes forming part of the financial statements

1-21.7

In terms of our report attached

For and on behalf of the Board of Directors

**For Deloitte Haskins & Sells**  
Chartered Accountants




**SANJIV V. PILGAONKAR**  
Partner



**BARINDRA SANYAL**  
Director



**L. K. TIWARI**  
Director



**VELUGA RAJANNA**  
Director



**KARAN TANNA**  
Company Secretary

Mumbai, April 12, 2013

Mumbai, April 12, 2013


**MP ONLINE LIMITED**  
**Statement of Profit and Loss for the year ended 31 March, 2013**

Particulars	Note No.	For the year ended 31 March, 2013	For the year ended 31 March, 2012
		(₹)	(₹)
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from operations	16	34,70,01,547	28,48,65,299
2 Other income	17	4,00,74,062	3,26,69,134
3 <b>Total Revenue (1+2)</b>		<b>38,70,75,609</b>	<b>31,75,34,433</b>
4 <b>Expenses:</b>			
(a) Employee benefits expenses	18	2,19,86,056	1,46,08,336
(b) Operation and other expenses	19	19,37,85,742	17,31,65,312
(c) Depreciation and amortisation expenses	9.C	55,04,738	50,15,740
<b>Total expenses</b>		<b>22,12,76,536</b>	<b>19,27,89,388</b>
5 <b>Profit before tax (3-4)</b>		<b>16,57,99,073</b>	<b>12,47,45,045</b>
6 <b>Tax expenses:</b>			
(a) Current tax expense for current year		5,47,77,000	4,14,95,000
(b) Current tax expense relating to prior years		97,234	2,62,974
(c) Net current tax expense		5,48,74,234	4,17,57,974
(d) Deferred tax		(6,52,463)	(1,39,616)
		<b>5,42,21,771</b>	<b>4,16,18,358</b>
7 <b>Profit from continuing operations (5-6)</b>		<b>11,15,77,302</b>	<b>8,31,26,687</b>

Particulars	Note No.	For the year ended 31 March, 2013	For the year ended 31 March, 2012
		(₹)	(₹)
8 <b>Earnings per share (of ₹ 10 each):</b>			
(a) Basic and Diluted (Refer Note 21.5)		111.58	83.13
See accompanying notes forming part of the financial statements	1-21.7		

In terms of our report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

  
**SANJIV V. PILGAONKAR**  
Partner

  
**BARINDRA SANYAL**  
Director

For and on behalf of the Board of Directors

  
**L. K. TIWARI**  
Director

  
**VELUGA RAJANNA**  
Director

  
**KARAN TANNA**  
Company Secretary

Mumbai, April 12, 2013

Mumbai, April 12, 2013

MP ONLINE LIMITED  
Statement of Cash Flow for the year ended 31 March, 2013

Particulars	For the year ended 31 March, 2013 (₹)	For the year ended 31 March, 2012 (₹)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before extraordinary items and tax	16,57,99,073	12,47,45,045
<u>Adjustments for:</u>		
Depreciation and amortisation	55,04,738	50,15,740
Loss on sale of Fixed Assets	-	34,747
Fixed assets retired	-	30,407
Interest income	(4,00,53,646)	(3,26,69,134)
Provision for doubtful trade reversed	-	(78,351)
Bad debt written off.	-	78,351
Provision for gratuity	-	1,45,724
Provision for compensated absences	2,82,403	1,60,355
<b>Operating profit before working capital changes</b>	<b>13,15,32,568</b>	<b>9,74,62,884</b>
<u>Changes in working capital:</u>		
Adjustments for (Increase) / decrease In operating assets:		
Trade receivables	(27,86,117)	(13,50,016)
Short-term loans and advances	6,11,509	(56,41,784)
Long-term loans and advances	(85,198)	(43,971)
Adjustments for Increase / (decrease) In operating liabilities:		
Trade payables	(72,85,681)	2,37,69,387
Other current liabilities	12,32,93,520	(17,77,53,365)
Long-term provisions	(2,09,800)	-
Cash generated from operations	24,50,70,801	(6,35,56,865)
Net income tax (paid)	(5,93,15,410)	(3,56,07,885)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>18,57,55,391</b>	<b>(9,91,64,750)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets	(37,84,092)	(1,04,46,248)
Proceeds from sale of fixed assets	-	21,000
- Deposits pledged with banks -matured	-	25,00,000
- Fixed Deposits with bank having original maturity over three months placed	(1,32,21,78,325)	(3,48,77,00,765)
- Fixed Deposits with bank having original maturity over three months matured	1,14,72,97,330	3,61,31,04,016
Interest received	2,84,19,943	3,40,43,118
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(15,02,45,144)</b>	<b>15,15,21,121</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends paid	(2,50,00,000)	(39,66,838)
Tax on dividend	(12,97,800)	(6,43,520)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(2,62,97,800)</b>	<b>(46,10,358)</b>
<b>Net Increase in Cash and cash equivalents (A+B+C)</b>	<b>92,12,447</b>	<b>4,77,46,013</b>
Cash and cash equivalents at the beginning of the year	12,11,68,658	7,34,22,645
<b>Cash and cash equivalents at the end of the year</b>	<b>13,03,81,105</b>	<b>12,11,68,658</b>
<b>Reconciliation of cash and bank balances as per Balance Sheet:</b>		
Cash and bank balance as per Balance Sheet (Refer Note 13)	56,64,85,728	46,56,18,810
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements [ Bank deposits having maturity more than three months - ₹ 43,50,51,801 (31 March, 2012 : ₹ 34,14,27,289) and deposits pledge with bank ₹ 10,52,822 (31 March, 2012 : ₹ 30,22,863)]	43,61,04,623	34,44,50,152
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements ) included in Note 13	13,03,81,105	12,11,68,658
<b>Cash and cash equivalents at the end of the year *</b>		
* Comprises:		
(a) Cash on hand	-	-
(b) Balances with banks		
(i) In current accounts	4,60,27,220	2,11,68,658
(ii) In deposit accounts with original maturity of less than three months	8,43,53,885	10,00,00,000

See accompanying notes forming part of the financial statements

1-21.7

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells  
Chartered Accountants

SANJIV V. PINGAONKAR  
Partner

BARINDRA SANYAL  
Director

L. K. TIWARI  
Director

VELUGA RAJANNA  
Director

KARAN TANNA  
Company Secretary

Mumbai, April 12, 2013

Mumbai, April 12, 2013

**MP ONLINE LIMITED**  
**Notes forming part of the financial statements**

**1) CORPORATE INFORMATION**

MP Online 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 are prepared in accordance with the generally accepted accounting principles in India ("Indian GAAP") under the historical cost convention on accrual basis of accounting to comply with all material aspects with the Accounting Standards notified under the Companies (Accounting Standard) Rules, 2006, and the relevant provisions of the Companies Act, 1956.

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 VI to the Companies Act, 1956.

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.

## MP ONLINE LIMITED

### Notes forming part of the financial statements

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, within "Other Income" or "Other Expenses", as the case maybe, in the Statement of Profit and Loss in the year of disposal or retirement.

Depreciation is provided on a pro-rata basis using the straight-line method over the estimated useful lives of the assets or at the rates prescribed under Schedule XIV of the Companies Act, 1956, whichever is higher, as follows:

Name of the Asset	Method of Depreciation	Rate of Depreciation
Computer Equipment	Straight line	25%
Office Equipment	Written down value	13.91%
Electrical Installations	Written down value	13.91%
Furniture and Fixtures	Straight line	100%
Leasehold Improvements	Straight line	Lease Period

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.

## MP ONLINE LIMITED

### Notes forming part of the financial statements

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 recognised as income or expense 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. 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 profit and loss account 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.

##### ii) 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.

#### 2.11. 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 Profit and Loss account on a straight-line basis.

#### 2.12. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of the extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

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## **MP ONLINE LIMITED**

### **Notes forming part of the financial statements**

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of the extraordinary, if any) as adjusted for dividend, interest and other charges to expense or income related to the relative potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all relative potential equity shares.

#### **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.



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

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number of shares	(₹)	Number of shares	(₹)
(a) <b>Authorised</b> Equity shares of ₹ 10 each with voting rights	10,00,000	1,00,00,000	10,00,000	1,00,00,000
(b) <b>Issued</b> Equity shares of ₹ 10 each with voting rights	10,00,000	1,00,00,000	10,00,000	1,00,00,000
(c) <b>Subscribed and fully paid up</b> Equity shares of ₹ 10 each with voting rights	10,00,000	1,00,00,000	10,00,000	1,00,00,000
<b>Total</b>	<b>10,00,000</b>	<b>1,00,00,000</b>	<b>10,00,000</b>	<b>1,00,00,000</b>

Refer Notes (i) to (iv)

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:							
Particulars	Opening Balance	Fresh issue	Bonus	ESOP	Conversion	Buy back	Closing Balance
Equity shares with voting rights							
Year ended 31 March, 2013		No movements during the year					
- Number of shares	10,00,000						10,00,000
- Amount (₹)	1,00,00,000						1,00,00,000
Year ended 31 March, 2012							
- Number of shares	10,00,000						10,00,000
- Amount (₹)	1,00,00,000						1,00,00,000

(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 forth coming 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	Equity shares with voting rights
	Number of Shares
<b>As at 31 March, 2013</b>	
Tata Consultancy Services Limited	8,90,000
<b>As at 31 March, 2012</b>	
Tata Consultancy Services Limited	8,90,000

(iv) Details of shares held by the other shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares with voting rights</b>				
Madhya Pradesh State Electronics Development Corporation Limited	1,10,000	11%	1,10,000	11%



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

Particulars	As at 31 March, 2013	As at 31 March, 2012
	(₹)	(₹)
(a) General reserve		
Opening balance	84,00,000	-
Add: Transferred from surplus in Statement of Profit and Loss	1,12,00,000	84,00,000
Closing balance	1,96,00,000	84,00,000
(b) Surplus in Statement of Profit and Loss		
Opening balance	10,56,59,941	4,48,41,412
Add: Profit for the year	11,15,77,302	8,31,26,687
	21,72,37,243	12,79,68,099
Less: Interim dividend	1,70,00,000	39,66,838
Dividends proposed to be distributed to equity shareholders	-	80,00,000
Tax on dividend	27,58,000	19,41,320
Transferred to:		
General reserve	1,12,00,000	84,00,000
Closing balance	18,62,79,243	10,56,59,941
<b>Total</b>	<b>20,58,79,243</b>	<b>11,40,59,941</b>

**Note 5 Long-term provisions**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	(₹)	(₹)
(a) Provision for employee benefits:		
(i) Provision for gratuity (Refer Note 21.1(b))	1,24,855	3,34,655
<b>Total</b>	<b>1,24,855</b>	<b>3,34,655</b>

**Note 6 Trade payables**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	(₹)	(₹)
Trade payables:		
(i) Accrued expenses	29,296	6,87,538
(ii) Dues to others	2,12,74,737	2,79,02,176
(Refer note 20 for details of dues to micro and small enterprises)		
Also refer note no 21.3		
<b>Total</b>	<b>2,13,04,033</b>	<b>2,85,89,714</b>

**MP ONLINE LIMITED****Notes forming part of the financial statements****Note 7 Other current liabilities**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	(₹)	(₹)
(a) Amount collected on behalf of customer	39,93,92,623	28,82,69,778
(b) Advance received from collection agents	2,76,27,985	3,55,69,651
(c) Liabilities against purchase of fixed assets	2,69,914	18,21,938
(d) Security deposits received	3,90,000	2,80,000
(e) Operating lease obligations	19,34,604	15,94,983
(f) Other payables		
(i) Statutory dues including taxes deducted at source	15,41,952	31,57,833
(ii) Amounts refundable against aborted transactions for which services are not rendered	61,60,646	1,49,54,473
(iii) Unearned revenue	3,60,47,549	59,75,193
(iv) Collection payable into the Chief Minister Relief Fund	94	22
<b>Total</b>	<b>47,33,65,367</b>	<b>35,16,23,871</b>

Footnote: Liabilities against fixed assets have been adjusted in determining cash flow from purchase of fixed assets.

**Note 8 Short-term provisions**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	(₹)	(₹)
(a) Provision for employee benefits:		
(i) Provision for compensated absences	8,21,901	5,39,498
(b) Provision - Others:		
(i) Provision for tax (net of advance tax ₹ 5,30,43,465) (31 March, 2012 ₹ 3,46,09,801)	17,33,535	68,85,199
(ii) Provision for proposed equity dividend		80,00,000
(iii) Provision for tax on proposed dividend	27,58,000	12,97,800
<b>Total</b>	<b>53,13,436</b>	<b>1,67,22,497</b>

**MP ONLINE LIMITED**

Notes forming part of the financial statements

**Note 9. A Tangible asset**

	Gross Block				Accumulated Depreciation				Net block	
	Balance as at 1 April, 2012 (₹)	Additions (₹)	Disposals (₹)	Balance as at 31 March, 2013 (₹)	Balance as at 1 April, 2012 (₹)	Depreciation / amortisation expense for the year (₹)	Eliminated on disposal of assets (₹)	Balance as at 31 March, 2013 (₹)	Balance as at 31 March, 2012 (₹)	
Tangible assets										
Computer Equipment	1,72,60,660	21,65,216	-	1,94,25,876	(1,04,13,889)	(29,99,327)	-	60,12,660	68,46,771	
Office Equipment	37,33,527	55,751	-	37,89,278	(8,37,849)	(4,06,059)	-	25,45,370	28,95,678	
Electrical Installations	58,74,884	-	-	58,74,884	(17,56,918)	(5,72,810)	-	35,45,156	41,17,966	
Furniture and Fixtures	67,53,064	11,100	-	67,64,164	(59,55,256)	(7,99,663)	-	9,245	7,97,808	
Leasehold Improvements	56,64,831	-	-	56,64,831	(11,27,850)	(7,26,879)	-	38,10,102	45,36,981	
Total	3,92,86,966	22,32,067	-	4,15,19,033	(2,00,91,762)	(55,04,738)	-	1,59,22,533	1,91,95,204	
Previous year	2,71,39,002	1,22,68,186	1,20,222	3,92,86,966	(1,51,17,378)	(50,08,452)	(34,068)	1,91,95,204	-	

**Note 9. B Intangible asset**

	Gross Block			Accumulated Depreciation			Net block		
	Balance as at 1 April, 2012	Additions	Disposals	Balance as at 31 March, 2013	Balance as at 1 April, 2012	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2013	Balance as at 31 March, 2012
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Software Licences	1,45,000	-	-	1,45,000	(1,45,000)	-	-	(1,45,000)	-
Total	1,45,000	-	-	1,45,000	1,45,000	-	-	1,45,000	-
Previous year	1,45,000	-	-	1,45,000	(1,37,712)	(7,288)	-	(1,45,000)	-

Footnote: Additions to fixed assets have been adjusted for liabilities against purchases of fixed assets in determining cash flows from investing activities.

**MP ONLINE LIMITED**

Notes forming part of the financial statements

**Note 9. C Depreciation and amortization expenses**

Particulars	For the year ended 31 March, 2013 (₹)	For the year ended 31 March, 2012 (₹)
Depreciation and amortisation for the year on tangible assets as per Note 9. A	55,04,738	50,08,452
Depreciation and amortisation for the year on intangible assets as per Note 9. B	-	7,288
Depreciation and amortization expenses	<b>55,04,738</b>	<b>50,15,740</b>

**MP ONLINE LIMITED****Notes forming part of the financial statements****Note 10 Long-term loans and advances**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	(₹)	(₹)
(a) Security deposits		
Unsecured, considered good	10,57,673	9,72,475
(b) Advance income tax (net of provisions ₹ 4,15,92,234) (31 March, 2012 ₹ 2,36,83,974) - Unsecured, considered good.	29,67,753	36,78,242
<b>Total</b>	<b>40,25,426</b>	<b>46,50,717</b>

**Note 11 Other non-current assets**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	(₹)	(₹)
(a) Interest accrued on bank deposits	4,14,800	2,17,838
(b) Long-term bank deposits	10,00,00,000	1,67,73,476
<b>Total</b>	<b>10,04,14,800</b>	<b>1,69,91,314</b>

**Note 12 Trade receivables**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	(₹)	(₹)
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	6,46,652	1,10,576
Doubtful	-	-
	6,46,652	1,10,576
Less: Provision for doubtful trade receivables	-	-
	6,46,652	1,10,576
Other Trade receivables		
Unsecured, considered good	61,81,541	39,31,500
<b>Total</b>	<b>68,28,193</b>	<b>40,42,076</b>

Also refer note no. 21.3

**Note 13 Cash and bank balances**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	(₹)	(₹)
(a) Cash and cash equivalents		
(i) Cash on hand	-	-
(ii) Balances with banks		
In current accounts	4,60,27,220	2,11,68,658
In deposit accounts with original maturity less than 3 months	8,43,53,885	10,00,00,000
	13,03,81,105	12,11,68,658
(b) Other bank balances		
(i) Earmarked balances with banks	10,52,822	30,22,863
(Balances held as margin money against guarantees)		
(ii) Short-term bank deposits	43,50,51,801	34,14,27,289
<b>Total</b>	<b>56,64,85,728</b>	<b>46,56,18,810</b>

**MP ONLINE LIMITED****Notes forming part of the financial statements****Note 14 Short-term loans and advances**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	(₹)	(₹)
(a) Prepaid expenses - Unsecured, considered good	58,92,287	11,63,084
(b) Balances with government authorities		
Unsecured, considered good		
(i) Service Tax credit receivable	-	3,051
(c) Others – Excess payment recoverable from customers		
Unsecured, considered good	7,20,068	60,57,729
<b>Total</b>	<b>66,12,355</b>	<b>72,23,864</b>

**Note 15 Other current assets**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	(₹)	(₹)
(a) Accruals		
(i) Interest accrued on deposits	1,45,43,948	31,07,205
<b>Total</b>	<b>1,45,43,948</b>	<b>31,07,205</b>

**Note 16 Revenue from operations**

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	(₹)	(₹)
(a) Portal services (Refer footnote below)	34,70,01,547	28,48,65,299
<b>Total</b>	<b>34,70,01,547</b>	<b>28,48,65,299</b>

Footnote : Portal services comprises

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	(₹)	(₹)
(a) Portal Income	33,56,67,740	27,90,45,758
(b) Kiosk Registration Income for use of portal	1,13,33,807	58,19,541
<b>Total</b>	<b>34,70,01,547</b>	<b>28,48,65,299</b>

**MP ONLINE LIMITED****Notes forming part of the financial statements****Note 17 Other income**

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	(₹)	(₹)
(a) Interest income on banks deposit	4,00,53,646	3,26,69,134
(b) Other non-operating income (net of expenses directly attributable to such income) (Refer footnote below)	20,416	-
<b>Total</b>	<b>4,00,74,062</b>	<b>3,26,69,134</b>
Footnote : Other non-operating income		
Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	(₹)	(₹)
Miscellaneous income (Including income tax refund)	20,416	-
<b>Total</b>	<b>20,416</b>	<b>-</b>

**Note 18 Employee benefits expenses**

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	(₹)	(₹)
(a) Salary, wages and bonus	1,99,86,225	1,31,24,790
(b) Contribution to provident and other funds	9,64,719	6,85,322
(c) Gratuity	2,90,200	1,45,724
(d) Staff welfare expenses	7,44,912	6,52,500
<b>Total</b>	<b>2,19,86,056</b>	<b>1,46,08,336</b>

**Note 19 Operation and other expenses**

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	(₹)	(₹)
(a) Services rendered by business associates and others	1,98,31,811	1,95,16,813
(b) Commission	13,80,27,915	11,08,32,593
(c) Sub contracted cost	1,94,27,157	2,82,18,159
(d) Software, hardware and material costs	28,48,856	6,26,149
(e) Communication expenses	26,57,039	41,66,143
(f) Travelling and conveyance expenses	13,96,178	11,11,964
(g) Rent	30,57,251	28,60,579
(h) Legal and professional fees	3,43,829	51,453
(i) Payments to auditors (Refer footnote (i) below)	5,71,053	3,43,923
(j) Repairs and maintenance	7,65,017	7,20,583
(k) Electricity expenses	17,31,495	18,39,691
(l) Provision for doubtful trade and other receivables	-	(78,351)
(m) Bad Debts written Off	-	78,351
(n) Loss on sale of fixed assets	-	34,747
(o) Fixed assets retired	-	30,407
(p) Printing and stationery	1,00,098	1,19,428
(q) Insurance	49,751	36,458
(r) Rates and taxes	72,187	80,083
(s) Advertisement and Publicity	13,53,355	10,32,072
(t) Other expenses (Refer footnote (ii) below)	15,52,750	15,44,067
<b>Total</b>	<b>19,37,85,742</b>	<b>17,31,65,312</b>

**MP ONLINE LIMITED****Notes forming part of the financial statements**

Footnote : (i) Payments to auditors		
Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	(₹)	(₹)
(i) Payments to the auditors comprises		
As auditors - statutory audit	5,00,000	3,00,000
Reimbursement of expenses	9,253	6,204
Service tax on above	61,800	37,719
<b>Total</b>	<b>5,71,053</b>	<b>3,43,923</b>
Footnote : (ii) Other expenses		
Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	(₹)	(₹)
(i) Other expenses comprises of :		
Security charges	9,40,618	6,93,993
Guesthouse expenses	1,83,355	48,455
Bank charges	(7,733)	5,36,297
Recruitment expenses	46,059	-
Internal Audit Fees	3,37,080	2,24,720
Tax Audit Fees	53,371	40,602
<b>Total</b>	<b>15,52,750</b>	<b>15,44,067</b>

**Note 20 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

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.

**Note 21 Employee benefits**

Employee benefit plans			
<b>21.1(a)</b>	<u>Defined contribution plans</u> 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 ₹ 9,64,719 (Year ended 31 March, 2012 ₹ 6,85,322) 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.		
<b>21.1(b)</b>	<u>Defined benefit plans</u> The Company offers its employees defined benefit plans in the form of a gratuity scheme The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:		
	Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
		(₹)	(₹)
	<b>Components of expense</b>		
	Current service cost	1,31,746	1,13,072
	Interest cost	28,446	24,160
	Expected return on plan assets	-	-
	Actuarial losses/(gains)	1,29,990	8,492
	<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>2,90,182</b>	<b>1,45,724</b>

**MP ONLINE LIMITED**
**Notes forming part of the financial statements**

	<b>Actual contribution and benefit payments for year</b>		
	Actual benefit payments	-	-
	Actual contributions	-	-
	The Company does not expect to contribute to gratuity in the next year ( March 31, 2012 : ₹ Nil)		
	<b>Net asset /(liability) recognised in the Balance Sheet</b>		
	Present value of defined benefit obligation	(6,24,855)	(3,34,655)
	Fair value of plan assets	5,00,000	-
	<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(1,24,855)</b>	<b>(3,34,655)</b>

	Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012			
		(₹)	(₹)			
	<b>Change in defined benefit obligations (“DBO”) during the year</b>					
	Present value of DBO at beginning of the year	3,34,655	1,88,931			
	Current service cost	1,31,764	1,13,072			
	Interest cost	28,446	24,160			
	Actuarial (gains) / losses	1,29,990	8,492			
	<b>Present value of DBO at the end of the years</b>	<b>6,24,855</b>	<b>3,34,655</b>			
	<b>Change in fair value of assets during the year</b>					
	Plan assets at beginning of the year	-	-			
	Expected return on plan assets	-	-			
	Actual company contributions	5,00,000	-			
	Actuarial gain / (loss)	-	-			
	Benefits paid	-	-			
	<b>Plan assets at the end of the year</b>	<b>5,00,000</b>	<b>-</b>			
	<b>Actuarial assumptions</b>					
	Discount rate	8%	8.50%			
	Salary escalation	6%	6%			
	Rate of Return on Plan Assets	8.60%	-			
	Attrition					
	(i) If service Less than 5 years	15.80%	15.80%			
	(ii) After 5 years	8.60%	8.60%			
	Mortality tables	India Assured Lives Mortality (2006-08) Ultimate	LIC (1994-96) 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.					
	<b>Experience adjustments</b>	<b>2012-2013</b>	<b>2011-2012</b>	<b>2010- 2011</b>	<b>2009- 2010</b>	<b>2008- 2009</b>
	<b>Gratuity</b>	(₹)	(₹)	(₹)	(₹)	(₹)
	Present value of Defined Benefit Obligation (A)	6,24,855	3,34,655	1,88,931	1,54,267	80,252
	Fair value of plan assets (B)	5,00,000	-	-	-	-
	Funded status (B-A)	(1,24,855)	(3,34,655)	(1,88,931)	(1,54,267)	(80,252)
Experience (gain) / loss adjustments on plan liabilities	1,04,619	(91,131)	(75,418)	10,490	3,240	
Experience gain / (loss) adjustments on plan assets	-	-	-	-	-	

**MP ONLINE LIMITED**
**Notes forming part of the financial statements**

<b>21.2</b>	<b>Segment Reporting</b>
	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

21.3	Related party transactions			
	Details of related parties:			
	Description of relationship	Name of the Related party		
	Ultimate Holding Company	Tata Sons Limited		
	Holding Company	Tata Consultancy Services Limited		
	Fellow Subsidiaries (to be given only if there are transactions)	Tata Teleservices Limited		
	Investing Party	Madhya Pradesh State Electronics Development Corporation Limited		
	Note: Related parties have been identified by the Management.			
	Details of related party transactions during the year ended 31 March, 2013 and balances outstanding as at 31 March, 2013:			
		Tata Consultancy Services Limited	Tata Teleservices Limited	Madhya Pradesh State Electronics Development Corporation Limited
	Revenues	45,123 1,25,506	- 28,331	- -
	Amounts collected on behalf of customers	- -	- 21,68,700	- -
	Services rendered by Business Associates.	1,83,43,321 1,76,83,296	- -	- -
	Online Assessment	1,94,27,157 2,82,18,159	- -	- -
	Travel & Others expenses	- -	- -	- 21,882
	Trade Payables	2,02,69,181 2,53,96,343	- -	- -

Figures in Italics relates to previous year.

<b>21.4</b>	<b>Details of leasing arrangements</b>	<b>For the year ended 31 March, 2013</b>	<b>For the year ended 31 March, 2012</b>
		<b>(₹)</b>	<b>(₹)</b>
	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	23,59,503	21,92,850
	(ii) later than one year and not later than five years	99,33,906	1,46,83,725
	(iii) later than five years	44,07,042	20,16,726
	<b>Total</b>	<b>1,67,00,451</b>	<b>1,88,93,301</b>
	Lease payments recognised in the Statement of Profit and Loss	30,57,251	28,60,579

**MP ONLINE LIMITED**  
**Notes forming part of the financial statements**

21.5	Earnings per share	For the year ended 31 March, 2013	For the year ended 31 March, 2012
		(₹)	(₹)
	Basic and diluted		
	Continuing operations		
	Net profit for the year from continuing operations attributable to the equity shareholders	11,15,77,302	8,31,26,687
	Weighted average number of equity shares	10,00,000	10,00,000
	Par value per share	10	10
	Earnings per share from continuing operations - Basic	111.58	83.13

Note	Particulars	As at 31 March, 2013	As at 31 March, 2012
		(₹)	(₹)
21.6	<b>Deferred tax (liability) / asset</b>		
	<u>Tax effect of items constituting deferred tax liability</u>		
	On difference between book balance and tax balance of fixed assets	-	-
	<u>Tax effect of items constituting deferred tax liability</u>	-	-
	<u>Tax effect of items constituting deferred tax assets</u>		
	Provision for compensated absences and gratuity	4,91,752	2,83,619
	Provision for doubtful debts / advances	-	-
	On difference between book balance and tax balance of fixed assets	6,62,199	2,17,869
	Other adjustment	-	-
	Tax effect of items constituting deferred tax assets	11,53,951	5,01,488
	<b>Net deferred tax (liability) / asset</b>	<b>11,53,951</b>	<b>5,01,488</b>

21.7	<b>Previous year's figures</b>
	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

  
**L. K. TIWARI**  
 Director

  
**VELUGA RAJANNA**  
 Director

  
**KARAN TANNA**  
 Company Secretary

Mumbai, April 12, 2013

