



annual report
2012



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ONMOBILE GLOBAL: NEW HORIZONS

OnMobile Global Limited has been a pioneer in the Mobile Value Added Services (MVAS) industry and a market leader in the space ever since its inception 12 years ago. With services in 55 countries and 1634 employees around the world, OnMobile has created a niche for itself in the Mobile VAS realm and is highly regarded as the 'Partner of Choice' by telecom operators around the world. The company was publicly listed in 2008 and has acquired Voxmobili (2007), Telisma (2008), and Dilithium Networks (2010) over the last few years.

From the consumers' standpoint, there are significant opportunities in the VAS industry. However, the pressures faced by the telecom sector due to margins is a major challenge for the Indian VAS industry. While there are opportunities in addressing these challenges, OnMobile is also actively de-risking by expanding geographically and developing new products. Where many mobile VAS companies are beginning to make increasing efforts to expand into international markets to boost revenue growth, OnMobile's revenue is already growing at a healthy pace, driven by our international operations off-setting the sluggish domestic business. Our business in emerging markets, notably Africa and in developed markets like Europe and North America, has also showed impressive gains with new customer deployments and product launches. OnMobile is live in 12 Latin American countries with Telefonica, covering 99% of the total subscriber base in the region. From one African country last year, we have grown to 15 deployments across the continent within a

short time. From Europe to the US, our success stories of new deployments and new product offerings continue to make news.

Over the coming year, we are confident that our growing portfolio of international clients and new offerings for the Indian market will continue to expand our base of satisfied customers, challenge our competitors with our technical innovation, and bring us impressive returns on our investments.

In this section, we focus on OnMobile's success stories from around the globe, on how our commitment and focus has made a difference in people's lives through our services while simultaneously nurturing and growing our core asset – our employees.



LATIN AMERICA



Yxito in Latin America!

Yxito (or success) could well be a one-word summary of the year OnMobile has had in Latin America (LATAM). As we tapped into the region's love for music with our avant-garde solutions and expertise in the Ring Back Tone (RBT) business, our services became an instant hit in the continent.

Chartered New Territories

RBT services have currently been launched in 12 countries of LATAM, generating over \$10M in topline revenue per month for our client Telefonica LATAM. OnMobile now has over 10M RBT subscribers, which translates into an overall penetration of over 6% across LATAM with a user base as large as 15% in some countries.

The Secret of our Success

Speed-to-market has become our trademark in the region with a new deployment every few weeks. The rapid deployment and roll-out across most countries has contributed to our success. The OnMobile team ensures that service performance and charging systems are constantly monitored, which helps us guarantee uninterrupted functioning and rapid addressal of any issues. Simultaneously, we maintain a strong focus on understanding our consumers and customizing our services according to the local flavour.

'Localising' was one of our biggest takeaways from this region. Whether it is service deployment or revenue build-up, customising to the local market has worked wonders for our business. OnMobile's business strategy lays great emphasis on the local team, culture, customs and behaviour. We recognise that hurdles and challenges are part of the game, but our experience and cultural immersion has helped us improvise and carry our learning into every new deployment. The feeling of

ownership amongst our team members and the prioritising of multiple stakeholders have brought us immense success.

OnMobile Competitive Advantage

OnMobile has proven expertise in deploying and managing mobile value added services across geographies, cultures and teams. Our competitive advantage comes from our ability to be an end-to-end business solution provider rather than just a platform provider like other companies in the same space. OnMobile believes in sharing knowledge of best business practices from diverse markets across the world. We remain fully aligned with the telecom operators, to help them achieve goals and strategies around the RBT business.





Our African Odyssey

Did you know that more than half of Africa's population own mobile phones and their usage patterns are not merely for calling? It has been a year of learning for OnMobile in Africa. As we learn about the rich musical traditions of this continent, we are also bringing thousands of songs to fans on their mobiles. We bring you some highlights from this journey.



New Milestones Everyday

Within 12 months, OnMobile has expanded its operations from one country to 15 countries across East, West and South Africa. We have built an entire eco-system of content operations from planning, sourcing and reporting to payouts for local content providers: all this across 15 countries in just one year. To support these operations, the OnMobile Africa team has grown from two pioneers last year to 40 VAS champions across ten countries in 12 months. Plans are in place to hire talent in five more countries. Our product offerings include Ring Back Tones, Music on Demand, OnSong, Chat Services across IVR, SMS, WAP, Voice Portal Services deployed in multiple languages with localised content offerings across the continent.

The Secret of our Success

We have repeated and improved upon our Latin American experience of large scale deployment in Africa. OnMobile's ability to scale up product deployment, teams and operations quickly is one of the factors that contributed to our success in this region. In Africa, we were able to drive projects faster, with fewer roadblocks and at lower expenses than in the past.

Always Learning

We have learnt that Africa is home to diversity, rich musical and cultural traditions, and in order to reach our end users, we need a fundamental understanding and great technology that speaks to them in words close to their hearts.

And helping us in this task is our talented team of local African employees, who make everything from understanding local culture to building bonds with clients easier and enriching. We have faced unique challenges while dealing with different countries in this region: each one has its own regulations, and we need to ensure total compliance with each in order to do long term business successfully.





Hola España!

Building upon OnMobile's LATAM deployments and taking the relation forward, the OnMobile Ring Back Tone service was launched in Spain in the middle of 2011. Working closely as a team and offering localised solutions has been key to our growth in this challenging market.

Our Spanish Challenge

With a high ARPU and primarily post-paid subscriber base, Spain is the 12th largest economy of the world. A developed mobile market with 120% mobile penetration, it is also very well regulated. OnMobile was entrusted with the responsibility to migrate and turn around the RBT service for a leading Spanish telecom operator, and enhance their offerings with the launch of new comprehensive features and services like Press * to Copy.

Transforming the RBT Experience

Today, OnMobile has a multi-site deployment across Spain that is distributed across four locations. RBTs have had a resounding success among the music-loving and friendly people of Spain, with the subscriber base showing a growth of almost 50% within twelve months of deployment, and a five-fold increase in content consumption. Our presence on all access mediums such as Voice, SMS, WAP and Web, along with ease of purchase, has increased the customer engagement and new song selection manifold.

Learning and Adapting

Our Latin American experience had exposed us to the language and a similar music market, but adopting and managing the finer nuances of a new culture is always a challenge. This was overcome effectively by teams working together as a single

unit. Our stress on making a sincere and dedicated effort to understand the end consumers and adapt our offerings to the local taste and market has helped us overcome many challenges in the past, and served us well on our Spanish mission too.

Determined To Succeed

OnMobile spares no effort to make the Spanish user's RBT experience a pleasant one. A focused and dedicated team is on the job 24x7 to provide the best customer experience and user interface, the best local content and localised customer-friendly features and enhancements. The deployment and subsequent implementation has been conducted in total compliance with the stringent local requirements. This has won us the client's confidence and trust, and today their team and ours work as one – bearing testimony to the success of our endeavor.





The Cloud is the Future

A new world order is being set – that of Mobile Data – driven primarily by proliferation of affordable smart mobile devices and readily-available connectivity. The Internet revolution drove availability of data and commoditization of data services, making them available anywhere, anytime and on any connected device.



The era of Mobile Data makes connectivity available on the move, so that the consumer does not need to go to the Internet; rather, the Internet comes to the consumer. Global consumers are demanding that services be made available on mobile devices at an optimal price point with the highest quality – and the Mobile Cloud is addressing this need. In this age, consumers can access, store, share and sync their data from all their devices – be it smartphone, tablet or PC – ubiquitously and in a secure manner.

Addressing Opportunities in the New Era

OnMobile brings to market a host of personal cloud services under the product line, OnCloud. We have tapped into this market trend at the right time and introduced cutting-edge products to address the evolving needs – the OnCloud suite of applications that will enable consumers to access, store, sync, share and stream their personalised content without the restrictions of device, OS or platform. OnCloud has piqued the interest of mobile operators in advanced markets who wish to leverage the Personal Cloud solutions space, and we are partnering with them in bringing this revolution to their end users. The emerging markets are also catching up with this trend while challenges still remain with a more price sensitive consumer for better affordability of smartphones and mobile data access.

Our Bouquet of Offerings

Our consumers not only have a need for instant &

ubiquitous access to their data, but are also concerned about the privacy and security aspects. To this end, our bouquet of OnCloud products – Network Address Book, Phone Backup, Social Networking Gateway, Digital Locker and Family Portal – offer a great combination of easy accessibility and assured privacy and security. Our offerings provide an elegant amalgamation of features with a user experience that masks the technical complications and sophistications of the product, providing the user with a personalised and easy-to-use experience.

The OnMobile Edge

OnMobile sees a clear advantage given our stature in the industry as a global value added services company, taking services to markets across continents – emerging and advanced markets.

The OnMobile advantage is our ability to bring learnings from around the globe to every service we take to market, thus offering a blend of cutting-edge technology, an understanding of local tastes and preferences, and budget-efficient deployments.





From the Human Resources Desk

As OnMobile continues to grow, it needs the support and contribution of a diverse team that brings an array of cultural, business, customer relationships and technical experience to enrich our product and service offerings and customise them for our varied client base across the globe.

The challenging task of recruiting, training, motivating, integrating and retaining this talent pool falls upon our dynamic Human Resources team, which has had one of its most adventurous years so far.

The OnMobile Family

With 241 new members recruited across the world, the OnMobile team has grown to 1634 talented professionals. We believe in hiring Individuals with vision, creativity and the energy to lead the changes that take place in the telecommunications industry each day, and carefully customise our recruitment message to diverse markets in order to attract top talent. From bright college graduates recruited on campuses to senior management bringing invaluable experience and insight: we ensure that the best minds thinking about VAS are thinking with us. A dedicated team focusing on immigration and compliance ensures that our employees can perform efficiently across the globe and can be truly mobile even at short notice.

Staying Connected

With team members spread from Africa to Australia, Paris to Bangalore, it is a challenge to build and sustain the 'one company' culture, and we have spared no effort in ensuring that all OnMobile employees feel part of the family, and are connected to each other. Our 'e-connect' programme brings all India employees together through participative activities every year, and regular online and offline events are organized at all locations to aid in team building, and forging bonds between senior management and the employees. The first ever 'OnMobile Talent Hunt' was conducted, last year, across various locations in India where employees showcased their talent. OnMobilians had a fun filled evening watching outstanding performances by the finalists and a dance performance by an external troupe.

Learning New Things Every Day

Training at OnMobile is an important means to continuously enhance the skills, knowledge and attitude of our employees and make them more effective in their current and future roles. We have made significant investments especially in technical and product training for our employees. In the year 2011-2012, we conducted 31 training programs across the organization for over 775 employees.



Our Social Responsibility

As a responsible organization, OnMobile is committed to contributing to the society, environment and community. The focus area for OnMobile this year was Education. Apart from this, we participated in the 'Joy Of Giving Week' challenge by Give India, and employees contributed in cash and kind to three major social service organizations across the country. As part of our 'green' campaign, we observed World Environment day, contributed to the 'Cycle to Work' global initiative, and facilitated a car pool information service for our employees.





CHAIRMAN'S MESSAGE



Dear Shareholders,

The twelfth year of OnMobile has been a year of new beginnings, new challenges, and forays into new territories. As we continue to maintain and consolidate our leadership position in the world of mobile Value Added Services, we take a moment here to analyse, introspect, and share our vision for the future with our partners on this journey.

As phones become the ubiquitous devices worldwide not just for communication but also entertainment and social connectivity, mobile VAS continues to grow from strength to strength. With our years of experience and internationally proven expertise in delivering innovative and scalable VAS solutions, we continue to ride the wave of success as we enter a new year.

The past year has been a dramatic one for VAS in India. While 3G brought with it a world of opportunity for everyone from the consumer to the operator to the VAS community, it also created new challenges in terms of regulations, policy and the finances associated with the procurement of spectrum rights. As operators navigated these choppy waters through most of last year, their focus on technology and budgets for VAS took a backseat. Despite these setbacks, we managed to break new ground in the Indian market this year with our data services such as USSD and rich alerts, which have shown great promise and will continue to grow in the future. To boost our data campaign, we plan to implement technology from our research and development hub in France and US, thereby consolidating our position as data experts in India and other emerging markets.

Our mission to be a truly international company has shown tremendous success this year. Let me share a few highlights:

Our revenues from international deployments have doubled compared to last year, which is a remarkable achievement in a time when the economic climate of much of the developing world (which comprises a large proportion of our market) is uncertain and spending is highly conservative.

The OnMobile flag is now flying high in 12 Latin American countries, and with our new deployments this year, we have forged a relationship of deep trust and synergy with Telefonica. Our investment in transforming the mobile VAS landscape of Latin America is bearing fruit, with over 10 million subscribers enjoying the OnMobile Ring Back Tone experience.

Our African safari has turned into a long-term relationship with the region, as we are live in 15 countries across the continent today, and our learning from our Latin American venture has helped us make deployments quickly, efficiently, and successfully. With every new country we venture into, our wealth of cultural and language expertise increases, preparing us to make the next launch quicker and more efficient.

As we continue to achieve new milestones internationally, this year we have also focused inward, on our biggest resource: our employees. Our talent pool has grown to 1634 OnMobilians recruited from and deployed in various parts of the world, and our human resources division has spent the year mastering the art of international hiring, immigration, relocation, and attracting and retaining talent from diverse cultures. With new automated employee processes in place, we hope to make workflow seamless across geographies. We also strive to ensure that all our employees feel part of the OnMobile family through regular interaction and cultural activities across our offices.

The past year put us through a test of spirit and character that I am proud to report we passed through and emerged stronger than ever. As we reviewed our governance standards in the process, we were able to confirm that our rigorous system of checks and balances is strong enough to detect and combat any issues that might arise intentionally or otherwise. There has been no material impact of these concerns on our growth, and we remain committed to the highest standards of personal and business ethics as we continue to partner with the biggest and most respected brands in the world.

Spearheading a new, truly international OnMobile is a board that comprises a team that has been with OnMobile since its inception, and new members who bring a wealth of experience and a new perspective. This year saw the departure of Sridar A Iyengar and Prof. Jayanth Rama Varma from the Board of Directors, and we welcomed Harit Nagpal and Rajiv Khaitan, whose invaluable insights we hope to benefit from for many years to come.

Our four main areas of focus this year has been our continued commitment to offering best-in-class products and services, delivering value to our customers through our constant innovation, increasing our global presence, and creating a work environment that motivates our team to deliver their best. We hope to make these qualities synonymous with OnMobile as we continue to grow over the years.

We are excited about our roadmap for the coming year, which will take us to new countries, expand our product offerings and enable us to reach out to millions of new users across cultures, bringing them a great VAS experience each time they interact with an OnMobile service.

It is my pleasure to welcome you on this journey into a world of exciting possibilities.



H. H. Haight IV
Chairman
OnMobile Global Ltd.



PRODUCT LINES



Music and Entertainment

- Ring Back Tone (RBT)
- Reverse Ring Back Tone (RRBT)
- M-Radio/Music On Demand (MOD)
- Music 360/Music Adda/
Music Store/Music & Tones
- M-Search
- Music Genie
- Karaophone
- MuzikMind
- Cinema OnMobile

Messaging products

- Messaging and Campaign Management
Platforms
- Cell Broadcast

Infotainment Solutions

- Rich Alerts
- Contests & Games
- Sports
- Live Streaming
- Mobile Box Office
- My Song My Story (Talk to Me)
- SIM Toolkit

M-Commerce and M-Marketing

- Mobile Advertising
- Mobile Deals



Cloud and Data Products

- OnCloud Family – Digital Locker, Secure, Family Portal, Network Address Book, Phone Backup, Social Networking Gateway, PhoneBook
- OnVoice Family – Valet (Personal Assistant), Speech Ports, MyService (Self Care)
- OnBoard Family – Cloud APIs
- OnCall – VoicePresence, Klick

Video Products

- Real-time Video Adaptation
- Smartphone Peer-to-Peer and Multi-Party Video Chatting
- Multimedia Gateways
- Video Blogging
- Live Video Casting
- 3G Video Stacks

Media Solutions

- Televoting and Polling
- Tele-registrations
- Interactive Contests
- Participative Media Apps
- Content Monetisation

Utility Services

- Governance
- Utilities & Social impact projects - Health, Agriculture, Education



CORPORATE INFORMATION AND BOARD OF DIRECTORS

Board of Directors*

H. H. Haight IV	Non-Executive Director & Chairman
Arvind Rao	Managing Director
Chandramouli Janakiraman	Executive Director
Naresh Malhotra	Independent Director
Rajiv Khaitan	Independent Director
Harit Nagpal	Independent Director

Board Committees*

Audit Committee

Naresh Malhotra	Chairman
H. H. Haight IV	Member
Harit Nagpal	Member
Rajiv Khaitan	Member

Compensation Committee

Harit Nagpal	Chairman
H. H. Haight IV	Member
Naresh Malhotra	Member
Rajiv Khaitan	Member

Share Transfer and Investor Grievance Committee

Naresh Malhotra	Chairman
Chandramouli Janakiraman	Member
Harit Nagpal	Member

Corporate Governance Committee

Naresh Malhotra	Member
H. H. Haight IV	Member

Buyback Committee

Arvind Rao	Member
Chandramouli Janakiraman	Member

Company Secretary

P. V. Varaprasad

Statutory Auditors

Deloitte Haskins and Sells

Internal Auditors

KPMG (Registered)

Bankers

- Kotak Mahindra Bank Limited
- DBS Bank Limited
- Hong Kong and Shanghai Banking Corporation
- Citibank N A
- ICICI Bank Limited
- State Bank of India
- IDBI Bank Limited
- Punjab National Bank
- Bank of India
- Canara Bank
- Axis Bank Limited
- HDFC Bank Limited
- Banamex, Mexico
- BANCO SANTANDER, S.A. Spain
- BBVA Banco Continental, Peru
- BancoMercantil, Av, Venezuela
- BanqueInternationale pour le Commerce et l'Industrie au Mali
- Bank of Cyprus,Cyprus
- Banco de Chile,chile
- BancaPopolare Di Milano,Italy

Registered Office

No. 26, Bannerghatta Road, JP Nagar Phase III,
Bangalore - 560 076
www.onmobile.com

Registrar and Share Transfer Agent

Karvy Computershare Private Limited
17-24 Viithal Rao Nagar, Madhapur
Hyderabad 500 081, India
Tel: (91) 40 44655000
Fax: (91) 40 2342 0814

* The constitution of the Board and the Committees is as on May 07, 2012

Subsidiaries and Branches of the Company

I. List of Subsidiaries of the Company

OnMobile Global Limited has the following Subsidiary Companies:

SI No.	Name of the Subsidiary Company	Country
1.	OnMobile Singapore Pte. Ltd	Singapore
2.	PT. OnMobile Indonesia	Indonesia
3.	Voxmobili SA	France
4.	OnMobile SA	France
5.	OnMobile Europe B V	Netherlands
6.	OnMobile USA LLC	USA
7.	Servicios De Telefonía OnMobile SA De C V	Mexico
8.	OnMobile Servicios Corporativos De Telefonía S.A. DE C.V.	Mexico
9.	OnMobile Global SA	Argentina
10.	OnMobile De Venezuela C A	Venezuela
11.	OnMobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis Ltda	Brasil
12.	OnMobile Global for Telecommunications Services Ltd	Egypt
13.	OnMobile Uruguay SA	Uruguay
14.	OnMobile Senegal SARL	Senegal
15.	OnMobile Mali SARL	Mali
16.	OnMobile Bangladesh Private Limited	Bangladesh
17.	OnMobile Kenya Telecom Limited	Kenya
18.	OnMobile Telecom Limited	Malawi
19.	OnMobile Costa Rica OBCR, SA	Costa Rica

II. List of Branches of the Company

Along with the above said subsidiary companies, OnMobile Global Limited has the following Branches / Representative offices:

SI No.	Branch Locations	SI No.	Branch Locations
1	Mumbai, India	13	Kathmandu, Nepal
2	Gurgaon, India	14	Milan, Italy
3	Dhaka, Bangladesh	15	Dar es salam, Tanzania
4	Kualampur, Malaysia	16	Bogota, Colombia
5	London, UK	17	Santiago , Chile
6	Sydney, Australia	18	Panama City, Panama
7	Pretoria, South Africa	19	Guyaquil, Ecuador
8	Dubai, UAE	20	Managua, Nicaragua
9	Colombo, Sri Lanka	21	San Salvador, EL Salvador
10	Bucarest, Romania	22	Lima, Peru
11	Madrid, Spain	23	Bangalore (SEZ), India
12	Nicosia, Cyprus	24	Noida (SEZ), India

CONTACT INFORMATION

Registered and Corporate Office

OnMobile Global Limited

No. 26, Bannerghatta Road, JP Nagar Phase III,
Bangalore – 560076, Karnataka, India.
www.onmobile.com

OTHER LOCATIONS

BANGALORE:

RPS Green Space, No. 165/5, 1st Main, Krishna Raju
Layout, J P Nagar Phase VII, Bangalore – 560 076

MUMBAI:

Sumer Plaza, Floor 4 and 5, Marol Maroshi Road, Marol,
Andheri (E), Mumbai – 400 059

DELHI:

#105/106, First Floor, Time Tower
(Opp. Gurgaon Central Mall), M.G.Road,
Gurgaon-122 002 Haryana, INDIA

SEZ OFFICES

BANGALORE

West Wing Face No: 1 Adarsh Prime Project Pvt. Ltd,
4th Floor SEZ, Varthur Hobli, Devarabisanahalli Village,
Outer Ring Road, Sarjapur, Bangalore: 560037

NOIDA

Unit-4, III Floor, Building II, Plot # 20 & 21,
Unitech Infospace Building- SEZ premises,
Sector 135, Noida UP.

APAC

BANGLADESH

Bailaaree (4th Floor), Plot No. 30, Road No. 130,
South Avenue, Gulshan - 1, Dhaka-1212
Bangladesh

NEPAL

Ward No. 6, Galfutar, Mahangal VCD, Kathmandu, Nepal

SRI LANKA

Level 5, No. 02, Castle Lane, Colombo 04, Sri Lanka

CHINA

14-1-2001, GanLan Chen, Wang Jing Dong Yuan, Chao
Yang District, Beijing ,China.

MALAYSIA

Level 16, Menara Hap Seng, Jalan P. Ramlee, 50250 Kuala
Lumpur, Malaysia

INDONESIA

PT OnMobile Indonesia
M-23, Mayapada Tower, 11th Floor,
Jl. Jenderal Sudirman, Kav. 28, Jakarta 12920, Indonesia

SINGAPORE

OnMobile Singapore Pte. Ltd.
APBC Raffles Place, 30 Raffles Place, #23-00 Chevron
House, Singapore - 048622

UNITED STATES OF AMERICA

OnMobile USA LLC
5201, Blue Lagoon Drive,
Suite 866-867, Miami Florida, 33126

CALIFORNIA

5401, Old Redwood Highway, Suit 100, Petaluma,
California, 94954, USA

SEATTLE

1601, Fifth Avenue, Suit 2400, Seattle, WA 981011

MIDDLE EAST AND AFRICA

EGYPT

OnMobile Global For Telecommunication Services Ltd.
Reguscairo, Nile city towers, 22nd Floor,
North Tower, Nile city towers, Cornich
El Nil Ramlet Bouluck, Cairo, Egypt

DUBAI

#1803, Al Shatha Tower, Dubai Media city, Dubai.

SENEGAL

OnMobile Senegal SARL
3, Place de l'indépendance BP. 6454 Dakar Senegal

TANZANIA

10th Floor, PPF Tower, Corner of Ohio Street/Garden Avenue,
P O Box 1559
Dar Es Salaam, Tanzania

SOUTH AFRICA

Central Office Park No. 3, 257 Jean Avenue,
Centurion 0157, South Africa

KENYA

OnMobile Telecom Kenya Limited
6B TRV Office Plaza, Muthithi Road,
Westlands, Nairobi, Kenya.

MALAWI

OnMobile Telecom Limited
Top Floor, Imtrust House, HailleSellaisse Road,
Blantyre, Malawi.

MALI

OnMobile Mali SARL
BadalabougouEst -Rue 25 - Porte 271 BP 3013
Bamako - MALI

AUSTRALIA

Level 34, 100 Miller Street, N Sydney, NSW - 2060,
Australia

EUROPE

FRANCE

Voxmobili SA (an OnMobile Company)
36, rue Brunel 75017 Paris - France

OnMobile SA
97 av. du Général Leclerc 75014 Paris

THE NETHERLANDS

OnMobile Europe BV
Prins Bernhardplein 200, 1097JB, Amsterdam
(Mailing: Postbus990, 1000AZ, Amsterdam)

ROMANIA

Bucharest, 34 Aurel Vlaicu Street, Ground Floor, 2nd
District, Romania

UNITED KINGDOM

1, Furzground way, Stockley Park East, Uxbridge,
Middlesex, UB11 1BD.

SPAIN

Pza. Pablo Ruiz Picasso, 1, Torre Picasso,
28020 Madrid, España

ITALY

CorsoPlebisciti 8 - 20129 Milano

CYPRUS

Lampousas, 1, P.C. 1095, Nicosia, Cyprus

LATIN AMERICA

MEXICO

Servicios De Telefonía OnMobile Sa De Cv
OnMobile Servicios Corporativos De Telefonía S.A. De
C.V.
Paseo de la Reforma No. 505-31
Col. Cuauhtémoc C.P.06500
Deleg. Cuauhtémoc Mexico, D.F.

VENEZUELA

OnMobile De Venezuela, C.A
Tercera Avenida, entre 6ta y 7ma Transversal de los Palos
Grandes, Quinta Clydes. Caracas, Venezuela.

COLOMBIA

Calle 72 No 8 - 24 Piso 10, Bogotá Colombia.

BRASIL

OnMobile Brasil Sistemas De Valor Agregado Para
Comunicações Móveis Ltda.
RuaBarão do Triunfo, nº 88, cj 915 - BrooklinPaulista, CEP
04602-000, Cidade e Estado de São Paulo

ARGENTINA

OnMobile Global S.A.
Av.Roque Saenz Peña 788 9º,
Buenos Aires, Argentina

CHILE

Av. Providencia No. 329, P.6, Santiago,Chile— 13

PANAMA

Samuel Lewis Ave. and 54th AFRA building, 10th floor,
Obarrio, Panama city,

ECUADOR

Junin 114 y Malecon Simon Bolivar Edif. Torres del Rio, piso
6 ofc. 8 Guayaquil – Ecuador

NICARAGUA

Kilómetro 4 1/2 carretera Masaya, Edificio
BAC, QuintoPiso, Managua, Nicaragua, C.A.

EL SALVADOR

Calle la mascota, Col San Benito, Casa 533, San Salvador,
San Salvador.

PERU

Calle Donatello Nr. 206, San Borja, Lima 41, Peru

URUGUAY

OnMobile Uruguay SA Bulevar Artigas 1100
11300 - Montevideo - Uruguay

COSTA RICA

OnMobile Costa Rica OBCR, S.A.
Barrio Escalante, Calle 31, Avenida 13, #2575
7813-1000 San José, Costa Rica

CEO and CFO Certification

We, Arvind Rao, Chief Executive Officer and Managing Director, Rinku Ghosh, General Manager-Finance, and Praveen Kumar, General Manager-Finance of OnMobile Global Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the balance sheet and profit and loss account (consolidated and unconsolidated), and all its schedules and notes on accounts, as well as the cash flow statements, and the directors report;
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made;
3. Based on the information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations;
4. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct;
5. We accept responsibility for establishing and maintaining internal controls and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
6. We have indicated to the auditors and the Audit Committee:
 - (i) Significant changes in the internal control over financial reporting during the year;
 - (ii) Significant changes in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee have a significant role in the Company's internal control system over financial reporting.
7. In the event of any materially significant misstatements or omissions, we will return to the Company that part of any bonus or incentive or equity based compensation, which was inflated on account of such errors, as decided by the audit committee;
8. We affirm that we have not denied any personnel, access to the audit committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to 'whistle blowers' from unfair termination and other unfair or prejudicial employment practices; and
9. We further declare that all Board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

Arvind Rao,
CEO

Rinku Ghosh,
GM-Finance

Praveen Kumar
GM-Finance

Date: May 7, 2012

Place: Bangalore

Report on Corporate Governance

CORPORATE GOVERNANCE

The Company's Philosophy on Corporate Governance is as under:

- Ensure that the Board exercises its fiduciary responsibilities towards shareholders, thereby ensuring high accountability;
- Ensure that the decision making is transparent and documentary evidence is traceable through the minutes of the meetings of the Board/Committee thereof;
- Ensure that the Board, the senior management team, the compliance officer, the employees and all concerned are fully committed to maximizing long-term value to the share owners and the Company;
- Ensure that the financial and management information, which management shares with the Board, as well as the current and potential investors is timely and accurate;
- Ensure that the core values of the Company are protected;
- Ensure that the Company strives to achieve world class operating practices.

BOARD OF DIRECTORS

The OnMobile Board consists of Executive and Non-Executive directors. The Non-Executive Directors consist of eminent professionals from Business and Finance. The Company does not have any nominee Director. As per the articles of association of the Company, the Board can have a maximum of 12 members. As on March 31, 2012, the Board has 5 Directors, of which the Chairman of the Board is a non- executive Director.

DETAILS OF DIRECTORS

Name of Director	Position	Category	Attendance in Board Meetings		Attendance in last AGM	Other Board			
			Held	Attended		Directorships Indian listed Companies+	Directorships all around world++	Committee Chairmanships#	Committee Memberships# (including Chairmanships)
Arvind Rao	CEO & Managing Director	Executive Director– Promoter	11	6	Present	NIL	7	NIL	NIL
HH Haight IV	Non - Executive Chairman Director	Non-Executive	11	8	Present	NIL	15	NIL	1
Chandramouli Janakiraman	Whole time Director and CTO	Executive Director – Promoter	11	7	Present	NIL	7	NIL	1
Naresh Malhotra	Director	Independent	11	11	Present	2	12	4	4
Harit Nagpal*	Director	Independent	11	1	NA	1	3	1	2
Rajiv Khaitan*	Director	Independent	11	0	NA	1	6	1	2
Prof. Jayanth**	Director	Independent	11	7	Present	NA	NA	NA	NA
Sridar Iyengar**	Director	Independent	11	4	No	NA	NA	NA	NA

+ Excluding Directorships in OnMobile Global Limited and its subsidiaries

++ Directorships in all companies around the world (listed & unlisted) including OnMobile Global Limited and its subsidiaries

includes memberships/chairmanships of audit committees and investor grievance committees in public companies (Listed and Unlisted) including OnMobile Global Limited.

*Harit Nagpal appointed as a director on December 07, 2011

* Rajiv Khaitan appointed as a director on May 07, 2012

** Sridar Iyengar resigned as director on January 24, 2012

** Prof. Jayanth R Varma resigned as director on January 25, 2012

Details of Board meetings held during the year

Sl. No.	Date of Board Meeting	Board Strength	Directors present
1.	April 30, 2011	6	6
2.	May 23, 2011	6	4
3.	August 04, 2011	6	5
4.	September 03, 2011	6	3
5.	November 02, 2011	6	6
6.	November 30, 2011	6	4
7.	December 07, 2011	6	3
8.	January 21, 2012	7	4
9.	January 28, 2012	5	5
10.	February 24, 2012	5	2
11.	March 21, 2012	5	2

MEETINGS AND ATTENDANCE

Strategic planning and policy formulations are looked after by the Board. The senior management personnel heading respective business units are responsible for all day-to-day operations, productivity and profitability of their units. The Board meets at least four times in a year with the intervening period between two Board Meetings of not more than four months. The annual calendar of meetings is broadly determined at the beginning of each year. Most Board Meetings are well attended as shown below. During the year ended March 31, 2012, the Board met eleven times on April 30, 2011; May 23, 2011; August 04, 2011; September 03, 2011; November 02, 2011; November 30, 2011; December 07, 2011; January 21, 2012; January 28, 2012; February 24, 2012 and March 21, 2012. A structured agenda governs the meetings. Members of the Board, in consultation with the Chairman may bring up any matter for consideration of the Board. All items of major importance in the agenda are backed by comprehensive documentation and background information to enable the Board to take an informed decision. Agenda papers are circulated well in advance of the Board meeting.

The details of the Board of Directors are as below:

Arvind Rao graduated with a Bachelor of Technology degree from the Indian Institute of Technology, Mumbai, Master of Science degree from the University of Wisconsin, Madison and a Master of Business Administration degree from the Wharton School, the University of Pennsylvania. He has been with OnMobile Systems Inc, our promoter, since its inception in the year 2000. Prior to joining the Company, he was Field Engineer at Schlumberger Wireline Services in Thailand, China and Malaysia, Senior Engagement Manager at McKinsey & Company in New York and India, Private Equity Investment Manager at the Chatterjee Group in New York and India between 1987 and 1999 and Managing Director Technology investments at Gilbert Global Equity Partners in New York. He has over two decades of experience in financial services, IT and the telecom industry. He was re-appointed as a Managing Director by the Board at their meeting held on April 30, 2011 for a period of five years. The shareholders approved the same in the Annual General Meeting held on August 04, 2011. Arvind Rao is on the Board of the following other Companies:

1. Ver se Innovation Private Limited
2. RiffMobile Private Limited
3. Oskar Habitat Private Limited
4. Voxmobili SA
5. OnMobile SA
6. OnMobile Europe BV

Chandramouli Janakiraman graduated with a Bachelor of Technology degree from the National Institute of Technology, Allahabad. He has over 20 years of experience in the software industry. He has previously served as Associate Vice President and Head of the Internet Products Group in Infosys Technologies Limited. In 2000, he left Infosys and co-founded OnMobile Systems Inc. He was appointed as a Director by the shareholders at the AGM held on May 12, 2003. He was appointed as a whole time Director of the Company on July 24, 2006. The Board of Directors at their meeting held on April 30, 2011 approved his re-appointment as whole time Director designated as "Executive Director" and the shareholders approved the same in the Annual General Meeting held on August 04, 2011. Chandramouli Janakiraman is on the Board of the following other Companies:

1. PT OnMobile Indonesia
2. Servicios De Telefonía OnMobile SA De CV
3. OnMobile Global for Telecommunication Services Ltd
4. OnMobile Servicios Corporativos De Telefonía S.A. De CV
5. OnMobile Telecom Limited
6. OnMobile Costa Rica OBCR, SA

H.H. Haight IV graduated with a Bachelor of Science degree from the University of California, Berkeley and a Master of Business Administration degree from Harvard Business School. He has over 20 years of experience in the leadership and growth of various enterprise companies. He has previously served as Managing Director in Advent International Corp. He currently serves as Chief Executive Officer of Argo Global Capital, LLC and OnMobile Systems Inc. H H Haight was appointed as non-executive Chairman of the Board on December 07, 2011. Haight retires by rotation and being eligible offers himself for re-appointment at the forthcoming AGM to be held on August 29, 2012. HH Haight IV is on the Board of the following other Companies:

1. Argo Global Capital Corp.
2. Argo Global Capital Inc.
3. Argo Holdings, LP (General Partner)
4. BPHC (Managing Member)
5. Telecom Investment Inc.
6. Argnor Wireless Ventures
7. Neural Technologies Limited
8. Neural Technologies 3
9. Argo Gasification (AGT)
10. OnMobile Systems Inc
11. Nostix LLC
12. SurfKitchen Limited
13. uReach Technologies
14. Neural Technologies Int. Limited

Naresh K. Malhotra graduated with a Bachelor of Commerce degree from St. Xavier's College, Calcutta University. He qualified as a Chartered Accountant in 1970. He has over 40 years of experience in India and overseas in various companies including Imperial Chemical Industries, Unilever, Colgate Palmolive, Bukhatir Investments, the UB Group, KPMG and Amalgamated Bean Coffee Trading Company. He has previously served as founding partner and Managing Director of corporate finance in KPMG in India. Malhotra was re-appointed at the AGM of the shareholders held on August 04, 2011. Naresh Malhotra is on the Board of the following other Companies:

1. AB Holdings Private Limited
2. Balan Natural Food Private Limited
3. NM Properties and Consulting Private Limited
4. Tarang Software Technologies Private Limited
5. Printo Document Services Private Limited

6. Royal Orchid Hotels Limited
7. Deriv IT Solutions Private Limited
8. Deriv Solutions PTE Limited
9. Blue Star Infotech Limited
10. Modern Family Doctor Private Limited
11. Strand Life Sciences Private Limited

Harit Nagpal is the Managing Director & CEO of Tata Sky Ltd., a joint venture of the Tata Group, Newscorp and Temasek. Before joining Tata Sky he was the Group Marketing Director of Vodafone PLC based at Vodafone's global head quarters in London. Harit followed his graduation in Chemical Engineering with an MBA from FMS at Delhi. In addition to the 9 years with Vodafone, in India and the U.K., during his 27 years of professional career, he has previously worked with Shoppers Stop, Pepsi, Marico and Lakme in various leadership positions in fields like Sales, Exports, Operations & Marketing. Nagpal was appointed by the Board as an additional Director in their meeting held on December 07, 2011, being eligible offers himself for being regularized at the forthcoming AGM to be held on August 29, 2012. Harit Nagpal is on the Board of the following other Companies:

1. Tata Sky Limited
2. Savita Oil Technologies Limited

Rajiv Khaitan is the Senior Partner of Khaitan & Co. Rajiv has over 25 years of experience in general legal practice with focus on business laws and currently leads the corporate and commercial laws practice at Bangalore. He advises on all aspects of Business including, business laws and regulations, corporate governance and finance, structuring, taxation, negotiation of commercial contracts, securities laws and takeover and listing regulations, mergers and acquisitions both in India and overseas, foreign exchange regulations, foreign investment regulations, investment and transaction structuring, business combinations, strategic alliances competition laws, trade laws, foreign collaborations, India entry strategies, private equity investments, promoter, investment and shareholder agreements, intellectual property laws, protection and licensing, technology licensing and transfer, retailing, franchising, consumer protection laws, packaging laws, labor laws, real estate and dispute resolution. Rajiv holds a Bachelor of Commerce degree and an LLB from the Calcutta University. Rajiv was appointed by the Board as an additional Director in their meeting held on May 07, 2012, and being eligible offers himself for being regularized at the forthcoming AGM to be held on August 29, 2012. Rajiv Khaitan is on the Board of the following other Companies:

1. EFD Induction Private Limited
2. Himatsingka Seide Limited

3. Khaitan Consultants Limited
4. Webb India Private Limited
5. ABC Consolidated Private Limited

INFORMATION PLACED BEFORE THE BOARD

Apart from the items required to be placed before the Board for its approval, some of the following are also placed for review / information:

- Annual Operating Plans and Budgets (including Capital Budgets);
- Quarterly performance, including business and financial update;
- Minutes of the Audit and Compensation Committees;
- The information and recruitment and remuneration of Senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary;
- Any material default in financial obligations to and by the Company, or substantial non- payment for goods sold by the Company;
- Demand, prosecution, show cause notices and penalty notices which are materially important;
- Any issue which involves possible product or public liability claims against the Company or its Directors/ officers;
- Status of business risk exposure, its management and related action plans;
- Proposals pertaining to Joint Venture and Investment/ Acquisition Decisions including payments towards intellectual property or goodwill;
- Non-Compliance of any regulatory, statutory or listing requirements;
- All proposals requiring Strategic decisions;
- Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business;
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

COMMITTEES OF THE BOARD

For the year ended March 31, 2012 the Board had six Committees - the Audit Committee, the Compensation Committee, the Shareholders and Investors Grievance Committee, the Buyback Committee, the Corporate Governance Committee and the Interim Management Supervisory and Review Committee of the Board. The terms of reference of the Board Committees are decided by the Board from time to time. Meeting of each Board Committee is convened by the respective Committee Chairman. The role

and composition of these committees, including the number of meetings held during the financial year and the related attendance are as follows:

1. Audit Committee

This committee consists of a minimum of three (3) Directors of whom two thirds including the Chairman are Independent Directors. The Committee consists of Naresh Malhotra (Chairman), Harit Nagpal and HH Haight IV. The Chairman of the committee is Naresh Malhotra an independent Director. Naresh Malhotra was appointed as the Chairman of the Audit Committee on January 27, 2012. Naresh Malhotra graduated with a Bachelor of Commerce degree from St. Xavier's College, Calcutta University. He qualified as a Chartered Accountant in 1970. He has over 40 years of experience in India and overseas in various companies including Imperial Chemical Industries, Unilever, Colgate Palmolive, Bukhatir Investments, the UB Group, KPMG and Amalgamated Bean Coffee Trading Company. He has previously served as founding partner and Managing Director of corporate finance in KPMG in India. The Company Secretary acts as secretary to the committee.

Brief description of terms of reference:

1. Reviewing quarterly, half yearly and annual financial statements before submission of the same to the Board of Directors;
2. Approving internal audit plans and reviewing efficacy of the function periodically;
3. Discussions with statutory auditors about the internal control systems, scope of their audit including the observations of the auditors;
4. Obtain from the statutory auditors periodic formal written statements delineating all the relations between the auditor and the Company consistent with applicable regulatory requirements and presenting statements to the Board of Directors;
5. Discussion and review of periodic audit reports;
6. Investigating any activity that may be referred by the Board from time to time;
7. Ensure that statutory compliances are met with adequately with the help of external legal or professional advice if any required;
8. To meet periodically as it may deem fit to meet its objectives and shall have at least four such meetings in a financial year on a quarterly basis;
9. Report periodically to the Board on significant results of the foregoing activities; and
10. Seek information from employees to discharge the above mentioned responsibilities.

Details of Audit Committee Meetings during the financial year

During the financial year ended March 31, 2012, five meetings of the audit committee were held. The details of the same are as follows:

Sl. No.	Name of Director and Position	Meetings/Attendance				
		Apr 29, 2011	Aug 04, 2011	Nov 02, 2011	Nov 30, 2011	Jan 28, 2012
1.	Naresh Malhotra-Chairman	Present	Present	Present	Present	Present
2.	HH Haight IV – Member	Present	Present	Present	Present	Present
3.	Prof. Jayant R Varma*	Present	Present	Present	Present	NA
4.	Harit Nagpal – Member#	NA	NA	NA	NA	Present

* resigned from the Board on Jan 25, 2012

appointed on the Board on December 7, 2011

2. Compensation Committee

This committee consists of a minimum of three (3) directors of whom two thirds including the Chairman are Independent Directors. The Committee consists of Harit Nagpal (Chairman), Naresh Malhotra and HH Haight IV. The Chairman of the Committee is Harit Nagpal, Independent Director. He is the Managing Director & CEO of Tata Sky Ltd., a joint venture of the Tata Group, Newscorp and Temasek. Before joining Tata Sky he was the Group Marketing Director of Vodafone PLC based at Vodafone's global head quarters in London. Harit followed his graduation in Chemical Engineering with an MBA from FMS at Delhi. In addition to the 9 years with Vodafone, in India and the U.K., during his 27 years of professional career, he has previously worked with Shoppers Stop, Pepsi, Marico and Lakme in various leadership positions in fields like Sales, Exports, Operations & Marketing. The Company Secretary acts as secretary to the committee.

The terms of reference of the Compensation Committee include the following:

1. Annual review of the salary, bonus and other compensation plans of the CEO, CTO and COO & President of the Company.
2. Review and approve the salary, bonus and compensation plans for all the executive directors of the Company.
3. Framing suitable policies and systems to ensure that there is no violation, by an employee or Company of any applicable laws in India or overseas, including:

- The Securities and Exchange Board of India (Insider Trading) Regulations, 1992; or
 - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities market) Regulations, 1995.
4. Administer the implementation and award of stock options under the stock option plans of the Company.
 5. Perform such functions as are required to be performed by the Compensation Committee under Clause 5 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.
 6. Recommend to the Board of Directors of the Company on any other employment incentives as the compensation committee deems it appropriate in the best interests of the Company.
 7. Such other matters as may from time to time are required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

Details of Compensation Committee Meetings during the financial year

During the financial year ended March 31, 2012, five meetings of the Compensation Committee were held. The details of the same are as follows:

Sl. No.	Name of Director and Position	Meetings/Attendance				
		Apr 30, 2011	May 23, 2011	Aug 04, 2011	Nov 02, 2011	Jan 28, 2012
1.	Harit Nagpal # - Chairman	NA	NA	NA	NA	Absent
2.	Sridar Iyengar *	Present	Absent	Present	Present	NA
3.	HH Haight IV - Member	Present	Present	Present	Present	Present
4.	Naresh Malhotra - Member	Present	Present	Present	Present	Present

#appointed on the Board on December 7, 2011

* resigned from the Board on January 24, 2012

Remuneration Policy

The Company's remuneration policy is based on the performance of the individual employee and the success of the Company. Through its compensation program, the Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay and sharing of wealth through the Company's stock options. Individual performance pay is determined by combination of individual and business performance of the Company. The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and performance incentives (variable component) to its Managing Director and Executive Director. Annual increments are decided by the Compensation Committee as approved by the Members.

Section 309 of the Companies Act, 1956 provides that a Director who is neither in the whole-time employment of the Company nor a Managing Director may be paid remuneration by way of commission, subject to approval of Shareholders by special resolution to authorize such payment. The Shareholders of the Company had vide their resolution dated August 01, 2008, approved a sum not exceeding a total of 1% of the net profits of the Company computed in accordance with the provisions of section 198(1) of the Companies Act, 1956 to be paid to all the non-executive directors of the Company or an amount varying from Rs. 10,00,000/- (Rupees Ten Lakhs) to Rs. 20,00,000/- (Rupees Twenty Lakhs) per non-executive director (including any independent director) whichever is lower. The Board of Directors of the Company approved the payment of Rs.3.8 million remuneration by way of commission to the Non-Executive and/or Independent Directors for the financial year 2011-12. The Company has paid Rs. 1.40 million as sitting fees to the Non-Executive Directors. No sitting fee was paid to any of the Executive Directors.

The commission and the sitting fee have been arrived at as below:

1. Commission payable for five of the non-executive Directors Rs.3.8 Million
2. Pre-Tax Sitting fee based on the attendance per Board or committee meeting Rs. 20,000/- per meeting.

Remuneration/Compensation to Directors

The table below shows the amount paid or payable to the Directors of the Company for the financial year March 31, 2012:

(Amount in Rs. Million)

Sl. No.	Name	Salary and Other benefits	Commission	Sitting Fees	Total	Terms
1.	Arvind Rao	6.84	-	-	6.84	Reappointed for a period of 5 years with effect from April 30, 2011.
2.	Chandramouli Janakiraman	2.29	-	-	2.29	Reappointed for a period of 5 years with effect from April 30, 2011.
3.	HH Haight IV	-	1.2	0.38	1.58	Retirement by rotation
4.	Sridar A Iyengar	-	0.9	0.12	1.02	Resigned on January 24, 2012
5.	Naresh K Malhotra	-	0.5	0.56	1.06	Retirement by rotation
6.	Jayanth R Varma	-	0.9	0.32	1.22	Resigned on January 25, 2012
7.	Harit Nagpal	-	0.3	0.02	0.32	Retirement by rotation

Stock Options to the Independent and Non-Executive Directors

Each of the Independent and Non-Executive Directors has been granted stock options as below:

Sl No.	Name	No. of Options granted	Vesting
1.	Naresh Malhotra	88,000	Regular 4 years
2.	H H Haight	88,000	Regular 4 years
3.	Harit Nagpal	25,000	Regular 4 years
4.	Sridar A Iyengar*	68,000	Regular 4 years
5.	Jayanth R Varma**	68,000	Regular 4 years

* Sridar Iyengar resigned as director on January 24, 2012

** Prof. Jayanth R Varma resigned as director on January 25, 2012 and he surrendered all his stock options.

None of the Non-Executive Directors hold any shares in the Company as on the date of this report.

3. Share Transfer and Investor Grievance Committee

The Share Transfer and Investor Grievance Committee consists of a minimum of three (3) directors of whom two thirds including the Chairman are Independent Directors. This Committee was constituted by our Board at their meeting held on April 20, 2007. This Committee was formed to specifically look into the redressal of shareholder and investor complaints and issues pertaining to allotment or transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. The Share Transfer and Investor Grievance Committee consists of Naresh Malhotra (Chairman), Harit Nagpal and Chandramouli Janakiraman. The Chairman of the Committee is Naresh Malhotra, independent Director. He has over 40 years of experience in India and overseas in various companies including Imperial Chemical Industries, Unilever, Colgate Palmolive, Bukhatir Investments, the UB Group, KPMG and Amalgamated Bean Coffee Trading Company. He has previously served as founding partner and Managing

director of corporate finance in KPMG in India. The company secretary acts as secretary to the committee.

The terms of reference of the Share Transfer and Investor Grievance Committee are as follows:

1. To approve and register, transfer and/or transmission of all classes of shares;
2. To look into the redressal of shareholder and investor complaints like non-transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc; and
3. To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

Reconciliation of Share Capital Audit

The Company conducts a share capital audit on a quarterly basis in accordance with requirements of Securities and Exchange Board of India (Depositories and Participants) Regulations 1996 and SEBI Circular No. D&CC/FITTC/CIR-16/2002 dated December 31, 2002.

The Reconciliation of Share Capital Audit Report obtained from Mr. Parameshwar G Hegde, Company Secretary in Whole Time Practice, which has been submitted to the Stock Exchanges within the stipulated period, certifies that the equity shares of the Company held in the dematerialised form and in the physical form confirms to the issued and paid up equity shares capital of the Company.

Secretarial Compliance Certificate

As per provisions of the Clause 47(c) of the Listing Agreement entered with the National Stock Exchange of India Limited and Bombay Stock Exchange Limited, the Company has obtained the Secretarial Compliance Certificate on half yearly basis from Mr. Parameshwar G Hegde, a Company Secretary in Whole Time Practice to the effect that all transfer of shares are effected within stipulated time. The certificate has been submitted to the Stock Exchanges within the prescribed time.

Details of Shareholder and Investor Grievance Committee Meetings held during the financial year

During the financial year ended March 31, 2012, four meetings of the Shareholder and Investor Grievance Committee were held. The details of the same are as follows:

Sl No.	Name of Director and Position	Meetings/Attendance			
		Apr 29, 2011	Aug 04, 2011	Nov 24, 2011	Jan 28, 2012
1.	Naresh Malhotra – Chairman	Present	Present	Present	Present
2.	Chandramouli Janakiraman –Member	Present	Present	Present	Present
3.	Jayanth Rama Varma*	Present	Present	Present	NA
4.	Harit Nagpal# –Member	NA	NA	NA	Absent

*resigned from the Board on January 25, 2012

#appointed on the Board on December 7, 2011

Information for shareholder complaints received so far:

Name of Non-executive Director Heading the Committee	Naresh Malhotra – Independent Director
Name and Designation of Compliance Officer	P.V. Varaprasad, Company Secretary
Number of Shareholders complaints received so far	19
Number of Shareholder complaints resolved so far	19
Number of Shareholder complaints pending	NIL
Number of pending share transfers	NIL

4. Buyback Committee

The Buyback Committee comprises of Arvind Rao, Managing Director, and Chandramouli Janakiraman Whole Time Director of the Company. The Committee was constituted by the Board of Directors at their meeting held on September 03, 2011. The terms of reference of the buyback committee are the following:

1. The appointment of Merchant Bankers, Brokers, lawyers, Registrars, Advertisement Agency, Compliance Officer and other Advisors, Consultants or Representatives.

2. The initiating of all necessary actions for preparation and issue of Public Notice and Public Announcement.
3. The filling of Public Announcement and also the certificates for Declaration of Solvency.
4. The making of all applications to the appropriate authorities for their requisite approvals.
5. The opening, operation and closure of all necessary accounts such as Broking accounts and Demat account.
6. To settle all such questions, difficulties or doubts that may arise in relation to the implementation of the Buyback.
7. To sign the documents as may be necessary with regard to the Buyback and use the Common Seal of the Company on relevant documents required to be executed for the Buyback of shares.
8. Extinguishment of share certificates and Certificates of extinguishment required to be filed in connection with the Buyback on behalf of the Board.
9. To do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient, usual or proper.
10. To delegate all or any of the authorities conferred as above to any Officer(s)/ Authorized Representatives (s) of the Company to give effect to the aforesaid resolution or to accept any change(s) or modification(s) as may be suggested by the appropriate authorities or Advisors.

During the financial year ended March 31, 2012 the members of the buyback committee passed a resolution through circulation on September 03, 2011.

5. Interim Management Supervisory and Review Committee

This Committee was constituted by the Board at their meeting held on November 02, 2011. The Interim management supervisory and review committee consists of Naresh Malhotra and Prof. Jayanth Rama Varma.

The terms of reference of the Interim Management Supervisory and Review Committee was to oversee the management and operation of the Company.

Details of Interim management supervisory and review Committee Meetings held during the financial year

During the financial year ended March 31, 2012, two meetings of the Interim Management Supervisory and Review Committee were held. The details of the same are as follows:

Sl No.	Name of Director	Meetings/Attendance	
		Nov 29, 2011	Jan 03, 2012
1.	Naresh Malhotra	Present	Present
2.	Jayanth Rama Varma*	Present	Present

*resigned from the Board on January 25, 2012

Dissolution of the Interim management supervisory and review Committee:

The committee was subsequently dissolved in the Board meeting held on January 21, 2012 after the objective of constituting the committee was completed.

6. Corporate Governance Committee

The Corporate Governance Committee consists of H H Haight and Naresh Malhotra. This Committee was constituted by the Board at their meeting held on December 07, 2011. This Committee was formed to specifically look into the existing governance policies of the Company, identify shortcomings in their implementation and to suggest measures to rectify these shortcomings, as well as to review the enforcement of corrective steps.

The terms of reference of the Corporate Governance Committee are as follows:

1. Policy re-design: To analyze and review the functioning of the current governance structure and put in place a strong risk management framework including an effective whistle blower policy;
2. Process re-design: To re-design the existing procurement to payment process for better process controls;
3. Succession planning: To develop and initiate formal succession planning with defined criteria and measurement at Tier 1 and Tier 2 management levels;
4. Evaluation: Conduct a review after six months to assess the implementation and effectiveness of the controls.

Details of Corporate Governance Committee Meetings held during the financial year

During the financial year ended March 31, 2012, one meeting of the committee was held. The details of the same are as follows:

Sl No.	Name of Director	Meetings/Attendance
		Jan 28, 2012
1.	Naresh Malhotra	Present
2.	H H Haight	Present

DISCLOSURES

Materially significant related party transactions

There are no materially significant related party transactions with the promoters, the directors or the management, their

subsidiaries or relatives etc., that may have potential conflict with the interests of the Company at large. Transaction with the related parties is disclosed in the financial statements for the year ended March 31, 2012.

Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges, SEBI or any statutory authority, on any matter related to capital markets, during the period from April 01, 2011 to March 31, 2012.

The Company has made an application to the Central Government for compounding of one of the contracts for a party covered under Section 297 of the Companies Act, 1956 which expired during the year. The total transaction entered into during the year for which compounding application has been filed is amounting to Rs.2.53 Million.

The Company has adopted a Whistle Blower Policy and has established the necessary mechanism in line with Clause 49 of the Listing Agreement with the Stock Exchanges, for employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee. The Company has disclosed all the mandatory requirements under Clause 49 of the Listing Agreement.

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement.

As regards the adoption of non-mandatory requirements as contained in Annexure I-D to Clause 49 of the Listing Agreement, the Company has implemented the requirements with relation to constitution of Compensation Committee, Buyback Committee, Interim Management Supervisory and Review Committee and Corporate Governance Committee and matters related therewith.

MANAGEMENT DISCUSSION AND ANALYSIS

As required by Clause 49 of the Listing Agreement, the Management Discussion and Analysis is provided elsewhere in the Annual Report.

CEO/CFO CERTIFICATION

As required by Clause 49 of the listing agreement, the CEO / CFO certification is provided elsewhere in the Annual Report.

AUDITORS' CERTIFICATION ON CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement, the auditor's certificate is obtained and provided elsewhere in this Annual Report.

ANNUAL GENERAL MEETINGS

Details of the last three Annual General Meetings and special resolutions passed thereat are as follows:

Year	Venue	Date & Time	Special Resolutions passed
2008-09	Hotel Royal Orchid, 01 Golf Avenue, adjoining KGA Golf course, HAL Airport Road, Bangalore – 560 008	August 01, 2009, 10.30 A.M	<ol style="list-style-type: none"> 1. Employee Stock Option Plan – I 2007 (2 separate resolutions for the employees of (i) the Company and (ii) the Subsidiaries of the Company) 2. Employee Stock Option Plan – III-2008 (2 separate resolutions for the employees of (i) the Company and (ii) the Subsidiaries of the Company) 3. Employee Stock Option Plan – II 2008 4. Employee Stock Option Plan – IV 2008 5. Keeping Register of Members outside the Registered Office 6. Opening of Office in Sri Lanka 7. Issue of Shares to Telisma S.A.
2009-10	Hotel Royal Orchid, 01 Golf Avenue, adjoining KGA Golf course, HAL Airport Road, Bangalore – 560 008	July 24, 2010, 09.30 A.M.	<ol style="list-style-type: none"> 1. Employee Stock Option Plan – I 2010 2. Employee Stock Option Plan – II 2010 3. Employee Stock Option Plan – II 2010 for subsidiary company employees participation 4. Clarification on Employee Stock Option Plans – ESOP-I-2007, ESOP-II-2008, ESOP-III-2008 and ESOP-IV- 2008 for re-grant of Forfeited Options
2010-11	Hotel Royal Orchid, 01 Golf Avenue, adjoining KGA Golf course, HAL Airport Road, Bangalore – 560 008	August 4, 2011, 10.00 A.M	<ol style="list-style-type: none"> 1. Employee Stock Option Plan – I, 2011 2. Employee Stock Option Plan – I, 2011 for subsidiary company employees participation 3. Re-Appointment of Arvind Rao as Managing Director of the Company 4. Re-Appointment of Chandramouli Janakiraman as Whole Time Director of the company designated as Executive Director

During the year 9 special resolutions were passed by the shareholders through postal ballot on April 21, 2011 and December 02, 2011. Voting pattern for these resolutions is as under:

April 21, 2011

Resolution / Item No.	Subject matter	No. of votes cast	
		For	Against
1	Ordinary Resolution approving the increase in authorized capital pursuant to Sections 94, 16 and other applicable provisions of the Act.	33,379,080	3,789
2	Ordinary Resolution approving capitalization of reserves and issues of bonus shares	33,380,407	861

December 02, 2011

Resolution / Item No.	Subject matter	No. of votes cast	
		For	Against
1	Special Resolution approving the re-pricing of outstanding options under ESOP I, 2007.	59,410,888	10,575,176
2	Special Resolution approving the re-pricing of outstanding options under ESOP II, 2008.	59,408,391	10,575,110
3	Special Resolution approving the re-pricing of outstanding options under ESOP III, 2008.	59,408,037	10,575,391
4	Special Resolution approving the re-pricing of outstanding options under ESOP IV, 2008.	59,408,260	10,575,208
5	Special Resolution approving the re-pricing of outstanding options under ESOP I, 2010.	59,409,155	10,574,898
6	Special Resolution approving the re-pricing of outstanding options under ESOP II, 2010.	59,408,397	10,575,228
7	Special Resolution approving the re-pricing of outstanding options under ESOP III, 2006.	59,408,040	10,575,427

Mr. Parameshwar G Hegde, Company Secretary in Whole Time practice was appointed as scrutinizer for overseeing the postal ballot process.

These resolutions were passed with requisite majority. The Company has complied with the procedure for the postal ballot in terms of the Companies (Passing of Resolution by Postal Ballot Rules, 2001) and the Amendments thereto.

MEANS OF COMMUNICATION

- (a) The financial results are forthwith communicated to the National Stock Exchange and the Bombay Stock Exchange as soon as they are approved and taken on record by the Board of Directors of the Company.
- (b) The results are published in the newspapers namely The Mint / The Financial Express (English) and Samyukta Karnataka (Kannada). Further, the results and Share Holding Pattern are also posted in the Company's website.

General Information for Shareholders

CONTACT INFORMATION

Registered and Corporate Office

OnMobile Global Limited

No. 26, Bannerghatta Road, JP Nagar Phase III, Bangalore – 560076, Karnataka, India.

T + 91 80 4180 2500, + 91 80 4180 2810

<http://www.onmobile.com>

OTHER LOCATIONS

BANGALORE:

RPS Green Space, No. 165/5, 1st Main, Krishna Raju Layout, J P Nagar Phase VII, Bangalore – 560 076
T +91 80 40096000, F + 91 80 40096009

MUMBAI:

Sumer Plaza, Floor 4 and 5, Marol Maroshi Road, Marol, Andheri (E), Mumbai – 400 059
T + 91 22 40588588, F + 91 22 40588558

DELHI:

#105/106, First Floor, Time Tower
(Opp. Gurgaon Central Mall), M.G.Road,
Gurgaon-122 002 Haryana, INDIA
T +91 124 – 4130000, F +91 124 - 4130099

SEZ OFFICES

BANGALORE

West Wing Face No: 1 Adarsh Prime Project Pvt. Ltd,
4th Floor SEZ, Varthur Hobli, Devarabisanahalli Village,
Outer Ring Road, Sarjapur, Bangalore: 560037

NOIDA

Unit-4, III Floor, Building II, Plot # 20 & 21,
Unitech Infospace Building- SEZ premises,
Sector 135, Noida UP.

Representing Officers of the Company

Correspondence to the following officers may be addressed at the registered office of the Company.

COMPANY SECRETARY AND COMPLIANCE OFFICER

P.V. Varaprasad

Company Secretary

T + 91 80 4180 2500

F + 91 80 4180 2810

E investors@onmobile.com

INVESTOR RELATIONS – INSTITUTIONAL

Praveen Kumar - GM Finance

Rinku Ghosh - GM Finance

T + 91 80 4180 2500,

F + 91 80 4180 2810

E investors@onmobile.com

PUBLIC RELATIONS

Srividhya Parthasarathy,

Communications Manager

T + 91 80 4180 2500

F + 91 80 4180 2810

E srividhya.parthasarathy@onmobile.com

Listing details	<p>The shares of the Company are listed on:</p> <p>Bombay Stock Exchange (BSE) Phiroze Jheejheebhouy Towers, Dalal Street, Fort, Mumbai – 400 001</p> <p>National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051</p> <p>The Listing Fee for both the exchanges has been paid for the FY 2012-13. The Company has complied with the provisions of the listing agreement for the year ended March 31, 2012.</p>										
Stock code	<p>National Stock Exchange of India Limited (NSE) – ONMOBILE Bombay Stock Exchange Limited (BSE) – 532944 Reuters – ONMO. Bloomberg – ONMB:IN</p>										
Forthcoming Annual General Meeting (AGM)	The Twelfth Annual General Meeting (AGM) of the Members of OnMobile Global Limited will be held on Wednesday, August 29, 2012, at 10.00 A.M at MLR Convention Centres, Brigade Millennium Campus, 7 th Phase, J.P. Nagar, Bangalore - 560 078										
Financial Calendar (tentative and subject to change)	<table> <tr> <th>Event</th><th>Likely Board Meeting Schedule</th></tr> <tr> <td>Financial reporting for the quarter ended June 30, 2012</td><td>End of July 2012</td></tr> <tr> <td>Financial reporting for the quarter ended September 30, 2012</td><td>End of October 2012</td></tr> <tr> <td>Financial reporting for the quarter ended December 31, 2012</td><td>End of January 2013</td></tr> <tr> <td>Financial reporting for the quarter/year ended March 31, 2013</td><td>End of April 2013</td></tr> </table>	Event	Likely Board Meeting Schedule	Financial reporting for the quarter ended June 30, 2012	End of July 2012	Financial reporting for the quarter ended September 30, 2012	End of October 2012	Financial reporting for the quarter ended December 31, 2012	End of January 2013	Financial reporting for the quarter/year ended March 31, 2013	End of April 2013
Event	Likely Board Meeting Schedule										
Financial reporting for the quarter ended June 30, 2012	End of July 2012										
Financial reporting for the quarter ended September 30, 2012	End of October 2012										
Financial reporting for the quarter ended December 31, 2012	End of January 2013										
Financial reporting for the quarter/year ended March 31, 2013	End of April 2013										
Book Closure Date(s)	From Friday, August 17, 2012 to Tuesday, August 28, 2012 both days inclusive										
Dividend Payment Date	September 18, 2012										
Registrars And Share Transfer Agents	<p>Karvy Computershare Private Limited Plot No. 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad – 500 081 T +91 40 44655000 F +91 40 23420814</p>										
Depository System	Currently 99.87% of the Company's share capital is held in dematerialised form. For any assistance in conversion of the physical shares to demat form or vice versa, the investors may approach Karvy Computershare Private Limited or Mr. P V Varaprasad, Compliance Officer, at the addresses mentioned above.										
Email ID of Grievance Redressal Division	einward.ris@karvy.com or investors@onmobile.com										

Distribution Schedule

Distribution Schedule - Consolidated as on 31/03/2012					
Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1-5000	36,592	90.39	4,556,473	45,564,730	3.96
5001- 10000	1,971	4.87	1,525,500	15,255,000	1.33
10001- 20000	912	2.25	1,396,205	13,962,050	1.21
20001- 30000	278	0.69	705,270	7,052,700	0.61
30001- 40000	152	0.38	556,502	5,565,020	0.48
40001- 50000	112	0.28	523,619	5,236,190	0.46
50001- 100000	209	0.52	1,542,767	15,427,670	1.34
100001& Above	257	0.63	104,197,174	1,041,971,740	90.60
TOTAL	40,482	100	115,003,310	1,150,033,100	100

Shareholding Pattern as on March 31, 2012

DESCRIPTION	NO. OF SHAREHOLDERS	TOTAL SHARES	% TO EQUITY
PROMOTER AND PROMOTER GROUP	10	56,682,177	49.29
MUTUAL FUNDS	13	3,384,529	2.94
FINANCIAL INSTITUTIONS /BANKS	3	73,431	0.06
FOREIGN INSTITUTIONAL INVESTORS	39	22,608,329	19.66
BODIES CORPORATE	730	12,713,401	11.05
INDIVIDUALS	38,273	17,328,861	15.07
FOREIGN BODIES	1	777,748	0.68
HUF	791	311,723	0.27
NON RESIDENT INDIANS	487	486,677	0.42
CLEARING MEMBERS	109	511,088	0.44
TRUSTS	5	9,900	0.01
FOREIGN NATIONALS	21	115,446	0.10
TOTAL	40,482	115,003,310	100.00

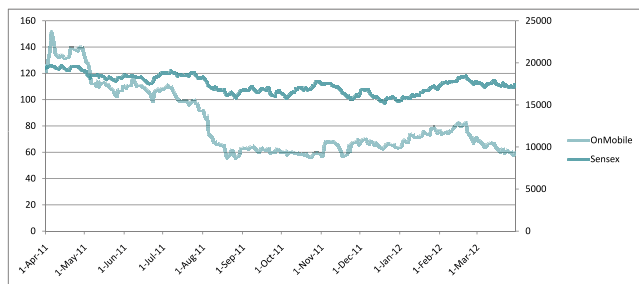
Last Financial Year Trade details:

BSE and NSE:

Month wise - Price – High and Low

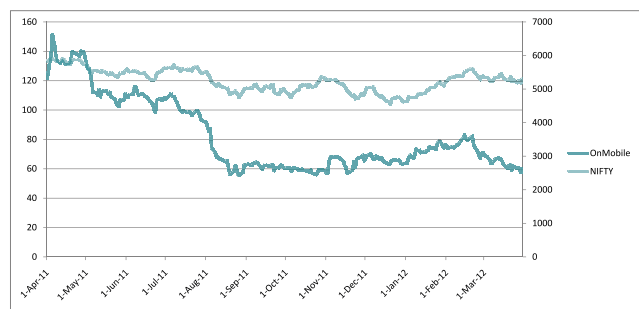
Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April	309.35	238.20	309.90	238.55
May	282.60	98.50	281.95	98.60
June	118.45	96.75	118.30	96.55
July	113.80	91.20	113.40	91.30
August	94.90	54.10	94.05	53.10
September	69.00	55.90	69.00	55.75
October	62.30	54.80	61.90	53.10
November	72.40	55.40	72.40	55.30
December	72.40	60.75	72.35	57.00
January	80.70	63.10	80.90	63.30
February	84.00	66.00	84.15	66.00
March	71.30	57.10	72.50	57.05

OnMobile Global Limited Vs BSE (Sensex)



Note: Price adjusted for Bonus

OnMobile Global Limited Vs NSE(Nifty)



Note: Price adjusted for Bonus

Investor Grievances and Share Transfer

The Company has an Investor Grievances committee of the Board to examine and redress shareholders' and investor complaints. The status on share transfers is reported to the Board by the Company Secretary. Details of complaints received and their nature is provided above. For shares transferred in physical form, the Company gives adequate notice to the seller before registering the transfer of shares. The Company Secretary receives the share transfers and reports the same to the committee at their meeting. For matters regarding shares transferred in physical form, share certificates, dividends, change of address, etc., Shareholders should communicate with Karvy Computershare Private Limited, our registrar and share transfer agent. The address is given in the section on Shareholder information. For shares transferred in electronic form, after confirmation of sale / purchase transaction from the broker, shareholders should approach the depository participant with a request to debit or credit the account for the transaction. The depository participant will immediately arrange to complete the transaction by updating the account. There is no need

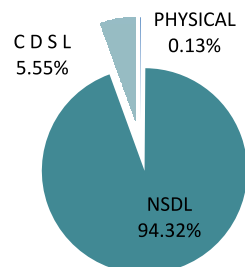
for separate communication to register the share transfer. For the year under review the summary of the investor grievances/complaints are as below:

Sl. No.	Description	Received	Resolved	Pending
1.	Non receipt of electronic credits	1	1	0
2.	Non receipt of annual reports	3	3	0
3.	Non receipt of dividend warrants	4	4	0
4.	Non receipt of Refund orders	0	0	0
5.	Non receipt of securities	10	10	0
6.	Non receipt of bonus share	1	1	0
	TOTAL	19	19	0

Dematerialization of Shares

The Company's shares are admitted into both the depositories viz., National Securities Depository Limited and Central Depository Services (India) Limited. As of March 31, 2012, 99.87% of the Company's shares are held in electronic form.

Dematerialisation of shares



CODE OF CONDUCT

The Company has a Code of Conduct for senior officers ('Code') of the Company. This code is also applicable to all the members of the Board of Directors of the Company and its subsidiaries. A copy of the said Code is available on the website of the Company www.onmobile.com.

All Board Members and senior management personnel have confirmed compliance with the Code for the financial year 2011-12. A declaration to this effect signed by the Managing Director and CEO of the Company is given below:

"I confirm that the Company has in respect of the year ended March 31, 2012, received from its Board Members as well as senior management personnel affirmation as to compliance with the Code of Conduct."

CERTIFICATE OF COMPLIANCE FROM AUDITORS AND/OR INDEPENDENT COMPANY SECRETARY AS STIPULATED UNDER CLAUSE 49 OF THE LISTING AGREEMENT OF THE STOCK EXCHANGES IN INDIA

CERTIFICATE FROM THE AUDITOR

To the members of OnMobile Global Limited

We have examined the compliance of conditions of corporate governance by OnMobile Global Limited (the "Company") for the year ended March 31, 2012 as stipulated in Clause 49 of the Listing Agreement of the said company with the relevant Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination is limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 008072S)

V. Srikumar
Partner
M. No.: 84494

Bangalore
May 7, 2012

CERTIFICATE FROM THE COMPANY SECRETARY

We have examined all relevant records of M/s. OnMobile Global Limited ("the Company"), for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement(s) entered into with Indian Stock Exchanges for the financial year ending March 31, 2012.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof adopted by the Company for ensuring compliance of the conditions of Corporate Governance as stipulated in the said clause. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our findings recorded in the annexed report from the examination of the records produced and explanations and information furnished to us, in our opinion the Company has complied with the conditions of corporate governance as stipulated in the Clause 49 of the Listing Agreement as on March 31, 2012.

Place: Bangalore
Date: May 05, 2012

P.G.HEGDE
Hegde & Hegde
Company Secretaries
C.P.No.640

Directors' Report

Dear Members,

The Directors take pleasure in presenting the 12th Annual Report on the business and operations of the Company together with the Audited Financial Statements and Accounts for the year ended March 31, 2012.

RESULTS OF OPERATIONS FOR THE YEAR 2011-12

(In Rs. Millions)		
PARTICULARS	2011-12	2010-11
Revenue from operations	4,998.33	4,550.27
Earnings before other income, depreciation and amortisation, finance charges and tax	1,030.05	1,190.35
Other Income	624.62	467.68
Depreciation and amortization expense	823.92	565.41
Finance Costs	30.22	10.05
Earnings before tax	800.53	1,082.57
Earnings after taxation	502.82	916.38
Equity Share Capital	1,150.03	589.55
Reserves and Surplus	7,191.83	7,578.18
Networth	8,341.86	8,167.73
Non-Current Liabilities	196.46	150.01
Non-Current investments	2,767.60	2,563.51
Gross Block	6,211.82	5,640.92
Capital work-in-progress	66.68	78.09
Net Block	3,445.73	3,687.56
Long-term Loans and Advances	594.67	747.66
Net Current Assets	1,663.64	1,240.92
Cash and Cash Equivalents	1,520.79	757.40
No. of Equity shares	115,003,310	58,954,543
Earnings per share (Diluted) (In Rs.)	4.2	7.6

BUSINESS PERFORMANCE / FINANCIAL OVERVIEW

Standalone Financials:

During 2011-12, the Company recorded net revenue of Rs.4,998.33 million, an increase of 10% over the previous year of Rs. 4,550.27 million. The earnings after tax of the Company was Rs.502.82 million in 2011-12 as compared to Rs. 916.38 million in 2010-11. The diluted earnings per share (EPS) is Rs. 4.2 per share as compared to Rs. 7.6 per share for 2010-11.

Consolidated Financial:

During 2011-12, the Company recorded consolidated net revenue of Rs.6,380.14 million, an increase of 19% over the previous year of Rs. 5,372.07 million. The consolidated

earnings after tax of the Company for the year 2011-12 was Rs.830.94 million as compared to Rs. 892.00 million in 2010-11. The consolidated diluted earnings per share (EPS) for the year 2011-12 is Rs. 7.0 as compared to Rs. 7.4 per share in 2010-11.

Appropriations

Dividend

Your directors are pleased to recommend a dividend of Re. 1/- per equity share of Rs. 10/- which is payable on obtaining shareholder's approval in the twelfth annual general meeting.

The dividend payout amount for the current year inclusive of additional tax on dividend will be Rs. 133.66 million.

The register of members and the share transfer books will remain closed from Friday, August 17, 2012 to Tuesday, August 28, 2012 (both days inclusive). The Annual General Meeting of the Company has been scheduled for August 29, 2012.

The Company proposes to retain Rs. 3,722.38 million in the Statement of Profit and Loss.

Liquidity

As on March 31, 2012 the Company had liquid assets including investments in fixed deposits and Mutual funds of Rs. 1,310.60 million.

CHANGES TO THE SHARE CAPITAL

The Board of Directors on their meeting held on March 7, 2011, subject to the approval of the shareholders, approved for increase of authorised share capital from Rs. 75 Crores to Rs. 150 Crores and for issue of bonus shares in the ratio of 1:1. The shareholders had also approved for the same vide their resolution dated April 21, 2011 through postal ballot process. For giving effect of the Bonus shares, May 4, 2011 was fixed as Record date, pursuant to this the issued/paid up capital increased from 58,954,543 shares to 117,909,086 shares.

During the year under review the Company allotted 30,224 equity shares (including bonus) on the exercise of stock options under its various Employee Stock Option Plans, which increased the number of issued, subscribed and paid-up equity shares from 117,909,086 shares to 117,939,310 shares.

Further, the Board of Directors at their meeting held on September 03, 2011 approved for a Buyback of equity shares of the Company, to the extent of Rs. 25 Crores subject to a minimum of 10,00,000 shares and a maximum of 40,00,000 shares, through the stock exchange mechanism.

In pursuance of the said Buyback, the Company started buying back shares on September 30, 2011, and the Company has bought back 2,936,000 shares as on March 31, 2012. Due to this Buyback process, the issued and paid up equity share capital of the Company as on March 31, 2012 stands at 115,003,310 equity shares of face value Rs. 10/- each. (i.e. Rs. 1,150,033,100).

SIGNIFICANT EVENTS THIS YEAR

International Market Expansion

- a) The Telefonica LatAm deployment has proved to be a major success for OnMobile. We have launched totally in 11 countries in the region and reached out to 98% of the addressable subscriber base in that market.
- b) Another key milestone on the Telefonica LatAm project is that it recorded its first positive quarter on an operating basis. The project turned cash-flow positive and is now operating-profit positive. We have been able to achieve both these within a year of launch.
- c) We have completed the deployment of our sports pack 'Futbol' in all 12 countries ahead of the big event, COPA America in July 2012.
- d) Based on this, we anticipate OnMobile transitioning into a 50+% international revenue Company, which is a major inflection point for the Company.
- e) OnMobile also has entered into an agreement with Unitel S.A., the largest mobile operator in Angola, to launch Ring Back Tones for Unitel's subscribers in Africa. In a brief time span of just 90 days, the service increased drastically witnessing a penetration rate of 8%. This RBT platform combined with OnMobile's award winning RBT based products with their easy search, content discovery and single download options identifies the subscribers' inherent love for music and also offers an opportunity for them to personalize their mobile usage.
- f) OnMobile launched its KaraoPhone application with Jet Multimedia Morocco; a leading company specializing in all-in-one products and services for all media in Morocco. The KaraoPhone service was launched in relation to the 2M Studio television reality show and lasted 7 weeks.
- g) Another leading operator in Mali will also shortly deploy KaraoPhone on their entertainment voice portal.
- h) OnMobile played a pivotal role in the recent launch of Rogers One Number™ for Rogers wireless customers in Canada. OnMobile has provided the Rogers One Number service with several media solutions including the Network Address Book (NAB), Social Network Gateway (SNG), PhoneBackup and PhoneBook clients as well as its Video Gateway solutions to help deliver a new, secure and convenient way to talk, text or email family and friends, using a customer's existing Rogers wireless number. OnMobile's Network Address Book

solution and its other value-added services ensure the widest interoperability and reliability.

- i) OnMobile has provided the contact synchronization engine for T-Mobile® USA's Android-based wireless phones and tablets. OnMobile's Sync Client provides automatic and transparent contact synchronization that is initiated by any updates to Android devices, including adding a new or modifying an existing contact.

SUBSIDIARIES

As on March 31, 2012, the Company has the following Subsidiaries:

1. OnMobile Singapore Pte. Ltd
2. PT. OnMobile Indonesia
3. Voxmobili S A
4. OnMobile Europe B V
5. OnMobile S A
6. OnMobile USA LLC
7. Servicios De Telefonía OnMobile SA De C V
8. OnMobile Global S A
9. OnMobile De Venezuela C A
10. OnMobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis Ltda
11. OnMobile Global for Telecommunications Services Ltd
12. OnMobile Uruguay S A
13. OnMobile Senegal SARL
14. OnMobile Mali SARL
15. OnMobile Bangladesh Private Limited
16. OnMobile Servicios Corporativos De Telefonía, S.A. De C.V
17. OnMobile Kenya Telecom Limited
18. OnMobile Telecom Limited
19. OnMobile Costa Rica OBCR SA

As per Section 212 of the Companies Act, 1956, we are required to attach the directors' report, balance sheet, and profit and loss account of our subsidiaries. The Ministry of Corporate Affairs, Government of India vide its circular no.2/2011 dated February 8, 2011 has provided an exemption to companies from complying with Section 212, provided such companies publish the audited consolidated financial statements in the Annual Report. Accordingly, the Annual Report 2011-12 does not contain the financial statements of

our subsidiaries. The audited annual accounts and related information of our subsidiaries, where applicable, will be made available upon request. These documents will also be available for inspection during business hours at our registered office in Bangalore, India.

NEW LOCATIONS

The Company continued its expansion internationally during this year as well. The Company had signed various important global contracts during the year under review. As part of the Company's global expansion, the Company now also has a new branch office in Noida. The Company also has new subsidiaries in Mali, Kenya, Malawi, Mexico, Bangladesh and Costa Rica. The Company also has joint venture with Kabuza Marketing Private Limited.

Material Changes for the period between end of the Financial Year and the Date of the Report

There have been no Material Changes for the period between end of the financial year 2011-12 and the date of this report.

NEW PRODUCTS & SERVICES DEPLOYED IN THE YEAR 2011 – 2012

Various new initiatives, introduction of new products and enhancements marked various milestones for OnMobile. As we expand rapidly into new geographies, there has been a significant amount of investment in scaling up and becoming more nimble. Some of the new products, services and enhancements introduced by the Company during the financial year 2011-12 are as follows:

- (a) We launched the OnMobile OnCloud – a SaaS based platform for converged Content, Communications and Mobile Commerce applications offering a social community layer to existing and new VAS services. With this OnMobile has introduced its cloud based services with several connected Apps based services to be launched on top with multiple operators.
- (b) RBT was launched on a SaaS model in Telefonica, Spain and successfully migrated one million RBT users within 2 weeks. This further strengthens our relationship and presence with Telefonica, one of the largest Telcos in the world, and builds on the Latin America contract which we started off two years ago. In both Latin America and Spain the initial platforms we have deployed for our SaaS services are architected to launch 10-15 more SaaS services in the next 12-24 months.
- (c) RBT and M-Radio services were launched in one of the leading operators in a large African country replacing the incumbent RBT Service Provider
- (d) RBT services were also launched in one of the leading operators in Southern Africa.

- (e) OnMobile OnCloud suite of services were deployed in the African continent allowing our RBT, M-Radio, Phone Backup, Phonebook and 3G based community services like video casting to be launched with unprecedented service velocity.
- (f) In a leading operator in Bangladesh, we have surpassed 1 million users on our Mobile Radio service. With this, the top 3 VAS services running in Bangladesh are all run end to end by OnMobile.
- (g) OnMobile Global launched a new suite of mobile services addressing the growing demand for easy and safe ways to connect and share digital content from various mobile devices. The new suite provides ease-of-use to users to access, share, protect and communicate from any mobile device. The new suite of mobile services includes four new products: OnCall Video, OnCall Voice Presence, OnCloud Locker and OnCloud Secure. Each product is designed to work together or standalone.
- (h) OnMobile's new suite of mobile services enhances sharing and connectivity. Users can connect to friends and family through group chatting, group conferencing, or status messages. These easy-to-use solutions share and secure digital content without the threat of data loss. With convenient access to all data and media, users are empowered to share multimedia with friends and family anytime and anywhere regardless of device.

QUALITY AND OPERATIONAL EFFICIENCY

The Company is committed to the eight guiding Quality Management principles of Customer Focus, Leadership, People Involvement, Process Approach, System Approach to Management, Continual Improvement, Fact-Based Decision-Making and Mutually Beneficial Supplier Relationships.

The Company's Information Security Management System conforms to the ISO 27001:2005 standard since June 2009. The certificate is valid for Airtel, Aircel, Vodafone, Vodacom South Africa and Du Client Delivery Unit and support functions. The Company's various products/services are subjected to periodic and rigorous assessments by reputed external assessors. Additionally, this year, the Idea, Telefonica Latin America Client Delivery Units and System Integration activities have been recommended for certification.

About ISO/IEC 27001:

The ISO/IEC 27001 is an information security management system (ISMS) standard published by the International Organization for Standardization and the International Electro Technical Commission. ISO/IEC 27001 provides an ISMS model for adequate and proportionate security controls to protect information assets and give confidence to interested parties. This sets the standard for handling the confidentiality, integrity and availability of an Information Asset.

A suite of workflow tools have been deployed to ensure quality and timely delivery of increasingly large number of deliverables and to provide enhanced operational metrics.

These are supported by a vibrant intranet which aims to increase collaboration across teams and geographies.

The Company continues its focus on automation of business processes through a comprehensive and integrated employee database, which supports enhanced resource planning and tracking across the organization. Nearly all the HR processes have been automated for improved efficiency. Specific tools have been deployed for core processes such as performance management.

Based on the previous experience and learning through various deployments in different countries, the Company has developed a comprehensive Parallel Deployment Process to streamline all its future product deployments. This will help the predictability of the Company's deployments and significantly reduce the timelines.

INFRASTRUCTURE

As of March 31, 2012, the Company has obtained on lease, office spaces at Bangalore, Bangalore SEZ, Mumbai and Noida SEZ. Further, the Company owns an office space in Mumbai. Apart from this the Company has set up offices at Gurgaon, Sydney, Singapore, Kuala Lumpur, Jakarta, Paris, Dhaka, Seattle, Bucharest, Centurion, Kathmandu, Dubai, London, Amsterdam, Miami, Bogota, Mexico City, California, Caracas, Sao Paulo, Buenos Aires, Panama City, Guayaquil, Managua, San Salvador, Lima, Monte Video, Madrid, Milan, Cairo, Nicosia, Dakar, Beijing, and Dar es Salam.

HUMAN RESOURCES MANAGEMENT

People world of OnMobile

OnMobile has always believed in building a culture of innovation and creativity where our employees are inspired to achieve excellence in their area of functioning. As OnMobile grows globally, expanding its footprint through its own and acquired offices, we continue to endeavor to foster a common culture among our globally diversified workforce.

Employee Strength

During this past year, OnMobile has net additions of 241 employees (FTE 237, Contract 4). Our head count, as a result, stands at 1634 as on March 31, 2012.

Today, we are a multicultural company, having American, Latin American, European, African and Asian employees of multiple nationalities as associates at OnMobile.

On the attrition front, the numbers for OnMobile stood at 21% on an YTD basis.

Talent Acquisition

Our mission is to be the largest and successful VAS Company, thus we need to hire the best. Our goal is to attract the best talent around the globe. We have been hiring diverse workforce. We believe in hiring individuals with vision, creativity and the energy to lead the changes that take place in the telecommunications industry each day.

We continue to tap into the campus talent pool, attracting the best and brightest from the country's top Engineering and Management colleges.

Processes

In our pursuit of streamlining and simplifying HR processes, we have automated some of our HR and employee processes, thereby improving productivity and reducing turnaround time. We intend to review them on periodic basis and create a benchmark in the VAS industry.

Immigration & Compliance

With the Company increasing its footprint rapidly across geographies, it is imperative that there is a system in place which enables quick deployment of employees. In light of this, OnMobile has put in place a dedicated team that is responsible for the timely movement & compliance on all immigration matters in the countries that we operate & depute our employees in.

Employee engagement and development

OnMobile offers its employees a unique blend of an informal work environment and a corporate culture that encourages personal empowerment. We have always believed in creating an environment where our employees feel safe and secure. The year that went by saw a plethora of engagement activities conducted across locations to inculcate & build the "one company" culture. We had enthusiastic participation by employees in the first ever 'OnMobile Talent Hunt' that was conducted across our various locations in India where employees got to showcase their talent. We also had whole hearted participation in our employee connect programs conducted across 4 regions in India where all the employees in that region came together as a group and participated in team building activities.

Training at OnMobile is one of the means of continuously enhancing the skills, knowledge and attitudes of our employees to make them more effective in their current and future roles. We have made significant investments especially in the technical and product training for our employees. In the year 2011-2012, we conducted 31 training programs across organization covering approximately 775 employees in these trainings.

We propose to focus on assessment of competencies and building leadership skills for a large number of our associates to enable them to be effective managers in this process of growth that OnMobile is going through.

Corporate Social Responsibilities

As a responsible Corporate Citizen, OnMobile is committed to contributing to the society, environment and community. The focus area on which OnMobile strived to 'Make a Difference' was Education. We participated in the "Joy Of Giving Week" program – India Giving challenge by Give India. Through this initiative we worked with following NGO's across 3 locations:

Bangalore: SGBS Trust (Unnati)

Unnati's vision is to train and employ 1 million underprivileged youth through Unnati model by 2020

Mumbai :Muktangan

Muktangan's aim is to evolve sustainable, replicable inclusive models of quality child-centered teacher education and school programs in partnership with marginalized communities and to advocate them to the larger system.

Delhi :Deepalaya

Deepalaya believes in working towards the betterment of the urban and rural poor, with special focus on children because every child deserves a chance.

RESEARCH AND DEVELOPMENT/EDUCATION AND KNOW-HOW INITIATIVES

While India has been the main market, the Company is fast expanding into many other developing and developed markets.

The Research and Development (R&D) efforts are focused on:

- Reaching out to as many users as possible across multiple channels, given the different capabilities of handsets and networks;
- Making the services affordable, particularly given the low-ARPU and challenging recharge patterns, in the developing markets;
- Serving a totally-new set of subscribers, who have joined the mobile network;
- Making the services easy to use, with Localization, Easier Content Discovery and Personalization.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of corporate governance. The Company meets the standards and guidelines set by the Securities and Exchange Board of India on Corporate Governance and has implemented all

the stipulations prescribed. A detailed report on corporate governance pursuant to the requirements of Clause 49 of the Listing Agreement forms part of the Annual Report. The certificate(s) from the auditors of the Company, M/s Deloitte Haskins & Sells, Chartered Accountants, and independent Practicing Company Secretary, Mr. Parameshwar G Hegde confirming compliance of conditions of corporate governance as stipulated under the aforesaid Clause 49 are annexed to the Corporate Governance Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In accordance with the Listing Agreements, the Management Discussion and Analysis Report is presented in the separate section forming part of the Annual Report.

DIRECTORS

Re-appointment

H H Haight, Director retires by rotation and being eligible, offers himself for reappointment at the forthcoming Annual General Meeting of the Company.

Brief resume of the director offering for re-appointment is included in the notice for the Annual General Meeting.

Resignation

Sridar Iyengar has resigned from the Board on January 24, 2012 and Prof. Jayanth Rama Varma has resigned from the Board on January 25, 2012.

Regularisation

Harit Nagpal was appointed as additional Director on December 07, 2011. Rajiv Khaitan was appointed as additional Director on May 07, 2012. Shareholders approval is sought for regularisation of their appointment as per Section 257 of the Companies Act, 1956, at the ensuing Annual General Meeting.

AUDITORS

The statutory auditors of the Company, M/s. Deloitte Haskins & Sells, Chartered Accountants, who retire as statutory auditors of the Company at the conclusion of the forthcoming Annual General Meeting, offer themselves for re-appointment and have also confirmed that their appointment, if made, will be within the limits under Section 224(1B) of the Companies Act, 1956. The auditor's report is self- explanatory.

Auditors Remarks

Auditors had made some observations in the Annexure to the Audit Report as per the Companies (Auditors' Report) Order, 2003 regarding strengthening of internal control systems relating to vendor and contract documentation, approvals in the area of purchases.

The Board has initiated necessary steps in strengthening the Company's existing governance policies including

strengthening internal controls on procurement-to-payment process.

Auditors have also reported that there were no fraud by the Company and no fraud on the Company which were noticed or reported during the year subject to the outcome of certain ongoing reviews. The company has initiated a special review of certain transactions. The Review is in progress and shareholders will be informed about the outcome of the review in due course.

RESPONSIBILITY STATEMENT OF THE BOARD OF DIRECTORS

Pursuant to Section 217(2AA) of the Companies Act, 1956, the directors to the best of their knowledge and belief confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. they have selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis.

PARTICULARS OF EMPLOYEES

In terms of provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are set out in the Annexure to the Directors' Report. However, having regard to the provisions of Section 219 (1)(b)(iv) of the Companies Act, 1956, the Annual Report

excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The Company, being a service provider organization, most of the information as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988, as amended is not applicable. However, the Company endeavors to effectively utilize and conserve energy by using improved technology in its infrastructure such as lightings and paper usage

FIXED DEPOSITS

In terms of the provision of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits Rules) 1975, the Company has not accepted any fixed deposits during the year under review.

EMPLOYEE STOCK OPTION PLAN (ESOP)

The Company had approved following Employee Stock Option Schemes i.e. Employee Stock Option Plan-I, 2003, Employee Stock Option Plan-II, 2003, Employee Stock Option Plan-III, 2006, Employee Stock Option Plan-I, 2007, Employee Stock Option Plan-II, 2007 and Employee Stock Option Plan-I, 2008, Employee Stock Option Plan-II, 2008, Employee Stock Option Plan-III, 2008, Employee Stock Option Plan-IV, 2008, Employee Stock Option Plan-I 2010, Employee Stock Option Plan-II, 2010 and Employee Stock Option Plan I, 2011, for granting stock options to its employees. All the schemes endeavor to provide incentives and retain employees who contribute to the growth of the Company. A summary disclosure in compliance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999), as amended, is presented as below and the complete details have been disclosed under Note 33 of Notes to the financial statements which forms part of the Annual Report. During the year under review there has been no variation in the terms of ESOP schemes.

Particulars	No. of Options										
	Plan I 2003	Plan II 2003	Plan II 2007	Plan I 2008	Plan III 2006	Plan I 2007	Plan II 2008	Plan III 2008	Plan IV 2008	Plan I 2010	Plan II 2010
Options Outstanding on April 01, 2011	285,383	-	-	-	320,583	450,288	100,000	1,069,203	173,953	91,200	789,300
Bonus issue during year	285,383	-	-	-	320,583	450,288	100,000	1,069,203	173,953	91,200	789,300
Options Granted During the Year	-	-	-	-	-	-	-	382,500	-	-	-
Options Exercised During the Year	68,770	-	-	-	-	-	-	1,754	-	-	-
Options Forfeited During the Year	105,042	-	-	-	175,724	169,760	35,600	302,565	5,200	67,400	163,960
Options Granted Outstanding at the End of the Year	396,954	-	-	-	465,442	730,816	164,400	2,216,587	342,706	115,000	1,414,640
Weighted average exercise price per option (after adjusting for Bonus issue, if applicable)	Not Applicable				64						

No employee is receiving 5% or more of the total number of options granted during the year.

The Company accounted the above options using the intrinsic value method and thus, the difference between the fair value of the underlying shares in the year of grant and the options exercise value was charged to the Statement of Profit and Loss. Accordingly, the compensation charge thereon in the current year is Nil (Previous year Rs.0.04 Million) as the difference is completely charged off to the Statement of Profit and Loss.

The guidance note issued by the Institute of Chartered Accountants of India requires the disclosure of proforma net results and EPS both basic & diluted, had the Company adopted the fair value method. Had the Company accounted the option under fair value method, amortising the stock compensation expense thereon over the vesting period, the reported profit for the year ended March 31, 2012 would have been lower by Rs.157.22 Million (Previous year Rs.95.65 Million) and Basic and diluted EPS would have been revised to Rs.3.0/- (Previous year Rs 7.0/-) and Rs.2.9/- (Previous year Rs 6.8/-) respectively as compared to Rs.4.3/- (Previous year Rs 7.8/-) and Rs.4.2/-(Previous year Rs 7.6/-) without such impact. Basic and Diluted Earnings Per Share (EPS) have been restated for all the corresponding period to give effect of the said issue of Bonus shares, in accordance with Accounting Standard (AS) 20 "Earnings Per Share" notified under Section 211(3C) of the Companies Act, 1956.

FOREIGN EXCHANGE EARNINGS AND OUTGO

(In Rs. million)

Description	Year ended	
	March 31, 2012	March 31, 2011
Foreign exchange earnings	1,506.70	644.46
Foreign exchange outgo	1,574.19	1537.94

ACKNOWLEDGMENTS

The Board of Directors takes this opportunity to express their appreciation to the customers, shareholders, investors, vendors, and bankers who have supported the Company during the year. The Directors place on record their appreciation to the OnMobilians at all levels for their contribution to the Company. The Directors would like to make a special mention of the support extended by the various departments of the Government of India, particularly the Software Technology Parks, the Service tax and Income Tax Departments, the Customs and Excise departments, the Ministry of Commerce, the Department of Telecommunications, the Reserve Bank of India, Ministry of Company Affairs, Securities and Exchange Board of India and look forward to their support in all future endeavors.

For and on behalf of the Board of Directors

H. H. Haight IV
Chairman

Place: Bangalore
Date: May 07, 2012

Management Discussion and Analysis

ONMOBILE GLOBAL LIMITED ("OnMobile")

1. INDUSTRY OVERVIEW

All sectors in the mobile ecosystem, including mobile operators, handset manufacturers, over-the-top (OTT) players, app developers and VAS service providers, saw double digit growth on a global basis over the last year.

Although, the global wireless telecommunication services industry is expected to maintain rather modest growth in 2012, overall industry revenue is forecast to reach an estimated US \$1,104 billion in 2017 with a CAGR of 4.8% over the next five years (2012-2017). With the inclusion of OTT and handset revenues, the global mobile revenues are expected to top \$1.5T in 2012, and this year is also an inflexion point where voice revenues will fall below 50% overall.

Developed markets are set for a major transition to 4G/LTE over the next five years, with the industry expecting to see rapid penetration of LTE-capable devices in the subscriber base. With the advent of smartphones and tablets, the shift of the handset from a primarily communications device to a handheld computer communications device will result in an explosion of use cases embodied in mobile applications. The operators are focusing on the rich communications aspect of mobile apps to avoid being relegated to a dumb pipe and instead, are offering bundled services i.e., voice, data and video services over high-speed wireless mobile broadband network at affordable prices.

The total global mobile data revenue went past \$300 Billion in 2011, with non-messaging data accounting 53%. Data revenue was the fastest growing segment within the global mobile industry and 42% of the global revenue is controlled by the top 10 operators –from North America, Far East and Europe.

In advanced markets, US has established itself as the focal point for mobile innovation this decade (after lagging behind in the last). The emergence of the app store model, tablets, Android OS, OTT players, like Google, Facebook and Amazon, and the dramatic growth of startups focusing on the mobile ecosystem contributed to this turnaround. With US representing over 26% of data revenues and only 6% of total global subscriptions, and 70% of device sales being smartphones, the country's shift to a mobile led economy is well underway.

India

The Indian telecom sector has witnessed significant growth in the last year and is one of the fastest growing in the world. The total revenue (including other income) of the telecom service sector stood at Rs 1,63,067 crore in 2010–11 as against Rs 87,794 crore in 2005–06 showing an increase of 89 per cent over the last six

years. Telecom Regulatory Authority of India (TRAI) has revealed that the country's total telecom subscriber base has reached 960.9 million wherein the operators added 8 million subscribers in March 2012. And with the launch of 3G services, the telecom sector has undergone a paradigm shift in the sphere of services on offer and revenue.

The telecom industry contributes to around 2% of the Indian GDP and is all set to increase in the coming years due to its immense opportunity in the urban market and the largely untapped Indian rural market. The overall tele-density in India stands at 79.28% as of May 2012. The mobile service penetration in the country is well placed at 51 per cent and is predicted to grow to 72 per cent by 2016.

3G subscription is expected to increase at a rapid pace (30 percent CAGR - Compound Annual Growth Rate) between 2012 and 2016 and is set to cross the 200-million mark. Along with 3G services, the number of 3G-enabled mobile handsets will also continue to grow, reaching an active installed handset base of 680 million by 2016.

In 2011, the Indian mobile market started to stabilize and the ARPU started looking better. Though the ARPU of the Indian mobile services market is expected to grow, the growth prediction numbers are still low when compared to that of China's.

Mobile Value Added Services (MVAS)

Mobile value-added services provide enhanced services to the customer that adds value to the core services of voice, messaging and data access offered by the telecom operator. With stiff competition in the Indian Telecom market, telecom operators are turning their attention to additional services that can be provided to customers. In the advanced markets, the emergence of the OTT players and their revenue growth to 4% of the global mobile revenue has also driven the hand of the operator to focus on value-add services.

With diverse demography, lifestyle and consumer preferences amongst urban, sub-urban and rural consumers across India, MVAS is destined to generate high returns. The Indian Telecom sector, which stands third largest in the world, is betting big on the MVAS segment with a wide variety of products in variable price ranges. MVAS adoption is positioned to increase manifold with increasing numbers of mobile devices and rising demand for mobile content across India. The MVAS market in India will also undergo a shift underscored by the increasing uptake of smartphones and tablets and mobile apps, from mobile portals that run on feature phones today. However, the Indian MVAS industry is still considered to be at a nascent stage when

compared to the advanced markets today. Although the current VAS adoption is limited to select services, the positive demography of the country, a burgeoning middle class, and increased spending power of people at the bottom of the pyramid promises a bright future for the industry.

Internet and Mobile Association of India (IAMAI) predicts that the mobile VAS market in India has the potential to become an INR 671 billion market by 2015 contributing to 31 percent of overall wireless revenues. This growth will be driven mainly by mobile data (both on handsets and dongles / connected computing devices) contributing 54 percent of the overall MVAS market by 2015.

With the increase of 3G services penetration in the country and the affordability of 3G services, the mobile value added services market in India is expected to rise. Health, education, infrastructure, banking, commerce, hygiene, sanitation, law and agriculture are the fields where VAS players can grab immense business opportunities.

In the advanced markets, the line between MVAS and mobile services deployed by OTT players is blurring. Service delivery platform (SDP) oriented software models by operators are giving way to cloud-based open platforms and REpresentational State Transfer (RESTful) API is enabling a much higher velocity of service rollout.

2. OPPORTUNITIES AND CHALLENGES

Opportunities

- Cisco predicted that global mobile data traffic would rise from 1.3 exabytes/month in 2012 to 10.3 exabytes/month by 2016¹. Video is a key reason for this rise and user generated images and video are growing much quicker than professional content.
- With emergence of Over-The-Top (OTT) players, there will be market opportunities to help operators compete or co-opt with them. In advanced markets, the increase in user-generated data is being fueled by the use of smartphones and tablets, high-speed networks (Wifi/4G) and mobile internet. And there is a related rise in the services and apps from OTT players and operators. The operators are banking on the growth of rich, multimedia communications with connected apps and services to compete with OTT players.
- In North America, operators ARPU's have been steady or increasing in single digit percentages. However, there is a tremendous pressure on the infrastructure with smart devices demanding more bandwidth than

the previous generation of devices. Operators are using handset embedding to take active idle channel to the user and this serves as valuable real-estate for their services and apps.

- There is a growing demand from corporates for enterprise VAS on a global basis.
- Music, sports and contest will continue to drive the VAS growth in many emerging markets
- With 3G services, a new era awaits mobile users with faster and robust mobile internet with better access to data services in many emerging markets. This will also create more opportunities for services such as telemedicine, wireless teleconferencing, and e-learning. 3G data tariffs have fallen to affordable levels, including rural subscribers
- Innovations such as location based services, mobile TV, M-wallet have given the best breed of personalized services on mobile devices
- Utility is another area which is becoming immensely popular in emerging markets. M-Governance, M-Health and M-Commerce will continue to play a major role in MVAS. Deloitte's report states that the lack of physical infrastructure and skilled specialists in social sectors such as healthcare, banking and education in rural India will definitely help triggering demand for MVAS. Delivery of education and agricultural services over the mobile platform will also augment the growth of MVAS in emerging markets
- TRAI recommendations to open up VoIP in India will force telecom operators to depend more on VAS to increase revenues

Challenges

- In the advanced markets, MVAS industry is being challenged by service offerings from new entrants with open source technology, retail apps purchased from app stores and smartphone OEMs who embed enhanced services on the handset itself. New entrants like Free in France have caused an upheaval using COTS (common off the shelf) components and Open Source to launch core Voice and Messaging services at a fraction of the price of the incumbents. France's 68.2M subscribers pay an average of €393 annually, one of the highest rates in the world². Free launched in January 2012 with two industry breaking offers: 60 minutes and 60 SMS per month for €2 and unlimited voice, messaging and data for €20. This upheaval and consequent commoditization of the core services, is weakening the incumbent but also pushing them to differentiate on the basis of Value-Add Services

¹ Cisco Visual Networking Index: Global Mobile Data Traffic Forecast Update, 2011–2016

² <http://www.businessweek.com/articles/2012-04-06/frees-low-rates-rattles-french-telecom-industry>

- There is a lack of an ecosystem to foster innovation on a much wider scale in many emerging markets
- Absence of policy frameworks and necessary support infrastructure are amongst the challenges facing the industry
- Strictures introduced by the regulators may dampen the outlook for MVAS
- Transformative nature of Smartphones – with a smartphone, the consumer has a much broader access to retail services via the app store model. Because of this, traditional MVAS services will decrease (or at least grow at slower rate) with the growth of smartphones
- Innovative services have to be adapted to keep up with the explosive growth in mobile internet

3. OUTLOOK

OnMobile Global Limited is a pioneer in white-labeled, Value Added Products and Services [VAS] for mobile, landline and media service providers. The #1 VAS specialists in emerging and high-growth markets, OnMobile reaches out to over 1 billion mobile users across 55 countries each month. With our diverse product portfolio of Mobile Music, multi-screen Video Gateway and delivery solutions, Phone Backup and Personal Cloud Management solutions, Voice and Video portals, M-Commerce products and services. During the year, the Company has undertaken significant measures to expand its reach in global markets and has also developed some innovative offerings for the global market. We deliver our products by the best combination of a hosted Cloud with on-site operations at the customer premises or through products deployed in customer networks. The company's international revenues continued to grow well, contributing to 48% of top-line revenues in 3rd Quarter 2011 as against 42% in 2nd Quarter of 2011 and at the end of 4th Quarter, it increased to 52% of the top-line compared to 32% a year ago. On a full year basis, international revenues contributed to 45% of the topline revenue.

OnMobile was founded in 2000 and has 1634 employees spread across India, U.S., LATAM, Africa, Australia, Middle East and Europe. OnMobile offers services in 55 countries. The company was publicly listed in India in 2008. Acquisitions include Voxmobili (2007), Telisma (2008), and Dilithium Networks (2010).

4. RISKS AND CONCERNS

In the current extremely competitive environment, OnMobile has broadened its horizons with aggressive international expansion and is always on the lookout to explore new opportunities. Established as global pioneers in the realm of MVAS, the Company ensures

that the multitude of risks undertaken are done so only after a great amount of research, forward thinking, strategic focus and contingency planning. With a strong reputation of placing client requirements at the forefront, OnMobile is known for its technology innovation and adherence to quality. The existing MVAS market is highly fragmented and OnMobile with its pioneering position in the industry is one of the few players capable of providing end-to-end Value Added Services for operators across the globe.

These include the development of innovative revenue generating products as well as joint revenue and product planning and service deployments with customers involving complex hardware systems and software applications deeply embedded within the carrier's network infrastructure.

- Most of the Company's customer contracts are on a revenue sharing basis. Therefore, the Company receives revenue only if its customers' end-user subscribers use or subscribe to the services offered by them. As a result, the Company's revenue is subject to uncertainties that are beyond its control, such as market acceptance of its application services by its customers' and the subscriber rate that is in turn dependent on the pricing of the services, product placement, and marketing and promotion activities conducted by the Company's customers, either jointly with the Company or solely. Given the Company's in-depth understanding of consumer needs, creative user interface and continued focus on developing innovative products, the Company is certain of its products enjoying good positioning on its customers' menus and websites. Further, the Company will continue to invest in research and development to remain at the forefront of development in the telecommunication industry and to develop new and differentiated products and services/upgrade or improve the existing ones, for each of its customers.
- The ARPU (Average Revenue Per User) of the Company's carrier customers is influenced by the demographic makeup of their subscriber base. A substantial number of new subscribers of carrier customers are from non-metro areas and they tend to have lower levels of ARPU. The Company has invested resources in understanding consumer needs and their spending pattern in order to increase the penetration of value-added services. This has led to the development of new pricing solutions thereby making products affordable to the existing as well as new subscribers.

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

In any industry, the processes and internal control systems play a critical role in the health of the Company. OnMobile's well defined organisational structure, documented policy guidelines, defined authority matrix and internal controls ensure efficiency of operations, compliance with internal policies and applicable laws and regulations as well as protection of resources. Moreover, the Company continuously upgrades these systems in line with the best available practices. The internal control system is supplemented by extensive internal audits, regular reviews by the management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data. The management information system provides timely and accurate information for effective control.

6. DISCUSSION ON CONSOLIDATED FINANCIAL PERFORMANCE FOR THE YEAR ENDED 2011-12

The consolidated financial statements relate to OnMobile Global Limited, referred to as "the Company" and its subsidiaries, associate and a joint venture together referred to as "the Group".

The consolidation for the FY 2011-12 includes figures of OnMobile Mali SARL, OnMobile Bangladesh Private Limited, OnMobile Kenya Telecom Limited and OnMobile Telecom Limited formed during the year. This also includes figures of Kabuza Marketing Private Limited (Joint venture). OnMobile Servicios Corporativos De Telefonía S.A. DE C.V. and OnMobile Costa Rica OBCR, S.A. have not commenced operations during the year.

RESULT OF OPERATIONS

(in Rs. Million except EPS)

	FY 2011-12	% of Total Revenue	FY 2010-11	% of Total Revenue	Growth %
Revenue	6,380.14	-	5,372.07	-	19
Cost of Sales and Services	1,361.57	21	1,355.67	25	0
Employee Benefits expenses	2,312.37	36	1,773.26	33	30
Other expenses	1,306.87	20	1,034.97	19	26
Earnings before Other Income, Depreciation and Amortization, Finance costs and tax	1,399.33	22	1,208.17	22	16
Other Income	676.41	11	448.05	8	51
Depreciation and Amortization expense	840.24	13	566.64	11	48
Finance Costs	31.26	0	10.50	0	198
Earnings before Tax	1,204.24	19	1,079.08	20	12
Provision for taxation	373.30	6	212.29	4	76
Earnings after Taxation	830.94	13	866.79	16	(4)
Add: Share of profit from Associate concerns	-	-	25.21	-	-
Profit attributable to Consolidated group	830.94	13	892.00	17	(7)
EPS- Basic	7.1	-	7.6	-	-
EPS –Diluted	7.0	-	7.4	-	-

Revenue

Revenue is derived from Telecom Value Added Services, Sale of User licenses and other services. Revenue from Telecom Value Added Services is recognized on provision of services in terms of revenue sharing arrangements with the telecom operators. Revenue from sale of user licenses for software applications is recognized when the applications are functionally installed at the customer's location as per the terms of the contracts and Revenue from Other Services including maintenance services is recognized proportionately over the period during which the services are rendered as per the terms of contract.

The revenue for the FY 2011-12 was Rs.6,380.14 Million as against Rs.5,372.07 Million for FY 2010-11, thus recording a growth of 19% mainly driven by launch of new customers and expansion of subscriber base in existing customers in international geographies like Latin America, North America and Africa.

As a part of our long term de-risking strategy of shifting our revenue concentration from India away to different geographies, we have succeeded over the last few quarters in launching our services in various Telecom Operators across the world.

The segmentation of revenue by geography is as follows:

(In Rs. Million)

	FY 2011-12	% of Total Revenue	FY 2010-11	% of Total Revenue	Growth %
India	3,536.97	55	3,902.80	73	(9)
Outside India	2,843.17	45	1,469.27	27	94
Total Revenue	6,380.14		5,372.07		19

Cost of Sales and Services

Cost of Sales and Services consists of amount incurred towards content fee and cost of software development and other charges. Content fee is paid to content providers such as music label companies, royalties agencies, sports licensing authorities and other content licensors from whom the group sources and aggregates content, pursuant to licensing agreements with them. Cost of software development and other charges primarily represents cost of software packages, tools and services procured by the group for providing/enhancing the quality of its services to the customers. During the FY 2011-12, the cost of sales and services was Rs.1,361.57 Million as against Rs.1,355.67 Million incurred in FY 2010-11. The change in contractual scope involving content management responsibilities in one of the major customers during the last quarter of FY 2010-11 has helped us to maintain the Cost of Sales and Services for the current year in line with the previous year. The breakup of the cost is as follows:

(In Rs. Million)

	FY 2011-12	% of Total Revenue	FY 2010-11	% of Total Revenue	Increase %
Content fee	825.56	13	955.43	18	(14)
Cost of software development and other charges	536.01	8	400.24	7	34
Cost of Sales and Services	1,361.57	21	1,355.67	25	0

Employee Benefits expenses

Employee Benefits expenses comprises of salaries including bonus paid to employees, contribution made to various employee welfare funds and expenses incurred towards welfare of the employees.

During the FY 2011-12, the group incurred a cost of Rs.2,312.37 Million as against Rs.1,773.26 Million in the FY 2010-11 thus, representing an increase of 30% over the previous year. The increase was primarily on account of the following reasons:

- Increments given to employees in line with the market.

- Increase in headcount and investment in manpower resources in the new geographies like North America and Africa.

The total employee strength as on March 31, 2012 was 1,634 which included a net addition of 241 employees during the financial year. Also, during the year, there was a sustained focus on improving the existing employee productivity and optimization of human resources.

Other expenses

In the FY 2011-12, other expenses increased by 26% to Rs.1,306.87 Million as against Rs.1,034.97 Million incurred in FY 2010-11. The break- up of the expenses is as follows:

In Rs. Million

	FY 2011-12	% of Total Revenue	FY 2010-11	% of Total Revenue	Increase%
Travelling and Conveyance	315.83	5	243.77	5	30
Rent and other facilities cost	296.61	5	270.13	5	10
Legal, professional & consultancy charges	169.45	3	137.55	3	23
Rates and taxes	122.95	2	37.41	1	229
Communication charges	114.30	2	102.67	2	11
Marketing Expenses	68.00	1	52.29	1	30
Others	219.73	3	191.15	4	15
Total	1306.87	20	1034.97	19	26

The reasons for the increase in the expenses are as follows:

- Rates and Taxes: Impact on account of levy of local taxes in a few of our international locations.
- Travelling and Conveyance/ Communication charges: There has been an increase in business activity as the group further expands its geographical presence internationally.
- Legal, professional & consultancy charges: The Group had engaged consultants during the year in relation to structuring of our international business and related operations.

Earnings before Other Income, Depreciation and Amortisation, Finance costs and taxes (EBIDTA)

The group earned an EBIDTA of Rs.1,399.33 Million in the FY 2011-12 as compared to Rs.1,208.17 Million, representing a 16% growth over the previous year.

Other Income

Other Income primarily consists of Interest earned on Fixed Deposits, dividends yielded on Mutual funds and profit on sale of Investments. There has been a substantial increase in the other income earned in the current FY 2011-12, Rs.676.41 Million as compared to Rs.448.05 Million of FY 2010-11. The increase is due to sale of shares in Ver se Innovation Private Limited, during the year.

The surplus funds of the group continue to remain invested in fixed deposits and money market securities in adherence to the investment policy.

Depreciation and Amortisation

The group provided a sum of Rs.840.24 Million and Rs.566.64 Million toward depreciation for the FY 2011-12 and FY 2010-11, respectively, thus representing a growth of 48% over the previous year. Increase in depreciation and amortization is on account of:

- Increased investment in fixed assets resulting from new deployments in Africa and other geographies.
- Amortization of Market development and deployment rights in the FY 2011-12 increased as against previous year.

Depreciation/Amortisation on assets is provided on a monthly basis using the straight-line method based on useful/commercial lives of these assets as estimated by the Management, other than for Market development and deployment rights which is amortized over its useful/ commercial life in time proportion of its economic benefits that are expected to accrue to the Company. The amortization method is reviewed at each year end for any significant change in the expected pattern of the economic benefits. Also, currently, expenditure incurred on research and development is not being capitalized.

The depreciation as a percentage of average gross block is 13% and 10% for the years ended March 31, 2012 and 2011, respectively.

Finance Costs

The Finance costs represent interest paid/payable towards the finance lease entered into by the company for procurement of computer and electronic equipment and interest paid/ payable towards loan to meet working capital requirements and capital expenditure.

During FY 2011-12, the Company incurred Rs. 31.26 Million as compared to Rs. 10.50 Million in FY 2010-11.

Earnings before Tax

The Earnings before Tax of Rs.1,204.24 Million in the current FY 2011-12, as compared to Rs.1,079.08 Million earned during the previous year, represents a 12% growth over the previous year.

Provision for taxation

The amount provided for taxation in the current year is Rs.373.30 Million as against Rs.212.29 Million provided in FY 2010-11, thus representing 31% and 20% of Earnings before Tax, respectively. The amount includes international taxes. The increase in tax as a percentage of Earnings before Tax is primarily on account of:

- Implementation of Transfer Pricing arrangement across various international locations;
- Higher withholding tax in the absence of Double Taxation Agreements with a few countries.

Earnings after Tax

The Earnings after Tax of Rs. 830.94 Million in the current FY 2011-12, as compared to Rs.892 Million earned during the previous year, represents a 7% decline from the previous year.

FINANCIAL CONDITION

Share Capital

The authorized share capital of the Company is Rs.1,500 Million, comprising of 149,500,000 equity shares of Rs.10/-each and 500,000 preference shares of Rs.10/- each.

Currently as at March 31, 2012, the group has 115,003,310 equity shares of Rs 10/- each as issued, subscribed and paid up capital which increased from 58,954,543 equity shares of Rs 10/- each as at March 31, 2011. The increase was consequent to allotment of 58,954,543 equity shares of Rs 10/- each towards Bonus shares and allotment of 30,224 (including bonus shares) fully paid up Equity Shares of Rs.10/- each in pursuance of stock options exercised during the year. The increase is offset by buyback of 2,936,000 equity shares during the year.

Reserves and Surplus

A summary of the reserve and surplus is given below:

In Rs. Million

	As at March 31, 2012	As at March 31, 2011
Capital Redemption Reserve	29.36	-
Securities premium	3,439.65	4,224.52
Stock Option outstanding	0.44	0.44
Foreign Currency Translation Reserve	38.53	9.08
Surplus in Statement of Profit and Loss	4,196.06	3,498.78
Total	7,704.04	7,732.82

The decrease in share premium account of Rs.784.87 Million during the year is the net adjustment of receipt on exercise of stock options, issuance of bonus shares and shares bought back during the year.

'Foreign Currency Translation Reserve' represents exchange differences arising out of consolidation in case of non-integral operations. In case of "Integral operations", these exchange differences are included under Exchange Loss/ Gain and charged to the Statement of Profit and Loss.

The surplus retained in the Statement of Profit and Loss as at March 31, 2012 is Rs.4,196.06 Million.

The total net worth of the group as on March 31, 2012 is Rs. 8,854.07 Million with a book value of each share being Rs. 77. The corresponding numbers for the previous FY are Rs.8,322.37 Million and Rs.141 respectively.

Long-term borrowings

It represents amount outstanding towards finance lease which the company has entered during the earlier years for procurement of computer and electronic equipment.

Deferred Tax Liability and Asset

Deferred Tax Assets and Liabilities are recognized for the future tax consequences of temporary differences between carrying values of the assets and liabilities and their respective tax bases and are measured using enacted tax rates applicable on the Balance Sheet date. Deferred Tax Assets are recognized subject to management's judgment that realization is virtually certain. The deferred tax liability represents deferred tax liability of the company and as on March 31, 2012 is Rs.75.89 Million as compared to Rs.78.41 Million as on March 31, 2011. The deferred tax asset represent deferred asset of one of the subsidiary and as on March 31, 2012 is Rs.0.61 Million as compared to Rs.0.31 Million as on March 31, 2011.

Long-term provisions

The long-term provision outstanding as on March 31, 2012 is Rs.143.37 Million as compared to Rs.84.87 Million as on March 31, 2011 thus representing an increase of Rs.58.50 Million. The increase is primarily on account of increase in provision for customer credit and employee benefits.

Non-Current Liabilities

The Non-Current Liabilities outstanding as on March 31, 2012 is Rs.224.65 Million as compared to Rs.177.56 Million as on March 31, 2011 thus representing an increase of Rs.47.09 Million.

Current Liabilities

The Current Liabilities outstanding as on March 31, 2012 is Rs.3,333.29 Million as compared to Rs. 2,719.88 Million as on March 31, 2011 thus representing an increase of Rs. 613.41 Million. Availment of short term loan to meet working capital and capital expenditure requirements contribute to the increase in current liabilities.

Goodwill on consolidation

Goodwill on consolidation represents the excess of cost to the Company of its investments in the subsidiary over its share of the equity of the subsidiary, at the date on which the investments in the subsidiary company was made.

The goodwill as on March 31, 2012 is Rs.2,046.26 Million.

Fixed Assets

The company incurred an amount of Rs.540.42 Million (Rs.1,098.54 Million in the previous year) as capital expenditure in the FY 2011-12. Addition to the gross block mainly comprises of addition to computers and electronic equipment and software consequent to expanding operations.

Non-current Investments

The increase in Non-current investment to Rs.206.94 Million as at March 31, 2012 from Rs.25.53 Million as at March 31, 2011 was due to new investment in money market securities of Rs.200 Million. This is offset by partial sale of investment in Ver Se Innovation Private Limited.

Long-term loans and advances

The long term loans and advances recoverable as on March 31, 2012 is Rs.594.73 Million as compared to Rs.740.53 Million as on March 31, 2011 thus representing a decrease of Rs.145.80 Million. The decrease is primarily on account of refund of earlier years Income tax received during the year.

Current Investments

The decrease in short term investment to Rs.221.03 Million as at March 31, 2012 from Rs.516.29 Million as at March 31, 2011 was due to redemption of money market securities utilized towards payment of the balance marketing development and deployment rights.

Trade receivables

The trade receivables (net of provision for doubtful debts) amount to Rs.1,754.67 Million as on March 31, 2012 as against Rs.1,387.85 Million as on March 31, 2011.

The increase is :

- (a) Commensurate with the increase in revenue.
- (b) Due to longer working capital cycle in the international markets especially in the first year of launch.

Below is the ageing of Trade receivables:

	As at March 31, 2012	As at March 31, 2011
Less than 6 months	1,562.06	1,134.11
More than 6 months	192.61	253.74

Cash and cash equivalents

The cash and cash equivalents as on March 31, 2012 was Rs.2,013.69 Million as against a balance of Rs.912.32 Million as on March 31, 2011. The increase in Balance is the result of sale of investment in Ver Se Innovation Private Limited and availment of loan from banks during FY 2011-12.

Short-term loans and advances

The short term loans and advances outstanding as on March 31, 2012 is Rs.832.15 Million as compared to Rs.771.78 Million outstanding as on March 31, 2011 thus representing an increase of Rs.60.37 Million.

Other current assets

The other current assets outstanding as on March 31, 2012 is Rs.1,097.56 Million as compared to Rs.881.43 Million outstanding as on March 31, 2011 thus representing an increase of Rs.216.13 Million.

The increase is resulting from:

- Increase in unbilled revenue as of March 31, 2012 of Rs.1,051.58 Million from Rs.866.45 Million as of March 31, 2011 which is commensurate with the increase in international revenue.
- Increase in accrued interest on deposits.

7. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

OnMobile has always believed in building a culture of innovation and creativity where our employees are inspired to achieve excellence in their area of functioning. As OnMobile grows globally, expanding its footprint through its own and acquired offices, we continue to endeavor to foster a common culture among our globally diversified workforce.

Employee engagement and development

OnMobile offers its employees a unique blend of an informal work environment and a corporate culture that encourages personal empowerment. We have always believed in creating an environment where our employees feel safe and secure. The year that went by saw a plethora of engagement activities conducted across locations to inculcate & build the “one company” culture. We had enthusiastic participation by employees in the first ever ‘OnMobile Talent Hunt’ that was conducted across our various locations in India where employees got to showcase their talent. We also had whole hearted participation in our employee connect programs conducted across 4 regions in India where all the employees in that region came together as a group and participated in team building activities.

Training at OnMobile is one of the means of continuously enhancing the skills, knowledge and attitudes of our employees to make them more effective in their current and future roles. We have made significant investments especially in the technical and product training for our employees. In the year 2011-2012, we conducted 31 training programs across organization covering approximately 775 employees in these trainings.

We propose to focus on assessment of competencies and building leadership skills for a large number of our associates to enable them to be effective managers in this process of growth that OnMobile is going through.

8. CORPORATE SOCIAL RESPONSIBILITIES

As a responsible Corporate Citizen, OnMobile is committed to contributing to the society, environment and community. The focus area on which OnMobile strived to ‘Make a Difference’ was Education. We participated in the “Joy of Giving Week” program – India Giving challenge by Give India. Through this initiative we worked with following NGO’s across 3 locations:

Bangalore : SGBS Trust (Unnati)

Unnati's vision is to train and employ 1 million underprivileged youth through Unnati model by 2020

Mumbai : Muktangana

Muktangan's aim is to evolve sustainable, replicable inclusive models of quality child-centered teacher education and school programs in partnership with marginalized communities and to advocate them to the larger system.

Delhi : Deepalaya

Deepalaya believes in working towards the betterment of the urban and rural poor, with special focus on children because every child deserves a chance.

9. CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the industry' projections and estimates (which are based on reliable third party sources) as well as Company's objectives, estimates, projections and expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence the Company's operations include economic developments within the country, demand and supply conditions in the industry, changes in Government regulations, tax laws and other factors such as litigation and labour relations.

AUDITORS' REPORT

TO THE MEMBERS OF ONMOBILE GLOBAL LIMITED

1. We have audited the attached Balance Sheet of **ONMOBILE GLOBAL LIMITED** ("the Company") as at March 31, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, 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 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 Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred in section 211(3C) of the Companies Act, 1956;
 - (e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on March 31, 2012, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2012 from being appointed as a Director in terms of Section 274 (1)(g) of the Companies Act, 1956.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 008072S)

V. SRIKUMAR
Partner
(Membership. No. 84494)

May 7, 2012
Bangalore

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) Having regard to the nature of the Company's business/activities/results, clauses i(c), ii, iii (b) to (d), (f), (g), vi, viii, xii, xiii, xiv, xix and xx of CARO are not applicable for the year.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (iv) Subject to strengthening of its internal control systems relating to vendor and contract documentation and approvals in the area of purchases, in our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and the sale of services. During the course of our audit, we have not observed any continuing failure to correct any major weakness in such internal control system. The Company's operations during the year did not entail purchase of inventory or sale of goods.
- (v) In respect of contracts or arrangements entered in the register maintained in pursuance of Section 301 of the Companies Act 1956, to the best of our knowledge and belief, and according to the information and explanations given to us,
 - (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered into the register, maintained under the said section have been so entered including certain transactions covered by Section 297 of the Companies Act, 1956 entered into by the Company without the prior approval of the Central Government as explained in Note 42 of the financial statements.
 - (b) Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time except in respect of certain purchases for which comparable quotations are not available covered by our comments in para (iv) above.
- (vi) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (vii) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears, as at March 31, 2012 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on March 31, 2012 on account of disputes are given below::

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount (Rs.)
Karnataka Value Added Tax Act / Central Sales Tax	Value added tax, interest and penal interest	Karnataka Appellate Tribunal Bangalore	2002-05	32,918,718
Karnataka Value Added Tax Act / Central Sales Tax	Value added tax, interest and penal interest	Joint Commissioner of Commercial Taxes, Bangalore	2008 -10	120,125,120
Chapter V, Finance Act, 1994	Service tax	Customs Excise & Service Tax Appellate Tribunal (CESTAT)	2006-07 to 2008-09	5,518,575

- (viii) The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. There are no outstanding dues to financial institutions and debenture holders.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not *prima facie* prejudicial to the interests of the Company.
- (xi) The Company has not availed any term loans during the year.
- (xii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, *prima facie*, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (xiii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- (xiv) To the best of our knowledge and according to the information and explanations given to us and subject to the outcome of certain on-going reviews, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 008072S)

V. SRIKUMAR
Partner
(Membership. No. 84494)

May 07, 2012
Bangalore

Balance sheet

ONMOBILE GLOBAL LIMITED

In Rs. Million

	Notes	As at March 31, 2012	As at March 31, 2011
EQUITY AND LIABILITIES			
Shareholders' Funds:			
Share capital	2	1,150.03	589.55
Reserves and Surplus	3	7,191.83	7,578.18
		8,341.86	8,167.73
Non-Current Liabilities			
Long-term borrowings	4	5.39	14.28
Deferred tax liabilities (net)	36	67.60	73.06
Long-term provisions	5	123.47	62.67
		196.46	150.01
Current Liabilities			
Short-term borrowings			
Trade payables	6	630.31	269.87
Other current liabilities	7	1,742.72	1,414.03
Short-term provisions	8	464.49	797.15
	9	340.98	128.82
		3,178.50	2,609.87
TOTAL		11,716.82	10,927.61
ASSETS			
Non-Current Assets			
Fixed assets			
Tangible Assets	10	751.92	729.12
Intangible Assets	10	2,693.81	2,958.44
Capital work-in-progress - Tangible Assets		66.68	78.09
		3,512.41	3,765.65
Non-current investments	11	2,767.60	2,563.51
Long-term loans and advances	12	594.67	747.66
Current Assets			
Current investments	13	166.77	476.92
Trade receivables	14	1,196.90	1,255.10
Cash and cash equivalents	15	1,520.79	757.40
Short-term loans and advances	16	1,027.37	804.20
Other current assets	17	930.31	557.17
		4,842.14	3,850.79
TOTAL		11,716.82	10,927.61
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

1 to 46

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

V. Srikumar
Partner

Arvind Rao
Chief Executive Officer and
Managing Director

Chandramouli J
Director

Praveen Kumar
General Manager- Finance

Rinku Ghosh
General Manager- Finance

P V Varaprasad
Company Secretary

Place: Bangalore
Date: May 7, 2012

Place: Bangalore
Date: May 7, 2012

Statement of Profit and Loss

ONMOBILE GLOBAL LIMITED

(In Rs. Million except per share data)

	Notes	For the year ended March 31, 2012	For the year ended March 31, 2011
REVENUE FROM OPERATIONS			
Telecom Value Added Services		4,998.33	4,550.27
Total Revenue		4,998.33	4,550.27
EXPENSES			
Cost of Sales and Services	18	1,212.73	1,278.57
Employee Benefits expenses	19	1,318.76	993.05
Other expenses	20	1,436.79	1,088.30
Total expenses		3,968.28	3,359.92
Earnings before other income, depreciation and amortisation, finance costs and tax		1,030.05	1,190.35
Other Income	21	624.62	467.68
Depreciation and amortisation expense	10	823.92	565.41
Earnings before finance cost and tax		830.75	1092.62
Finance costs	22	30.22	10.05
Earnings before tax		800.53	1,082.57
TAX EXPENSE			
Current Tax expense for current year		295.57	279.54
Minimum Alternate Tax (MAT) credit entitlement		(6.85)	(92.72)
Current Tax expense relating to prior years		14.45	-
Deferred tax		(5.46)	(20.63)
Earnings after taxation		502.82	916.38
EARNINGS PER EQUITY SHARE	35		
1. Basic (Face value of equity share of Rs 10/- each)		4.3	7.8
2. Diluted (Face value of equity share of Rs 10/- each)		4.2	7.6
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

1 to 46

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

V. Srikumar

Partner

For and on behalf of the Board of Directors

Arvind Rao

Chief Executive Officer and
Managing Director

Chandramouli J

Director

Praveen Kumar

General Manager- Finance

Rinku Ghosh

General Manager- Finance

P V Varaprasad

Company Secretary

Place: Bangalore

Date: May 7, 2012

Place: Bangalore

Date: May 7, 2012

Cash Flow Statement

ONMOBILE GLOBAL LIMITED

(In Rs. Million)

	As at March 31, 2012		As at March 31, 2011	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax		800.53		1,082.57
Adjustments for :				
Depreciation and amortisation	823.92		565.41	
Unrealised Foreign Exchange Loss/(Gain)	42.33		180.36	
Loss/(Gain) on Sale of Fixed Assets (Net)	(1.45)		(1.50)	
Loss/(Gain) on sale of Investment (Net)	(466.42)		(373.99)	
Provisions no longer required written back	(2.40)		-	
Provision for Doubtful trade receivables	36.66		18.81	
Dividend Income	(13.33)		(13.10)	
Finance cost	30.22		10.05	
Interest Income	(118.49)		(67.59)	
		331.04		318.45
Operating profit before working capital changes		1,131.57		1,401.02
(Increase)/decrease in operating assets:				
Trade and other receivables	44.25		(447.11)	
Short-term loans and advances and other current assets	(549.57)		(442.31)	
Long-term loans and advances	17.63		(98.22)	
Increase/(decrease) in operating liabilities:				
Short-term liabilities and provisions	455.42		545.04	
Long-term liabilities and provisions	60.80		6.46	
		28.53		(436.14)
Cash generated from operations		1,160.10		964.88
Direct taxes paid (Including refunds)		(172.93)		(219.34)
Net cash from operating activities		987.17		745.54
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets including capital advances		(569.29)		(531.86)
Sale of fixed assets		5.17		2.49
Sale, Redemption/ (Purchase) of short term investments (net)		310.15		50.19
Sale, Redemption/ (Purchase) of Long term investments (net)		285.00		401.32
Investment in Subsidiaries/ Joint ventures		(22.68)		(220.50)
Payment towards Deferred Liability on acquisition of Intangible Assets		(429.23)		(1,713.30)
(Increase)/decrease in earmarked bank balances		(75.22)		(290.44)
Dividend Income		13.33		13.10
Interest received		87.50		77.58
Net cash used in investing activities		(395.27)		(2,211.42)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issuance of Share Capital (net of refund of share application money)		0.20		19.74
Buyback of Equity Share Capital		(195.22)		-
Repayment of Finance Lease		(30.72)		(39.25)
Proceeds from short term borrowings		333.73		273.24
Finance cost		(27.78)		(9.55)
Net cash used in financing activities		80.21		244.18
Net increase/(decrease) in cash and cash equivalents		672.11		(1,221.70)
Cash and cash equivalents as at March 31, 2011(Opening Balance)		455.66		1,682.22
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(16.06)		4.86
Cash and cash equivalents as at March 31, 2012 (Closing Balance)		1,143.83		455.66
		672.11		(1,221.70)
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer Note 15)		1,520.79		757.40
Less: Bank balances not considered as Cash and cash equivalents as defined in AS-3		376.96		301.74
Cash and cash equivalents at the end of the year		1,143.83		455.66

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

V. Srikumar

Partner

For and on behalf of the Board of Directors

Arvind Rao

Chief Executive Officer and
Managing Director

Chandramouli J

Director

Praveen Kumar

General Manager- Finance

Rinku Ghosh

General Manager- Finance

P V Varaprasad

Company Secretary

Place: Bangalore

Date: May 07, 2012

Place: Bangalore

Date: May 07, 2012

Notes to Financial Statements

ONMOBILE GLOBAL LIMITED

1. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of financial statements

The financial statements of the Company have been prepared under the historical cost convention, on the accrual basis of accounting, in accordance with Generally Accepted Accounting Principles ("GAAP") in India. GAAP comprises mandatory Accounting Standards prescribed by the Company Accounting Standards Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The management evaluates all recently issued or revised Accounting Standards on an ongoing basis.

b. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Examples of such estimates includes provision for doubtful trade receivables, future obligations under employee benefit plans, income taxes and the useful lives of fixed assets. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reliably estimated. When no reliable estimate can be made, a disclosure is made as contingent liability. Actual results could differ from those estimates.

c. Revenue Recognition

Revenue from Telecom Value Added Services, net of customer credits, is recognized on provision of services in terms of revenue sharing arrangements with the telecom operators.

Revenue from sale of user licences for software applications is recognized when the applications are functionally installed at the customer's location as per the terms of the contracts.

Revenue from Other Services including maintenance services is recognized proportionately over the period during which the services are rendered as per the terms of contract.

Dividend on current investment is recognized on an accrual basis. Profit on sale of investments is recorded on transfer of title from the Company and is determined as the difference between the sale price and the then carrying value of the investment.

Rental Income is recognised on an accrual basis. Interest Income is recognised on an accrual basis.

d. Fixed assets

Fixed assets are stated at cost of acquisition including taxes, duties, freight and other incidental expenses relating to acquisition and installation.

Capital work in progress is stated at cost and includes the cost of fixed assets that are not ready for their intended use at the Balance Sheet date.

e. Depreciation/Amortisation

Depreciation/Amortisation on assets is provided using the straight-line method based on useful/commercial lives of these assets as estimated by the Management, other than for Market development and deployment rights which is amortised over its useful/ commercial life in time proportion of its economic benefits that are expected to accrue to the Company. The amortisation method is reviewed at each year end for any significant change in the expected pattern of the economic benefits.

The useful/commercial lives are as follows:

Category of Asset	No. of years
Leasehold Improvements	Primary lease period of 3 years -5 years
Finance Lease Assets	Primary lease period of 3 years -5 years
Building	61 years
Intellectual Property	3 years
Office equipment	3 years
Furniture & Fixtures	3 years
Computers & Electronic equipment	3 years-5 years
Market development and deployment rights	Over the term of the agreement
Computer Software	3 years
Motor Car	3 years

Individual assets costing less than Rs.5,000/- are depreciated in full in the year of purchase. The depreciation rates adopted are the same as or higher than the rates specified in Schedule XIV of the Companies Act, 1956.

f. Investments

Short term investments are stated at lower of cost and market value.

Long term investments are stated at cost. Provision is made for any diminution in value of long term investment which is other than temporary in nature.

Notes to Financial Statements

g. Foreign currency transactions

Transactions in foreign currencies are translated at the exchange rate prevailing on the date of the transaction. Monetary assets and Monetary liabilities denominated in foreign currencies are translated at the exchange rate prevalent at the date of the Balance sheet. Exchange differences arising on foreign currency translations are recognized as income or expense in the year in which they arise. Premium or discount on forward exchange contract is amortised over the life of such contract and is recognised as income or expense.

Any profit or loss arising on cancellation, renewal or restatement of forward contract is recognised in the Statement of Profit and Loss.

h. Employee Benefits

a. Short term employee benefits including salaries, social security contributions, short term compensated absences (such as paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related employee service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non monetary benefits (such as medical care) for current employees are estimated and measured on an undiscounted basis.

b. Defined Contribution Plan

Company's contributions paid / payable during the year to Provident Fund are recognised in the Statement of Profit and Loss."

c. Defined Benefit Plan

Liabilities for gratuity funded in terms of a scheme administered by the Life Insurance Corporation of India, are determined by Actuarial Valuation made at the end of each financial year. Provision for liabilities pending remittance to the fund is carried in the Balance Sheet."

Actuarial gains and losses are recognized immediately in the statement of Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

d. Long term liability for compensated absences is provided based on actuarial valuation of the accumulated leave credit outstanding to the employees as on the Balance Sheet date.

i. Employee Stock Option Plan

The Company has formulated 11 Employee Stock Option Plans ("ESOP") - OnMobile Employees Stock Option Plan – I 2003, OnMobile Employees Stock Option Plan – II 2003, OnMobile Employees Stock Option Plan – III 2006, OnMobile Employees Stock Option Plan – I 2007, OnMobile Employees Stock Option Plan – II 2007, OnMobile Employees Stock Option Plan – I 2008, OnMobile Employees Stock Option Plan – II 2008, OnMobile Employees Stock Option Plan – III 2008, OnMobile Employees Stock Option Plan – IV 2008, OnMobile Employees Stock Option Plan – I 2010, OnMobile Employees Stock Option Plan – II 2010 and OnMobile Employees Stock Option Plan 2011.

The Company has obtained legal opinion that the Guidance Note on Accounting for Employee Share Based Payments are not applicable to OnMobile Employee Stock Option Plan – I 2003 and II 2003. Options granted in terms of OnMobile Employee Stock Option Plan – III 2006, OnMobile Employees Stock Option Plan – I 2007, OnMobile Employees Stock Option Plan – II 2007, OnMobile Employees Stock Option Plan – I 2008, OnMobile Employees Stock Option Plan – II 2008, OnMobile Employees Stock Option Plan – III 2008 OnMobile Employees Stock Option Plan – IV 2008, OnMobile Employees Stock Option Plan – I 2010, OnMobile Employees Stock Option Plan – II 2010 and OnMobile Employee Stock Option Plan 2011 to which the said Guidance Note is applicable, are accounted under intrinsic value method and accordingly, the difference between the fair value of the underlying shares and the exercise price, if any, is expensed to Statement of Profit and Loss over the period of vesting.

j. Leases

Assets taken on lease where the company acquires substantially the entire risks and rewards incidental to ownership are classified as finance leases. The amount recorded is the lower of the present value of minimum lease rental and other incidental expenses during the lease term or the fair value of the assets taken on lease. The rental obligations, net of interest charges, are reflected as secured loan. Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases and lease rentals are expensed to Statement of Profit and Loss on an accrual basis.

k. Borrowing Cost

Borrowing costs incurred for the acquisition of qualifying assets are recognised as part of cost of such assets when it is possible that they will result in future economic

Notes to Financial Statements

benefits to the company while other borrowing costs are expensed.

l. Income Tax

Income tax expense includes Indian and International income taxes. Income tax comprises of the current tax and previous year tax provision and net change in deferred tax asset or liability in the year.

Provision for current tax is made taking into account the admissible deductions/allowances and is subject to revision based on the taxable income for the fiscal year ending 31 March each year.

Provision for taxation includes tax liabilities in India on the Company's global income as reduced by exempted income and any tax liabilities arising overseas on income sourced from those countries.

Minimum alternate tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in the future years. Accordingly, MAT is recognised as an asset in the balance sheet where it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences between carrying values of the assets and liabilities and their respective tax bases and are measured using enacted tax rates applicable on the Balance Sheet date.

Deferred Tax assets are recognized subject to management's judgement that realization is reasonably/virtually certain.

The effect of changes in tax rates on deferred tax assets and liabilities is recognized in the income statement in the year of enactment of change.

m. Cash flow Statement

Cash Flow Statement has been prepared in accordance with the Indirect method prescribed in Accounting Standard 3- "Cash flow statements ". The cash flows from operating, investing and financing activities of the

Company are segregated based on the available informations.

n. Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date for any indication of impairment based on internal / external factors. An asset is treated as impaired when the carrying amount of assets exceeds its recoverable amount. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value. A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

o. Earnings per Share

In determining the Earnings per share, the Company considers the net profit after tax. The number of shares used in computing Basic Earnings per share is the weighted average number of equity shares outstanding during the year. The number of shares used in computing Diluted Earnings per share comprises the weighted average number of equity shares considered for deriving Basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year unless issued at a later date.

p. Provisions and Contingencies

Provision is recognized when an enterprise 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 are not discounted to its 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 current best estimates.

Contingent Liabilities are disclosed in the Notes to financial statements.

Notes to Financial Statements

ONMOBILE GLOBAL LIMITED

(In Rs. Million)

	As at March 31, 2012		As at March 31, 2011	
2. SHARE CAPITAL				
Authorised:				
149,500,000 Equity Shares of Rs.10 each with voting rights (as at March 31, 2011 - 74,500,000 Equity Shares of Rs.10 each)		1,495.00		745.00
500,000 Preference Shares of Rs.10 each (as at March 31, 2011 - 500,000 Preference Shares of Rs.10 each)		5.00		5.00
		1,500.00		750.00
Issued, Subscribed and Fully Paid up				
115,003,310 Equity Shares of Rs.10 each fully paid up with voting rights (as at March 31, 2011 - 58,954,543 Equity Shares of Rs.10 each)		1,150.03		589.55
		1,150.03		589.55

Notes:

A. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

	As at March 31, 2012		As at March 31, 2011	
	Number of Shares	Amount	Number of Shares	Amount
Equity Shares with voting rights				
Opening balance	58,954,543	589.55	58,516,792	585.17
Add: Exercise of Employee Stock Option Plan	15,112	0.15	437,751	4.38
Add : Bonus	58,969,655	589.69	-	-
Less: Buy back	2,936,000	29.36	-	-
Closing balance	115,003,310	1,150.03	58,954,543	589.55

B. Details of share holders holding more than 5% of the shares of the Company

	Number of Shares	%	Number of Shares	%
Equity Shares with voting rights				
a) OnMobile Systems Inc	40,507,729	35.22	20,434,595	34.66
b) Smallcap World Fund, Inc	7,184,110	6.25	3,592,055	6.09

C. Number of shares allotted as fully paid up pursuant to the contracts without payment being received in cash, bonus shares and buyback for the period of five years immediately preceeding the Balance Sheet date:

- During the year ended March 31, 2008,
 - the Company made a bonus issue in the ratio of 12 : 1 to the shareholders by capitalisation of Capital Redemption Reserve an Securities Premium account.
 - 567,749 Equity shares were issued to erstwhile shareholders of ITfinity Solutions Private Limited at the time of amalgamation (inclusive of 524,076 bonus shares).
 - 423,722 Equity Shares have been issued to the promoters and employees of Vox Mobili, S.A. France as a part of Purchase consideration for its acquisition [inclusive of 391,128 bonus shares].
- During the year ended March 31, 2010, 75,862 Equity Shares have been issued to the promoters and employees of Telisma, S.A. France as a part of Purchase consideration for its acquisition
- During the year ended March 31, 2012, the Company made a bonus issue in the ratio of 1 : 1 to the shareholders by capitalisation of Securities Premium account.
- During the year after obtaining approval of the shareholders and completion of the formalities prescribed for buy-back of equity shares u/s. 77A of the Companies Act, 1956, the Company has bought back 2,936,000 Equity Shares of Rs.10 each by utilising the Securities Premium Account. Capital Redemption Reserve has been created out of Security Premium Account for Rs. 29.36 Million being the nominal value of equity shares bought back in terms of Sec.77AA of the Companies Act, 1956.

D) Total number of Options outstanding under various employee stock option plans, that are convertible into equity shares, as on March 31, 2012 are 5,846,545 (at March 31, 2011: 3,279,910).

Notes to Financial Statements

ONMOBILE GLOBAL LIMITED

(In Rs. Million)

	As at March 31, 2012		As at March 31, 2011	
3. RESERVES AND SURPLUS				
Capital Redemption Reserve				
Opening Balance	-		-	
Add: Transfer from Securities Premium Account	29.36		-	
Closing Balance		29.36		-
Securities Premium Account				
Opening Balance	4,224.52		4,209.10	
Add : Received during the year	0.17		18.74	
Less: Utilised during the year for:				
Transfer to Capital Redemption Reserve	29.36		-	
Shares buy back	165.86		-	
Bonus shares	589.69		-	
Discount on exercise of eligible stock options	0.13		3.32	
Closing Balance		3,439.65		4,224.52
Stock Options Outstanding		0.44		0.44
Surplus in Statement of Profit and Loss				
Opening Balance	3,353.22		2,436.84	
Add : Profit for the year	502.82		916.38	
Less: Appropriations				
Proposed equity dividend (amount per share Re 1 (as at March 31, 2011: Nil)	115.00		-	
Tax on proposed equity dividend	18.66		-	
Closing Balance		3,722.38		3,353.22
		7,191.83		7,578.18

(In Rs. Million)

	As at March 31, 2012		As at March 31, 2011	
4. LONG TERM BORROWINGS				
Long Term Maturities of Finance Lease Obligation*		5.39		14.28
(Refer Note 31)				
		5.39		14.28

*Secured by underlying assets acquired under finance lease.

(In Rs. Million)

	As at March 31, 2012		As at March 31, 2011	
5. LONG PROVISIONS				
Provision for employee benefits:				
Provision for Compensated Absences		28.40		23.38
Provision - Others				
Customer Credit (Refer Note 37)		95.07		39.29
		123.47		62.67

Notes to Financial Statements

ONMOBILE GLOBAL LIMITED

(In Rs. Million)

	As at March 31, 2012	As at March 31, 2011
6. SHORT TERM BORROWINGS		
Loans (Secured)		
From Banks	630.31	269.87
	630.31	269.87

Notes:

- Buyers' Credit Rs.300.67 Million (at March 31, 2011: Rs 81.58 Million) repayable within six to twelve months. Secured by first paripassu charge on movable fixed assets. Second paripassu charge on current assets.
- Pre-shipment credit in foreign currency Rs 329.64 Million (at March 31, 2011: Rs.188.29 Million) repayable in six months. Secured by first paripassu charge on present and future stocks and book debts.

(In Rs. Million)

	As at March 31, 2012	As at March 31, 2011
7. TRADE PAYABLE		
Total outstanding dues of micro enterprises and small enterprises (Refer Note 39)	3.95	5.42
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,738.77	1,408.61
	1,742.72	1,414.03

(In Rs. Million)

	As at March 31, 2012	As at March 31, 2011
8. OTHER CURRENT LIABILITIES		
Deferred payment Liability (Refer Note 28)	36.37	457.15
Current Maturities of Finance Lease obligations (Refer Note 31)	9.40	31.23
Interest Accrued but not due on Borrowings	2.96	0.52
Deferred revenue	11.26	3.71
Share application Money (Refer Note 23)	0.24	0.25
Other Payables		
Statutory remittances	78.16	152.24
Payable on purchase of Fixed Assets:		
- Total outstanding dues of micro enterprises and small enterprises (Refer Note 39)	3.63	2.03
- Total outstanding dues of creditors other than micro enterprises and small enterprises	314.01	144.65
Others	8.46	5.37
	464.49	797.15

(In Rs. Million)

	As at March 31, 2012	As at March 31, 2011
9. SHORT TERM PROVISIONS		
Provision for employee benefits:		
Provision for Compensated Absences	1.85	1.43
Provision for Gratuity (Refer Note 29)	7.60	15.64
Provision - Others		
Customer Credit (Refer Note 37)	197.87	111.75
Proposed equity dividend	115.00	-
Provision for tax on proposed equity dividend	18.66	-
	340.98	128.82

Notes to Financial Statements

ONMOBILE GLOBAL LIMITED

10. FIXED ASSETS

	(In Rs. Million)									
	GROSS BLOCK			DEPRECIATION/ AMORTISATION			NET BLOCK			
	As at April 1, 2011	Additions	Deletions	As at March 31, 2012	As at April 1, 2011	Additions	Deletions	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011
Tangible Assets										
Leasehold Improvements	46.21	14.39	0.68	59.92	28.59	11.71	0.44	39.86	20.06	17.62
Building	106.75	-	-	106.75	6.40	1.75	-	8.15	98.60	100.35
Office Equipments	3.32	0.07	0.24	3.15	2.40	0.50	0.24	2.66	0.49	0.92
Computer and Electronic Equipments (owned)	1,860.26	403.99	13.85	2,250.40	1,303.13	342.34	10.43	1,635.04	615.36	557.13
Computer and Electronic Equipments under finance lease	123.51	0.09	0.03	123.57	72.12	34.50	0.02	106.60	16.97	51.39
Furniture and Fixtures	15.06	0.10	0.11	15.05	14.07	0.60	0.06	14.61	0.44	0.99
Motor Cars	13.74	-	-	13.74	13.02	0.72	-	13.74	0.00	0.72
Total Tangible Assets	2,168.85	418.64	14.91	2,572.58	1,439.73	392.12	11.19	1,820.66	751.92	729.12
Previous Year	1,866.81	311.84	9.80	2,168.85	1,092.39	356.15	8.81	1,439.73		
Intangible Assets										
Softwares	573.08	167.17	-	740.25	405.94	139.37	-	545.31	194.94	167.14
Intellectual Property Rights	181.90	-	-	181.90	59.83	48.81	-	108.64	73.26	122.07
Market Development and Deployment Rights	2,717.09	-	-	2,717.09	47.86	243.62	-	291.48	2,425.61	2,689.23
Total Intangible Assets	3,472.07	167.17	-	3,639.24	513.63	431.80	-	945.43	2,693.81	2,958.44
Previous Year	2,914.51	557.56	-	3,472.07	304.37	209.26	-	513.63	-	-
Grand Total	5,640.92	585.81	14.91	6,211.82	1,953.36	823.92	11.19	2,766.09	3,445.73	3,687.56
Previous Year	4,781.32	869.40	9.80	5,640.92	1,396.76	565.41	8.81	1,953.36	3,687.56	

Notes to Financial Statements

ONMOBILE GLOBAL LIMITED

(In Rs. Million)

	As at March 31, 2012	As at March 31, 2011
11. NON CURRENT INVESTMENTS		
Investments (At Cost)		
Trade Investments (Unquoted) In Equity Shares		
Wholly owned subsidiaries:		
OnMobile Singapore Pte. Ltd., Singapore	154.49	154.49
4,485,000 (at March 31, 2011: 4,485,000) equity shares of Singapore \$ 1 each, fully paid		
Pt. Indonesia OnMobile ., Indonesia	4.06	4.06
1,000 (at March 31, 2011: 1,000) equity shares of USD 100 each, fully paid		
Onmobile Europe B.V., Netherlands	2,207.51	2,207.51
12,908,844 (at March 31, 2011: 12,908,844) equity shares of Euro 1 each, fully paid		
Phonetize Solutions Private Ltd , India	0.10	0.10
9,999 (at March 31, 2011: 9,999) equity shares of Rs 10/- each, fully paid		
OnMobile USA LLC, USA	91.51	91.51
20,100 (at March 31, 2011: 20,100) units of Common Stock of USD 100/- each fully paid		
Servicios De Telefonía Onmobile Sa De Cv, Mexico	6.86	6.86
1,829,877 (at March 31, 2011: 1,829,877) equity shares of 1 peso each fully paid		
OnMobile Global S A, Argentina	25.63	25.63
2,183,000 (at March 31, 2011: 2,183,000) equity shares of 1 ARS each fully paid		
OnMobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis Ltda, Brazil	9.59	9.59
352,000 (at March 31, 2011: 352,000) equity shares of 1 BRL each fully paid		
Share application money pending allotment	56.05	38.15
OnMobile Global for Telecommunications Services, Egypt	0.08	0.08
100 (at March 31, 2011: 100) equity shares of 1 EGP each fully paid		
OnMobile Bangladesh	2.28	-
720,000 (at March 31, 2011: Nil) equity shares of TK 10 each fully paid		
Joint Venture:		
Kabuza Marketing Private Limited	2.50	-
250,000 (at March 31, 2011: Nil) equity shares of Rs.10 each fully paid		
Other entity:		
Ver Se Innovation Private Ltd, India (Associate upto February 7, 2011)	6.94	25.53

Notes to Financial Statements

ONMOBILE GLOBAL LIMITED

(In Rs. Million)

	As at March 31, 2012		As at March 31, 2011	
85,420 (at March 31, 2011: 314,088) equity shares of Rs 10 each, fully paid				
Non Trade				
Others (Quoted):				
Kotak FMP Series 82- Growth		100.00		-
10,000,000 (at March 31, 2011 –Nil) units, Net Asset Value Rs.100.42 Million (at March 31, 2011 –Rs.Nil)				
HSBC Fixed Term Series- 86- Growth		100.00		-
10,000,000 (at March 31, 2011 –Nil) units, Net Asset Value Rs.100.58 Million (at March 31, 2011 –Rs.Nil)				
		2,767.60		2,563.51

Aggregate amount of quoted investment Rs 200 Million (at March 31, 2011: Nil); and
 Aggregate amount of unquoted investment Rs 2,567.60 Million (at March 31, 2011 Rs 2,563.51 Million); and
 The market value of quoted investments Rs 201 Million (at March 31, 2011: Nil)

Notes to Financial Statements

		(In Rs. Million)	
		As at March 31, 2012	As at March 31, 2011
12. LONG- TERM LOANS AND ADVANCES			
(Unsecured, Considered good)			
Capital Advances		2.29	7.40
Security Deposits		101.35	129.18
Loans to Subsidiaries (Refer Note 27)		12.17	10.12
Advances to Employees		4.45	3.16
Advance Income tax (net of provisions of Rs.1,199.44 Million (at March 31, 2011: Rs.1,280.50 Million)		374.14	504.38
MAT Credit Entitlement		99.57	92.72
Fringe Benefit Tax (net of provisions of Rs 70 Million (at March 31, 2011: Rs 70 Million)		0.70	0.70
		594.67	747.66

		(In Rs. Million)	
		As at March 31, 2012	As at March 31, 2011
13. CURRENT INVESTMENT			
Investments in Mutual Funds (Unquoted) at lower of cost and market value			
Birla Sun life Cash Plus-Instl-Daily Dividend -Reinvestment 699,780 (at March 31, 2011 –19,950,519) units, Net Asset Value Rs.70.11 Million (at March 31, 2011 –Rs.199.89 Million)		70.11	199.89
HDFC Cash Mng Fund- Treasury Adv plan-Daily dividend- Reinvestment Nil (at March 31, 2011 –19,138,800) units, Net Asset Value Rs.Nil (at March 31, 2011 –Rs.191.99 Million)		-	191.99
ICICI Prudential Liquid super Institutional Plan- Daily Dividend 500,324 (at March 31, 2011 –850,247) units, Net Asset Value Rs.50.04 Million (at March 31, 2011 –Rs.85.04 Million)		50.04	85.04
Reliance liquidity Fund Daily Dividend Reinvestment Option 2,149,826 (at March 31, 2011 –Nil) units, Net Asset Value Rs.21.51 Million (at March 31, 2011 – Rs. Nil)		21.51	-
Reliance Liquidity Fund - Treasury Plan- Institutional Option-Daily Div Option 1,642,450 (at March 31, 2011 –Nil) units, Net Asset Value Rs.25.11 Million (at March 31, 2011 – Rs. Nil)		25.11	-
		166.77	476.92

Notes to Financial Statements

ONMOBILE GLOBAL LIMITED

(In Rs. Million)

	As at March 31, 2012		As at March 31, 2011	
14. TRADE RECEIVABLES				
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	133.95		224.28	
Unsecured, considered doubtful	62.73		24.13	
	196.68		248.41	
Less: Provision for doubtful Trade receivables	62.73	133.95	24.13	224.28
Other Trade Receivables				
Unsecured, considered good	1,062.95		1,030.82	
Unsecured, considered doubtful	13.09		15.03	
	1,076.04		1,045.85	
Less: Provision for doubtful Trade receivables	13.09	1,062.95	15.03	1,030.82
		1,196.90		1,255.10
Note:				
Trade Receivables include due from subsidiaries:				
(a) OnMobile Singapore Pte Ltd.		7.87		95.26
(b) OnMobile De Venezuela C A		0.46		0.80
(c) Vox Mobili S.A.		6.50		43.43
(d) OnMobile Global for Telecommunications Services, Egypt		77.91		70.77
(e) Telisma S.A.		4.12		3.81
		96.86		214.07

(In Rs. Million)

	As at March 31, 2012		As at March 31, 2011	
15. CASH AND CASH EQUIVALENTS				
Cash on hand		0.28		0.25
Balances with bank :				
- In Current Accounts (Note 1 below)		449.66		205.23
- In Deposit Accounts		693.89		250.18
- Earmarked Balances				
- Share application money received allotment of securities and due for refund		0.24		0.25
- Margin money on Bank Guarantees		376.72		301.49
		1,520.79		757.40

Notes:

- Balances with Banks include Rs 220.02 Million (as at March 31, 2011- Rs 95.20 Million) which have restriction on repatriation.
- The balances that meet the definition of Cash and Cash equivalents as per AS-3 Cash Flow Statement is Rs.1143.83 Million (at March 31, 2011: Rs.455.66 Million)

Notes to Financial Statements

ONMOBILE GLOBAL LIMITED

(In Rs. Million)

	As at March 31, 2012		As at March 31, 2011	
16. SHORT TERM LOANS AND ADVANCES				
(Unsecured, Considered good)				
Security Deposits		5.06		2.44
Advances to Subsidiaries (Refer Note 3 below)		316.17		145.44
Prepaid Expenses		73.33		54.81
Balances with Statutory authorities (Refer Note 2 below)		458.30		426.91
Advances to Employees (Refer Note 1 below)		38.03		28.19
Advances to Vendors (Refer Note 3 below)		135.12		138.91
Others		1.36		7.50
		1,027.37		804.20
Notes:				
1) Advances to employees include Rs.0.64 Million (at March 31, 2011 Rs.0.04 Million) as travel advance to director.				
2) Balances with statutory authorities include Rs.312.85 Million (at March 31, 2011 Rs.312.85 Million) to VAT Authorities under direction of the Honorable High Court of Karnataka.				
3) Advances to Related parties are as follows:				
a) OnMobile Singapore Pte. Ltd.		73.72		45.54
b) PT OnMobile Indonesia		4.18		3.63
c) OnMobile Europe B.V.		0.03		0.03
d) OnMobile USA LLC		12.62		11.55
e) Servicios De Telefonía Onmobile Sa De Cv		28.15		14.96
f) OnMobile Global S A, Argentina		-		2.08
g) OnMobile De Venezuela C A		14.71		12.77
h) OnMobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis Ltda		4.45		2.18
i) OnMoible Global for Telecommunications Services, Egypt		69.05		52.70
j) Voxmobili S.A.		98.28		-
k) OnMobile Kenya		2.38		-
l) Onmobile Mali		2.72		-
m) OnMobile Senegal SARL		5.17		-
n) OnMobile Malawi		0.71		-
o) Mobile Traffik Private Limited		0.10	-	0.10
		316.27		145.54
				(In Rs. Million)
	As at March 31, 2012		As at March 31, 2011	
17. OTHER CURRENT ASSETS				
Unbilled Revenue due from:				
- Subsidiaries (Refer Note 34)	223.22		-	
- Others	661.11	884.33	542.19	542.19
Accrued Interest on deposits		45.98		14.98
		930.31		557.17

Notes to Financial Statements

ONMOBILE GLOBAL LIMITED

(In Rs. Million)

	For the year ended March 31, 2012	For the year ended March 31, 2011
18. COST OF SALES AND SERVICES		
Content fees	791.82	944.64
Cost of software development and other charges	420.91	333.93
	<u>1,212.73</u>	<u>1,278.57</u>

(In Rs. Million)

	For the year ended March 31, 2012	For the year ended March 31, 2011
19. EMPLOYEE BENEFIT EXPENSES		
Salaries and wages	1,210.32	894.86
Contribution to provident fund and other funds	73.84	70.83
Workmen and staff welfare expenses	11.65	12.93
Employee Insurance	22.95	14.43
	<u>1,318.76</u>	<u>993.05</u>

(In Rs. Million)

	For the year ended March 31, 2012	For the year ended March 31, 2011
20. OTHER EXPENSES		
Power and Fuel	23.62	20.41
Rent	132.41	135.15
Insurance	3.83	3.41
Repairs and Maintenance		
- Machinery	0.97	18.64
- Others	32.10	7.74
Office maintenance	54.82	52.31
Rates and taxes	38.03	11.18
Printing and stationery	3.60	3.20
Postage, courier and octroi	4.86	5.91
Communication charges	89.61	82.03
Training and Recruitment expenses	32.75	28.91
Travelling and conveyance	214.51	161.47
Legal, professional & consultancy charges	125.87	111.25
Commission to non whole time directors	3.80	4.80
Remuneration to auditors (Refer Note 30)	10.38	5.93
Marketing expenses	65.69	49.44
Business development expenses	504.19	320.32
Provision for Doubtful Trade Receivables	36.66	18.81
Brokerage and Commission	10.16	14.12
Bank charges	3.20	5.86
Net loss on foreign currency transactions and translation	43.41	27.02
Miscellaneous expenses	2.32	0.39
	<u>1,436.79</u>	<u>1,088.30</u>

Notes to Financial Statements

ONMOBILE GLOBAL LIMITED

(In Rs. Million)

	For the year ended March 31, 2012		For the year ended March 31, 2011	
21. OTHER INCOME				
Interest				
- From Banks on deposits		97.96		62.76
- From Subsidiaries on long term loans		0.59		0.55
- On Income Tax refund		19.94		4.28
Dividend income from current investments		13.33		13.10
Profit on sale of Long term investments		466.42		373.99
Other Non- Operating Income:				
- Provisions no longer required written back		2.40		-
- Profit on Sale of Fixed Assets (Net)		1.45		1.50
- Rental Income from Operating leases		7.13		10.94
- Miscellaneous Income		15.40		0.56
		624.62		467.68

(In Rs. Million)

	For the year ended March 31, 2012		For the year ended March 31, 2011	
22. FINANCE COST				
Interest on Finance lease		9.15		6.64
Interest on Short term Borrowings		13.67		1.08
Other borrowing costs		7.40		2.33
		30.22		10.05

23. Share application money represents unencashed refund instruments issued to the investors. This does not include any amount, due and outstanding, to be credited to the Investor Education and Protection Fund as per the provisions of the Companies Act, 1956.

24. Contingent liabilities and Commitments

- The Company has been named as one of the 20 defendants in a civil dispute for injunction pending adjudication. However in the opinion of the management no liability would arise in this regard.
- The Company has been named as one of the 3 defendants in a civil dispute for injunction pending adjudication. However in the opinion of the management no liability would arise in this regard.
- A suit against the Company has been filed by one party for infringement of its patents and the matter is pending adjudication. However in the opinion of the management, no liability would arise in this regard.
- Disputed Value Added Tax Rs. 299.32 Million (Previous year: Rs 692.8 Million) and disputed Income Tax Rs.57.7 Million (Previous year: Rs.55.31 Million)

e. Claims against the Company not acknowledged as debts is Rs. 67.16 Million (Previous year: Rs 61.68 Million).

f. Bank Guarantees given for loans availed by subsidiaries Rs 177.63 Million (Previous year: Rs.2.27 Million)

g. Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for is Rs. 149.90 Million (Previous year: Rs. 101.72 Million).

h. Pending amount for buyback of equity shares Rs. 54.78 Million (Previous year: Nil).

25. Issue of Bonus Shares

During the year, on April 21, 2011, the shareholders of the Company have approved through Postal ballot process, the issue of one equity share of face value of Rs 10/- each as bonus share for every one share held by the equity shareholders of the Company whose name appear in the register of members as on the record date, by capitalisation of Securities premium account and also shareholders have approved for

Notes to Financial Statements

increase of authorised share capital from Rs 750 Million to Rs.1,500 Million. Basic and Diluted Earnings Per Share (EPS) have been restated for the corresponding year to give effect of the said issue of Bonus shares, in accordance with Accounting Standard (AS) 20 "Earnings Per Share".

26. Divestment in Ver se Innovation Pvt Ltd

During the year the Company sold 228,668 Equity Shares in Ver se Innovation Private Limited for a consideration of Rs. 485 Million (Net of expenses).

27. Loans to wholly owned Subsidiaries

The Company has given loan to its wholly owned subsidiaries the details of which are given below and which in the opinion of the Management is realisable in full.

In Rs. Million				
Particulars	As at March 31, 2012	As at March 31, 2011	Maximum amount due at any time during the year 2011-12	Maximum amount due at any time during the year 2010-11
Subsidiaries				
- OnMobile Singapore Pte. Ltd	2.78	2.29	2.78	2.29
- PT OnMobile Indonesia	9.39	7.83	9.39	7.83
Total	12.17	10.12	12.17	10.12

28. Deferred Payment liability includes:

1. Nil (previous year: Rs. 139.44 Million (Euro 2.21 Million)) payable to Telefonica Internacional, S.A.U, Spain towards accrual of liability relating to acquisition of market development and deployment rights.
2. Nil (previous year: Rs. 282.12 Million (Euro 4.46 Million)) payable to a customer in Europe towards deploying value added services on an exclusive basis in the region.
3. Rs. 36.37 Million (BRL 1.27 Million) (previous year: Rs. 35.09 Million (BRL 1.27 Million)) payable to a customer in Brazil towards deploying value added services on an exclusive basis in the region.
4. Nil (previous year: Rs. 0.5 Million) being balance consideration payable relating to acquisition of Intellectual Property Rights.

29 Employee Benefits:

I. Defined Contribution Plans

During the year the Company has recognized the following amount in the Statement of Profit and Loss:

Particulars	(In Rs. Million)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Employer's Contribution to Provident Fund*	56.07	43.70

* Included in Contribution to provident and other funds

II. Defined Benefit Plans

Gratuity

In accordance with Accounting Standard 15 (Revised 2005) - "Employee Benefits", actuarial valuation as on March 31, 2012 was done in respect of the aforesaid defined benefit plan of Gratuity based on the following assumptions:

Particulars	(In Rs. Million)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Discount Rate	8.5% p.a	8% p.a
Expected Rate of Return on Plan Assets	8% p.a	8% p.a
Salary Escalation Rate	10% p.a. for first 6 years and 7.0% p.a thereafter	10% p.a. for first 6 years and 7.0% p.a thereafter

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

Change in Present Value of Obligation:

Particulars	(In Rs. Million)	
	As at March 31, 2012	As at March 31, 2011
Present Value of Obligation (Opening)	47.58	30.02
Current Service Cost	8.41	19.53
Interest on Defined Benefit Obligation	3.81	2.24
Benefits Paid	(5.59)	(3.97)
Net Actuarial Losses / (Gains) Recognized in Year	(1.74)	(0.24)
Past Service Cost	-	-
Losses / (Gains) on "Curtailements and Settlements"	-	-
Closing Present Value of Obligations	52.47	47.58

Notes to Financial Statements

Change in the Fair Value of Assets:

Particulars	(In Rs. Million)	
	As at March 31, 2012	As at March 31, 2011
Opening Fair Value of Plan Assets	31.94	26.21
Expected Return on Plan Assets	2.93	2.21
Actuarial Gains / (Losses)	0.66	0.60
Assets Distributed on Settlements	-	-
Contributions by Employer (net of risk premium etc)	14.93	6.89
Assets Acquired due to Acquisition	-	-
Exchange Difference on Foreign Plans	-	-
Benefits Paid	(5.59)	(3.97)
Closing Fair Value of Plan Assets	44.87	31.94

Details of investment composition of Plan Assets has not been provided by the Fund managers and hence not given.

Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Plan Assets:

Particulars	(In Rs. Million)	
	As at March 31, 2012	As at March 31, 2011
Closing Present Value of Funded Obligations	52.47	47.58
Closing Fair Value of Plan Assets	44.87	31.94
Unfunded Net Asset / (Liability) recognised in Balance Sheet	(7.60)	(15.64)

Experience Adjustments:

Particulars	(In Rs. Million)				
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Defined Benefit Obligations	52.47	47.58	30.02	26.34	10.85
Plan Assets	44.87	31.94	26.21	7.12	7.24
Surplus/ (Deficit)	(7.60)	(15.64)	(3.81)	(19.22)	(3.61)
Experience adjustments on Plan Liabilities	(0.60)	(0.24)	(0.72)	1.20	3.25
Experience adjustments on Plan Assets	0.66	0.60	0.79	0.06	0.16

Amount recognized in the Balance Sheet:

Particulars	(In Rs. Million)	
	As at March 31, 2012	As at March 31, 2011
Closing Present value of obligations	52.47	47.58
Closing Fair Value of Plan Assets	(44.87)	(31.94)
Liability Recognised in the Balance Sheet	7.60	15.64

Estimate of amount of contribution in the immediately next year Rs. 7.60 Million.

Notes to Financial Statements

Expenses recognized in the Statement of Profit and Loss:

Particulars	(In Rs. Million)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Current Service Cost	8.41	19.53
Past Service Cost	-	-
Interest Cost	3.81	2.24
Expected Return on Plan Assets	(2.93)	(2.21)
Actuarial (Losses) / Gain	(1.08)	0.36
Total Expenses to be recognized in the statement of Profit and Loss	8.21	19.92

III. Other long term benefits

Cost of compensated absences expensed in the statement of Profit and Loss:

Particulars	(In Rs. Million)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Compensated absences	19.46	11.75

30. Auditors Remuneration

Particulars	(In Rs. Million)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Statutory Audit Fees	3.15	3.15
Tax Audit Fees	0.25	0.25
Other attest services	5.18	1.40
Taxation matters	1.70	1.13
Out of pocket expenses	0.10	-
Total	10.38	5.93

The Company avails input credit for Service Tax and hence no Service Tax expense was accrued during the year..

31. Finance Lease:

The lease transactions of the Company represent lease of electronic equipments on a non-cancellable basis.

The minimum lease payments and their present value as at March 31, 2012 under the various agreements are given below:

(In Rs. Million)

Particulars	Present value of Minimum Lease Payments		Future Interest		Minimum Lease Payments	
	For the year ended March 31,2012	For the year ended March 31,2011	For the year ended March 31,2012	For the year ended March 31,2011	For the year ended March 31,2012	For the year ended March 31,2011
Amount repayable not later than 1 year	9.40	31.23	2.95	9.27	12.35	40.50
Amount repayable later than 1 year and not later than 5 years	5.39	14.28	2.43	5.27	7.82	19.55
Total	14.79	45.51	5.38	14.54	20.17	60.05

Notes to Financial Statements

32. Operating lease:

- a. The Company is obligated under non-cancellable operating lease for office space and vehicles provided to employees.

Total rental expense and future lease payments under non-cancellable operating lease for office space and vehicles are as follows:

(In Rs. Million)		
Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Total Rental expense charged to Statement of Profit and Loss	133.68	136.98
Future lease payments under non- cancellable leases:		
Not later than 1 year	14.05	8.91
Later than 1 year and not later than 5 years	4.37	-

- b. The Company has sub let office space under cancellable operating lease for the part of the year.

Total rental income under cancellable operating lease for office space are as follows:

(In Rs. Million)		
Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Rental Income recognized in Statement of Profit and Loss	7.13	10.94

33. Employee Stock Option Plans

Details of ESOP introduced to which the guidance note as issued by Institute of Chartered Accountants of India(ICAI) is not applicable:

Plan	Board approval date	Share holder's approval date	Total options appropriated before bonus	Terms of Vesting
OnMobile Employees Stock Option Plan – I 2003	31-Oct-03	Extra Ordinary General Meeting held on March 5, 2001, November 29, 2003 and December 30, 2003	1,026,000	25% of such Options granted would vest at the end of twelve (12) months from the date the Optionee becomes an employee of the Company and the remaining 75% would vest at a rate of 1/36th per month for the next thirty six (36) months from the first vesting.
OnMobile Employees Stock Option Plan – II 2003	4-Dec-03		114,000	

Notes to Financial Statements

Numbers of options granted, exercised and forfeited during the year under the above plans are given below:

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Options granted outstanding at the beginning of the year	285,383	613,476
Bonus shares issued during	285,383	-
Exercised during the year	68,770	318,850
Forfeited during the year	105,042	9,243
Options granted outstanding at the end of the year	396,954	285,383
Grants outstanding which are vested as at Balance Sheet date including increase due to issuance of bonus shares	396,954	274,879

Details of ESOP introduced to which the guidance note as issued by Institute of Chartered Accountants of India(ICAI) is applicable:

Plan	Board approval date	Share holder's approval date	Total options appropriated before bonus	Terms of Vesting
OnMobile Employees Stock Option Plan – III 2006	24-Jul-06	24-Jul-06	61,567	25% of such Options granted would vest at the end of twelve (12) months from the date the Optionee becomes an employee of the Company and the remaining 75% would vest at a rate of 1/36th per month for the next thirty six (36) months from the first Vesting.
OnMobile Employees Stock Option Plan – I 2007	12-Jul-07	17-Aug-07	975,000	25% of the Options granted would vest at the end of twelve (12) months from the date of the grant and the remaining 75% would vest at a rate of 1/36th per month for the next thirty six (36) months from the first Vesting.
OnMobile Employees Stock Option Plan-II 2007	12-Jul-07	17-Aug-07	74,360	65%, 30%, 3% and 2% of the options granted would vest at the end of one year, two years, three years and four years from the grant date, respectively.
OnMobile Employees Stock Option Plan – I 2008	18-Mar-08	18-Apr-08	26,000	100% of the Options would vest over a period of four years.
OnMobile Employees Stock Option Plan II 2008	31-Oct-08	1-Aug-08	100,000	100% of the options granted would vest at the end of two years.
OnMobile Employees Stock Option Plan III 2008	31-Oct-08	1-Aug-08	748,240	For 297,170 Options 50% of the options granted would vest at the end of one year and 25% of the options would vest on a monthly basis at the end of each of second and third years from the grant date respectively and for the balance 451,070 Options granted under the Plan the vesting would be 25% of the Options would vest at the end of one year and the rest of the options shall vest at the rate of 1/36th of the options shall vest every month for the next three years.
OnMobile Employees Stock Option Plan III 2008	29-Apr-09	1-Aug-08	113,150	25% of such Options granted would vest at the end of twelve (12) months from the date the Optionee becomes an employee of the Company and the remaining 75% would vest at a rate of 1/36th per month for the next thirty six (36) months from the first Vesting.
OnMobile Employees Stock Option Plan III 2008	31-Jul-09	1-Aug-08	26,680	25% of such Options granted would vest at the end of twelve (12) months from the date the Optionee becomes an employee of the Company and the remaining 75% would vest at a rate of 1/36th per month for the next thirty six (36) months from the first Vesting.

Notes to Financial Statements

OnMobile Employees Stock Option Plan III 2008	26-Oct-09	1-Aug-08	75,000	25% of such Options granted would vest at the end of each year over a period of four years.
OnMobile Employees Stock Option Plan III 2008	28-Jan-10	1-Aug-08	68,500	25% of such Options granted would vest at the end of each year over a period of four years.
OnMobile Employees Stock Option Plan IV 2008	26-Sep-08	31-Oct-08	173,953	100% of such Options granted would vest at the end of one year.
OnMobile Employees Stock Option Plan I 2010	30-Apr-10	24-Jul-10	325,000	vesting period shall be for a minimum of one (1) year and a maximum of four (4) years from the date of the Grant of stock option
OnMobile Employees Stock Option Plan II 2010	30-Apr-10	24-Jul-10	875,000	vesting period shall be for a minimum of one (1) year and a maximum of four (4) years from the date of the Grant of stock option
OnMobile Employees Stock Option Plan 2011	30-Apr-11	4-Aug-11	1,150,000	Vesting period shall be for a minimum of one (1) year and a maximum of four (4) years from the date of the Grant of stock option

Numbers of options granted, exercised and forfeited during the year under the above plans are given below:

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Options granted outstanding at the beginning of the year	2,994,527	1,617,929
Bonus shares issued during year	2,994,527	-
Granted during the year	382,500	1,753,285
Exercised during the year	1,754	75,478
Forfeited during the year	920,209	301,209
Options granted outstanding at the end of the year	5,449,591	2,994,527
Weighted average remaining contractual life (years) at the year end	3.9	4.8
Weighted average exercise price per option (after adjusting for Bonus issue)	Rs. 64	Rs 306
Range of exercise price (after adjusting for bonus issue)	Rs 63.78 to Rs 79.23	Rs 216 to Rs 680

The Company accounted the above options using the intrinsic value method and thus, the difference between the fair value of the underlying shares in the year of grant and the options exercise value was charged to the statement of profit and Loss. Accordingly, the compensation charge there on in the current year Nil (Previous year Rs. 0.04 Million) as the differences completely charged off to the Statement of Profit and Loss.

The guidance note issued by the Institute of Chartered Accountants of India requires the disclosure of pro forma net results and EPS both basic & diluted, had the Company adopted the fair value method. Had the

Company accounted the option under fair value method, amortising the stock compensation expense thereon over the vesting period, the reported profit for the year ended March 31, 2012 would have been lower by Rs.157.22 Million (Previous year Rs.95.65 Million) and Basic and diluted EPS would have been revised to Rs. 3.0/- (Previous year Rs. 7.0/-) and Rs.2.9/- (Previous year Rs 6.8/-) respectively as compared to Rs.4.3/- (Previous year Rs 7.8/-) and Rs.4.2/- (Previous year Rs 7.6/-) without such impact. Basic and Diluted Earnings Per Share (EPS) have been restated for all the corresponding period to give effect of the said issue of Bonus shares, in accordance with Accounting Standard (AS) 20 "Earnings Per Share" notified under Section 211(3C) of the Companies Act, 1956.

The fair value of stock based awards to employees is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options have been calculated using Black-Scholes option pricing model, considering the expected weighted average term of the options to be 4.3 years (Previous year 3.9 years), a 2% (Previous year Nil %) expected dividend yield on the underlying equity shares, weighted average volatility in the share price of 51.58 % (Previous year range of 53.17%) and a risk free rate of 8.50 % p.a. (Previous year 8.25% p.a.). The Company's calculations are based on a single option valuation approach, and forfeitures are recognized as they occur. The expected volatility is based on historical volatility of the share price during the year after eliminating the abnormal price fluctuations.

As per the provisions of SEBI (ESOS) Guidelines, 1999, the Shareholders, vide their resolution dated December 2, 2011 through postal ballot process, approved the repricing of options granted but not exercised. Consequently the Board of Directors vide their circular resolution dated December 21, 2011 re-priced the unexercised options at Rs. 63.78 each.

Notes to Financial Statements

Incremental fair value granted as result of re-pricing of Employee Stock options

Plan	Incremental fair value range per option (In Rs.)
OnMobile Employees Stock Option Plan - III 2006	9.13 to 12.83
OnMobile Employees Stock Option Plan - I 2007	11.63 to 25.36
OnMobile Employees Stock Option Plan - II 2008	16.14
OnMobile Employees Stock Option Plan - III 2008	1.66 to 24.82
OnMobile Employees Stock Option Plan - IV 2008	16.14
OnMobile Employees Stock Option Plan - I 2010	11.63 to 18.13
OnMobile Employees Stock Option Plan - II 2010	11.63

The incremental fair value of stock based award consequent to re-pricing of exercise price of stock options to employees is calculated through the use of option pricing models as on the date of re-pricing, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options have been calculated using Black-Scholes option pricing model, considering the expected weighted average term of the options to be 4.3 years, a "2%" expected dividend yield on the underlying equity shares, weighted average volatility in the share price of 51.95% and a risk free rate of 8.50% p.a. The Company's calculations are based on a single option valuation approach, and forfeitures are recognized as they occur. The expected volatility is based on historical volatility of the share price during the year after eliminating the abnormal price fluctuations.

34 Transactions with related parties:

I. List of Related parties and relationship:

SI No.	Relationship	Related parties
(i)	Subsidiaries	OnMobile Singapore Pte. Ltd. PT. OnMobile Indonesia Vox Mobili S.A. (subsidiary of OnMobile S.A.) OnMobile SA (Earstwhile - Telisma S.A.) (Subsidiary of Onmobile Europe B.V) Phonetize Solutions Private Limited OnMobile Europe B.V. OnMobile Servicios Corporativos De Telefonía S.A. DE C.V. Servicios De Telefonía OnMobile, SA DE CV OnMobile USA LLC. OnMobile Global S A OnMobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis Ltda OnMoible Global for Telecommunication Services OnMobile Senegal SARL OnMobile Uruguay S A OnMobile De Venezuela C.A. (subsidiary of OnMobile USA LLC) OnMobile Mali SARL OnMobile Bangladesh Private Limited OnMobile Kenya Telecom Limited OnMobile Costa Rica OBCR, SA OnMobile Telecom Limited
(ii)	Other related parties with whom the Company had transactions	
	Key Management Personnel	Arvind Rao Chandramouli Janakiraman
	Joint Venture	Kabuza Marketing Private Limited (w.e.f. January 5, 2011)
	Associate	Ver se Innovation Private Limited (till February 7, 2011)
	Enterprises owned or significantly influenced by key management personnel / Directors or their relatives	OnMobile Systems Inc., USA Mobile Traffik Private Limited Riff Mobile Private Limited

Notes to Financial Statements

II Transactions with Related Parties:

SI No	Nature of transactions	Subsidiary Companies		Joint Venture		Associate Company		Key Management Personnel		Enterprises owned or significantly influenced by Key Management Personnel/Directors or their relatives		Total	
		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	
1	Income from services												
	OnMobile Singapore Pte. Ltd.	37.35	106.22	-	-	-	-	-	-	-	-	37.35	106.22
	OnMobile Global for Telecommunication Services	188.90	70.77	-	-	-	-	-	-	-	-	188.90	70.77
	OnMobile De Venezuela C A	11.68	0.80	-	-	-	-	-	-	-	-	11.68	0.80
	Voxmobili S.A.	14.28	18.60	-	-	-	-	-	-	-	-	14.28	18.60
	OnMobile Brasil Sistemas de Valor Agregado Para Comunicacoes Moveis Ltda	110.08	-	-	-	-	-	-	-	-	-	110.08	-
	Servicios De Telefonía OnMobile SA DE CV	78.57	-	-	-	-	-	-	-	-	-	78.57	-
	OnMobile Global SA	15.95	-	-	-	-	-	-	-	-	-	15.95	-
	OnMobile S.A.	-	3.75	-	-	-	-	-	-	-	-	-	3.75
	Total	456.81	200.14	-	-	-	-	-	-	-	-	456.81	200.14
2	Business Development expenses												
	PT OnMobile Indonesia	54.14	39.07	-	-	-	-	-	-	-	-	54.14	39.07
	Voxmobili S.A.	-	12.69	-	-	-	-	-	-	-	-	-	12.69
	OnMobile USA LLC	554.00	227.18	-	-	-	-	-	-	-	-	554.00	227.18
	Servicios De Telefonía OnMobile SA DE CV	-	22.06	-	-	-	-	-	-	-	-	-	22.06
	OnMobile Global SA	-	5.49	-	-	-	-	-	-	-	-	-	5.49
	OnMobile Kenya Telecom Limited	12.47	-	-	-	-	-	-	-	-	-	12.47	-
	OnMobile Senegal SARL	13.48	-	-	-	-	-	-	-	-	-	13.48	-
	OnMobile Telecom Limited	1.68	-	-	-	-	-	-	-	-	-	1.68	-
	OnMobile Mali SARL	4.10	-	-	-	-	-	-	-	-	-	4.10	-
OnMobile Brasil Sistemas de Valor Agregado Para Comunicacoes Moveis Ltda	-	13.83	-	-	-	-	-	-	-	-	-	13.83	
Total	639.87	320.32	-	-	-	-	-	-	-	-	639.87	320.32	
3	Recovery of Business Development expenses												
	OnMobile S.A.	15.79	-	-	-	-	-	-	-	-	-	15.79	-
	Voxmobili S.A.	119.89	-	-	-	-	-	-	-	-	-	119.89	-
4	Content Cost												
	Ver se Innovation Private Ltd	-	-	-	-	-	-	-	-	-	-	-	2.92
	Riff Mobile Private Limited	-	-	-	-	-	-	-	-	-	-	-	0.50
5	Mobile Traffik Pvt. Ltd	-	-	-	-	-	-	-	-	-	-	-	20.70
	Total	-	-	-	-	-	-	-	-	-	-	7.86	24.12
	Cost of software development and other charges												
	OnMobile S.A.	122.97	104.16	-	-	-	-	-	-	-	-	122.97	104.16
	OnMobile USA LLC	-	5.59	-	-	-	-	-	-	-	-	-	5.59
	Voxmobili S.A.	34.91	24.49	-	-	-	-	-	-	-	-	34.91	24.49
	Total	157.88	134.24	-	-	-	-	-	-	-	-	157.88	134.24

Notes to Financial Statements

Sl No	Nature of transactions	In Rs. Million											
		Subsidiary Com-panies		Joint Venture		Associate Company		Key Management Personnel		Enterprises owned or significantly influenced by Key Management Personnel/Directors or their relatives		Total	
		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
6	Remuneration (including other benefits)												
	Arvind Rao	-	-	-	-	-	-	6.84	9.64	-	-	6.84	9.64
	Chandramouli Janakiraman	-	-	-	-	-	-	2.29	4.90	-	-	2.29	4.90
	Total	-	-	-	-	-	-	9.13	14.54	-	-	9.13	14.54
7	Legal and Professional charges												
	Mobile Traffik Pvt. Ltd	-	-	-	-	-	-	-	-	3.53	-	3.53	-
	Total	-	-	-	-	-	-	-	-	3.53	-	3.53	-
8	Interest Income												
	OnMobile Singapore Pte. Ltd.	0.16	0.14	-	-	-	-	-	-	-	-	0.16	0.14
	PT OnMobile Indonesia	0.43	0.41	-	-	-	-	-	-	-	-	0.43	0.41
	Total	0.59	0.55	-	-	-	-	-	-	-	-	0.59	0.55
9	Purchase of Fixed Assets												
	OnMobile Singapore Pte. Ltd.	134.97	37.12	-	-	-	-	-	-	-	-	134.97	37.12
	Servicios De Telefonía OnMobile Sa De Cv	-	0.17	-	-	-	-	-	-	-	-	-	0.17
	OnMobile USA LLC	1.92	12.39	-	-	-	-	-	-	-	-	1.92	12.39
	OnMobile S.A.	96.30	38.39	-	-	-	-	-	-	-	-	96.30	38.39
	Total	233.19	88.07	-	-	-	-	-	-	-	-	233.19	88.07
10	Investments made during the year in												
	OnMobile USA LLC.	-	81.90	-	-	-	-	-	-	-	-	-	81.90
	OnMobile Global for Telecommunication Services	-	0.08	-	-	-	-	-	-	-	-	-	0.08
	OnMobile Brasil Sistemas de Valor Agregado Para Comunicacoes Moveis Ltda	17.90	47.74	-	-	-	-	-	-	-	-	17.90	47.74
	OnMobile Global SA	-	25.63	-	-	-	-	-	-	-	-	-	25.63
	OnMobile Bangladesh Private Limited	2.28	-	-	-	-	-	-	-	-	-	2.28	-
	Kabuza Marketing Private Limited	-	-	2.50	-	-	-	-	-	-	-	2.50	-
	OnMobile Singapore Pte. Ltd.	65.15	-	-	-	-	-	-	-	-	-	-	65.15
	Total	20.18	220.50	2.50	-	-	-	-	-	-	-	22.68	220.50
11	Investments sold during the year												
	OnMobile Australia Pty. Ltd.	-	3.33	-	-	-	-	-	-	-	-	-	3.33
	Total	-	3.33	-	-	-	-	-	-	-	-	-	3.33
12	Recovery of Expenses from												
	OnMobile Singapore Pte. Ltd.	20.62	22.83	-	-	-	-	-	-	-	-	20.62	22.83
	OnMobile Global for Telecommunication Services	-	2.82	-	-	-	-	-	-	-	-	-	2.82
	Total	20.62	25.65	-	-	-	-	-	-	-	-	20.62	25.65
13	Reimbursement of Expenses to												
	OnMobile USA LLC.	-	3.91	-	-	-	-	-	-	-	-	-	3.91
	OnMobile S.A.	73.76	13.56	-	-	-	-	-	-	-	-	73.76	13.56
	Total	73.76	17.47	-	-	-	-	-	-	-	-	73.76	17.47

Notes to Financial Statements

SI No	Nature of transactions	In Rs. Million											
		Subsidiary Companies		Joint Venture		Associate Company		Key Management Personnel		Enterprises owned or significantly influenced by Key Management Personnel/Directors or their relatives		Total	
		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
14	Transfer of Fixed Assets, AMC, Content Cost, Freight and Insurance												
	OnMobile Singapore Pte. Ltd.	30.88	4.64	-	-	-	-	-	-	-	-	30.88	4.64
	Servicios De Telefonía OnMobile Sa De Cv	0.29	5.27	-	-	-	-	-	-	-	-	0.29	5.27
	OnMobile Global for Telecommunication Services	5.26	48.37	-	-	-	-	-	-	-	-	5.26	48.37
	OnMobile Brasil Sistemas de Valor Agregado Para Comunicacoes Moveis Ltda	1.79	2.23	-	-	-	-	-	-	-	-	1.79	2.23
	PT OnMobile Indonesia	-	0.41	-	-	-	-	-	-	-	-	-	0.41
	OnMobile De Venezuela C A	-	12.80	-	-	-	-	-	-	-	-	-	12.80
	OnMobile Global SA	-	2.16	-	-	-	-	-	-	-	-	-	2.16
	OnMobile Kenya Telecom Limited	2.25	-	-	-	-	-	-	-	-	-	2.25	-
	OnMobile Senegal SARL	4.53	-	-	-	-	-	-	-	-	-	4.53	-
	OnMobile S.A.	53.20	-	-	-	-	-	-	-	-	-	53.20	-
	OnMobile Mali SARL	3.92	-	-	-	-	-	-	-	-	-	3.92	-
	OnMobile USA LLC.	11.97	5.64	-	-	-	-	-	-	-	-	11.97	5.64
	Total	114.09	81.52	-	-	-	-	-	-	-	-	114.09	81.52
15.	Annual Maintenance Charge (Prepaid)												
	OnMobile S.A.	34.89	23.93	-	-	-	-	-	-	-	-	34.89	23.93
	Total	34.89	23.93	-	-	-	-	-	-	-	-	34.89	23.93
16.	Payable written back												
	Riff Mobile Private Limited	-	-	-	-	-	-	-	-	2.00	-	2.00	-
	Total	-	-	-	-	-	-	-	-	2.00	-	2.00	-
III	Balances with Related Parties:												
17.	Payables												
	OnMobile Singapore Pte. Ltd.	184.38	35.32	-	-	-	-	-	-	-	-	184.38	35.32
	PT OnMobile Indonesia	10.49	-	-	-	-	-	-	-	-	-	10.49	-
	OnMobile S.A.	228.83	105.32	-	-	-	-	-	-	-	-	228.83	105.32
	Voxmobili S.A.	-	77.20	-	-	-	-	-	-	-	-	-	77.20
	Phonetize Solutions Pvt Ltd	-	0.05	-	-	-	-	-	-	-	-	-	0.05
	Servicios De Telefonía OnMobile Sa De Cv	0.20	-	-	-	-	-	-	-	-	-	0.20	-
	OnMobile USA LLC.	263.08	98.19	-	-	-	-	-	-	-	-	263.08	98.19
	OnMobile Brasil Sistemas de Valor Agregado Para Comunicacoes Moveis Ltda	15.84	13.83	-	-	-	-	-	-	-	-	15.84	13.83
	OnMobile Global SA	3.73	3.26	-	-	-	-	-	-	-	-	3.73	3.26
	OnMobile Kenya Telecom Limited	4.37	-	-	-	-	-	-	-	-	-	4.37	-
	OnMobile Senegal SARL	3.80	-	-	-	-	-	-	-	-	-	3.80	-
	Ver se Innovation Private Ltd	-	-	-	-	-	-	-	-	-	-	-	-
	Mobile Traffik Pvt. Ltd	-	-	-	-	-	-	-	-	15.17	12.53	15.17	12.53
	Riff Mobile Private Limited	-	-	-	-	-	-	-	-	2.00	-	2.00	-
	Total	714.72	333.17	-	-	-	0.08	-	-	15.17	14.53	729.89	347.78

Notes to Financial Statements

SI No	Nature of transactions	Subsidiary Companies		Joint Venture		Associate Company		Key Management Personnel		Enterprises owned or significantly influenced by key management personnel/Directors or their relatives		Total	
		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
18	Amount Receivables under:												
a	Long term loans and advances												
	OnMobile Singapore Pte. Ltd.	2.38	2.06	-	-	-	-	-	-	-	-	2.38	2.06
	PT OnMobile Indonesia	7.67	7.15	-	-	-	-	-	-	-	-	7.67	7.15
b	Accrued interest												
	OnMobile Singapore Pte. Ltd.	0.41	0.23	-	-	-	-	-	-	-	-	0.41	0.23
	PT OnMobile Indonesia	1.72	0.69	-	-	-	-	-	-	-	-	1.72	0.69
c	Short term loans and advances												
	Arvind Rao	-	-	-	-	-	-	0.64	0.04	-	-	0.64	0.04
	OnMobile Singapore Pte. Ltd.	73.72	45.54	-	-	-	-	-	-	-	-	73.72	45.54
	PT OnMobile Indonesia	4.18	3.63	-	-	-	-	-	-	-	-	4.18	3.63
	Voxmobili S.A.	98.28	-	-	-	-	-	-	-	-	-	98.28	-
	OnMobile Europe B.V.	0.03	0.03	-	-	-	-	-	-	-	-	0.03	0.03
	Servicios De Telefonía OnMobile Sa De Cv	28.15	14.96	-	-	-	-	-	-	-	-	28.15	14.96
	OnMobile USA LLC.	12.62	11.55	-	-	-	-	-	-	-	-	12.62	11.55
	OnMobile Brasil Sistemas de Valor Agregado Para Comunicacoes Moveis Ltda	4.45	2.18	-	-	-	-	-	-	-	-	4.45	2.18
	OnMobile Global SA	-	2.08	-	-	-	-	-	-	-	-	-	2.08
	OnMobile De Venezuela C A	14.71	12.77	-	-	-	-	-	-	-	-	14.71	12.77
	OnMobile Global for Telecommunication Services	69.05	52.70	-	-	-	-	-	-	-	-	69.05	52.70
	OnMobile Kenya Telecom Limited	2.38	-	-	-	-	-	-	-	-	-	2.38	-
	OnMobile Mali SARL	2.72	-	-	-	-	-	-	-	-	-	2.72	-
	OnMobile Senegal SARL	5.17	-	-	-	-	-	-	-	-	-	5.17	-
	OnMobile Telecom Limited	0.71	-	-	-	-	-	-	-	-	-	0.71	-
	Mobile Traffik Pvt. Ltd	-	-	-	-	-	-	-	-	0.10	0.10	0.10	0.10
d	Trade Receivables												
	OnMobile Singapore Pte. Ltd.	7.87	95.26	-	-	-	-	-	-	-	-	7.87	95.26
	OnMobile Global for Telecommunication Services	77.91	70.77	-	-	-	-	-	-	-	-	77.91	70.77
	OnMobile De Venezuela C A	0.46	0.80	-	-	-	-	-	-	-	-	0.46	0.80
	Voxmobili S.A.	6.50	43.43	-	-	-	-	-	-	-	-	6.50	43.43
	OnMobile S.A.	4.12	3.81	-	-	-	-	-	-	-	-	4.12	3.81
e	Unbilled revenue												
	OnMobile Global SA	16.51	-	-	-	-	-	-	-	-	-	16.51	-
	OnMobile Brasil Sistemas de Valor Agregado Para Comunicacoes Moveis Ltda	110.82	-	-	-	-	-	-	-	-	-	110.82	-
	Servicios De Telefonía OnMobile Sa De Cv	83.39	-	-	-	-	-	-	-	-	-	83.39	-
	OnMobile De Venezuela C A	12.50	-	-	-	-	-	-	-	-	-	12.50	-
	Total	648.43	369.64	-	-	-	-	0.64	0.04	0.10	0.10	649.17	369.78

Notes:

- 1 Related party relationships are as identified by the Company on the basis of information available and relied by the auditors.
- 2 No amount has been written off during the year in respect of debts due from related party
3. Amount of Rs. 2 Million payable to related party has been written back during the year.

Notes to Financial Statements

35. Earnings per Share

The Earnings per share, computed as per the requirements of Accounting Standard 20 –“ Earnings per Share ” is as under:

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Profit after tax as per the Statement of Profit and Loss (In Rs. Million)	502.82	916.38
Weighted Average number of Shares	117,079,068	58,746,101
Add: Effect of Bonus issue	-	58,746,101
Weighted Average number of Shares for Basic EPS	117,079,068	117,492,202
Add: Effect of Stock Options outstanding	1,601,918	3,531,168
Weighted Average Number of equity shares for Diluted EPS	118,680,986	121,023,370
	Rs.	Rs.
Nominal value of equity shares	10.0	10.0
Earnings Per Share		
Basic	4.3	7.8
Diluted	4.2	7.6

36. Accounting For Taxes On Income

- During the year, the Company has provided for Minimum Alternative Tax (MAT) under section 115JB of the Income tax Act, 1961 since the tax liability as per regular provisions of the Act is lower. Correspondingly, the Company has also claimed credit of Rs.6.85 Million (Previous year Rs.92.72 Million) under section 115JAA of the said Act, which is disclosed as ‘MAT credit entitlement’ in the Statement of Profit and Loss.
- In accordance with the Accounting Standard 22 – “Accounting for Taxes on Income”, the Company has reversed the deferred tax liability to the extent of Rs.5.46 Million for the current year, which has been credited to the Statement of Profit and Loss. Details of Deferred Tax Asset and Liabilities are:

(In Rs. Million)

Particulars	Deferred Tax (Assets)/ Liabilities as on April 1, 2011	Current year (credit)/ charge	Deferred Tax (Assets)/ Liabilities as on March 31, 2012
Difference between book and tax depreciation	99.13	5.36	104.49
Others (Provision for gratuity, compensated absences, doubtful receivables etc.)	(26.07)	(10.82)	(36.89)
	73.06	(5.46)	67.60

- The details of Provisions under Accounting Standard 29 - “Provisions, Contingent liabilities and Contingent assets” are as under:

(In Rs. Million)

Nature of Expense	Probable outflow estimated within	Provision outstanding as at April 1, 2011	Provision made during the year	Provision utilised during the year	Provision reversed during the year	Provision outstanding as at March 31, 2012
Other provisions-customer credits	Not later than 1 year	111.75	157.95	36.62	35.21	197.87
	1-3 years	39.29	55.78	-	-	95.07
Total		151.04	213.73	36.62	35.21	292.94

Notes to Financial Statements

38. Foreign Currency Exposure

- a. Forward contracts entered into by the Company for hedging foreign currency exposure and outstanding as at balance sheet date:

Particulars	As at March 31, 2012 Nominal Value (In Rs. Million)	As at March 31, 2011 Nominal Value (In Rs. Million)	Currency	As at March 31, 2012 (Foreign Currency in Million)	As at March 31, 2011 (Foreign Currency in Million)
Foreign Currency Forward Contract -(BUY)	-	328.85	EURO/INR	-	5.20
Foreign Currency Forward Contract -(BUY)	169.76	94.15	USD/INR	3.22	2.11
Foreign Currency Forward Contract -(SELL)*	12.87	-	ZAR/USD	1.50	-
Foreign Currency Forward Contract -(SELL)	10.86	-	USD/INR	0.21	-

* The contract has been entered to SELL ZAR and BUY USD, the equivalent USD amount for the contract is USD 0.21 Million

- b. Unhedged Foreign currency exposure is as follows:

Particulars	As at March 31, 2012 Amount (In Rs. Million)	As at March 31, 2011 Amount (In Rs. Million)	Nature of Currency	As at March 31, 2012 Amount (Foreign Currency in Million)	As at March 31, 2011 Amount (Foreign Currency in Million)
Due to:					
Non current liabilities	32.30	0.14	BDT	49.70	0.22
	13.11	-	COP	443.80	-
	0.18	-	EUR	0.003	-
	0.002	-	GBP	0.00003	-
	0.51	-	ZAR	0.08	-
Current Liabilities					
Short-term borrowings	460.55	175.73	USD	9.10	3.94
Trade payables	2.50	1.47	AED	0.18	0.12
	4.17	2.57	AUD	0.08	0.05
	86.36	56.19	BDT	132.85	88.27
	0.10	-	CLP	0.90	-
	1.62	0.52	COP	54.93	21.65
	210.05	87.02	EUR	3.07	1.40
	7.37	5.15	GBP	0.09	0.07
	4.37	-	KES	6.82	-
	0.29	-	LKR	0.70	-
	-	22.91	MXN	-	6.02
	3.49	1.15	MYR	0.20	0.08
	0.01	-	PEN	0.001	-
	5.37	3.25	RMB	0.65	0.47
	289.49	121.74	USD	5.6358	2.7167
	4.25	-	XOF	39.2675	-
	1.24	1.30	ZAR	0.1828	0.20
Other current liabilities	0.37	0.30	AUD	0.01	0.01
	4.56	6.77	BDT	7.016	10.633
	36.37	35.09	BRL	1.270	1.270
	7.17	-	CAD	0.14	-
	0.30	-	CLP	2.83	-
	2.65	0.01	COP	89.84	0.40
	116.24	212.79	EUR	1.70	3.36
	0.02	-	GBP	0.0002	-
	94.37	-	IDR	16,498.44	-
	-	0.27	LKR	-	0.63
	0.03	-	MWK	0.10	-

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Particulars	As at March 31, 2012 Amount (In Rs. Million)	As at March 31, 2011 Amount (In Rs. Million)	Nature of Currency	As at March 31, 2012 Amount (Foreign Currency in Million)	As at March 31, 2011 Amount (Foreign Currency in Million)
	20.61	-	MXN	5.04	-
	0.79	0.04	MYR	0.05	0.003
	0.11	-	PEN	0.01	-
	0.09	-	RON	0.01	-
	121.57	-	SGD	2.93	-
	0.77	-	TZS	23.23	-
	91.94	107.25	USD	1.79	2.40
	2.15	-	XOF	19.85	-
	1.04	0.38	ZAR	0.154	0.06
Due from:					
Long term loans and advances	4.51	-	AUD	0.08	-
	-	-	BDT	-	-
	0.63	-	EUR	0.01	-
	0.001	-	MYR	0.0001	-
	0.03	-	RON	0.002	-
	2.78	2.29	SGD	0.07	0.06
	0.80	-	TZS	24.07	-
	9.72	7.83	USD	0.19	0.18
Trade receivables	0.26	-	AED	0.02	-
	6.63	3.47	AUD	0.12	0.07
	43.15	30.52	BDT	66.39	47.93
	7.17	-	CAD	0.14	-
	21.15	5.43	COP	715.69	224.54
	77.91	-	EGP	8.97	-
	66.23	40.91	EUR	0.97	0.65
	1.97	-	IDR	343.72	-
	1.59	-	MYR	0.09	-
	1.17	-	RON	0.07	-
	25.12	110.19	SGD	0.60	3.06
	0.04	-	THB	0.03	-
	17.41	-	TZS	523.37	-
	171.45	110.77	USD	3.30	2.53
	5.49	1.50	ZAR	0.91	0.36
Short term loans and advances	0.97	0.53	AED	0.07	0.04
	0.36	9.66	AUD	0.01	0.21
	10.92	8.66	BDT	16.80	13.61
	-	0.11	COP	-	4.37
	4.59	2.36	EGP	0.53	0.31
	138.41	29.28	EUR	2.02	0.46
	10.89	6.14	GBP	0.13	0.09
	0.71	-	MWK	2.25	-
	-	3.74	MXN	-	0.98
	-	0.29	MYR	-	0.02
	1.27	-	PEN	0.06	-
	1.05	0.82	RMB	0.13	0.12

Notes to Financial Statements

Particulars	As at March 31, 2012 Amount (In Rs. Million)	As at March 31, 2011 Amount (In Rs. Million)	Nature of Currency	As at March 31, 2012 Amount (Foreign Currency in Million)	As at March 31, 2011 Amount (Foreign Currency in Million)
	0.04	0.25	RON	0.002	0.02
	46.52	28.21	SGD	1.12	0.78
	0.14	-	TZS	4.11	-
	271.18	142.13	USD	5.30	3.09
	-	0.10	XOF	-	1.00
	0.19	0.24	ZAR	0.03	0.04
Other current assets	16.51	-	ARS	1.38	-
	76.09	32.63	BDT	117.06	51.27
	182.01	-	BRL	6.36	-
	1.02	-	CLP	9.55	-
	2.97	-	COP	100.50	-
	-	70.77	EGP	-	9.26
	100.25	6.98	EUR	1.47	0.11
	5.52	-	GTQ	0.80	-
	98.93	-	MXN	24.18	-
	0.54	-	PAB	0.01	-
	20.45	-	PEN	1.04	-
	2.22	1.67	RON	0.14	0.11
	0.04	0.48	SGD	0.001	0.01
	17.17	-	TZS	516.21	-
	132.96	64.03	USD	2.60	1.43
	2.66	1.13	ZAR	0.39	0.17

39. The Company had circulated request to all suppliers to confirm their status under the Micro, Small and Medium Enterprises Development Act, 2006 and the Company has received confirmations from some of the suppliers and the amounts unpaid as at the year end together with interest paid / payable under this Act is follows:

(In Rs. Million)		
Particulars	As at March 31, 2012	As at March 31, 2011
(i) The principal amount remaining unpaid to any supplier at the end of accounting year.	2.85	6.25
(ii) The interest due on above	4.73	1.20
The total of (i) & (ii)	7.58	7.45
The amount of interest paid by the buyer in terms of section 16 of the Act	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
The amounts of interest accrued and remaining unpaid at the end of financial year	4.73	1.20

40. Interest in joint venture

The Company has interest in the following jointly controlled entity (w.e.f January 5, 2011)

(In Rs. Million)					
Name of the Company	% of shareholding	Amount of interest based on accounts for the year ended March 31, 2012			
		Assets	Liabilities	Income	Expenses
Kabuza Marketing Private Limited	50.00	2.01	-	-	0.49
	(-)	(-)	(-)	(-)	(-)

Note: Figures in brackets relate to the previous year.

Notes to Financial Statements

41. The Company prepares consolidated financial statements, hence as per Accounting Standard 17 on Segment Reporting, segment information has not been provided in the standalone financial statements.

42. The company has made an application to the Central Government for compounding of one of the contracts for a party covered under Section 297 of The Companies Act, 1956 which expired during the year. The total transaction entered into during the year for which compounding application has been filed is amounting to Rs. 2.53 Million.

43. Value of imports calculated on CIF basis

Particulars	(In Rs. Million)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Capital goods (including software downloads and Market development and deployment rights)	382.87	865.97

44. Expenditure in Foreign Currency (on accrual basis)

Particulars	(In Rs. Million)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Business Development Expenses	504.19	320.32
Travel	89.93	48.45
Content Cost	103.98	35.51
Software and Software development charges	109.56	95.00
Annual maintenance charges	54.84	35.16
Legal and Professional	31.26	49.43
Payroll Costs	235.92	59.62
Others	61.64	28.48
	1,191.32	671.97

45. Earnings in Foreign Currency

Particulars	(In Rs. Million)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Master Services/ Professional Services/Others	1,506.70	644.46

46. The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of Board of Directors

Arvind Rao
Chief Executive Officer
and Managing Director

Chandramouli J
Director

Praveen Kumar
General Manager- Finance

Rinku Ghosh
General Manager- Finance

P V Varaprasad
Company Secretary

Place: Bangalore

Date: May 07, 2012

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS' OF ONMOBILE GLOBAL LIMITED

1. We have audited the attached Consolidated Balance Sheet of OnMobile Global Limited ("the Company"), its subsidiaries and jointly controlled entity (the Company, its subsidiaries and jointly controlled entity constitute "the Group") as at March 31, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investment in the jointly controlled entity accounted in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries and a joint venture, whose financial statements reflect total assets of Rs. 2,951.01 Million as at March 31, 2012, total revenues of Rs. 874.44 Million and net cash inflows amounting to Rs.57.43 Million for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the separate audit reports on the individual financial statements of the Company, its aforesaid subsidiaries and its joint venture and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;
 - (ii) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 008072S)

V. Srikumar
Partner
(Membership No. 84494)

Date: May 07, 2012
Place: Bangalore

Consolidated Balance Sheet

ONMOBILE GLOBAL LIMITED

(In Rs. Million)

	Notes	As at March 31, 2012	As at March 31, 2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	1,150.03	589.55
Reserves and surplus	3	7,704.04	7,732.82
		8,854.07	8,322.37
Non-Current Liabilities			
Long-term borrowings	4	5.39	14.28
Deferred tax liabilities (net)		75.89	78.41
Long-term provisions	5	143.37	84.87
		224.65	177.56
Current Liabilities			
Short-term borrowings	6	807.94	272.15
Trade payables	7	1,578.52	1,319.50
Other current liabilities	8	455.18	902.96
Short-term provisions	9	491.65	225.27
		3,333.29	2,719.88
TOTAL ASSETS		12,412.01	11,219.81
Non-Current Assets			
Fixed assets			
Tangible Assets	10	1,000.71	960.78
Intangible Assets	10	2,513.03	2,815.76
Capital work-in-progress - Tangible Assets		110.83	135.69
		3,624.57	3,912.23
Goodwill on Consolidation		2,046.26	2,046.26
Non-current investments	11	206.94	25.53
Deferred tax Assets		0.61	0.31
Long-term loans and advances	12	594.73	740.53
Current Assets			
Current investments	13	221.03	516.29
Inventories	14	19.80	25.28
Trade receivables	15	1,754.67	1,387.85
Cash and cash equivalents	16	2,013.69	912.32
Short-term loans and advances	17	832.15	771.78
Other current assets	18	1,097.56	881.43
		5,938.90	4,494.95
TOTAL		12,412.01	11,219.81
Summary of significant accounting policies	1		

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

1 to 42

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

V. Srikumar
Partner

Arvind Rao
Chief Executive Officer and
Managing Director

Chandramouli J
Director

Praveen Kumar
General Manager- Finance

Rinku Ghosh
General Manager- Finance

P V Varaprasad
Company Secretary

Place: Bangalore
Date: May 7, 2012

Place: Bangalore
Date: May 7, 2012

Statement of Consolidated Profit and Loss Account

ONMOBILE GLOBAL LIMITED

(In Rs. Million except per share data)

	Notes	For the year ended March 31, 2012	For the year ended March 31, 2011
REVENUE FROM OPERATIONS			
Telecom Value Added Services		6,380.14	5,372.07
Total Revenue		6,380.14	5,372.07
EXPENSES			
Cost of Sales and Services	19	1,361.57	1,355.67
Employee Benefits expenses	20	2,312.37	1,773.26
Other expenses	21	1,306.87	1,034.97
Total Expenses		4,980.81	4,163.90
Earnings before other income, depreciation and amortisation, finance costs and tax		1,399.33	1,208.17
Other Income	22	676.41	448.05
Depreciation and amortisation expense	10	840.24	566.64
Earnings before finance costs and tax		1,235.50	1,089.58
Finance costs	23	31.26	10.50
Earnings before tax		1,204.24	1,079.08
TAX EXPENSE			
- Current Tax expense for current year		369.43	320.52
- Minimum Alternate Tax (MAT) credit entitlement		(6.85)	(92.72)
- Current Tax expense relating to prior years		14.45	-
- Deferred tax		(3.73)	(15.51)
Earnings after taxation		830.94	866.79
Add: Share of profit from Associate concerns		-	25.21
Profit attributable to Consolidated group		830.94	892.00
EARNINGS PER EQUITY SHARE	35		
1. Basic (Face value of equity share of Rs 10/- each)		7.1	7.6
2. Diluted (Face value of equity share of Rs 10/- each)		7.0	7.4
Summary of significant accounting policies			

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

1 to 42

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

V. Srikumar
Partner

Arvind Rao
Chief Executive Officer and
Managing Director

Chandramouli J
Director

Praveen Kumar
General Manager- Finance

Rinku Ghosh
General Manager- Finance

P V Varaprasad
Company Secretary

Place: Bangalore
Date: May 7, 2012

Place: Bangalore
Date: May 7, 2012

Consolidated Cash Flow statement

ONMOBILE GLOBAL LIMITED

	In Rs. Million	
	As at March 31, 2012	As at March 31, 2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	1,204.24	1,079.08
Adjustments for :		
Depreciation and amortisation	840.23	566.64
Unrealised Foreign Exchange Loss/(Gain)	73.03	194.20
Loss/(Gain) on Sale of Fixed Assets (Net)	(1.29)	(0.99)
Loss/(Gain) on Sale/Redemption of Investment (Net)	(466.80)	(329.88)
Provisions no longer required written back	(2.40)	-
Provision for Inventories	7.99	-
Provision for Doubtful trade receivables	37.35	22.88
Dividend Income	(14.62)	(14.20)
Finance Cost	31.26	10.51
Interest Income	(121.89)	(67.04)
	382.86	382.12
Operating profit before working capital changes	1,587.10	1,461.20
(Increase) / decrease in operating assets:		
Trade and other receivables	(381.10)	(378.73)
Short-term loans and advances and other current assets	(229.77)	(455.51)
Long-term loans and advances	16.37	(98.22)
Inventories	(2.51)	(25.28)
Increase / (decrease) in operating liabilities:		
Short-term liabilities and provisions	304.01	431.22
Long-term liabilities and provisions	58.50	12.39
	(234.50)	(514.13)
Cash generated from operations	1,352.60	947.07
Direct taxes paid (including refunds)	(232.07)	(249.78)
Net cash from operating activities	1,120.53	697.29
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including capital advances	(551.84)	(777.84)
Sale of fixed assets	5.18	2.39
Sale, Redemption / (Purchase) of Short term investments (net)	295.64	92.41
Sale, Redemption/ (Purchase) of Long term investments (net)	285.00	397.98
Payment towards Deferred Liability on acquisition of Intangible Assets	(429.23)	(1,713.30)
(Increase)/decrease in earmarked bank balances	(75.23)	(290.44)
Dividend Income	14.62	14.20
Interest received	90.90	77.03
Net cash used in investing activities	(364.96)	(2,197.57)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of Share Capital (net of refund of share application money)	0.20	19.74
Buyback of equity share capital	(195.22)	-
Repayment of Finance lease	(30.72)	(39.25)
Proceeds from short term borrowings	509.08	273.24
Repayment of short term borrowings	-	0.18
Finance cost	(28.82)	(9.98)
Net cash used in financing activities	254.52	243.93
Net increase/(decrease) in cash and cash equivalents	1,010.09	(1,256.35)
Cash and cash equivalents as at March 31, 2011 (Opening Balance)	610.58	1,871.79
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(16.06)	4.86
Cash and cash equivalents as at March 31, 2012 (Closing Balance)	1,636.73	610.58
	1,010.09	(1,256.35)
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 16)	2,013.69	912.32
Less: Bank balances not considered as Cash and cash equivalents as defined in AS-3	376.96	301.74
Cash and cash equivalents at the end of the year	1,636.73	610.58

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

V. Srikumar
Partner

For and on behalf of the Board of Directors

Arvind Rao
Chief Executive Officer and
Managing Director

Chandramouli J
Director

Praveen Kumar
General Manager- Finance

Rinku Ghosh
General Manager- Finance

P V Varaprasad
Company Secretary

Place: Bangalore
Date: May 7, 2012

Place: Bangalore
Date: May 7, 2012

Notes to Consolidated Financial Statements

ONMOBILE GLOBAL LIMITED

1. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of financial statements

The Consolidated Financial statements relate to OnMobile Global Limited (the Company), its subsidiaries, associate and joint venture.

The Consolidated financial statements are prepared under the historical cost convention, on the accrual basis of accounting, in accordance with Generally Accepted Accounting Principles ("GAAP") in India. GAAP comprises mandatory Accounting Standards prescribed by the Company Accounting Standards Rules, 2006 (as amended). The Management evaluates all recently issued or revised Accounting Standards on an ongoing basis.

b. Principles of consolidation

The financial statements of the Company and its subsidiaries after making adjustments for uniform accounting policies have been combined on a line by line basis by adding together like items of assets, liabilities,

income and expense. The intra-group balances and intra-group transactions are eliminated.

The excess of cost to the Company of its investments in the subsidiary over its share of the equity of the subsidiary, at the date on which the investments in the subsidiary company was made, is recognized as 'goodwill' being an asset in the consolidated financial statements.

In case of associate where the Company directly or indirectly through subsidiaries holds more than 20% of equity investments in associate are accounted for using equity method in accordance with Accounting Standard (AS) 23 – "Accounting for Investments in Associates in Consolidated Financial Statements".

The Company's interest in Jointly Controlled Entities are proportionately consolidated on a line by line basis by adding together the book values of assets, liabilities, income and expenses, after eliminating the unrealised profits/losses on intragroup transactions.

The following entities are considered in the consolidated financial statements.

Sl. No.	Name of entity	Country of Incorporation	% of Ownership held as on March 31, 2012	% of Ownership held as on March 31, 2011
1	OnMobile Singapore Pte. Ltd.	Singapore	100.00	100.00
2	Phonetize Solutions Private Limited (under liquidation)	India	99.99	99.99
3	PT OnMobile Indonesia	Indonesia	100.00	100.00
4	Vox mobili S.A.	France	100.00	100.00
5	Vox mobili Inc. (liquidated)	USA	-	100.00
6	Ver se Innovation Private Ltd. (Associate till February 7, 2011)	India	5.00	18.37
7	OnMobile S.A. (erstwhile Telisma S.A.)	France	100.00	100.00
8	OnMobile Europe B.V.	Netherlands	100.00	100.00
9	OnMobile USA LLC	United States of America	100.00	100.00
10	Servicios De Telefonía OnMobile Sa De Cv	Mexico	100.00	100.00
11	Onmobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis Ltda.	Brazil	100.00	100.00
12	OnMobile De Venezuela C.A.	Venezuela	100.00	100.00
13	OnMobile Global SA	Argentina	100.00	100.00
14	OnMobile Uruguay SA	Uruguay	100.00	100.00
15	OnMobile Senegal SARL	Senegal	100.00	100.00
16	OnMobile Global for Telecommunication Services	Egypt	100.00	100.00
17	OnMobile Mali SARL (w. e. f. April 21, 2011)	Mali	100.00	-
18	OnMobile Bangladesh Private Limited (w. e. f. June 21, 2011)	Bangladesh	100.00	-
19	OnMobile Servicios Corporativos De Telefonía S.A. DE C.V. (w. e. f. September 21, 2011)	Mexico	100.00	-
20	OnMobile Kenya Telecom Limited (w. e. f. November 9, 2011)	Kenya	100.00	-
21	OnMobile Costa Rica OBCR, S.A. (w. e. f. February 4, 2012)	Costa Rica	100.00	-
22	OnMobile Telecom Limited. (w. e. f. January 31, 2012)	Malawi	100.00	-
23	Kabuza Marketing Private Limited - Jointly controlled entity (w. e. f. January 5, 2012)	India	50.00	-

Notes to Consolidated Financial Statements

The consolidation for the year includes figures of OnMobile Mali SARL, OnMobile Bangladesh Private Limited, OnMobile Kenya Telecom Limited, OnMobile Telecom Limited, Kabuza Marketing Private Limited formed during the year. Hence previous year figures are not comparable.

OnMobile Servicios Corporativos De Telefonía S.A. DE C.V and OnMobile Costa Rica OBCR, S.A. have not commenced any operations for the year ended March 31, 2012.

In respect of entities in Sl. No. 4 & 7, the Company's cost of investment is in excess of its share of equity on the date of investment and the difference has been recognised as Goodwill.

c. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Examples of such estimates includes provision for doubtful trade receivables, future obligations under employee benefit plans, income taxes and the useful lives of fixed assets. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reliably estimated. When no reliable estimate can be made, a disclosure is made as contingent liability. Actual results could differ from those estimates.

d. Revenue Recognition

Revenue from Telecom Value Added Services, net of customer credits, is recognized on provision of services in terms of revenue sharing arrangements with the telecom operators.

Revenue from sale of user licences for software applications is recognized when the applications are functionally installed at the customer's location as per the terms of the contracts.

Revenue from Other Services including maintenance services is recognized proportionately over the period during which the services are rendered as per the terms of contract.

Revenue from sale of goods is recognised on dispatch and transfer of underlying risks and rewards.

Dividend on current investment is recognized on an accrual basis. Profit on sale of investments is recorded on transfer of title from the Company and is determined as the difference between the sale price and the then carrying value of the investment.

Rental Income is recognised on an accrual basis.

Interest Income is recognised on an accrual basis..

e. Fixed assets

Fixed assets are stated at cost of acquisition including taxes, duties, freight and other incidental expenses relating to acquisition and installation. Capital work in progress is stated at cost and the cost of fixed assets that are not ready for their intended use at the Balance Sheet date.

f. Depreciation

Depreciation/Amortisation on assets is provided using the straight-line method based on useful/commercial lives of these assets as estimated by the Management, other than for Market development and deployment rights which is amortised over its useful/ commercial life in time proportion of its economic benefits that are expected to accrue to the Company. The amortisation method is reviewed at each year end for any significant change in the expected pattern of the economic benefits.

The useful/commercial lives for the Group Companies are as follows:

Category of Assets	No. of years
Leasehold Improvements	Primary lease period 3 years- 5 years
Finance Lease Assets	Primary lease period 3 years- 5 years
Building	61 years
Intellectual Property	3 years
Office equipment	3 to 10 years
Furniture & Fixtures	3 to 10 years
Computers & Electronic equipment	3 to 5 years
Market development and deployment rights	Over the term of the agreement
Computer Software	1 to 3 years
Motor Car	3 to 5 years

Individual assets costing less than Rs.5,000/- are depreciated in full in the year of purchase. The depreciation rates adopted are the same as or higher than the rates specified in Schedule XIV of the Companies Act, 1956.

g. Investments

Short term investments are stated at lower of cost and market value.

Notes to Consolidated Financial Statements

Long term investments are stated at cost. Provision is made for any diminution in value of long term investment which is other than temporary in nature.

h. Foreign currency transactions

Transactions in foreign currencies are translated at the exchange rate prevailing on the date of the transaction. Monetary assets and Monetary liabilities denominated in foreign currencies are translated at the exchange rate prevalent at the date of the Balance sheet. Exchange differences arising on foreign currency translations are recognized as income or expense in the year in which they arise except in the case of non-integral operations where these translations are included in 'Foreign Currency Translation Reserve' shown under Reserves and Surplus.

On consolidation, in case of integral operations assets and liabilities (other than non-monetary items) are translated at the exchange rate prevailing on the balance sheet date. Non-monetary items are carried at historical cost. In case of non-integral operations assets and liabilities (both monetary and non-monetary items) are translated at the exchange rate prevailing on the Balance Sheet date. Revenue and expenses are translated at yearly average exchange rates prevailing during the year in case the holding subsidiary relationship was in existence on the first day of the fiscal year. In case of subsidiaries formed or acquired during the year, the average exchange rate prevailing during the period since the holding subsidiary relationship came into existence is taken. Exchange differences arising out of these transactions are included under Exchange Loss/ Gain and charged to the Statement of Profit and Loss in case of "Integral operations". However in case of non-integral operations, these exchange differences are included in 'Foreign Currency Translation Reserve' and shown under Reserves and Surplus.

Premium or discount on forward exchange contract is amortised over the life of such contract and is recognised as income or expense. Any profit or loss arising on cancellation, renewal or restatement of forward contract is recognised in the Statement of Profit and Loss.

i. Employee Benefits

- a. Short term employee benefits including salaries, social security contributions, short term compensated absences (such as paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related employee service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non monetary benefits (such as medical care) for current employees are estimated and measured on an undiscounted basis.

- b. Defined Contribution Plan Companies contributions paid / payable during the year to Provident Fund are recognised in the Statement of Profit and Loss.

- c. Defined Benefit Plan: Liabilities for gratuity funded in terms of a scheme administered by the Life Insurance Corporation of India, are determined by Actuarial Valuation made at the end of each financial year. Provision for liabilities pending remittance to the fund is carried in the Balance Sheet. Liability for other long term benefit (unfunded) are determined by Actuarial Valuation based on Projected unit credit method at the end of each financial year.

Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

- d. Long term liability for compensated absences is provided based on actuarial valuation of the accumulated leave credit outstanding to the employees as on the Balance Sheet date.

j. Employee Stock Option Plan

The Company has formulated 11 Employee Stock Option Plans ("ESOP") - OnMobile Employees Stock Option Plan – I 2003, OnMobile Employees Stock Option Plan – II 2003, OnMobile Employees Stock Option Plan – III 2006, OnMobile Employees Stock Option Plan – I 2007, OnMobile Employees Stock Option Plan – II 2007, OnMobile Employees Stock Option Plan – I 2008, OnMobile Employees Stock Option Plan – II 2008, OnMobile Employees Stock Option Plan – III 2008, OnMobile Employees Stock Option Plan – IV 2008, OnMobile Employees Stock Option Plan – I 2010, OnMobile Employees Stock Option Plan – II 2010 and OnMobile Employees Stock Option Plan 2011.

The Company has obtained legal opinion that the guidance note on Accounting for Employees Share based payments are not applicable to OnMobile Employee Stock Option Plan – I 2003 and II 2003. Options granted in terms of OnMobile Employee Stock Option Plan – III 2006, OnMobile Employees Stock Option Plan – I 2007, OnMobile Employees Stock Option Plan – II 2007, OnMobile Employees Stock Option Plan – I 2008, OnMobile Employees Stock Option Plan – II 2008, OnMobile Employees Stock Option Plan – III 2008 OnMobile Employees Stock Option Plan – IV 2008, OnMobile Employees Stock Option Plan – I 2010, OnMobile Employees Stock Option Plan – II

Notes to Consolidated Financial Statements

2010 and OnMobile Employees Stock Option Plan 2011 and to which the said guidance note is applicable, are accounted under intrinsic value method and accordingly, the difference between the fair value of the underlying shares and the exercise price, if any, is expensed to Statement of Profit and Loss over the period of vesting.

k. Leases

Assets taken on lease where the company acquires substantially the entire risks and rewards incidental to ownership are classified as finance leases. The amount recorded is the lower of the present value of minimum lease rental and other incidental expenses during the lease term or the fair value of the assets taken on lease. The rental obligations, net of interest charges, are reflected as secured loan. Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases and lease rentals/income is recognised in Statement of Profit & Loss on an accrual basis.

l. Borrowing Cost

Borrowing costs incurred for the acquisition of qualifying assets are recognised as part of cost of such assets when it is possible that they will result in future economic benefits to the company while other borrowing costs are expensed.

m. Income Tax

Income tax expense includes Indian and International income taxes. Income tax comprises of the current tax and previous year tax provision and net change in deferred tax asset or liability in the year.

Provision for current tax is made taking into account the admissible deductions/allowances and is subject to revision based on the taxable income for the fiscal year ending 31 March each year.

Minimum alternate tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in the future years. Accordingly, MAT is recognised as an asset in the balance sheet where it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

Provision for taxation includes tax liabilities in India on the Company's global income and any tax liabilities arising overseas on income sourced from those countries as reduced by exempted income .

Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences between

carrying values of the assets and liabilities and their respective tax bases and are measured using enacted tax rates applicable on the Balance Sheet date. Deferred Tax assets are recognized subject to Management's judgement that realization is reasonably/virtually certain.

The effect of changes in tax rates on deferred tax assets and liabilities is recognized in the income statement in the year of enactment of change.

Research tax rebate:-

In accordance with French fiscal rules, the subsidiaries Vox mobili S.A. and OnMobile S.A. (erstwhile Telisma S.A.), are entitled to special tax rebate/refund calculated based on the social costs of the Research and Development staff. Such tax rebate is recognized as other income on accrual basis.

n. Cash flow Statement

Cash Flow Statement has been prepared in accordance with the Indirect method prescribed in Accounting Standard 3- "Cash flow statements". The cash flows from operating, investing and financing activities of the Company are segregated.

o. Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable amount. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value. A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

p. Earnings per Share

In determining the Earnings per share, the Company considers the net profit after tax. The number of shares used in computing Basic Earnings per share is the weighted average number of equity shares outstanding during the year. The number of shares used in computing Diluted Earnings per share comprises the weighted average number of equity shares considered for deriving Basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year unless issued at a later date.

Notes to Consolidated Financial Statements

q. Provisions and Contingencies

Provision is recognized when an enterprise has a present obligation as a result of past event; 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 are not discounted to its 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 current best estimates. Contingent liabilities are disclosed in the notes to the consolidated financial statement.

r. Inventories

Inventories comprising of components are valued at the lower of Cost and estimated realisable value.

s. Segment reporting

The Group identifies primary segments based on the dominant source and nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

		(In Rs. Million)	
		As at March 31, 2012	As at March 31, 2011
2. SHARE CAPITAL			
Authorised:			
149,500,000 Equity Shares of Rs.10 each with voting rights (as at March 31, 2011 - 74,500,000 Equity Shares of Rs.10 each)		1,495.00	745.00
500,000 Preference Shares of Rs.10 each (as at March 31, 2011 - 500,000 Preference Shares of Rs.10 each)		5.00	5.00
		1,500.00	750.00
Issued, Subscribed and Paid-up:			
115,003,310 Equity Shares of Rs.10 each fully paid up with voting rights (as at March 31, 2011 - 58,954,543 Equity Shares of Rs.10 each)		1,150.03	589.55
		1,150.03	589.55

Notes:

A) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

		As at March 31, 2012		As at March 31, 2011	
		Number of Shares	Amount	Number of Shares	Amount
Equity Shares with voting rights					
Opening balance		58,954,543	589.55	58,516,792	585.17
Add: Exercise of Employee Stock Option Plan		15,112	0.15	437,751	4.38
Add : Bonus		58,969,655	589.69	-	-
Less: Buy back		2,936,000	29.36	-	-
Closing balance		115,003,310	1,150.03	58,954,543	589.55

B) Details of share holders holding more than 5% of the shares of the Company

	Number of Shares	%	Number of Shares	%
Equity Shares with voting rights				
a) OnMobile Systems Inc	40,507,729	35.22	20,434,595	34.66
b) Smallcap World Fund, Inc	7,184,110	6.25	3,592,055	6.09

Notes to Consolidated Financial Statements

C) Number of shares allotted as fully paid up pursuant to the contracts without payment being received in cash, bonus shares and buyback for the period of five years immediately preceeding the Balance Sheet date:

- a) During the year ended March 31, 2008,
 - the Company made a bonus issue in the ratio of 12 : 1 to the shareholders by capitalisation of Capital Redemption Reserve and Securities Premium account.
 - 567,749 Equity shares were issued to erstwhile shareholders of ITfinity Solutions Private Limited at the time of amalgamation (inclusive of 524,076 bonus shares).
 - 423,722 Equity Shares have been issued to the promoters and employees of Vox Mobili, S.A. France as a part of Purchase consideration for its acquisition [inclusive of 391,128 bonus shares].
- b) During the year ended March 31, 2010, 75,862 Equity Shares have been issued to the promoters and employees of Telisma, S.A. France as a part of Purchase consideration for its acquisition
- c) During the year ended March 31, 2012, the Company made a bonus issue in the ratio of 1 : 1 to the shareholders by capitalisation of Securities Premium account.
- d) During the year after obtaining approval of the shareholders and completion of the formalities prescribed for buy-back of equity shares u/s. 77A of the Companies Act, 1956, the Company has bought back 2,936,000 Equity Shares of Rs.10 each by utilising the Securities Premium Account. Capital Redemption Reserve has been created out of Security Premium Account for Rs. 29.36 Million being the nominal value of equity shares bought back in terms of Sec.77AA of the Companies Act, 1956.

D) Total number of Options outstanding under various employee stock option plans, that are convertible into equity shares, as on March 31, 2012 are 5,846,545 (at March 31, 2011: 3,279,910).

(In Rs. Million)

	As at March 31, 2012		As at March 31, 2011	
3. RESERVES AND SURPLUS				
Capital Redemption Reserve				
Opening Balance	-		-	
Add: Transfer from Securities Premium Account	29.36		-	
Closing Balance		29.36		-
Securities Premium Account				
Opening Balance	4,224.52		4,209.10	
Add : Received during the year	0.17		18.74	
Less: Utilised during the year for:				
Transfer to Capital Redemption Reserve	29.36		-	
Shares buy back	165.86		-	
Bonus share	589.69		-	
Discount on exercise of eligible stock options	0.13		3.32	
Closing Balance		3,439.65		4,224.52
Stock Options Outstanding		0.44		0.44
Foreign Currency Translation Reserve				
Opening Balance	9.08		(5.53)	
Add : Effect of foreign exchange rate variations during the year	29.45		14.61	
Closing Balance		38.53		9.08
Surplus in Statement of Profit and Loss				
Opening Balance	3,498.78		2,606.78	
Add : Profit for the year	830.94		892.00	
Less: Appropriations				
Proposed equity dividend (amount per share Rs 1 (as at March 31, 2011: Nil)	115.00		-	
Tax on proposed equity dividend	18.66		-	
Closing Balance		4,196.06		3,498.78
		7,704.04		7,732.82

Notes to Consolidated Financial Statements

ONMOBILE GLOBAL LIMITED

(In Rs. Million)

	As at March 31, 2012	As at March 31, 2011
4. LONG TERM BORROWINGS		
Long Term Maturities of Finance Lease Obligation *	5.39	14.28
(Refer Note 31)	5.39	14.28
* Secured by underlying assets acquired under finance lease.		

(In Rs. Million)

	As at March 31, 2012	As at March 31, 2011
5. LONG TERM PROVISIONS		
Provision for employee benefits:		
Provision for Compensated Absences	28.40	23.38
Provision for Post employment benefits	19.90	22.20
Provision - Others		
Customer Credit (Refer Note 37)	95.07	39.29
	143.37	84.87

(In Rs. Million)

	As at March 31, 2012	As at March 31, 2011
6. SHORT TERM BORROWINGS		
Loans (Secured)		
From Banks	807.94	272.15
	807.94	272.15

Note:

- Buyers' Credit Rs.300.67 Million (at March 31, 2011: Rs 81.59 Million) repayable within six to twelve months. Secured by first paripassu charge on movable fixed assets. Second paripassu charge on current assets.
- Pre-shipment credit in foreign currency Rs 329.64 Million (at March 31,2011: Rs.188.29 Million) repayable in six months. Secured by first paripassu charge on present and future stocks and book debts.
- Line of Credit Rs. 177.63 Million (at March 31, 2011: Rs. 2.27 Million) repayable with in twelve months. Secured by OnMobile Global Limited's Stand by letter of credit.

(In Rs. Million)

	As at March 31, 2012	As at March 31, 2011
7. TRADE PAYABLES		
Trade Payables	1,578.52	1,319.50
	1,578.52	1,319.50

Notes to Consolidated Financial Statements

ONMOBILE GLOBAL LIMITED

(In Rs. Million)

	As at March 31, 2012		As at March 31, 2011	
8. OTHER CURRENT LIABILITIES				
Deferred payment Liability (Refer Note 28)		36.37		457.15
Current Maturities of Finance Lease obligations (Refer Note 31)		9.40		31.23
Interest Accrued but not due on Borrowings		2.96		0.52
Deferred revenue		92.14		53.99
Advance from Customers		33.24		10.98
Share application Money (Refer Note 24)		0.24		0.25
Other Payables				
Statutory remittances		157.27		219.51
Payable on purchases of Fixed Assets		98.06		123.96
Others		25.50		5.37
		455.18		902.96

(In Rs. Million)

	As at March 31, 2012		As at March 31, 2011	
9. SHORT TERM PROVISIONS				
Provision for employee benefits:				
Provision for Compensated Absences		61.19		48.30
Provision for Gratuity (Refer Note 30)		7.60		15.64
Provision for post employment benefits		9.86		10.30
Provision for tax (Net of advances of Rs. 6.41 Million; (at March 31, 2011: Nil))		30.97		10.77
Provision - Others				
Customer Credit (Refer Note 37)		238.84		137.76
Proposed equity dividend		115.00		-
Provision for tax on proposed equity dividend		18.66		-
Others (Refer Note 37)		9.53		2.50
		491.65		225.27

Notes to Consolidated Financial Statements

ONIMOBILE GLOBAL LIMITED

10. FIXED ASSETS

Particulars	Gross Block					Accumulated Depreciation / Amortisation					Net Block	
	As At April 1, 2011	Adjustments	Additions	Deletions	As At March 31, 2012	As At April 1, 2011	Adjustments	Additions	Deletions	As At March 31, 2012	As At March 31, 2012	As At March 31, 2011
Tangible Assets												
Leasehold improvements	47.76	14.39	2.59	0.68	64.06	29.94	-	11.91	0.44	41.41	22.65	17.82
Building	106.74	-	-	-	106.74	6.40	-	1.75	-	8.15	98.59	100.34
Office Equipment	11.69	0.56	0.07	0.24	12.08	5.73	0.23	1.23	0.24	6.95	5.13	5.96
Computer and Electronic equipment (owned)	2,242.84	1.39	544.08	27.93	2,760.38	1,460.74	1.14	468.96	25.27	1,905.57	854.81	782.10
Computer and Electronic Equipment under finance lease	123.51	-	0.09	0.03	123.57	72.12	-	34.50	0.02	106.60	16.97	51.39
Furniture & Fixtures	21.70	0.19	1.03	0.11	22.81	19.26	0.10	0.95	0.06	20.25	2.56	2.44
Motor Cars	13.75	-	-	-	13.75	13.02	-	0.73	-	13.75	-	0.73
Total Tangible Assets	2,567.99	16.53	547.86	28.99	3,103.39	1,607.21	1.47	520.03	26.03	2,102.68	1,000.71	960.78
Previous year	2,004.95	1.13	571.78	9.87	2,567.99	1,178.12	0.73	437.24	8.88	1,607.21		
Intangible Assets												
Software	801.81	0.45	17.42	-	819.68	777.35	0.39	27.78	-	805.51	14.16	24.46
Intellectual Property Rights	181.90	-	-	-	181.90	59.83	-	48.81	-	108.64	73.26	122.07
Market Development and Deployment Rights	2,717.09	-	-	-	2,717.09	47.86	-	243.62	-	291.48	2,425.61	2,669.23
Total Intangible Assets	3,700.80	0.45	17.42	-	3,718.67	885.04	0.39	320.21	-	1,205.64	2,513.03	2,815.76
Previous year	3,223.35	0.24	477.21	-	3,700.80	755.41	0.23	129.40	-	885.04		
Grand Total	6,268.79	16.98	565.28	28.99	6,822.06	2,492.25	1.86	840.24	26.03	3,308.32	3,513.74	3,776.54
Previous year	5,228.30	1.37	1,048.99	9.87	6,268.79	1,933.53	0.96	566.64	8.88	2,492.25	3,776.54	

Notes to Consolidated Financial Statements

ONMOBILE GLOBAL LIMITED

(In Rs. Million)

	As at March 31, 2012		As at March 31, 2011	
11. NON CURRENT INVESTMENT				
Investments (At Cost)				
Trade Investments (Unquoted)				
In Equity shares				
Ver Se Innovation Private Ltd, India (Associate upto February 7, 2011) 85,420 (at March 31, 2011: 314,088) equity shares of Rs 10 each, fully paid		6.94		25.53
Non Trade				
Others (Quoted):				
Mutual Funds in Fixed Maturity Plans		200.00		-
		206.94		25.53

Aggregate amount of quoted investment Rs 200 Million (at March 31, 2011: Nil);

Market value of quoted investment Rs 201.00 Million (at March 31, 2011: Nil)

Aggregate amount of unquoted investment Rs 6.94 Million (at March 31, 2011 Rs 25.53 Million)

(In Rs. Million)

	As at March 31, 2012		As at March 31, 2011	
12. LONG - TERM LOANS AND ADVANCES				
(Unsecured, Considered good)				
Capital Advances		3.94		8.56
Security Deposits		104.24		129.41
Advances to Employees		5.11		3.16
Advance Taxation (net of provisions of Rs 1,214.96 Million (at March 31 2011: Rs. 1,280.69 Million)		381.17		505.98
MAT Credit Entitlement		99.57		92.72
Fringe Benefit Tax (net of provisions)		0.70		0.70
		594.73		740.53

(In Rs. Million)

	As at March 31, 2012		As at March 31, 2011	
13. CURRENT INVESTMENT				
Mutual Funds and other short term investments		221.03		516.29
		221.03		516.29

(In Rs. Million)

	As at March 31, 2012		As at March 31, 2011	
14. INVENTORIES				
Components		19.80		25.28
		19.80		25.28

Notes to Consolidated Financial Statements

ONMOBILE GLOBAL LIMITED

(In Rs. Million)

	As at March 31, 2012		As at March 31, 2011	
15. TRADE RECEIVABLES				
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	192.61		253.74	
Unsecured, considered doubtful	68.89		29.33	
	261.50		283.07	
Less: Provision for doubtful Trade receivables	68.89	192.61	29.33	253.74
Other Trade Receivables				
Unsecured, considered good	1,562.06		1,134.11	
Unsecured, considered doubtful	13.09		15.03	
	1,575.15		1,149.14	
Less: Provision for doubtful Trade receivables	13.09	1,562.06	15.03	1,134.11
		1,754.67		1,387.85

(In Rs. Million)

	As at March 31, 2012		As at March 31, 2011	
16. CASH AND CASH EQUIVALENTS				
Cash on hand		0.28		0.25
Cheques in hand		4.99		-
Balances with bank :				
- In Current Accounts (Note 1 below)		613.19		283.63
- In Deposit Accounts		1,018.27		326.70
- Earmarked Balances				
- Share application money received allotment of securities and due for refund		0.24		0.25
- Margin money on Bank Guarantees		376.72		301.49
		2,013.69		912.32

Notes:

- Balances with Banks include Rs 220.02 Million (as at March 31, 2011- Rs 95.20 Million) which have restriction on repatriation.
- The balances that meet the definition of Cash and Cash equivalents as per AS-3 Cash Flow Statement is Rs.1636.73 Million (at March 31, 2011: Rs.610.58 Million)

(In Rs. Million)

	As at March 31, 2012		As at March 31, 2011	
17. SHORT TERM LOANS AND ADVANCES				
(Unsecured, Considered good)				
Security Deposits		15.68		11.82
Prepaid Expenses		66.53		51.38
Balances with Statutory authorities		553.88		530.48
Advances to Employees		42.64		29.12
Advances to Vendors		150.12		141.48
Others		3.30		7.50
		832.15		771.78

Notes to Consolidated Financial Statements

ONMOBILE GLOBAL LIMITED

(In Rs. Million)

	As at March 31, 2012		As at March 31, 2011	
18. OTHER CURRENT ASSETS				
Unbilled Revenue		1,051.58		866.45
Accrued Interest on deposits		45.98		14.98
		1,097.56		881.43

(In Rs. Million)

	As at March 31, 2012		As at March 31, 2011	
19. COST OF SALES AND SERVICES				
Content fee		825.56		955.43
Cost of software development and other charges		536.01		400.24
		1,361.57		1,355.67

(In Rs. Million)

	As at March 31, 2012		As at March 31, 2011	
20. EMPLOYEE BENEFIT EXPENSES				
Salaries and wages		1,934.32		1,460.64
Contribution to provident fund and other funds		297.83		265.87
Workmen and staff welfare expenses		27.26		20.56
Employee Insurance		52.96		26.19
		2,312.37		1,773.26

(In Rs. Million)

	As at March 31, 2012		As at March 31, 2011	
21. OTHER EXPENSES				
Power and Fuel		24.13		20.74
Rent		200.74		186.88
Insurance		5.79		4.71
Repairs and Maintenance				
- Machinery		32.36		18.59
- Others		2.67		9.74
Office maintenance		71.74		62.51
Rates and taxes		122.95		37.41
Printing and stationery		3.69		3.26
Postage, courier and octroi		6.65		7.41
Communication charges		114.30		102.67
Training and Recruitment expenses		48.62		35.23
Travelling and conveyance		315.83		243.77
Legal, professional & consultancy charges		169.45		137.55
Commission to non whole time directors		3.80		4.80
Remuneration to auditors (Refer Note 29)		19.92		15.00
Marketing expenses		68.00		52.29
Provision for Doubtful Trade Receivables		37.35		22.88
Brokerage and Commission		14.49		26.16
Bank charges		8.31		8.87
Net loss on foreign currency transactions and translation		23.68		29.79
Miscellaneous expenses		12.40		4.71
		1,306.87		1,034.97

Notes to Consolidated Financial Statements

ONMOBILE GLOBAL LIMITED

(In Rs. Million)

	As at March 31, 2012		As at March 31, 2011	
22. OTHER INCOME				
Interest				
- From Banks on deposits		101.95		62.76
- On Income Tax refund		19.94		4.28
Dividend income from current investments		14.62		14.20
Profit on sale of Long term investments		466.80		329.88
Other Non- Operating Income				
- Provisions no longer required written back		2.40		-
- Profit on Sale of Fixed Assets (Net)		1.29		0.99
- Rental Income from Operating leases		7.13		10.94
- Miscellaneous Income		62.28		25.00
		676.41		448.05

(In Rs. Million)

	As at March 31, 2012		As at March 31, 2011	
23. FINANCE COST				
Interest on Finance lease		9.15		6.64
Interest on Short term Borrowings		14.71		1.53
Other borrowing costs		7.40		2.33
		31.26		10.50

Notes to Consolidated Financial Statements

24. Share application money represents unencashed refund instruments issued to the investors. This does not include any amount, due and outstanding, to be credited to the Investor Education and Protection Fund as per the provisions of the Companies Act, 1956.

25. Contingent liabilities and Commitments

- The Company has been named as one of the 20 defendants in a civil dispute for injunction pending adjudication. However in the opinion of the management no liability would arise in this regard.
- The Company has been named as one of the 3 defendants in a civil dispute for injunction pending adjudication. However in the opinion of the management no liability would arise in this regard.
- A suit against the Company has been filed by one party for infringement of its patents and the matter is pending adjudication. However in the opinion of the management, no liability would arise in this regard.
- Disputed Value Added Tax Rs. 299.32 Million (Previous year: Rs 692.80 Million) and disputed Income Tax Rs.57.70 Million (Previous year: Rs.55.31 Million)
- Claims against the Company not acknowledged as debts is Rs. 67.16 Million (Previous year: Rs 61.68 Million).
- Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for is Rs. 157.95 Million (Previous year: Rs. 112.80 Million).
- Pending amount for buyback of equity shares Rs. 54.78 Million (Previous year Rs. Nil)

26. Issue of Bonus Shares

During the year, on April 21, 2011, the shareholders of the Company have approved through Postal ballot process, the issue of one equity share of face value of Rs 10/- each as bonus share for every one share held by the equity shareholders of the Company whose name appear in the register of members as on the record date, by capitalisation of Securities premium account and also shareholders have approved for increase of authorised share capital from Rs 750 Million to Rs.1,500 Million. Basic and Diluted Earnings Per Share (EPS) have been restated for all the corresponding periods to give effect of the said issue of Bonus shares, in accordance with Accounting Standard (AS) 20 "Earnings Per Share" notified under Section 211(3C) of the Companies Act, 1956.

27. Divestment in Ver se Innovation Pvt Ltd

During the year the Company sold 228,668 Equity Shares in Ver se Innovation Private Limited for a consideration of Rs. 485 Million (Net of expenses).

28. Deferred Payment liability includes:

- Nil (previous year: Rs. 139.44 Million (Euro 2.21 Million)) payable to Telefonica International, S.A.U, Spain towards accrual of liability relating to acquisition of market development and deployment rights.
- Nil (previous year: Rs. 282.12 Million (Euro 4.46 Million)) payable to a customer in Europe towards deploying value added services on an exclusive basis in the region.
- Rs. 36.37 Million (BRL 1.27 Million) (previous year: Rs. 35.09 Million (BRL 1.27 Million)) payable to a customer in Brazil towards deploying value added services on an exclusive basis in the region.
- Nil (previous year: Rs. 0.5 Million) being balance consideration payable relating to acquisition of Intellectual Property Rights.

29. Auditors Remuneration

a. Remuneration to the auditors of the Company:

Particulars	(In Rs. Million)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Statutory Audit Fees	3.15	3.15
Tax Audit Fees	0.25	0.25
Other attest services	5.18	1.40
Taxation matters	1.70	1.13
Out of pocket expenses	0.10	-
Total	10.38	5.93

The Company avails input credit for service tax and hence no service tax expense was accrued during the year.

b. Remuneration to the Auditors of the Subsidiaries

Particulars	(In Rs. Million)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Audit fee	8.88	8.35
Payment for other services	0.66	0.72
Out of pocket expenses	-	-
Total	9.54	9.07

Notes to Consolidated Financial Statements

30. Employee Benefits:

I. Defined Contribution Plans

During the year the Company has recognized the following amount in the Statement of Profit and Loss:

(In Rs. Million)		
Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Employer's Contribution to Provident Fund*	56.07	43.70

* Included in Contribution to provident and other funds.

II. Defined Benefit Plans

Gratuity

In accordance with Accounting Standard 15 (Revised 2005) - "Employee Benefits", actuarial valuation as on March 31, 2012 was done in respect of the aforesaid defined benefit plan of Gratuity based on the following assumptions:

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Discount Rate	8.5% p.a	8% p.a
Expected Rate of Return on Plan Assets	8% p.a	8% p.a
Salary Escalation Rate	10% p.a. for first 6 years and 7.0% p.a thereafter	10% p.a. for first 6 years and 7.0% p.a thereafter

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

Change in Present Value of Obligation:

(In Rs. Million)		
Particulars	As at March 31, 2012	As at March 31, 2011
Present Value of Obligation (Opening)	47.58	30.02
Current Service Cost	8.41	19.53
Interest on Defined Benefit Obligation	3.81	2.24
Benefits Paid	(5.59)	(3.97)
Net Actuarial Losses / (Gains) recognized in Year	(1.74)	(0.24)
Past Service Cost	-	-
Losses / (Gains) on "Curtailements and Settlements"	-	-
Closing Present Value of Obligations	52.47	47.58

Change in the Fair Value of Assets:

(In Rs. Million)		
Particulars	As at March 31, 2012	As at March 31, 2011
Opening Fair Value of Plan Assets	31.94	26.21
Expected Return on Plan Assets	2.93	2.21
Actuarial Gains / (Losses)	0.66	0.60
Assets Distributed on Settlements	-	-
Contributions by Employer (net of risk premium etc)	14.93	6.89
Assets Acquired due to Acquisition	-	-
Exchange Difference on Foreign Plans	-	-
Benefits Paid	(5.59)	(3.97)
Closing Fair Value of Plan Assets	44.87	31.94

Details of investment composition of Plan Assets has not been provided by the Fund managers and hence not given.

Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Plan Assets:

(In Rs. Million)		
Particulars	As at March 31, 2012	As at March 31, 2011
Closing Present Value of Funded Obligations	52.47	47.58
Closing Fair Value of Plan Assets	44.87	31.94
Unfunded Net Asset / (Liability) recognised in Balance Sheet	(7.60)	(15.64)

Notes to Consolidated Financial Statements

Experience Adjustments:

(In Rs. Million)					
Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Defined Benefit Obligations	52.47	47.58	30.02	26.34	10.85
Plan Assets	44.87	31.94	26.21	7.12	7.24
Surplus/ (Deficit)	(7.60)	(15.64)	(3.81)	(19.22)	(3.61)
Experience adjustments on Plan Liabilities	(0.60)	(0.24)	(0.72)	1.20	3.25
Experience adjustments on Plan Assets	0.66	0.60	0.79	0.06	0.16

Amount recognized in the Balance Sheet:

(In Rs. Million)		
Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Closing Present value of obligations	52.47	47.58
Closing Fair Value of Plan Assets	(44.87)	(31.94)
Liability Recognised in the Balance Sheet	7.60	15.64

Estimate of amount of contribution in the immediate next year Rs. 7.60 Million.

Expenses recognized in the Statement of Profit and Loss

(In Rs. Million)		
Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Current Service Cost	8.41	19.53
Past Service Cost	-	-
Interest Cost	3.81	2.24
Expected Return on Plan Assets	(2.93)	(2.21)
Actuarial Losses / (Gain)	(1.08)	0.36
Total Expenses to be recognized in the statement of Profit and Loss	8.21	19.92

III. Other long term benefits

Cost of compensated absences expensed in the Statement of Profit and Loss:

(In Rs. Million)		
Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Compensated absences	19.46	11.75

IV. Contribution for Post Employee Benefits for subsidiaries

Contribution for Post Employee benefits for PT OnMobile Indonesia has been provided based on Actuarial valuation for its qualifying employees. The actuarial valuation was done based on the following assumption:-

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Discount Rate	7% p.a.	9% p.a.
Expected Rate of Return on Plan Assets	-	-
Salary Escalation Rate	7% p.a.	7% p.a.

Expenses recognized in the Statement of Profit and Loss:

(In Rs. Million)		
Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Current Service Cost	0.82	0.25
Interest Cost	0.03	0.02
Underprovision in prior year	-	-
Actuarial (Losses)/Gain	-	-
Foreign Exchange Difference	-	-
Total Expenses to be recognized in the Statement of Profit and Loss	0.85	0.27

Amount recognized in the Balance Sheet:

(In Rs. Million)		
Particulars	As at March 31, 2012	As at March 31, 2011
Present value of obligations	1.36	0.43
Liability Recognised in the Balance Sheet	1.36	0.42

V. Other long term benefits for subsidiaries (Holiday pay)

Amount expensed in the Statement of Profit and Loss:

(In Rs. Million)		
Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Amount expensed in the Statement of Profit and Loss	6.15	16.82

Notes to Consolidated Financial Statements

31. Finance Lease:

The lease transactions of the Company represent lease of electronic equipments on a non-cancellable basis.

The minimum lease payments and their present value as at March 31, 2012 under the various agreements are given below:

Particulars	Present value of Minimum Lease Payments		Future Interest		Minimum Lease Payments	
	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Amount repayable not later than 1 year	9.40	31.23	2.95	9.27	12.35	40.50
Amount repayable later than 1 year and not later than 5 years	5.39	14.28	2.43	5.27	7.82	19.55
Total	14.79	45.51	5.38	14.54	20.17	60.05

(In Rs. Million)

32. Operating lease:

- a. The Company is obligated under non-cancellable operating lease for office space and vehicles provided to employees.

Total rental expense and future lease payments under non-cancellable operating lease for office space and vehicles are as follows:

Particulars	(In Rs. Million)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Total rental expense charged to Statement of Profit and Loss	202.01	188.71
Future lease payments		
Not later than 1 year	21.73	9.00
Later than 1 year and not later than 5 years	18.44	-

- b. The Company has sub let office space under cancellable operating lease for part of the year.

Total rental income and future lease payments under cancellable operating lease for office space are as follows:

Particulars	(In Rs. Million)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Rental Income recognized in Statement of Profit and Loss	7.13	10.94

33. Employee Stock Option Plans ('ESOP')

Details of ESOP introduced to which the guidance note as issued by Institute of Chartered Accountants of India(ICAI) is not applicable:

Plan	Board approval date	Share holder's approval date	Total options appropriated	Terms of Vesting
OnMobile Employees Stock Option Plan – I 2003	31-Oct-03	Extra Ordinary General Meeting held on March 5, 2001, November 29, 2003 and December 30, 2003	1,026,000	25% of such Options granted would vest at the end of twelve (12) months from the date the Optionee becomes an employee of the Company and the remaining 75% would vest at a rate of 1/36th per month for the next thirty six (36) months from the first vesting.
OnMobile Employees Stock Option Plan – II 2003	4-Dec-03		114,000	

Notes to Consolidated Financial Statements

Numbers of options granted, exercised and forfeited during the year under the above plans are given below:

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Options granted outstanding at the beginning of the year	285,383	613,476
Bonus shares issued during year	285,383	-
Exercised during the year	68,770	318,850
Forfeited during the year	105,042	9,243
Options granted outstanding at the end of the year	396,954	285,383
Grants outstanding which are vested as at Balance Sheet date including increase due to issuance of bonus shares	396,954	274,879

Details of ESOP introduced to which the guidance note as issued by Institute of Chartered Accountants of India (ICAI) is applicable:

Plan	Board approval date	Share holder's approval date	Total options appropriated	Terms of Vesting
OnMobile Employees Stock Option Plan – III 2006	24-Jul-06	24-Jul-06	61,567	25% of such Options granted would vest at the end of twelve (12) months from the date the Optionee becomes an employee of the Company and the remaining 75% would vest at a rate of 1/36th per month for the next thirty six (36) months from the first Vesting.
OnMobile Employees Stock Option Plan – I 2007	12-Jul-07	17-Aug-07	975,000	25% of the Options granted would vest at the end of twelve (12) months from the date of the grant and the remaining 75% would vest at a rate of 1/36th per month for the next thirty six (36) months from the first Vesting.
OnMobile Employees Stock Option Plan-II 2007	12-Jul-07	17-Aug-07	74,360	65%, 30%, 3% and 2% of the options granted would vest at the end of one year, two years, three years and four years from the grant date respectively.
OnMobile Employees Stock Option Plan – I 2008	18-Mar-08	18-Apr-08	26,000	100% of the Options would vest over a period of four years.
OnMobile Employees Stock Option Plan II 2008	31-Oct-08	1-Aug-08	100,000	100% of the options granted would vest at the end of two years.
OnMobile Employees Stock Option Plan III 2008	31-Oct-08	1-Aug-08	748,240	For 297,170 Options 50% of the options granted would vest at the end of one year and 25% of the options would vest on a monthly basis at the end of each of second and third years from the grant date respectively and for the balance 451,070 Options granted under the Plan the vesting would be 25% of the Options would vest at the end of one year and the rest of the options shall vest at the rate of 1/36th of the options shall vest every month for the next three years.
OnMobile Employees Stock Option Plan III 2008	29-Apr-09	1-Aug-08	113,150	25% of such Options granted would vest at the end of twelve (12) months from the date the Optionee becomes an employee of the Company and the remaining 75% would vest at a rate of 1/36th per month for the next thirty six (36) months from the first Vesting.
OnMobile Employees Stock Option Plan III 2008	31-Jul-09	1-Aug-08	26,680	25% of such Options granted would vest at the end of twelve (12) months from the date the Optionee becomes an employee of the Company and the remaining 75% would vest at a rate of 1/36th per month for the next thirty six (36) months from the first Vesting.
OnMobile Employees Stock Option Plan III 2008	26-Oct-09	1-Aug-08	75,000	25% of such Options granted would vest at the end of each year over a period of four years.
OnMobile Employees Stock Option Plan III 2008	28-Jan-10	1-Aug-08	68,500	25% of such Options granted would vest at the end of each year over a period of four years.
OnMobile Employees Stock Option Plan IV 2008	26-Sep-08	31-Oct-08	173,953	100% of such Options granted would vest at the end of one year.
OnMobile Employees Stock Option Plan I 2010	30-Apr-10	24-Jul-10	325,000	Vesting period shall be for a minimum of one (1) year and a maximum of four (4) years from the date of the Grant of stock option.

Notes to Consolidated Financial Statements

OnMobile Employees Stock Option Plan II 2010	30-Apr-10	24-Jul-10	875,000	Vesting period shall be for a minimum of one (1) year and a maximum of four (4) years from the date of the Grant of stock option.
OnMobile Employees Stock Option Plan 2011	30-Apr-11	04-Aug-11	1,15,0000	Vesting period shall be for a minimum of one (1) year and a maximum of four (4) years from the date of the Grant of stock option

Numbers of options granted, exercised and forfeited during the year under the above plans are given below:

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Options granted outstanding at the beginning of the year	2,994,527	1,617,929
Bonus shares issued during year	2,994,527	-
Granted during the year	382,500	1,753,285
Exercised during the year	1,754	75,478
Forfeited during the year	920,209	301,209
Options granted outstanding at the end of the year	5,449,591	2,994,527
Weighted average remaining contractual life (years) at the year end	3.9	4.8
Weighted average exercise price per option (after adjusting for Bonus issue)	Rs. 64	Rs. 306
Range of exercise price (after adjusting for bonus issue)	Rs 63.78 to Rs 79.23	Rs 216 to Rs 680

The Company accounted the above options using the intrinsic value method and thus, the difference between the fair value of the underlying shares in the year of grant and the options exercise value was charged to the Statement of Profit and Loss. Accordingly, the compensation charge thereon in the current year is Nil (Previous year Rs.0.04 Million) as the difference is completely charged off to Statement of Profit and Loss.

The guidance note issued by the Institute of Chartered Accountants of India requires the disclosure of pro forma net results and EPS both basic & diluted, had the Company adopted the fair value method. Had the Company accounted the option under fair value method, amortising the stock compensation expense thereon over the vesting period, the reported profit for the year ended March 31, 2012 would have been lower by Rs.157.22 Million (Previous year Rs.95.65 Million) and Basic and diluted EPS would have been revised to Rs.5.8/- (Previous year Rs 6.6/-) and Rs.5.7/- (Previous year- Rs 6.4/-) respectively as compared to Rs.7.1/- (Previous year Rs 7.6/-) and Rs.7.0/- (Previous year Rs 7.4/-) without such impact. Basic and Diluted Earnings Per Share (EPS) have been restated for all the corresponding period to give effect of the said issue of Bonus shares, in accordance with

Accounting Standard (AS) 20 "Earnings Per Share" notified under Section 211(3C) of the Companies Act, 1956

The fair value of stock based award to employees is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options have been calculated using Black-Scholes option pricing model, considering the expected weighted average term of the options to be 4.3 years (Previous year 3.9 years), a "2%" (Previous year Nil %) expected dividend yield on the underlying equity shares, weighted average volatility in the share price of 51.58% (Previous year range of 53.17%) and a risk free rate of 8.50% p.a. (Previous year 8.25% p.a.). The Company's calculations are based on a single option valuation approach, and forfeitures are recognized as they occur. The expected volatility is based on historical volatility of the share price during the year after eliminating the abnormal price fluctuations.

As per the provisions of SEBI (ESOS) Guidelines, 1999, the Shareholders, vide their resolution dated December 2, 2011 through postal ballot process, approved the re-pricing of options granted but not exercised. Consequently the Board of Directors vide their circular resolution dated December 21, 2011 re-priced the unexercised options at Rs. 63.78 each.

Incremental fair value granted as a result of re-pricing of Employee Stock options

Plan	Incremental fair value range per option (In Rs.)
OnMobile Employees Stock Option Plan – III 2006	9.13 to 12.83
OnMobile Employees Stock Option Plan – I 2007	11.63 to 25.36
OnMobile Employees Stock Option Plan II 2008	16.14
OnMobile Employees Stock Option Plan III 2008	1.66 to 24.82
OnMobile Employees Stock Option Plan IV 2008	16.14
OnMobile Employees Stock Option Plan I 2010	11.63 to 18.13
OnMobile Employees Stock Option Plan II 2010	11.63

Notes to Consolidated Financial Statements

The incremental fair value of stock based award consequent to re-pricing of exercise price of stock options to employees is calculated through the use of option pricing models as on the date of re-pricing, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options have been calculated using Black-Scholes option pricing model, considering the expected weighted average term of the options to be 4.3 years, a “2%” expected dividend yield on the underlying equity shares, weighted average volatility in the share price of 51.95% and a risk free rate of 8.50% p.a. The Company’s calculations are based on a single option valuation approach, and forfeitures are recognized as they occur. The expected volatility is based on historical volatility of the share price during the year after eliminating the abnormal price fluctuations.

34. The Company is engaged in providing value added services in telecom business globally and is considered to constitute a single segment in the context of primary segment reporting as prescribed by Accounting Standard 17 - “Segment Reporting”.

35. Earnings per Share

The Earnings per share, computed as per the requirements of Accounting Standard 20 – “Earnings per Share” is as under:

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Profit after tax as per the Statement of Profit and Loss (In Rs. Million)	830.94	892.00
Weighted Average number of Shares	117,079,068	58,746,101
Add: Effect of Bonus Issue	-	58,746,101
Weighted Average Number of shares for Basic EPS	117,079,068	117,492,202
Add: Effect of Stock Options outstanding	1,601,918	3,531,168
Weighted Average Number of equity shares for Diluted EPS	118,680,986	121,023,370
Nominal value of equity shares	Rs. 10.0	Rs. 10.0
Earnings Per Share		
Basic	7.1	7.6
Diluted	7.0	7.4

36. Accounting For Taxes On Income

- During the year, the Company has provided for Minimum Alternative Tax (MAT) under section 115JB of the Income tax Act, 1961 in India since the tax liability as per regular provisions of the Act is lower. Correspondingly, the Company has also claimed credit of Rs. 6.85 Million (Previous year Rs.92.72 Million) under section 115JAA of the said Act, which is disclosed as ‘MAT credit availed’ in the Statement of Profit and Loss.
- In accordance with the Accounting Standard 22 – “Accounting for Taxes on Income”, the Company has reversed the deferred tax liability to the extent of Rs.3.73 Million for the current year, which has been credited to the Statement of Profit and Loss. Details of Deferred Tax Asset and Liabilities are:

The secondary segment is identified to geographical locations. Details of secondary segment by geographical locations are given below:

(In Rs. Million)		
Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
I Revenue (by location of customer)		
In India	3,536.97	3,902.80
Outside India	2,843.17	1,469.27
II Total carrying amount of Segmental Assets, by geographical location		
In India	2,442.44	2,845.39
Outside India	4,930.59	4,238.72
III Cost incurred for purchase of tangible & intangible assets, by geographical location		
In India	201.49	437.61
Outside India	358.54	663.49

Notes to Consolidated Financial Statements

(In Rs. Million)

Particulars	Deferred Tax (Assets)/ Liabilities as on April 1, 2011	Current year (credit)/ charge	Adjustments	Deferred Tax (Assets)/ Liabilities as on March 31, 2012
Difference between book and tax depreciation	99.99	5.36	-	105.35
Others (Provision for gratuity, compensated absences, doubtful receivables, etc.)	(21.58)	(8.79)	0.91	(29.46)
	78.41	(3.43)	0.91	75.89

(In Rs. Million)

Particulars	Deferred Tax (Assets)/ Liabilities as on April 1, 2011	Current year (credit)/ charge	Adjustments	Deferred Tax (Assets)/ Liabilities as on March 31, 2012
Difference between book and tax depreciation	-	-	-	-
Others (Provision for gratuity, compensated absences etc.)	(0.31)	(0.30)	-	(0.61)
	(0.31)	(0.30)	-	(0.61)

37. The details of Provisions under Accounting Standard 29 - "Provisions, Contingent liabilities and Contingent assets" are as under:

(In Rs. Million)

Nature of Expense	Probable outflow estimated within	Provision outstanding as at April 1, 2011	Provision made during the year	Provision utilized during the year	Provision reversed during the year	Provision outstanding as at March 31, 2012
Other provisions- customer credits and others	Not later than 1 year	140.26	208.45	65.13	35.21	248.37
	1-3 years	39.29	55.78	-	-	95.07
		179.55	264.23	65.13	35.21	343.44

38. Transactions with related parties

I. List of Related parties and relationship

Sl. No.	Relationship	Related parties
	Related parties with whom the Company had transactions	
(i)	Key Management Personnel	Arvind Rao
		Chandramouli Janakiraman
(ii)	Associate	Ver se Innovation Private Limited (till February 7, 2011)
(iii)	Joint venture	Kabuza Marketing Private Limited
(iv)	Enterprises owned or significantly influenced by key management personnel/Directors or their relatives	OnMobile Systems Inc., USA
		Mobile Traffik Private Limited
		Riff Mobile Private Limited

Notes to Consolidated Financial Statements

II. Transactions with Related Parties:

(In Rs. Million)

Sl No	Nature of transactions	Associate Company		Joint Venture		Key Management Personnel		Enterprises owned or significantly influenced by Key Management Personnel/ Directors or their relatives		Total	
		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
1	Content Cost										
	Ver se Innovation Private Ltd	-	2.92	-	-	-	-	-	-	-	2.92
	Mobile Traffik Pvt. Ltd	-	-	-	-	-	-	7.86	20.70	7.86	20.70
	Riff Mobile Private Limited	-	-	-	-	-	-	-	0.50	-	0.50
	Total	-	2.92	-	-	-	-	7.86	21.20	7.86	24.12
2	Remuneration (including other benefits)										
	Arvind Rao	-	-	-	-	6.84	9.64	-	-	6.84	9.64
	Chandramouli Janakiraman	-	-	-	-	2.29	4.90	-	-	2.29	4.90
	Total	-	-	-	-	9.13	14.54	-	-	9.13	14.54
3	Legal and Professional charges										
	Mobile Traffik Pvt. Ltd	-	-	-	-	-	-	3.53	-	3.53	-
	Total	-	-	-	-	-	-	3.53	-	3.53	-
4	Investments made during the year in										
	Kabuza Marketing Private Limited	-	-	2.50	-	-	-	-	-	2.50	-
	Total	-	-	2.50	-	-	-	-	-	2.50	-
5	Payable written back										
	Riff Mobile Private Limited	-	-	-	-	-	-	2.00	-	2.00	-
	Total	-	-	-	-	-	-	2.00	-	2.00	-

III. Balances with Related Parties:

In Rs. Million

Sl No	Nature of transactions	Associate Company		Joint Venture		Key Management Personnel		"Enterprises owned or significantly influenced by key management personnel / Directors or their relatives"		Total	
		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
1	Trade payables										
	Ver se Innovation Private Ltd	-	0.08	-	-	-	-	-	-	-	0.08
	Riff Mobile Private Limited	-	-	-	-	-	-	-	2.00	-	2.00
	Mobile Traffik Pvt. Ltd	-	-	-	-	-	-	15.17	12.53	15.17	12.53
	Total	-	0.08	-	-	-	-	15.17	14.53	15.17	14.61
2	Amount Receivables under: Short term loans and advances										
	Arvind Rao	-	-	-	-	0.64	0.04	-	-	0.64	0.04
	Mobile Traffik Pvt. Ltd	-	-	-	-	-	-	0.10	0.10	0.10	0.10
	Total	-	-	-	-	0.64	0.04	0.10	0.10	0.74	0.14

Notes to Consolidated Financial Statements

Notes:

- 1 Related party relationships are as identified by the Company on the basis of information available and relied by the auditors.
- 2 No amount has been written off during the year in respect of debts due from related party.
- 3 Amount of Rs. 2 million payable to a related party has been written back during the year

39. Foreign Currency Exposure

- a. Forward contracts entered into by the Company for hedging foreign currency exposure and outstandings as at Balance Sheet date:

Particulars	As at March 31, 2012 Nominal value (In Rs. Million)	As at March 31, 2011 Nominal value (In Rs. Million)	Currency	As at March 31, 2012 (Foreign Currency in Million)	As at March 31, 2011 (Foreign Currency in Million)
Foreign Currency Forward Contract -(BUY)	-	328.85	EURO/INR	-	5.20
Foreign Currency Forward Contract -(BUY)	169.76	94.15	USD/INR	3.22	2.11
Foreign Currency Forward Contract -(SELL)	50.46	-	BRL/INR	1.76	-
Foreign Currency Forward Contract -(SELL)*	12.87	-	ZAR/USD	1.50	-
Foreign Currency Forward Contract -(SELL)#	10.86	-	USD/INR	0.21	-

*The contract has been entered to SELL ZAR and BUY USD, the equivalent USD amount for the contract is USD 0.21 Million

#The contract has been entered to SELL BRL and BUY USD, the equivalent USD amount for the contract is USD 1.00 Million

- b. Unhedged Foreign currency exposure is as follows:

Particulars	As at March 31, 2012 (In Rs. Million)	As at March 31, 2011 (In Rs. Million)	Nature of Currency	As at March 31, 2012 (Foreign Currency in Million)	As at March 31, 2011 (Foreign Currency in Million)
Due to:					
Non current liabilities	32.30	0.14	BDT	49.70	0.22
	13.11	1.67	COP	443.80	68.97
	0.18	-	EUR	0.002	-
	0.002	-	GBP	0.001	-
	0.51	-	ZAR	0.08	-
Current Liabilities					
Short-term borrowings	584.82	175.73	USD	11.53	3.94
Trade payables	2.50	1.47	AED	0.18	0.12
	4.17	2.86	AUD	0.08	0.06
	86.36	55.98	BDT	132.85	87.94

Notes to Consolidated Financial Statements

Particulars	As at March 31, 2012 (In Rs. Million)	As at March 31, 2011 (In Rs. Million)	Nature of Currency	As at March 31, 2012 (Foreign Currency in Million)	As at March 31, 2011 (Foreign Currency in Million)
	0.10	-	CLP	0.90	-
	1.62	0.53	COP	54.93	22.04
	63.77	6.78	EUR	0.93	0.10
	7.37	5.15	GBP	0.09	0.07
	-	-	KES	-	-
	0.29	-	LKR	0.70	-
	-	22.91	MXN	-	6.02
	3.49	1.19	MYR	0.20	0.08
	0.01	-	PEN	0.0005	-
	5.37	3.25	RMB	0.65	0.47
	-	0.04	RON	-	0.002
	21.36	(68.03)	USD	0.41	(1.53)
	0.45	-	XOF	4.18	-
	1.24	1.68	ZAR	0.18	0.25
Other current liabilities	0.37	-	AUD	0.01	-
	4.56	6.98	BDT	7.02	10.96
	36.37	35.09	BRL	1.27	1.27
	7.17	-	CAD	0.14	-
	0.30	-	CLP	2.83	-
	2.65	-	COP	89.84	-
	35.51	421.57	EUR	0.52	6.67
	0.02	-	GBP	0.0002	-
	94.37	-	IDR	16,498.44	-
	-	0.27	LKR	-	0.63
	0.03	-	MWK	0.10	-
	20.61	-	MXN	5.04	-
	0.79	-	MYR	0.05	-
	0.11	-	PEN	0.01	-
	0.09	-	RON	0.01	-
	-	0.34	SGD	-	0.01
	0.77	-	TZS	23.23	-
	12.93	106.60	USD	0.25	2.39
	2.15	-	XOF	19.85	-
	1.04	-	ZAR	0.15	-
Due from:					
Long term loans and advances	4.51	9.34	AUD	0.08	0.20
	-	8.21	BDT	-	12.90

Notes to Consolidated Financial Statements

Particulars	As at March 31, 2012 (In Rs. Million)	As at March 31, 2011 (In Rs. Million)	Nature of Currency	As at March 31, 2012 (Foreign Currency in Million)	As at March 31, 2011 (Foreign Currency in Million)
	0.63	-	EUR	0.01	-
	0.001	-	MYR	0.009	-
	0.03	-	RON	0.001	-
	2.78	-	SGD	0.07	-
	0.80	-	TZS	24.07	-
	9.72	2.89	USD	0.19	0.06
Trade receivables	0.26	-	AED	0.02	-
	6.63	3.47	AUD	0.12	0.07
	43.15	30.52	BDT	66.39	47.93
	7.17	-	CAD	0.14	-
	21.15	5.43	COP	715.69	224.54
	0.001	-	EGP	0.001	-
	66.23	0.65	EUR	0.97	0.01
	1.97	-	IDR	343.72	-
	1.59	-	MYR	0.09	-
	1.17	-	RON	0.07	-
	0.01	-	SGD	0.002	-
	0.04	-	THB	0.03	-
	17.41	-	TZS	523.37	-
	267.60	128.30	USD	5.18	2.86
	5.49	1.50	ZAR	0.91	0.23
Short term loans and advances	0.97	0.53	AED	0.07	0.04
	0.36	0.33	AUD	0.01	0.01
	10.92	0.42	BDT	16.80	0.65
	-	0.10	COP	-	4.09
	4.59	-	EGP	0.53	-
	103.52	0.34	EUR	1.51	-
	10.89	6.14	GBP	0.13	0.09
	0.71	-	MWK	2.25	-
	-	-	MXN	-	-
	-	0.29	MYR	-	0.02
	1.27	-	PEN	0.06	-
	1.05	0.82	RMB	0.13	-
	0.04	0.01	RON	0.002	0.0006
	46.52	-	SGD	1.12	-
	0.14	-	TZS	4.11	-
	273.24	24.37	USD	5.34	0.09
	-	-	XOF	-	-
	0.19	0.11	ZAR	0.03	0.04

Notes to Consolidated Financial Statements

Particulars	As at March 31, 2012 (In Rs. Million)	As at March 31, 2011 (In Rs. Million)	Nature of Currency	As at March 31, 2012 (Foreign Currency in Million)	As at March 31, 2011 (Foreign Currency in Million)
Other current assets	-	-	ARS	-	-
	76.09	32.63	BDT	117.06	51.27
	71.19	-	BRL	2.49	-
	1.02	-	CLP	9.55	-
	2.97	-	COP	100.50	-
	-	-	EGP	-	-
	89.62	-	EUR	1.31	-
	5.52	-	GTQ	0.80	-
	15.55	-	MXN	3.80	-
	0.54	-	PAB	0.01	-
	20.45	-	PEN	1.04	-
	2.22	1.67	RON	0.14	0.11
	0.11	0.45	SGD	0.002	0.01
	17.17	-	TZS	516.21	-
	120.00	63.23	USD	2.35	1.41
	2.66	1.13	ZAR	0.39	0.17

40. Research tax rebate accrued as other income for Vox mobili S.A. and Telisma S.A., during the year amounted to Rs. 22.31 Million (Previous year: Rs. 33.82 Million) and total tax receivable outstanding at March 31, 2012 amounted to Rs. 72.18 Million (Previous year: Rs. 81.50 Million).

41. The company has made an application to the Central Government for compounding of one of the contracts for a party covered under section 297 of The Companies Act, 1956 which expired during the year. The total

transaction entered into during the year for which compounding application has been filed is amounting to Rs. 2.53 million.

42. The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of Board of Directors

Arvind Rao
Chief Executive Officer and
Managing Director

Chandramouli J
Director

Praveen Kumar
General Manager- Finance

Rinku Ghosh
General Manager- Finance

P V Varaprasad
Company Secretary

Place: Bangalore
Date: May 7, 2012

STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Subsidiaries	OnMobile Singapore Pte. Ltd.	PT. OnMobile Indonesia	Vox mobili S A	Phonetize Solution Pvt. Ltd.	OnMobile SA	OnMobile Europe BV	OnMobile USA LLC	Servi- cios De Telefonía OnMobile Sa De Cv	OnMobile Brazil	OnMobile Argentina	OnMobile Egypt	OnMobile Venezuela	OnMobile Senegal SARL	OnMobile Kenya Telecom Limited	OnMobile Telecom Limited.	OnMobile Mali SARL	OnMobile Bangla- desh Private Limited	OnMobile Servicios Corpora- tivos De telefonía S.A. DE C.V.	OnMobile Costa Rica OBCR, S.A.	OnMobile Uruguay SA
Financial Period	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12
Holding Company's Interest	100% in equity shares	100% in equity shares	100% in equity shares (held through OnMobile Europe BV)	99.99% in equity shares	100% in equity shares (held through OnMobile Europe BV)	100% in equity shares	100% in equity shares	100% in equity shares	100% in equity shares	100% in equity shares	100% in equity shares	100% in equity shares (held through OnMobile USA LLC)	-	-	-	-	100% in equity shares	-	-	-
Stock held by holding company in the subsidiary	4,485,000 Ordinary shares of SGD 1/- each	1,000 equity shares of USD 100/- each	6,501,705 equity shares of 0.05 Euros each	9,999 equity shares of Rs. 10/- each	2,675,197,934 equity shares of 0.01 Euros each	12,908,844 equity shares of 1 Euro each	20,100 common stock of 100 USD each	1,829,877 share of 1 Mexican peso each	352,000 shares of BRL 1/- each	2,183,000 shares of ARS 1/- each	100 equity shares of EGP 100/- each	150,000 equity shares of BSF 1/- each	-	-	-	-	720000 equity shares of TK 10/- each	-	-	-
(a) Death with in the accounts of the Company for the year ended 31-03-2011	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(b) Not dealt with in the accounts of the Company for the year ended 31-03-2012	Profit of SGD 120,639/-	Profit of IDR 472,408,231	Profit of EURO 595,939/-	NIL	Profit of EURO 1,386,447/-	Loss of EURO 15,590/-	Profit of USD 456,042/-	Profit of Mexican Pesos 205,564	Profit of BRL 5,180,703	Profit of ARS 85,193	Profit of EGP 272,622	Loss of BSF 232,555	Profit of XOF 7,044,288	Profit of KES 1,566,741	Profit of MWK 994,465	Profit of XOF 2,140,762	NIL	NIL	NIL	NIL
(a) Dealt with in the accounts of the Company for previous financial years	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(b) Not dealt with in the accounts of the Company for previous financial years	Profit of SGD 421,809/-	Profit of IDR 35,45,13,466	Loss of EURO 681,055/-	Profit of Rs. 20,543/-	Loss of EURO 527,982/-	Loss of EURO 32,659/-	Profit of USD 118,830 /-	Profit of Mexican Pesos 277,624	Profit of BRL 33,666	Profit of ARS 35,382	Profit of EGP 88,151	Profit of BSF 222,38	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

The Loss represents loss accounted as per AS-21 "Consolidated Financial Statements"

Arvind Rao Chief Executive Officer and Managing Director	Chandramouli J Director
Praveen Kumar General Manager - Finance	Rinku Ghosh General Manager - Finance

P V Varaprasad
Company Secretary

Place: Bangalore
Date: May 07, 2012

Additional details as required by Govt. of India, Ministry of Corporate Affairs vide General Circular No. 2/2011 dated February 8, 2011														
Subsidiaries	On-Mobile Singapore Pte. Ltd.	PT. On-Mobile Indonesia	Vox mobile S A	On-Mobile SA	On-Mobile Europe BV	On-Mobile USA LLC	Servicios De Telefonía On-Mobile Sa De Cv	On-Mobile Brazil	On-Mobile Argentina	On-Mobile Egypt	Phonetize Solution Pvt. Ltd.	On-Mobile Venezuela C.A.	On-Mobile Senegal SARL	On-Mobile Kenya Telecom Limited
Financial Year ended	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12
Equity capital	186.35	5.04	22.22	1,828.24	882.19	102.82	7.49	67.74	26.50	0.09	0.10	1.83	-	-
Reserves	11.65	7.81	397.19	89.66	1,613.21	28.34	1.14	149.34	1.44	2.96	0.01	(2.56)	0.76	1.00
Total assets	254.60	34.71	648.98	2,087.26	2,495.93	494.66	136.54	430.41	80.88	206.59	0.12	41.28	5.11	19.75
Total Liabilities	254.60	34.71	648.98	2,087.26	2,495.93	494.66	136.54	430.41	80.88	206.59	0.12	41.28	5.11	19.75
Investments	-	-	54.26	-	-	-	-	-	-	-	-	-	-	-
Turnover	100.54	55.34	860.12	375.15	-	576.64	128.48	443.29	49.37	250.36	-	19.98	13.48	17.74
Profit/(Loss) Before Tax	(2.48)	3.62	44.34	141.41	(1.07)	32.64	2.27	196.72	1.71	3.25	-	0.49	0.76	1.00
Provision for Taxation	7.49	(0.92)	(3.62)	(15.91)	-	(9.21)	(1.42)	(48.34)	(0.69)	(0.88)	-	(3.32)	-	-
Profit/(Loss) After Tax	5.01	2.70	40.73	125.50	(1.07)	23.43	0.85	148.38	1.02	2.37	-	(2.84)	0.76	1.00
Proposed dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note:

Total Assets = Fixed Assets+Investments+Current Assets

Total Liabilities = Equity + Loan Funds + Current Liabilities

Exchange rate considered as on March 31, 2012

Investment excludes investment in Subsidiaries

Above Financials are prepared as per the Generally accepted accounting practices (GAAP) of the respective countries.

Financials prepared as per Indian GAAP are given in Note B (20) of Schedule 19 of Consolidated Financials Statements.

Notice

Notice is hereby given that the Twelfth Annual General Meeting (AGM) of the Members of OnMobile Global Limited will be held on Wednesday, August 29, 2012 at 10:00 A.M at MLR Convention Centres, Brigade Millennium Campus, 7th Phase, J.P. Nagar, Bangalore - 560 078, Karnataka to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at March 31, 2012, the Profit and Loss account for the financial year ended as on that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend for the financial year ended March 31, 2012.
3. To appoint a Director in place of Mr. HH Haight IV who retires by rotation and, being eligible offers himself for re-appointment.
4. To appoint M/s. Deloitte Haskins & Sells, Chartered Accountants (Registration No.008072S), as auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration, and to pass the following resolution thereof:

“RESOLVED that M/s. Deloitte Haskins & Sells, Chartered Accountants (Registration No. 008072S), be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, on such remuneration as may be determined by the Board of Directors in consultation with the Auditors.”

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modifications, the following resolution as an ordinary resolution:

“RESOLVED THAT Mr. Harit Nagpal, who was appointed as an Additional Director, who holds office upto the date of this meeting pursuant to Section 260 of the Companies Act, 1956 and article 102 of the Articles of Association of the Company be and is hereby appointed as a Director of the Company liable to retire by rotation.”

6. To consider and, if thought fit, to pass with or without modifications, the following resolution as an ordinary resolution:

“RESOLVED THAT Mr. Rajiv Khaitan, who was appointed as an Additional Director, who holds office upto the date of this meeting, pursuant to Section 260 of the Companies Act, 1956 and article 102 of the Articles of Association of the Company be and is hereby

appointed as a Director of the Company liable to retire by rotation.”

7. To consider and, if thought fit, to pass with or without modifications, the following resolution as a special resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment(s) thereof, for the time being in force), and subject to the approval of the Central Government, if required and other such other approvals as may be necessary, approval of the Company be and is hereby accorded to the appointment of Mr. Chandramouli Janakiraman as Managing Director of the Company for a period of five years with effect from July 9, 2012 on the terms and conditions as stated in the explanatory statement and on the remuneration set out below:

Fixed Salary per annum: Rs.35,00,000.

Variable pay/ Bonus: Up to a maximum of 50% of the fixed salary, payable quarterly or at other intervals, as may be decided by the Board.

RESOLVED FURTHER THAT Mr. Chandramouli Janakiraman, Managing Director be and is hereby entitled in addition to the remuneration specified above, a Commission on the net profits as approved by the Board of Directors for each financial year, subject to the total remuneration including Salary, Perquisites, Bonus and Commission be within the overall limit of 5% of the net profits of the Company calculated in accordance with the provisions of the Companies Act, 1956 for each financial year.

RESOLVED FURTHER that the Board of Directors, on the recommendation of the Compensation Committee of the Board, be and are hereby authorized to vary, alter or modify and / or to re-fix the aforesaid remuneration to Mr. Chandramouli Janakiraman, Managing Director of the Company within the limits as aforesaid.

RESOLVED FURTHER that notwithstanding anything herein above stated, where in any financial year closing on and after March 31, 2012, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. Chandramouli Janakiraman, Managing Director, the remuneration by way of salary, bonus / variable pay and other allowances not exceeding the limits specified under Para 2 of Section II, Part II of Schedule XIII to the Companies Act, 1956 (including any statutory modifications or re-enactment(s) thereof, for the time being in force), or such other limits as may

be prescribed by the Government from time to time as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters, things as may be deemed fit for the purpose of giving effect to the above resolutions.

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (the Act) (including any statutory modification(s) or re-enactment of the Act for the time being in force), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, as amended (hereinafter referred to as “Guidelines”), Foreign Exchange Management Act, 1999, the Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed and other relevant authorities, from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent and approval of the shareholders of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee, including the Compensation Committee which the Board has constituted to exercise its powers), to create, grant, offer, issue and allot at any time to or for the benefit of such person(s) who are in permanent employment of the Company, including any Director of the Company, whether whole-time or otherwise or whether working in India or abroad, under a Plan titled “OnMobile Employee Stock Option Plan I, 2012” (the “OnMobile ESOP –I, 2012” or “Plan”) the salient features of which are detailed in the Explanatory Statement relevant to this resolution, options exercisable into not more than 30,00,000 (Thirty lakhs only) Equity Shares of face value Rs.10/- each of the Company, in one or more tranches, either directly and/or through a Trust and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot Equity Shares upon exercise of options from time to time in accordance with the said Plan and such Equity Shares shall rank *pari passu* in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing of securities allotted under the Plan on the Stock Exchanges, where the securities of the Company are listed, as per the provisions of the Listing Agreement executed with the concerned Stock Exchanges and other guidelines, rules and regulations as may be applicable.

RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue or allotment or listing of the securities under the Plan, the Board/Committee be and is hereby authorised on behalf of the Company to evolve, decide upon and bring into effect and make any modifications, changes, variations, alterations or revisions in the said Plan or to suspend, withdraw or revive the Plan from time to time as per the discretion of the Board/Committee and to do all such acts, deeds and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any issues, questions, difficulties or doubts that may arise in this regard without requiring the Board/Committee to secure any further consent or approval of the shareholders of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any powers conferred herein to any Committee of Directors, the Chairman, the Managing Director or the Company Secretary of the Company to do all such acts, deeds and things as also to execute such documents, writings, etc., as may be necessary in this regard.”

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (the “Act”) (including any statutory modifications or re-enactment of the Act for the time being in force), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, as amended (hereinafter referred to as “Guidelines”), Foreign Exchange Management Act, 1999, the Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed and other relevant authorities, from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent and approval of the shareholders of the Company be and is hereby accorded to the Board of

Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, including the Compensation Committee which the Board has constituted to exercise its powers), to extend the benefits of "OnMobile Employee Stock Option Plan-I, 2012" (the "OnMobile ESOP -I, 2012" or "Plan") as proposed in the resolution No. 8 of this Notice to or for the benefit of such person(s) who are in permanent employment of the Subsidiary Company (ies), existing and as and when formed (hereinafter referred to as "Subsidiaries") including any Director of the Subsidiary Company (ies), whether whole time or otherwise or whether working in India or abroad, in one or more tranches, either directly and/or through a Trust and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot Equity Shares upon exercise of options from time to time in accordance with the said Plan and such Equity Shares shall rank *pari passu* in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing of securities allotted under the Plan on the Stock Exchanges, where the securities of the Company are listed, as per the provisions of the Listing Agreement executed with the concerned Stock Exchanges and other guidelines, rules and regulations as may be applicable.

RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue or allotment or listing of the securities under the Plan, the Board/Committee be and is hereby authorised on behalf of the Company to evolve, decide upon and bring into effect and make any modifications, changes, variations, alterations or revisions in the said Plan or to suspend, withdraw or revive the Plan from time to time as per the discretion of the Board/Committee and to do all such acts, deeds and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any issues, questions, difficulties or doubts that may arise in this regard without requiring the Board/Committee to secure any further consent or approval of the shareholders of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any powers conferred herein to any Committee of Directors, the Chairman, the Managing Director or the Company Secretary of the Company to do all such acts, deeds and things as also to execute such documents, writings, etc., as may be necessary in this regard."

10. To consider and if thought fit, to pass with or without amendment(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 81(1A) and other applicable provisions of the Companies Act, 1956, Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, (hereinafter referred to as the "SEBI Guidelines") (Including any statutory modification(s) or re-enactment of the Act or the SEBI Guidelines, for the time being in force), in accordance with the provisions contained in the Articles of Association, and subject to such other approvals, permissions and sanctions as may be necessary, the consent of the shareholders be and is accorded to the Board of Directors (herein after referred to as the "Board" which term shall be deemed to include any committee of the Board, including the Compensation Committee constituted by the Board) to have full power and authority to extend the exercise period of any options granted under ESOP Plan I, 2003 as the Board may deem appropriate, provided such variation to the scheme is not prejudicial to the interests of the option holders of the said plan.

RESOLVED FURTHER THAT, the Board be and is hereby authorised to delegate all or any powers conferred herein to any committee of Directors, the Chairman, the Managing Director or the Company Secretary of the Company to do all such acts deeds and things as also to execute such documents, writings, etc., as may be necessary in this regard."

11. To consider and if thought fit, to pass with or without amendment(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 81(1A) and other applicable provisions of the Companies Act, 1956, Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, (hereinafter referred to as the "SEBI Guidelines") (Including any statutory modification(s) or re-enactment of the Act or the SEBI Guidelines, for the time being in force), in accordance with the provisions contained in the Articles of Association, and subject to such other approvals, permissions and sanctions as may be necessary, the consent of the shareholders be and is accorded to the Board of Directors (herein after referred to as the "Board" which term shall be deemed to include any committee of the Board, including the Compensation Committee constituted by the Board) to have full power and authority to extend the exercise period of any options granted under ESOP Plan III, 2006 as the Board may deem appropriate, provided such variation to the scheme is not prejudicial to the interests of the option holders of the said plan.

RESOLVED FURTHER THAT, the Board be and is hereby authorised to delegate all or any powers conferred herein to any committee of Directors, the Chairman, the Managing Director or the Company Secretary of the Company to do all such acts deeds and things as also to execute such documents, writings, etc., as may be necessary in this regard.”

12. To consider and if thought fit, to pass with or without amendment(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 81(1A) and other applicable provisions of the Companies Act, 1956, Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, (hereinafter referred to as the “SEBI Guidelines”) (Including any statutory modification(s) or re-enactment of the Act or the SEBI Guidelines, for the time being in force), in accordance with the provisions contained in the Articles of Association, and subject to such other approvals, permissions and sanctions as may be necessary, the consent of the shareholders be and is accorded to the Board of Directors (herein after referred to as the “Board” which term shall be deemed to include any committee of the Board, including the Compensation Committee constituted by the Board) to have full power and authority to extend the exercise period of any options granted under ESOP Plan I, 2007 as the Board may deem appropriate, provided such variation to the scheme is not prejudicial to the interests of the option holders of the said plan.

RESOLVED FURTHER THAT, the Board be and is hereby authorised to delegate all or any powers conferred herein to any committee of Directors, the Chairman, the Managing Director or the Company Secretary of the Company to do all such acts deeds and things as also to execute such documents, writings, etc., as may be necessary in this regard.”

13. To consider and, if thought fit, to pass with or without modifications, the following resolution as an ordinary resolution:

“IT IS HEREBY RESOLVED THAT:

1. The Subsidiary be called and registered under the Corporate Name of “OnMobile Rwanda Telecom Limited”.
2. The Nominal Share Capital of the Subsidiary be Five Hundred Thousand Rwandan Francs (500,000 Frw) divided into Five Hundred (500) Shares of One Thousand Francs (1000 Frw) each.
3. The Subsidiary be jointly owned by the following entities/persons:
 - (1) OnMobile Global Limited.
 - (2) Biswajit Nandi.

4. The following individuals be appointed as the Directors of the Subsidiary:

- (1) Biswajit Nandi
- (2) Kunnath Rajesh
- (3) Désiré Kamanzi

5. Mr. Biswajit Nandi be and is hereby authorized to interact, on behalf of the Company, with the law firm of Kamanzi & Associates in relation to any and all matters regarding the incorporation of the Company’s Subsidiary.

6. The registered office of the Subsidiary be the following:

C/O Kamanzi & Associates
Rue des Parcs n° 6, Kiyovu
P.O. Box 6571 Kigali
Rwanda
Tel: +250 252 570 672
Fax: +250 252 574 042

7. That Mr. Désiré Kamanzi or failing him, any other Lawyer/Attorney/Officer of Kamanzi & Associates, be and is hereby authorized and empowered to do all the needful with regard to incorporation of our Subsidiary (with the Office of the Registrar General within the Rwanda Development Board) under the laws of Rwanda.”

By Order of the Board of Directors
For OnMobile Global Limited
Sd/-
P.V.Varaprasad
Company Secretary

Date: July 26, 2012

Place: Bangalore

Notes:

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
4. Member/proxies should bring duly filled attendance slips sent herewith to attend the meeting.
5. The Register of Directors’ shareholding, maintained under section 307 of the Companies Act, 1956, will be available for inspection by the members at the AGM.

6. The Register of contracts maintained under Section 301 of the Companies Act, 1956, will be available for inspection by the members at the registered office of the Company.
7. The Register of Members and share transfer books will remain closed from Friday, August 17, 2012 to Tuesday, August 28, 2012 (both days inclusive).
8. Subject to the provisions of Section 206A of the Companies Act, 1956, dividend as recommended by the Board of Directors if declared at the meeting, will be paid on September 18, 2012 to those members whose names appear on the Register of members as on August 16, 2012.
9. Members whose shareholding is in the electronic mode are requested to inform change of address and updates of savings bank account details to their respective depository participants.
10. Members are requested to address all correspondence, including dividend matters to the Registrar and Share Transfer Agents, Karvy Computershare Private Limited, Plot No. 17 to 24, Near Image Hospital, Vittalrao Nagar, Madhapur 414, Hyderabad – 500081, India.
11. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with the Company Secretary, at the Company's registered office. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 205A of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund.
12. OnMobile is concerned about the environment and utilizes natural resources in a sustainable way, The Ministry of Corporate Affairs (MCA), Government of India, has by its Circular Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively; permitted companies to send official documents to their shareholders electronically as part of its green initiative in corporate governance.

Recognizing the spirit of the circular issued by the MCA, we are sending documents like Notice convening the general meeting, Financial Statements, Directors' Report, Auditors' Report, etc, to the email address provided by you with your depositories.

We request you to update your email address with your depository participant to ensure that the annual report and other documents reach you on your preferred email account.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM No. 5

The Board of Directors of the Company approved at their meeting held on Dec 7, 2011 the appointment of Mr. Harit

Nagpal, as an Additional Director of the Company, pursuant to Section 260 of the Companies Act, 1956 ('Act'), read with Article 102 of the Articles of Association of the Company.

In terms of the provisions of Section 260 of the Act, Mr. Harit Nagpal holds office up to the date of this Annual General Meeting. The Company has received a notice in writing from a member along with a deposit of Rs. 500/- for proposing the candidature of Mr. Harit Nagpal for the office of Director of the Company under the provision of Section 257 of the Act.

The Company has received the disclosures of Mr. Harit Nagpal in terms of Section 274(1)(g) of the Act confirming his eligibility for such appointment.

The Board of Directors commends the resolution for approval.

None of the Directors except Mr. Harit Nagpal is interested or concerned in the resolution.

ITEM No. 6

The Board of Directors of the Company approved at their meeting held on May 7, 2012 the appointment of Mr. Rajiv Khaitan, as an Additional Director of the Company, pursuant to Section 260 of the Companies Act, 1956 ('Act'), read with Article 102 of the Articles of Association of the Company.

In terms of the provisions of Section 260 of the Act, Mr. Rajiv Khaitan holds office up to the date of this Annual General Meeting. The Company has received a notice in writing from a member along with a deposit of Rs. 500/- for proposing the candidature of Mr. Rajiv Khaitan for the office of Director of the Company under the provision of Section 257 of the Act.

The Company has received the disclosures of Mr. Rajiv Khaitan in terms of Section 274(1)(g) of the Act confirming his eligibility for such appointment.

The Board of Directors commends the resolution for your approval.

None of the Directors except Mr. Rajiv Khaitan is interested or concerned in the resolution.

ITEM No. 7

The Board of Directors at their meeting held on July 09, 2012, appointed Mr. Chandramouli Janakiraman as the Managing Director of the Company for a period of five years with effect from July 9, 2012. The Compensation Committee at their meeting held on July 9, 2012 recommended for the appointment of Mr. Chandramouli Janakiraman as the Managing Director and for payment of remuneration as detailed in the resolution. The appointment is subject to the approval of members.

The terms and conditions of his appointment are as follows:

1. Period of appointment: Five years beginning July 09, 2012 and ending on July 08, 2017.
2. Details of remuneration: As provided in the resolution.

3. Mr. Chandramouli Janakiraman shall perform such duties as shall from time to time be entrusted to him, subject to the superintendence, guidance and control of the Board of Directors and he shall perform such other duties as shall from time to time be entrusted to him by the Board of Directors. The resolution seeks the approval of the members in terms of Section 269, read with Schedule XIII and other applicable provisions of the Companies Act, 1956 for the appointment of Mr. Chandramouli Janakiraman as the Managing Director of the Company for a period of five years commencing July 09, 2012.

No director, except Mr. Chandramouli Janakiraman, is interested or concerned in the appointment and remuneration payable to Mr. Chandramouli Janakiraman as the Managing Director.

The terms of appointment of Mr. Chandramouli Janakiraman, as stated in this notice, may be treated as the abstract under Section 302 of the Companies Act, 1956. The copies of relevant resolutions of the Board in respect of the appointment

is available for inspection by members at the registered office of the Company during working hours on any working day till the date of the Annual General Meeting.

The Board accordingly recommends the resolution as set out in Item no.7 for approval of the members.

ITEM No. 8 and 9

The Company in order to ensure sustained performance and growth of the Company and in its endeavor to reward and motivate employees and attract the best talent, proposes to introduce another Employee Stock Option Scheme titled "OnMobile ESOP –I, 2012" which was approved by the Board of Directors at their meeting held on May 07, 2012.

"OnMobile ESOP –I, 2012" or "Plan" for issue of options convertible into equity shares to the Employees and Directors of the Company and employees of the subsidiaries (whether in India or abroad) is being formulated in line with the SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, (hereinafter referred as "Guidelines").

The Salient features of the Employee Stock Option Plan (OnMobile ESOP – I, 2012) as required under the Guidelines are as follows:

SI. No.	Particulars	Description
1	Plan	ESOP I, 2012
2	Total number of options to be granted	Employee Stock Options exercisable into not more than 30,00,000 (Thirty Lakhs) Equity Shares of face value of Rs.10 each of the Company would be available for being granted to eligible employees of the Company and its Subsidiaries under the ESOP I, 2012 either directly and /or through a Trust. Each option when exercised would be converted into one Equity Share of Rs.10/- each fully paid-up. Vested options that lapse due to non-exercise or unvested options that get cancelled due to resignation of the Employees or otherwise would be available for being re-granted at a future date.
3	Identification of Classes of employees entitled to participate in the ESOP	All permanent employees of the Company and its subsidiaries, including the Directors but excluding the promoters of the Company, as may be decided by the Compensation Committee from time to time, would be entitled to be granted stock options under the plan.
4	Requirements of Vesting and Vesting Period	The Options granted shall vest so long as the employee continues to be in the employment of the company and its subsidiaries, as the case may be. Subject to a minimum vesting period of 1 year and a maximum vesting period of 4 years from the date of grant, the Compensation Committee of the Board can determine from time to time the vesting schedule for the grants to be made under the Plan from time to time by considering the performance of the employee and other fair and relevant compensation related factors.
5	Maximum period within which the options shall be vested	The options would vest not earlier than one year and not later than four years from the date of grant of options. The exact proportion in which and exact period over which the options would vest would be determined by the Compensation Committee, subject to the minimum vesting period of one year from the date of grant of options.
6	Maximum number of options to be issued per employee and in aggregate Maximum no. of options to be granted to non-executive directors (including independent directors) in any financial year and in aggregate.	The number of options that may be granted to any specific employee under the plan, during any one year, shall not exceed 1% of the outstanding issued equity capital as on the date of Grant (excluding outstanding options, warrants and conversions) and in aggregate, all such grants shall not exceed 30,00,000 (Thirty Lakhs) Equity Shares of the Company. The no. of options that may be granted to any non-executive director (including any independent director but not including any director who is a promoter), of the Company and its subsidiaries in any financial year under the plan shall not exceed 1% of the outstanding issued equity capital as on the date of Grant (excluding outstanding options, warrants and conversions) and in aggregate shall not exceed 30,00,000.

7	Exercise price	The options will be granted at an exercise price equal to prevailing market price per Equity Share, being latest available closing price, prior to the date of the meeting of the Compensation Committee, in which options are granted, on the stock exchange on which the shares of the Company are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered.
8	Exercise period and process of exercise	The Exercise period would commence from the date of vesting and will expire not later than 5 years from the date of vesting of options. The options will be exercisable by the Employees by a written application to the Company/Trust to exercise the options in such manner, and on execution of such documents, as may be prescribed by the Compensation Committee from time to time. The options will lapse if not exercised within the specified exercise period.
9	Appraisal process for determining the eligibility of employees	The Company has formal appraisal system established where in the performance of the employees is assessed each year on the basis of various functional and managerial parameters including years of service, experience, qualifications and contribution towards the growth of the Company, level in the Company hierarchy. The eligibility of employees shall also be determined and reviewed from time to time by the Compensation Committee.
10	Disclosure and Accounting Policies	The Company shall comply with the disclosure and accounting policies prescribed as per SEBI Guidelines and other concerned Authorities.
11	Method of option valuation	To calculate the employer compensation cost, the Company shall use the Fair Value Method for valuation of the options granted. In case the Company calculates the employee compensation cost using the Intrinsic Value of the stocks, the difference in the employee cost computed based on Intrinsic Value as against fair market value and its impact on the profit and the EPS of the Company shall be disclosed in the Director's Report.
12	Whether the vesting period would continue in case of transfer of employee from one subsidiary to another	Yes
13	Whether grants can be made to Company's Subsidiary(ies)	Yes [Only to employees of the Company and Company Subsidiary(ies)]

As per the Guidelines a separate resolution is required to be passed if the benefits of the Employee Stock Option are to be extended to the Employees of Subsidiary Companies and or such other persons as may from time to time be allowed to enjoy the benefits of the Plan in the same manner and subject to terms and conditions as mentioned herein. Accordingly, the resolutions set as item No.8 and item No.9 are being placed for the approval of shareholders pursuant to Section 81(1A) of the Companies Act, 1956 and Clause 6 of the Guidelines and all other applicable provisions of the law for the time being in force. The Board of Directors recommends the passing of the proposed resolutions stated at item No.8 and item No.9 as Special Resolutions and requests your approval for the same. A copy of the "OnMobile ESOP –I, 2012" is available for inspection at the registered office of the Company on all working days between 10.00 am to 5.00 pm.

None of the Directors of the Company or its Subsidiary Company (ies) are concerned or interested in the Resolution, except to the extent of the securities that may be offered to them under the scheme.

ITEM No. 10

The Company was incorporated in the year 2000 as a private limited Company under the name of Onscan Technologies Private Limited. As a measure to incentivize and reward the employees, the Company had in the year 2003 instituted an Employees Stock Option Plan in the name and manner ESOP Plan I, 2003 ("the plan") for the benefit of the eligible employees under the plan. The total options earmarked to the plan at that point were 1,026,000 options. The Plan was approved by the Shareholders of the Company in the EGM held on November 29, 2003. The Company has been granting stock options to eligible employees under the plan. The plan was not drafted in accordance with the provisions of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, as it was a private limited Company. The Company later went for an Initial Public Offering of Securities' to the public and the securities were listed on the Stock Exchanges (NSE and BSE) on February 19, 2008. The Company made applications to the stock exchanges for an in-principle approval for Plan I, 2003. The application was made with a certification from the Merchant Bankers to the IPO that the Company has made all the requisite disclosures as required under SEBI (Employee Stock Option Scheme

and Employee Stock Purchase Scheme), Guidelines, in the offer documents of the Initial Public Offering of the Company and there would be no further grants from this plan since it was a pre-IPO plan and was not in compliance with the SEBI Guidelines.

The allotment of the vested and exercisable options out of the plan was done on a quarterly basis by the Compensation Committee to the eligible employees from the said plan. Further, separated employees were supposed to exercise their stock options within one month from the date of separation in terms of the grant letters and the terms of the plan.

Recently the Company had, vide Board Resolution dated September 03, 2011, started a Buyback of its shares through an open market mechanism for an amount not exceeding Rs.25 Crores.

Due to the said buyback offer, the Company could not allow the employees to exercise the options due to the restrictions under Clause (b) of Sub-regulation (1) of Regulation 19 of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998.

In view of the above restriction, separated employees and the employees whose options are falling due for exercise during the Buyback period are unable to exercise their stock options.

While the Company is proposing to suitably extend the exercise period beyond the Buyback tenure to facilitate a way out to the affected employees, it was observed that the authority given to the Compensation Committee in the ESOP Plan I, 2003 to extend the exercise period is not operational as the shareholders' resolution dated November 29, 2003 has not specifically authorized compensation committee to extend the exercise period.

In view of the above, the Board of Directors accordingly, vide their resolution dated May 07, 2012 approved for seeking the shareholders' approval for sufficiently authorizing the Compensation Committee for extending the exercise period and recommends the resolution set out in Item No. 10 of the accompanying notice for your approval.

None of the Directors is concerned or interested in the said resolution.

The salient features of the employees stock option plan (ESOP Plan I, 2003) as required are as follows:

Sl. No.	Particulars	Description
1	Plan	ESOP Plan I, 2003
2	Total number of options to be granted	Under the plan, a total of 1,026,000 shares shall be made available for grant to the employees. <i>(Original number under the scheme before the bonus in 2007 and 2011).</i>
3	Identification of Classes of employees entitled to participate in the ESOP.	i. A permanent employee of the Company working in India; ii. An employee who is a person who is resident outside India, an employee who is a person resident outside India as defined in the Foreign Exchange Management Act, 1999; or an employee who is a foreign national; or an employee of a subsidiary in a foreign country; and iii. Directors of the Company whether whole time or not; but shall not include an employee who is a promoter or who belongs to the promoter group.
4	Requirements of Vesting and Vesting Period	(i) of all the stock options granted to the optionee for the first time under the plan(s), 25% of such options shall be deemed to vest at the end of twelve (12) months from the date of employment or engagement of the optionee and the remaining 75% of such options shall be deemed to vest from the 13 th month from the date of employment or engagement of the optionee at the rate of 1/36 th per month for the next 36 months of the vesting period; (ii) all the stock options granted to the optionee, other than a founder director of the Company, to whom options have already been granted once of more than once under the plan, 25% of such options shall be deemed to vest at the end of 12 months and the remaining 75% of such options shall be deemed to vest from the 13 th month from the date of such grant at the rate of 1/36 th per month for the next 36 months of the vesting period.
5	Maximum period within which the options shall be vested	Four (4) years
6	Maximum number of options to be issued per employee and in aggregate	Notwithstanding anything contained in this plan, the value of shares allotted under this plan to the class of employees falling within clause 2 (g) (ii) of this plan shall not exceed 5% of the total paid up share capital of the Company as on date of the grant of the options or any other such percentage as may be notified under the provisions of the Foreign Exchange Management Act, 1999 from time to time.
7	Exercise price	A percentage of the fair value of the shares as determined by the compensation committee from time to time. Exercise price shall not be less than the nominal value of the shares.

8	Exercise period and process of exercise	The optionee is entitled to exercise only the vested options. The optionee shall exercise the vested options within a period of Five (5) years from the date of vesting at the exercise price by way of cash or cheque, drawn to the order of the Compensation Committee or in such other consideration as the Compensation Committee deems appropriate, including a combination of cash and such other considerations having a fair market value, as so determined, equal to the exercise price. However, the specific exercise period for each category/class of employee shall be stated in the relevant stock option agreement and the grant letter.
9	Appraisal process for determining the eligibility of employees	To be determined by the Compensation Committee of the Board.
10	Disclosure and Accounting Policies	The Company shall comply with the disclosure and accounting policies prescribed as per SEBI Guidelines and other concerned Authorities.
11	Method of option valuation	As determined by the Compensation Committee
12	Whether the vesting period would continue in case of transfer of employee from one subsidiary to another	Yes
13	Whether grants can be made to Company's Subsidiary(ies)	Yes

ITEM No. 11

The Company was incorporated in the year 2000 as a private limited Company under the name of Onscan Technologies Private Limited. As a measure to incentivize and reward the employees, the Company had in the year 2006 instituted an Employees Stock Option Plan in the name and manner ESOP Plan III, 2006 ("the plan") for the benefit of the eligible employees under the plan. The total options earmarked to the plan at that point were 61,567 options. The Plan was approved by the Shareholders of the Company in the AGM held on July 24, 2006. The Company has been granting stock options to eligible employees under the plan. The plan was not drafted in accordance with the provisions of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, as it was a private limited Company. The Company later went for an Initial Public Offering of Securities' to the public and the securities were listed on the Stock Exchanges (NSE and BSE) on February 19, 2008. The Company made applications to the stock exchanges for an in-principle approval for the Plan III, 2006. The application was made with a certification from the Merchant Bankers to the IPO that the Company has made all the perquisite disclosures as required under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines, in the offer documents of the Initial Public Offering of the Company and there would be no further grants from this plan since it was a pre-IPO plan and was not in compliance with the SEBI Guidelines.

The allotment of the vested and exercisable options out of the plan was done on a quarterly basis by the Compensation Committee to the eligible employees from the said plan. Further separated employees were supposed to exercise their stock options within one month from the date of

separation in terms of the grant letters and the terms of the plan.

Recently the Company had, vide Board Resolution dated September 03, 2011, started a buyback of its shares through an open market mechanism for an amount not exceeding Rs.25 Crores.

Due to the said buyback offer, the Company could not allow the employees to exercise the options due to the restrictions under Clause (b) of Sub-regulation (1) of Regulation 19 of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998.

In view of the above restriction, separated employees and the employees whose options are falling due for exercise during the Buyback period are unable to exercise their stock options.

While the Company is proposing to suitably extend the exercise period beyond the Buyback tenure to facilitate a way out to the affected employees, it was observed that the authority given to the Compensation Committee in the ESOP Plan III, 2006 to extend the exercise period is not operational as the shareholders' resolution dated July 24, 2006 has not specifically authorized compensation committee to extend the exercise period.

In view of the above, the Board of Directors accordingly, vide their resolution dated May 07, 2012 approved for seeking the shareholders' approval for sufficiently authorizing the Compensation Committee for extending the exercise period and recommends the resolution set out in Item No. 11 of the accompanying notice for your approval.

None of the Directors is concerned or interested in the said resolution.

The salient features of the employees stock option plan (ESOP Plan III, 2006) as required are as follows:

Sl. No.	Particulars	Description
1	Plan	ESOP Plan III, 2006
2	Total number of options to be granted	Under the plan, a total of 61,567 shares shall be made available for grant to the employees. <i>(Original number under the scheme before the bonus in 2007 and 2011).</i>
3	Identification of Classes of employees entitled to participate in the ESOP.	i. A permanent employee of the Company working in India; ii. An employee who is a person who is resident outside India, an employee who is a person resident outside India as defined in the Foreign Exchange Management Act, 1999; or an employee who is a foreign national; or an employee of a subsidiary in a foreign country; and iii. Directors of the Company whether whole time or not; but shall not include an employee who is a promoter or who belongs to the promoter group.
4	Requirements of Vesting and Vesting Period	(i) of all the stock options granted to the optionee for the first time under the plan(s), 25% of such options shall be deemed to vest at the end of twelve (12) months from the date of employment or engagement of the optionee and the remaining 75% of such options shall be deemed to vest from the 13 th month from the date of employment or engagement of the optionee at the rate of 1/36 th per month for the next 36 months of the vesting period; (ii) all the stock options granted to the optionee, other than a founder director of the Company, to whom options have already been granted once or more than once under the plan, 25% of such options shall be deemed to vest at the end of 12 months and the remaining 75% of such options shall be deemed to vest from the 13 th month from the date of such grant at the rate of 1/36 th per month for the next 36 months of the vesting period.
5	Maximum period within which the options shall be vested	Four (4) years
6	Maximum number of options to be issued per employee and in aggregate	Notwithstanding anything contained in this plan, the value of shares allotted under this plan to the class of employees falling within clause 2 (g) (ii) of this plan shall not exceed 5% of the total paid up share capital of the Company as on date of the grant of the options or any other such percentage as may be notified under the provisions of the Foreign Exchange Management Act, 1999 from time to time.
7	Exercise price	A percentage of the fair value of the shares as determined by the compensation committee from time to time. Exercise price shall not be less than the nominal value of the shares.
8	Exercise period and process of exercise	The optionee is entitled to exercise only the vested options. The optionee shall exercise the vested options within a period of Five (5) years from the date of vesting at the exercise price by way of cash or cheque, drawn to the order of the Compensation Committee or in such other consideration as the Compensation Committee deems appropriate, including a combination of cash and such other considerations having a fair market value, as so determined, equal to the exercise price. However, the specific exercise period for each category/ class of employee shall be stated in the relevant stock option agreement and the grant letter.
9	Appraisal process for determining the eligibility of employees	To be determined by the Compensation Committee of the Board.
10	Disclosure and Accounting Policies	The Company shall comply with the disclosure and accounting policies prescribed as per SEBI Guidelines and other concerned Authorities.
11	Method of option valuation	As determined by the Compensation Committee
12	Whether the vesting period would continue in case of transfer of employee from one subsidiary to another	Yes
13	Whether grants can be made to Company's Subsidiary(ies)	Yes

ITEM No. 12

The Company was incorporated in the year 2000 as a private limited Company under the name of Onscan Technologies Private Limited. As a measure to incentivize and reward the employees, the Company had in the year 2007 instituted an Employees Stock Option Plan in the name and manner ESOP Plan I, 2007 ("the plan") for the benefit of the eligible

employees under the plan. The total options earmarked to the plan at that point were 169,650 options. The Plan was approved by the Shareholders of the Company in the AGM held on August 17, 2007. The Company has been granting stock options to eligible employees under the plan. The Company had in the Shareholders meeting held on August 01, 2008, made disclosures for compliance with Clause 6.3

of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines.

Further the Company had in the shareholders meeting held on August 01, 2009 made disclosures as required under clause 7.4 of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, to vary the terms and conditions of ESOP Plan I, 2007 in terms of changes in the vesting period.

With these amendments to the Scheme by the shareholders the ESOP Plan I, 2007 was compliant with the provision of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines.

The allotment of the vested and exercisable options out of the plan was done on a quarterly basis by the Compensation Committee to the eligible employees from the said plan. Further separated employees were supposed to exercise their stock options within one month from the date of separation in terms of the grant letters and the terms of the plan.

Recently the Company had, vide Board Resolution dated September 03, 2011, started a Buyback of its shares through an open market mechanism for an amount not exceeding Rs.25 Crores.

Due to the said buyback offer, the Company could not allow the employees to exercise the options due to the restrictions under Clause (b) of Sub-regulation (1) of Regulation 19 of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998.

In view of the above restriction, separated employees and the employees whose options are falling due for exercise during the Buyback period are unable to exercise their stock options.

While the Company is proposing to suitably extend the exercise period beyond the Buyback tenure to facilitate a way out to the affected employees, it was observed that the authority given to the Compensation Committee in the ESOP Plan I, 2007 to extend the exercise period is not operational as the shareholders' resolution dated August 17, 2007 has not specifically authorized compensation committee to extend the exercise period.

In view of the above, the Board of Directors accordingly, vide their resolution dated May 07, 2012 approved for seeking the shareholders' approval for sufficiently authorizing the Compensation Committee for extending the exercise period and recommends the resolution set out in Item No. 12 of the accompanying notice for your approval.

None of the Directors is concerned or interested in the said resolution.

The salient features of the employees stock option plan (ESOP Plan I, 2007) as required are as follows:

Sl. No.	Particulars	Description
1	Plan	ESOP Plan I, 2007
2	Total number of options to be granted	Under the Plan, a total of 169,650 (pre-Bonus) equity shares or 975,000 (post-bonus) equity shares (the bonus ratio for equity shares as approved by the Shareholders in their Annual General Meeting held on August 17, 2007) shall be made available for grant to the Employees. <i>(Before the Bonus in 2011)</i>
3	Identification of Classes of employees entitled to participate in the ESOP.	(i) a permanent employee of the Company working in India; (ii) a permanent employee of the Company who is a person resident outside India as defined in the Foreign Exchange Management Act, 1999 or an employee who is a foreign national or an employee of a Subsidiary in a foreign country; (iii) the Directors of the Company whether whole-time or not; but shall not include (a) an employee who is a Promoter or who belongs to the Promoter Group; (b) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company.
4	Requirements of Vesting and Vesting Period	i. 25% of the aggregate options granted to the Optionee shall vest at the end of 12 months from the date of joining. ii. The remaining 75% of the aggregate option shall vest from the 13 th month from the date of joining at the rate of 1/36 th per month for the next of the 36 months of the vesting period. iii. Maximum period of vesting is 4 years.
5	Maximum period within which the options shall be vested	Four (4) years
6	Maximum number of options to be issued per employee and in aggregate	Notwithstanding anything contained in this Plan, the face value of Shares allotted under this Plan to the class of Employees falling within clause 2(g) (ii) of this Plan shall not exceed 5% of the total paid up Share capital of the Company as on date of the grant of Options or any other such percentage as may be notified under the provisions of the Foreign Exchange Management Act, 1999 from time to time.
7	Exercise price	A percentage of the fair value of the shares as determined by the compensation committee from time to time. Exercise price shall not be less than the nominal value of the shares.

8	Exercise period and process of exercise	The optionee is entitled to exercise only the vested options. The optionee shall exercise the vested options within a period of Five (5) years from the date of vesting at the exercise price by way of cash or cheque, drawn to the order of the Compensation Committee or in such other consideration as the Compensation Committee deems appropriate, including a combination of cash and such other considerations having a fair market value, as so determined, equal to the exercise price. However, the specific exercise period for each category/class of employee shall be stated in the relevant stock option agreement and the grant letter.
9	Appraisal process for determining the eligibility of employees	To be determined by the Compensation Committee of the Board.
10	Disclosure and Accounting Policies	The Company shall comply with the disclosure and accounting policies prescribed as per SEBI Guidelines and other concerned Authorities.
11	Method of option valuation	As determined by the Compensation Committee
12	Whether the vesting period would continue in case of transfer of employee from one subsidiary to another	Yes
13	Whether grants can be made to Company's Subsidiary(ies)	Yes

ITEM No. 13

The Company as a part of its global business expansion program is intending to set up a Subsidiary Company in Rwanda and has applied for opening of a Subsidiary Company with the Rwandan authorities. As per the laws and practices of the Rwandan authorities, shareholders approval of the parent Company is a requirement for incorporating a Company in Rwanda.

The Board of Directors commends the resolution for approval.

None of the Directors is interested or concerned in the resolution.

ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR RE-APPOINTMENT

Mr. H H Haight IV

Mr. H H Haight IV, Director, retires by rotation and being eligible, offers himself for re-appointment. A brief resume of Mr. Haight is given below:

Mr. Henry Huntley Haight IV graduated with a Bachelor of Science degree from the University of California, Berkeley and a Master of Business Administration degree from Harvard Business School. He has over 20 years of experience in the leadership and growth of various enterprise companies. He has previously served as Managing Director in Advent International Corp. He currently serves as Chief Executive Officer of Argo Global Capital, LLC and OnMobile Systems Inc. He had retired by rotation and was reappointed as a non-executive Director by the shareholders of our Company at the AGM held on August 01, 2010. Mr. H H Haight retires by rotation and being eligible offers himself for re-appointment at the forthcoming AGM. Mr. Haight is on the Board of the following other Companies:

1. Argo Global Capital Corp.
2. Argo Global Capital Inc.
3. Argo Holdings, LP (General Partner)
4. BPHC (Managing Member)
5. Telecom Investment Inc.
6. Argnor Wireless Ventures
7. Neural Technologies Limited
8. Neural Technologies 3
9. Argo Gasification (AGT)
10. OnMobile Systems Inc
11. Nostix LLC
12. SurfKitchen Limited
13. uReach Technologies
14. Neural Technologies Int. Limited

Mr. Haight does not hold any equity shares in the Company, but he has been granted a total of 88,000 stock options and as on date he has not exercised any of these stock options.

Mr. Harit Nagpal

Mr. Harit Nagpal is the Managing Director & CEO of Tata Sky Ltd., a joint venture of the Tata Group, Newscorp and Temasek. Before joining Tata Sky in August '10 he was the Group Marketing Director of Vodafone PLC based at Vodafone's Global Head Quarters in London.

Mr. Harit followed his graduation in Chemical Engineering with an MBA from FMS at Delhi which he completed in 1985. In addition to the 9 years with Vodafone, in India and the U.K., during his 27 years of professional career, he has

previously worked with Shoppers Stop, Pepsi, Marico and Lakme in various leadership positions in fields like Sales, Exports, Operations & Marketing. Mr. Nagpal is on the Board of the following other Companies:

1. Tata Sky Limited
2. Savita Oil Technologies Limited

Mr. Harit Nagpal does not hold any equity shares of the Company.

Mr. Rajiv Khaitan

Mr. Rajiv Khaitan is the Senior Partner of Khaitan & Co. Mr. Rajiv has over 25 years of experience in general legal practice with focus on business laws and currently leads the corporate and commercial laws practice at Bangalore. He advises on all aspects of Business including, business laws and regulations, corporate governance and finance, structuring, taxation, negotiation of commercial contracts, securities laws and takeover and listing regulations, mergers and acquisitions both in India and overseas, foreign exchange regulations, foreign investment regulations, investment and transaction structuring, business combinations, strategic alliances competition laws, trade laws, foreign collaborations, India entry strategies, private equity investments, promoter, investment and shareholder agreements, intellectual property laws, protection and licensing, technology licensing and transfer, retailing, franchising, consumer protection laws, packaging laws, labor laws, real estate and dispute resolution. Mr. Rajiv holds a Bachelor of Commerce degree and an LLB from the Calcutta University. Mr. Rajiv is on the Board of the following other Companies:

1. EFD Induction Private Limited
2. Himatsingka Seide Limited
3. Khaitan Consultants Limited
4. Webb India Private Limited
5. ABC Consolidated Private Limited

Mr. Rajiv Khaitan does not hold any equity shares of the Company.

Mr. Chandramouli Janakiraman

Mr. Chandramouli Janakiraman graduated with a Bachelor of Technology degree from the National Institute of Technology, Allahabad. He has over 20 years of experience in the software industry. He has previously served as Associate Vice President and Head of the Internet Products Group in Infosys Technologies Limited. In 2000, he left Infosys and co-founded OnMobile Systems Inc. He was appointed as a Director by the shareholders at the AGM held on May 12, 2003. He was appointed as a whole time Director of the Company on July 24, 2006. The Board of Directors at their meeting held on April 30, 2011 approved his re-appointment as whole time Director designated as "Executive Director" and the shareholders approved the same in the Annual General Meeting held on August 04, 2011. Mr. Chandramouli Janakiraman is on the Board of the following other Companies:

1. PT OnMobile Indonesia
2. Servicios De Telefonía OnMobile SA De CV
3. OnMobile Global for Telecommunication Services Ltd
4. OnMobile Servicios Corporativos De Telefonía S.A. De CV
5. OnMobile Telecom Limited
6. OnMobile Costa Rica OBCR, SA

Mr. Chandramouli Janakiraman holds 4,467,866 equity shares of the Company

By Order of the Board of Directors
For OnMobile Global Limited
Sd/-
P.V.Varaprasad
Company Secretary

Date: July 26, 2012

Place: Bangalore

Notes

[illegible]

Notes

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ONMOBILE GLOBAL LIMITED

Registered Office: No. 26, Bannerghatta Road, JP Nagar 3rd Phase, Bangalore – 560076, Karnataka, India

Proxy Form

Twelfth Annual General Meeting – August 29, 2012

Regd. Folio No./DP Client ID

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I/We..... of being a member of OnMobile Global Limited hereby appointof or failing him/her..... of as my/our proxy to vote for me/us on my/our behalf at the TWELFTH ANNUAL GENERAL MEETING of the Company to be held at MLR Convention Centres, Brigade Millennium Campus, 7th Phase, J.P. Nagar, Bangalore - 560 078, Karnataka, India, at 10.00 AM IST on Wednesday, August 29, 2012 and at any adjournment(s) thereof.

Signed this..... day of2012

.....

Signature of the member

Note: This form, in order to be effective, should be stamped, signed and deposited at the Registered office of the Company, not less than 48 hours before the meeting.

.....please tear here



ONMOBILE GLOBAL LIMITED

Registered Office: No. 26, Bannerghatta Road, JP Nagar 3rd Phase, Bangalore – 560076, Karnataka, India

Attendance Slip

Twelfth Annual General Meeting – August 29, 2012

Regd. Folio No./DP Client ID

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No. of shares held

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I/we here by record my/our presence at the Twelfth Annual General Meeting held at MLR Convention Centres, Brigade Millennium Campus, 7th Phase, J.P. Nagar, Bangalore - 560 078, Karnataka, India at 10.00 AM IST on Wednesday, , August 29, 2012.

.....

Name of the member/proxy

(in BLOCK letters)

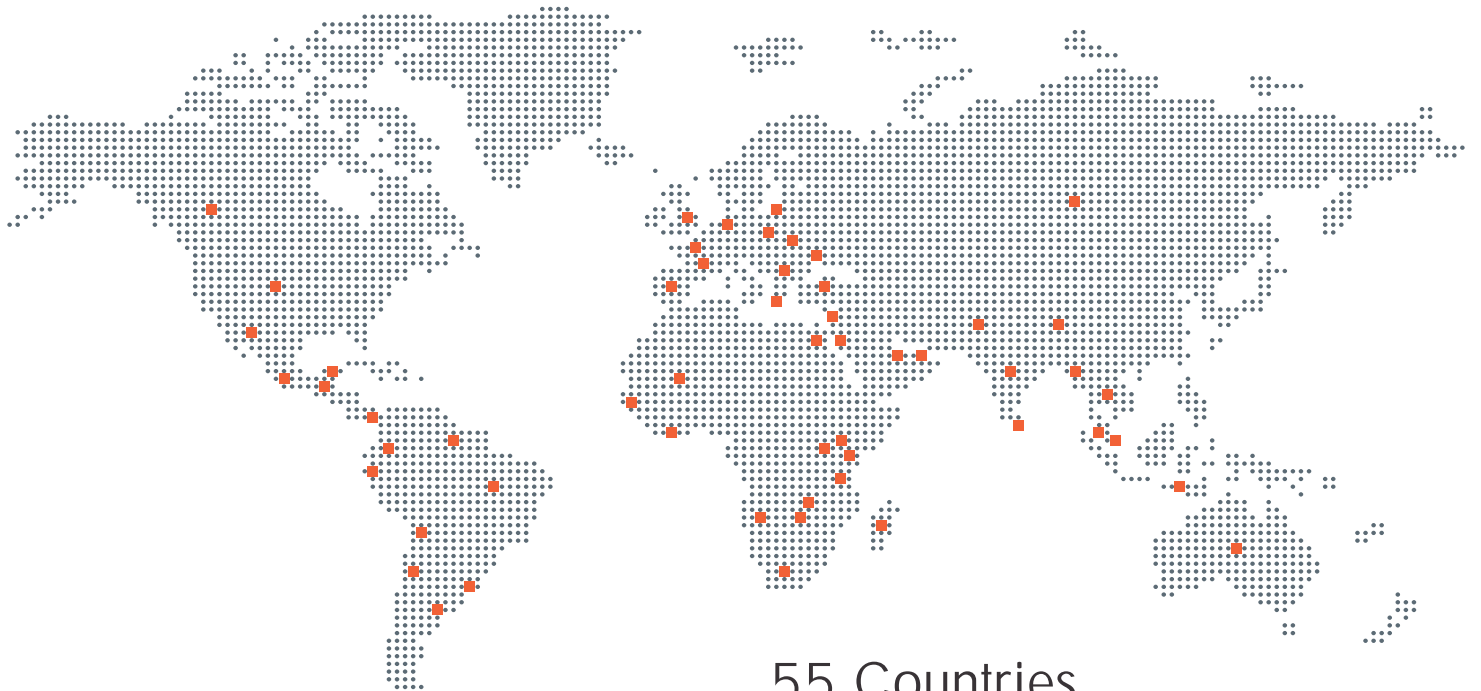
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Signature of the member/proxy



Disclaimer,

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



55 Countries
92+ Customers



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