

Scaling New Heights  
**GLOBALLY**

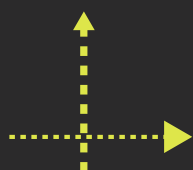
Annual Report | 2013





# Table of Contents

<b>01</b>	Scaling New Heights Globally	<b>34</b>	Directors' Report
<b>11</b>	Chairman's Message	<b>42</b>	Management Discussion and Analysis
<b>13</b>	Product Lines	<b>50</b>	Independent Auditors' Report
<b>16</b>	Corporate Information and Board of Directors	<b>55</b>	Financial Statements
<b>17</b>	Subsidiaries and Branches	<b>94</b>	Independent Auditors Report on the Consolidated Financial Statements
<b>20</b>	CEO and CFO Certification	<b>95</b>	Consolidated Financial Statements
<b>21</b>	Report on Corporate Governance	<b>123</b>	Statement Regarding Subsidiary Companies
		<b>125</b>	Notice



## SCALING NEW HEIGHTS: **GLOBALLY**

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 13 years ago. With services in 59 countries and 1800+ 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), Dilithium Networks (2010) and Livewire Mobile (2013).







# LatAm



*"Going through the data from our mobile operator customers and the KPIs we use to measure the success of business, the number that jumped out immediately was 9 out of 10 - the highest rating from customers for consumer satisfaction in Latin America for any services. OnMobile is most proud of that number."*

## David Fondots

Vice President & Head, Europe & LatAm

2012-13 has been a landmark year for OnMobile in Latin America. Our ringback tones are playing on 15.2 million mobile phones across 14 countries, and other key products like Network Address Book, sports, chat, dating and music services are available across the continent through our partnership with 15 operators.

### Notable Achievements:

- This year, we have expanded our ringback tone presence in Brazil with Oi. The selection of OnMobile by Oi was after a rigorous RFP process to replace one of the leading competitors and other competitors who were all lower in price than OnMobile. We were selected due to our proven track record in this market.
- The network address book is becoming popular with our consumers across Latin America. The newest operator to launch our service is Telefonica Movistar in Argentina.
- We used SAT Push, a new push channel, to get music to our Movistar customers in Argentina. With a whopping 9% conversion rate, we more

than doubled the song downloads in one year.

### The OnMobile Advantage:

- More than a VAS vendor, OnMobile is looked up to as a trusted advisor by operators in the Latin American market. This means we are able to work closely with the operator to understand their challenges and apply our best practices to connect with consumers and fulfill their needs and desires.
- Getting the right content in place is key to our success, and in this field, we have managed to excel in this market. We have developed strong relationships with content providers which gives us a competitive edge over other players.

### The Learning Curve:

When you set out to conquer a continent with limited resources and a small team, the secret of success lies in Planning. This has been the year of planning for OnMobile in Latin America, and through the power of foresight and good management, we have been able to make remarkable breakthroughs.



# Africa

*"The 'think global act local' approach has worked wonders for us in Africa. When the technical muscle of an established international player is supplemented with deep cultural insights and expert user profiling, every new deployment becomes quicker, leaner and more successful from the word go."*



## Biswajit Nandi

Senior Director - Business Development, Africa

OnMobile's African safari continues to be a resounding success, as more countries, more products and more local expertise continue to be added to our portfolio everyday. From 8 countries last year, we have extended our services to 14 countries and our team is exploring more promising opportunities in new countries. Nearly 95 million people across the continent now have access to OnMobile's technology and products, making their lives simpler, more informed and more musical every day.

### Notable Achievements:

- Music services (Ringback Tone, Digital Music Download) have been live for 18-24 months and the average penetration is between 15%-30% across countries.
- Digital Football has been live for 6 months, and already has a penetration between 5%-10%.
- Phone Backup and Agriculture Information are the next big rollouts on the cards, and are generating considerable interest.
- Two new countries will be added to our portfolio

soon.

### The OnMobile Advantage:

- We are focused on and committed to the VAS business in Africa, and our promises are backed by the financial investments which we are making in the region for a long-term relationship.
- We have hired and set up service teams for business, technology & operations for the customers and our agile processes enable us to scale up the team very quickly.
- Our product developers are constantly innovating, and have the insights and knowledge of local experts across Africa to guide them in customizing their offerings for the African market.
- We are creating and nurturing talent to ensure that more than 85% of our employees in Africa are local.
- We have set up subsidiaries or branches in 14 countries to ensure that we are complying with the local laws and regulations in each of the countries.
- By virtue of having deployed across 14 countries, we have a very comprehensive knowledge of how

to deploy services in the challenging continent of Africa.

- We are working with more than 50 local content providers to ensure that our services are complemented by the right content to make it a valuable proposition to the consumers.

### Challenges:

Managing costs and operations were some of our biggest challenges in Africa this year. The African market has no parallel in the developing world, and so we must develop, constantly monitor, and swiftly adapt our market approach based on infrastructure challenges. Balancing costs with innovation is another area we are working on diligently, in order to build

scalable and sustainable solution for this market.

### The Learning Curve:

The rich and traditional culture of African nations is fascinating to observe as a tourist but when you are trying to meet the needs of the people, you need the expertise of local talent. OnMobile firmly believes in understanding the culture of the geographies we operate in, and customizing our solutions and offerings to complement the people we are reaching out to. The past year has been a year of striking the right balance between leveraging the insights of our African employees and utilizing the expertise of our expat team on site, to come up with the best and most culturally appropriate versions of our offerings.





# North America



*"Unlike traditional internet-based social networks that are typically firewalled for work, fun, or social, the person's address book has no such boundaries; work colleagues, close friends, college and high school buddies, loved ones, and new acquaintances all co-exist on the address book. OnMobile's solutions enable the mobile operators to ensure these contacts remain protected and synchronized across their customers' devices."*

**Ron Longo**  
Vice President Sales, North America

OnMobile has dramatically increased its presence in the North American mobile market in 2012.

#### **Notable Achievements:**

OnMobile deployed its cloud-based Network Address Book for Roger's One Number™ product, a breakthrough service that lets subscribers use Roger's wireless number for unlimited talk, texts and video calling Canada-wide from their computer, tablets and handsets. OnMobile provides the platform that ensures all contacts are synchronized and accessible across all the subscribers' devices, and also develops and supports client applications for Android, iOS, and Windows platforms at Rogers.

Additionally in 2012, OnMobile deployed its cloud-based Network Address Book at AT&T to provide contact management, synchronization and

communication enabling services. OnMobile certifies all of AT&T's handsets using the platform to ensure interoperability. OnMobile also develops and supports mobile client applications for AT&T across multiple mobile platforms.

These deployments, coupled with OnMobile's existing deployments at T-Mobile USA, Cox, Yahoo, and Time Warner, firmly establishes OnMobile in the North American mobile market with over 30 million active subscribers on its platforms.

#### **The OnMobile Advantage:**

OnMobile's Address Book technology is built on highly scalable infrastructure and uses standards based protocols such as SyncML. This ensures that even the largest wireless operators can deploy OnMobile's technology in a manner that is highly cost



effective, using minimal servers and infrastructure resources. Use of open standards ensures quick and easy integration. OnMobile's technology is designed to be quickly ported to new operating systems and phones ensuring wireless operators keep up with the rapid progress of mobile devices.

OnMobile focuses on minimizing redundancy and facilitates rapid deployment of products and services. For example, both the core synchronization platform and database used by OnMobile's Network Address Book are agnostic to payload. This approach allows OnMobile's technology to synchronize any type of content including contacts, calendar events, photos, videos, SMS and call logs.

OnMobile's technology has been hardened by the widest range of real world environment – from the rigors and connectivity limitations of a feature phone operating in rural India to the most sophisticated and advanced feature phone that accesses 4G LTE in Europe or the US.

#### The Learning Curve:

OnMobile has learnt and put into practice a philosophy of user simplicity. For OnMobile's Address Book this means the ultimate in simplicity. Users simply switch on their phone and the Address Book synchronization technology works without any user interaction. They simply enter an address into their address book and OnMobile's technology ensures their contacts are seamlessly synchronized across devices. There is no complex installation or setup, and the entire operation is automatic. For those wanting to fine tune configuration, simple preference options are available. OnMobile's 'keep it simple' philosophy combined with its non-invasive white label branding, ensures that wireless operators can leverage app reference designs that minimize clicks and deliver a cleanly designed easy-to-use interface.

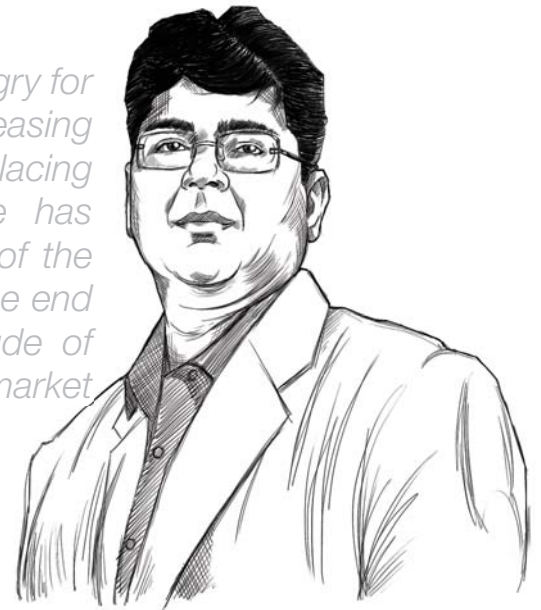
*"If you think about it, a person's mobile phone address book can be considered the most complete and relevant social network that they belong to. The phone calls they make and receive, as well as the emails and messages they send from their mobile phone are essential communication to that person's most important social circle comprising family members, close friends, and important colleagues. Unlike traditional internet-based social networks that are typically firewalled for work, fun, or social, the person's address book has no such boundaries; work colleagues, close friends, college and high school buddies, loved ones, and new acquaintances all co-exist on the address book. OnMobile's solutions enable the mobile operators to ensure these contacts remain protected and synchronized across their customer's devices."* - Ron Longo





# Europe

*"Mobile consumers are becoming more and more hungry for rich, high-quality applications and content. The increasing number of service providers entering the market is placing great strain on the traditional services. OnMobile has developed a solution that not only meets the needs of the operator and the content providers, but also serves the end customers well. With its ease of usage and multitude of features, the converged VAS offering meets a real market need."*



## **Sumit Sardana**

Senior Sales Director, Southern Europe

2012 has been a year of achievements, expansion and consolidation for OnMobile in Europe. Our sports and infotainment, rich content and cloud services are tailored to attract this market segment, but what has surprised us is the ever-increasing demand for music and ringback tone products in this market. With smartphones, online connectivity and higher purchasing power, users are still gravitating towards our musical offerings, giving us a unique insight into their needs and choices.

### **Notable Achievements:**

- Our impressive track record in Europe has continued with 64% overall growth year on year.
- We have won several high-end deals with tier one operators, such as O2 Czech, Vodafone Turkey & Spain and Orange Spain for ringback tones, and Vodafone and Telefonica in Spain for our converged VAS solutions.
- We have seen remarkable success in our deployments with Telefonica Spain: 53% growth in RBT ARPU year on year, and close to 10% growth in Converged VAS revenues in the first quarter since take over.
- Our Network Address Book has seen traction outside France and Germany, with three more countries coming on board through Vodafone.
- Everything Everywhere UK became the first customer for OnSecure, our cloud security solution.

### The OnMobile Advantage:

Our strong R&D and Product Unit, as well as multiple sales units across the continent, give us all the advantages of an established player. With over 10 years of experience in cloud and RBT, large scale deployments around the world, strong relationships with content providers, and the global insights that we bring to every new project, we inspire confidence in our clients.

As a trusted advisor for the operator, OnMobile is able to apply its business intelligence and highly personalized best practices to connect with consumer needs and desires.

Our RCS-ready cloud services, affiliate marketing programmes for ringback tone, and content bundles for converged VAS set us apart from our competitors, and give us the winning edge.

### The Learning Curve:

As the RingBack Tone service surprised us with the traction it has generated in the European market, we

have worked on taking it to a different level by simplifying usage through Smartphone apps and engaging with consumers over mass media like television, radio, web & more.

Moving on, we have seen the potential of Converged VAS. We learnt that if the right content is chosen and if the services are deployed correctly, the operator's WAP deck is an amazing source of revenue. It takes consumer engagement to the next level, something that external players cannot replicate without access to the extensive consumer profile information that the operators have.

*"Focus and intensity of purpose among a dedicated team gave OnMobile a record number of new wins; demonstrating clearly that there is a strong demand for our consumer-focused approach to VAS, and the operator channel is still relevant and strong."*

### David Fondots

Vice President & Head, Europe & LatAm





# India



*"It is heartening to note that we have been able to touch consumers positively in a variety of ways through our various products. Customers look forward to getting the latest content from their revered shrines and places of worship and eagerly await quiz contests daily. When segmented and targeted appropriately, we have seen tremendous traction and usage in our services."*

**Ravi Yadav**  
Account Director, India

OnMobile is one of the largest providers of infotainment value added services like Contests, Cricket and Sports Alerts, Devotional and Regional Voice Portals Services. In particular, contests and devotional services have done exceedingly well and have been adopted by a very large number of users across the country. We have also tasted success on Cell Broadcast, a new medium where customers can avail the benefit of VAS Services with ease. These include location based deals and city specific information like weather alerts, city info broadcasted at one go.

#### **Notable Achievements:**

- In the last couple of years, OnMobile has been able to reach more than 12 million unique users across the country through contests.
- Cell Broadcast has provided an unparalleled reach for OnMobile across the country. Our Cell

broadcast client is pre-loaded in over 80% of SIM cards offered by a leading operator.

#### **The OnMobile Advantage:**

Technology and Expertise: Our biggest strength is our keen insight into the diverse consumer segments and the ability to offer our products in various languages, at different price points and via different media to cater to all sections of our user base. Our range of products, from religious content to contests, have been made available on our technologically advanced multi-channel and multi-lingual platform that allows consumers to access the service on their preferred channel. While some consumers access English content on WAP and mobile Internet, others who prefer local language use IVR services to consume content.



### The Learning Curve:

Regulations and directives from TRAI to address consumer queries and service related complaints have influenced the direction of the whole industry. While these regulations provide relevant guidelines pertaining to the process of communicating/acquiring consumers and are in the best interest of consumers, they do apply considerable pressure on the overall consumer servicing process. This compelled organizations operating in this industry like OnMobile to realign and innovate to a consumer centric approach while also ensuring a good user experience. OnMobile invested considerable time and energy in understanding consumers and in Research & Development for user centric products. This has provided a strong foundation for developing products that ensure greater engagement and consumer loyalty.

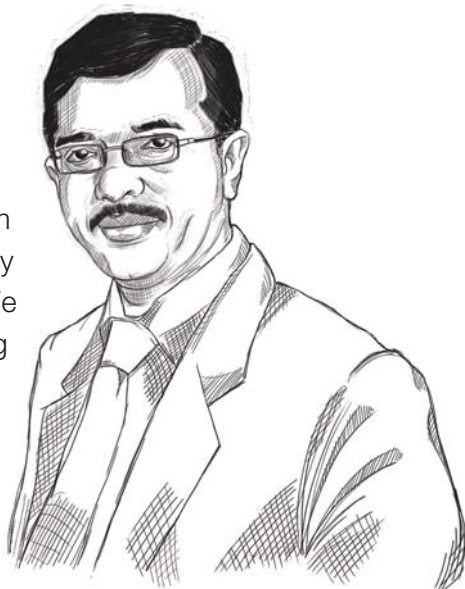
User complaints are often generated because of communication gaps, and we have learnt to reduce these significantly for a more superior user experience.

For our informative services such as Cell Broadcasting, we have grown to appreciate the

advantages of first-time-right and clear communication.

Multiculturalism brings many challenges. We have long understood and appreciated the linguistic and cultural diversity of India. We have catered

to our audience with words, images, music, information and even humour that is relevant and interesting to them. We realized through our contests that the aspirations and needs of people in one part of India are completely different from others when it comes to luxury items like cars, tablets, televisions and holidaying. These insights now help us customize the gratification we offer across the country and generate greater interest in our contests.



**Amit Gupta**  
Account Director, India





# Chairman's Message

Dear Shareholders,

This year was a challenging and eventful one for OnMobile. We have undergone a remarkable transformation, rebounding with positivity from the events of last year. This year has been a period of stabilization and consolidation.

India has been particularly challenging due to regulatory pressures plaguing the telecom industry. On the positive front, the Telecom and VAS sectors have been implementing measures, which we believe are in the long-term interest of the industry. While the operator business has been under pressure, we have actively pursued opportunities in the enterprises space. BBC Media Action, supported by Bill & Melinda Gates Foundation, selected us as the technology partner for their initiatives in improving maternal and child health care. OnMobile collaborated with the Centre for e-Governance - Government of Karnataka, to launch a pilot phase of its mobile governance services.

Our international growth remains positive. Our investments over the last 2-3 years in expanding our international business are yielding impressive results and this year our global footprint encompasses 59 countries.

Latin America witnessed significant growth, with excellent RBT adoption rates amongst consumers. We believe in the potential of the Latin American market as we continue to launch new services in Telefonica and pursue other operator opportunities.

Africa witnessed a revenue growth of more than 100%, on top of excellent adoption for our services amongst consumers. We also launched the Football service for the entire continent for a large operator. We are in the process of launching more services with existing operators and will actively pursue new areas of business in the continent.

In the UK, 'Everything Everywhere' selected OnMobile to power its recently-launched Clone Phone service, a phone insurance product for consumers. Converged VAS has added yet another feather to our cap this year, with a successful beginning for Telefonica Movistar Spain, where we run most of the Operator-branded content-based services. We also had some good customer wins in Spain, Turkey and Italy, many of which will be going live this year.

OnMobile has dramatically increased its presence in the North American mobile market in 2012. OnMobile deployed its cloud-based Network Address Book for Roger's One Number™ product, a breakthrough service that let subscribers use Roger's wireless number for unlimited talk, texts and video calling Canada-wide from their computer, tablets and handsets. Additionally in 2012, OnMobile deployed its cloud-based Network Address Book at AT&T to provide contact management, synchronization and communication enabling services. These deployments, coupled with OnMobile's existing deployments at T-Mobile USA, Cox, Yahoo, and Time Warner, helped expand our active subscriber base in North America to over 30 million.

We were recognized with the prestigious VAS Company of the Year 2012 award by Voice & Data on the basis of its annual VAS industry survey. The award was received by Mouli Raman from the renewable energy minister of India, Dr Farooq Abdullah and Pradeep Gupta, Chairman & Managing Director, Cybermedia in December.

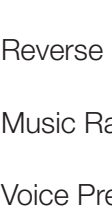
In the process of establishing our global footprint, we have earned a wealth of experience, which is not only helping us grow every day, but making us re-examine the way we operate, and reinvent ourselves to face the challenges the coming years will bring. On this journey, we value your support and partnership, and assure you that more successful milestones lie ahead of us.



H. H. Haight  
Chairman  
OnMobile Global Ltd.

# Product Lines

## Music and RBT

- 
- RingBack Tone (RBT)
  - Reverse RingBack Tone (RRBT)
  - Music Radio
  - Voice Presence
  - Music Search
  - Movies on Mobile
  - Recommendation Engine

## Cloud, Data & Speech

- Personal Cloud - OnSecure, Cloud Address Book, Phone Backup, Social Networking Gateway
- Family Cloud - Family Portal  
Rich Communications - Network Address Book, Central Message Store, Communication Hub
- Speech - Personal Assistant, IVR solutions, Embedded Speech





## Legacy VAS

- Rich Alerts
- Contests & Games
- Sports
- Mobile Box Office
- Interactive Contests
- Content Monetisation
- SIM Toolkit
- Televoting / Polling for media
- Tele-Registrations
- Participative Media Apps
- Mobile Advertising
- Mobile Deals
- Cell Broadcast
- Dating
- IVR/ Text Alerts
- MMS Services
- Data/WAP Portal Management
- Customer Lifecycle Management

## Utility Services

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



# Management Team



**Mouli Raman**  
Co-Founder & CEO



**Sanjay Bhambri**  
Regional Vice President  
Emerging Markets



**David Fondots**  
Vice President & Head  
Europe & Latin America



**Rajesh MV**  
Senior Director  
Media



**Ron Longo**  
Vice President  
North America



**Florent Stroppa**  
General Manager  
France



**Ahmad Kamal**  
Vice President  
Center of Excellence



**Christy George**  
Vice President  
Engineering, Special Projects



**Kiran Anandampillai**  
Vice President  
Products



**Rajesh Kunnath**  
Global Group CFO



**Nandini Matiyani**  
Vice President  
Human Resources

# CORPORATE INFORMATION AND BOARD OF DIRECTORS

## Board of Directors

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

## Company Secretary

P V Varaprasad

## Statutory Auditors

Deloitte Haskins & Sells

## Internal Auditors

KPMG (Registered)

## Board Committees

### Audit Committee

Naresh Malhotra	Chairman
Harit Nagpal	Member
Rajiv Khaitan	Member

### Compensation Committee

Harit Nagpal	Chairman
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

## 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  
 Canara Bank  
 Axis Bank Limited  
 HDFC Bank Limited  
 Banamex, Mexico  
 Banco Santander, S.A. Spain  
 BBVA Banco Continental, Peru  
 Banco Mercantil, Av, Venezuela  
 Banque Internationale pour le Commerce et l'Industrie au Mali  
 Bank of Cyprus, Cyprus  
 Banco de Chile, Chile  
 Banca Popolare Di Milano, Italy  
 Standard bank, Malawi  
 Stanbic Bank Uganda, Uganda  
 Stanbic Bank Zambia, Zambia  
 Mauritius Commercial bank, Madagascar

## Registered Office

E City, Tower 1, #94/1C & 94/2, Veerasandra Village,  
 Attibele Hobli, Anekal Taluk, Electronic City, Phase 1,  
 Bangalore 560 100, Karnataka, India  
 T + 91 80 4180 2500  
 F + 91 80 4009 6009  
 www.onmobile.com

## Registrar and Share Transfer Agent

Kary Computershare Private Limited  
 17-24 Vithal Rao Nagar, Madhapur Hyderabad 500 081. India  
 Tel: (91) 40 4465 5000  
 Fax: (91) 40 2342 0814

# Subsidiaries and Branches of the Company

## I. List of Subsidiaries of the Company

OnMobile Global Limited has the following subsidiary companies as on March 31, 2013

SI No.	Name of the Subsidiary Company	Country
1	OnMobile Singapore Pte. Ltd	Singapore
2	PT. OnMobile Indonesia	Indonesia
3	Voxmobili S A	France
4	OnMobile S A	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 S A	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	Egypt
13	OnMobile Uruguay S A	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, S.A.	Costa Rica
20	OnMobile Global Spain, S.L.U.	Spain
21	OnMobile Tanzania Telecom Limited	Tanzania
22	OnMobile Zambia Telecom Limited	Zambia
23	OnMobile Uganda Limited	Uganda
24	OnMobile Madagascar Telecom Limited	Madagascar
25	OnMobile Telecom Rwanda Limited	Rwanda
26	OnMobile Telecom Nigeria Limited	Nigeria
27	OnMobile Ghana Telecom Limited	Ghana
28	OnMobile Global Solutions Canada Limited.	Canada
29	OnMobile Telecom (SL) Limited	Sierra Leone
30	OnMobile Global Italy S.R.L.	Italy

## II. List of Branches/Representative offices of the Company

Along with the above said subsidiary companies, OnMobile Global Limited has the following Branches/ Representative offices as on March 31, 2013:

SI No.	Branch/Representative office Locations
1	Mumbai, India
2	Gurgaon, India
3	Dhaka, Bangladesh
4	Kualampur, Malaysia
5	London, UK
6	Sydney, Australia
7	Pretoria, South Africa
8	Dubai, UAE
9	Colombo, Sri Lanka
10	Bucarest, Romania
11	Madrid, Spain
12	Nicosia, Cyprus
13	Guatemala City, Guatemala

SI No.	Branch/Representative office Locations
14	Kathmandu, Nepal
15	Milan, Italy
16	Dar es salam, Tanzania
17	Bogota, Colombia
18	Santiago , Chile
19	Panama City, Panama
20	Guyaquil, Ecuador
21	Managua, Nicaragua
22	San Salvador, EL Salvador
23	Lima, Peru
24	Bangalore (SEZ), India
25	Noida (SEZ), India
26	Niamey, Niger



## CONTACT INFORMATION

### Registered and Corporate Office

#### OnMobile Global Limited

E City, Tower-1, # 94/1C & 94/2, Veerasandra Village, Attibele Hobli, Anekal Taluk, Electronic City Phase-1, Bangalore- 560100, Karnataka, India.

www.onmobile.com

### OTHER LOCATIONS

#### 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

#### SEZ OFFICES

##### BANGALORE

West Wing Face No: 1 Adarsh Prime Project Pvt. Ltd,  
4<sup>th</sup> 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 - 201 305 UP.

##### APAC

##### BANGLADESH

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

##### MALAYSIA

802, 8th Floor, Block C, Kelana Square, 17,  
Jalan SS7/26 47301 Petaling Jaya, Selangor Darul Ehsan.

##### INDONESIA

PT OnMobile Indonesia  
Mayapada Tower, 9th Floor, Suit 01B, J1.Jend. Sudirman  
Kav 28, Jakarta 12920, Indonesia.  
+62 2152897330, F +62 2152897375

##### SINGAPORE

OnMobile Singapore Pte. Ltd.  
78 Shenton Way #26-02, Singapore 079120  
Tel: +65 6223 4355 Fax: +65 6223 7955

##### SRI LANKA

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

##### AUSTRALIA

Level 34, 100 Miller Street, N Sydney, NSW - 2060,  
Australia T +61 296571342

### MIDDLE EAST AND AFRICA

#### DUBAI

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

#### SOUTH AFRICA

Central Office Park No. 3, 257 Jean Avenue, Centurion  
0157, South Africa. P.O. Box 7750, Centurion -0046.

#### EGYPT

OnMobile Global For Telecommunication Services  
Regus cairo, Nile city towers, 22nd Floor,  
North Tower, Nile city towers, Cornich  
El Nil Ramlet Baulak, Cairo, Egypt P.O. 11624

#### TANZANIA

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

#### MALAWI

OnMobile Telecom Limited  
C/o BDO Tax & Advisory Services Private Limited,  
6th floor, Unit House, 12 Victoria Avenue, PO. Box 3080,  
Blantyre, Malawi

#### SENEGAL

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

#### MALI

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

#### ZAMBIA

OnMobile Zambia Telecom Limited  
3rd Floor, 74 Independence Avenue, Longacres, Lusaka,  
Zambia, P.O Box 31198, Lusaka

#### KENYA

OnMobile Telecom Kenya Limited  
Plot No. 209/19567, 6th Floor, Suite 6B, TRV Office Plaza  
Muthithi Road, Westlands P.O.Box-4181-00200 Nairobi,  
Kenya

#### UGANDA

OnMobile Uganda Limited  
3rd Floor, Diamond Trust Building, Plot 17/19 Kampala  
Road, P.O.Box 7166, Kampala

#### MADAGASCAR

OnMobile Madagascar Telecom Limited  
Escalier D 1 er etage, Immeuble Fiaro, Ampefiloha ,  
Antananarivo , Madagascar

#### RWANDA

OnMobile Telecom Rwanda Limited  
Umujyi wa Kigali, Nyarugenge District, Nyarugenge Sector,  
Kiyovu, 6571 Kigali, Rwanda.

#### NIGERIA

OnMobile Telecom Nigeria Limited  
Addol House, 15 IPM Avenue, Central Business District,  
Alausa Ikeja Lagos, Nigeria

#### GHANA

OnMobile Telecom Limited  
N.11 Adaman Loop, Abeka Junction, Tesano, Accra, P.O.  
Box AN 19113, Accra-North.

#### SIERRA LEONE

OnMobile Telecom (SL) Limited  
#12, Wilberforce Street, Regent House, Freetown.

#### NIGER

BVD Mali Béro, rue YN 125 BP 11160 Niamey Niger

## EUROPE

### FRANCE

Voxmobili SA  
36, rue Brunel 75017 Paris -428 720 643, France  
T + 33 140262334, F +33 140269288

### OnMobile S.A

36, rue Brunel 75017 Paris -428 720 643, France  
T + 33 140262334, F +33 140269288

### THE NETHERLANDS

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

### ITALY

OnMobile Global Italy S.R.L.  
Milano (MI) Via Casati Felice 20 Cap 20124

### ROMANIA

OnMobile Global Limited - India Sucursala Bucuresti  
Bucharest, Sector 2, 34 Aurel Vlaicu Street, Ground Floor,  
2nd District, Romania

### CYPRUS

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

### SPAIN

OnMobile Global Spain, S.L.U.,  
Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020 Madrid,  
España

### UNITED KINGDOM

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

## NORTH AMERICA

### FLORIDA

OnMobile USA LLC  
55, Merrick Way, Suite 220, Coral Gables, FL 33134,  
Office # 786-309-2890

### SAN FRANCISCO

One Market St., Spear Tower, Suite 3600  
San Francisco, CA 94105 415-223-8209

### MASSACHUSETTS

401 Edgewater Place, Wakefield, MA 01880

### MEXICO

OnMobile Servicios Corporativos De Telefonía S.A. DE C.V.  
and  
Servicios De Telefonía OnMobile SA DE CV  
Av. Santa Fe Torre A Piso 8, Col. Zedec Santa Fe C.P.  
01210, Mexico D.F. Tel. – 001 305 716 4139

### CALIFORNIA

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

### WASHINGTON

Evergreen Office Park, 11000 NE 33rd Place, Suite 300  
Bellevue, WA 98004 425-633-8429

### CANADA

OnMobile Global Solutions Canada Limited.  
1000 de La Gauchetiere Street West, Suite 2437  
Montreal, Quebec, H3B 4W5, Canada

## CENTRAL AMERICA

### COSTA RICA

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

### NICARAGUA

OnMobile Global Limited Sucursal Nicargua  
Kilómetro 4 1/2 carretera Masaya, Edificio  
BAC, QuintoPiso, Managua, Nicaragua, C.A.

### EL SALVADOR

OnMobile Global Limited Sucursal El Salvador  
Calle la mascota, Col San Benito, Casa 533, San  
Salvador.

### GUATEMALA

Servicios De Telefonía OnMobile , Sociedad Anonima De  
Capital Variable  
# 14, Calle 3-51, Zona 10 Edif Murano Center Nivel 8 of  
803, Guatemala, Guatemala

### PANAMA

OnMobile , Panama  
Samuel Lewis Ave. and 54th AFRA building, 10th floor,  
Obarrio, Panama city,  
Tel (507) 263- 9355

## LATIN AMERICA

### COLOMBIA

OnMobile Global Limited Sucursal Colombia  
Calle 72 No 8 - 24 Piso 10, Bogotá Colombia

### VENEZUELA

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

### CHILE

OnMobile Global Limited – Agencia En Chile  
Av. Providencia No. 329, P.6, Santiago,Chile– 13

### BRASIL

OnMobile Brasil Sistemas De Valor Agregado Para  
Comunicações Móveis Ltda.  
Rua Barão do Triunfo, No. 88, cj.915 Brooklin Paulista,  
Zip Code 04602-000, City of São Paulo, State of São  
Paulo, Brazil

### ARGENTINA

OnMobile Global S.A.  
Av. Pte. Roque Saenz Pena 788. Piso 9°. C1035AAP.  
Ciudad AutOnoma de Buenos Aires, Argentina.  
Tel. +54 11 4394 8091 Fax + 54 11 4394 0123

### URUGUAY

OnMobile Uruguay Sa  
Bulevar Artigas 1100 11300 - Montevideo – Uruguay

### ECUADOR

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

### PERU

OnMobile Global Limited Sucursal Peruana  
Calle Donatello Nr. 206, San Borja, Lima 41, Peru

# CEO and CFO Certification

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We, Chandramouli Janakiraman, Managing Director and Chief Executive Officer and Rajesh Kunnath, Chief Financial Officer 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 standalone), 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.

Chandramouli Janakiraman  
CEO

Rajesh Kunnath  
CFO

Date: May 15, 2013

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, 2013, 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)
Chandramouli Janakiraman*	Managing Director & CEO	Executive Director – Promoter	9	9	Present	Nil	7	Nil	1
Arvind Rao**	CEO & Managing Director	Executive Director – Promoter	9	3	NA	NA	NA	NA	NA
H H Haight IV	Non - Executive Chairman, Director	Non-Executive Director	9	8	Present	Nil	20	Nil	Nil
Naresh Malhotra	Director	Independent	9	9	Present	1	14	3	3
Harit Nagpal	Director	Independent	9	7	Present	1	6	Nil	2
Rajiv Khaitan***	Director	Independent	9	7	Present	1	5	1	3

+Excluding directorships in OnMobile Global Limited and its subsidiaries

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

# Including memberships/chairmanships of audit committees and investor grievance committees in public companies (listed and unlisted) including OnMobile Global Limited.

\* Appointed as Managing Director on July 9, 2012

\*\* Arvind Rao resigned as director on July 9, 2012

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

## excluding the participation through video/audio conferencing.

## Details of Board meetings held during the year

Sl. No.	Date of Board Meeting	Board Strength	Directors present
1.	May 2, 2012	5	5
2.	May 7, 2012	5	5
3.	May 25, 2012	6	6
4.	July 9, 2012	6	4
5.	July 31, 2012	5	4
6.	August 29, 2012	5	5
7.	November 7, 2012	5	5
8.	December 10, 2012	5	4
9.	February 2, 2013	5	5

## 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, 2013, the Board met nine times on May 2, 2012; May 7, 2012, May 25, 2012; July 9, 2012; July 31, 2012; August 29, 2012; November 7, 2012; December 10, 2012; February 2, 2013. 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:

**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. The Board of Directors at their meeting held on July 9, 2012 approved his appointment as Managing Director and the shareholders approved the same in the Annual General Meeting held on August 29, 2012. 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
4. OnMobile Servicios Corporativos De Telefonía S.A. De CV - as President
5. OnMobile Telecom Limited
6. OnMobile Costa Rica OBCR, SA - as President

**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 was re-appointed at the Annual General Meeting of the shareholders held on August 29, 2012. H. H. Haight IV is on the Board of the following other companies:

1. Argo Global Capital LLC
2. Agro Global Capital Inc.
3. Argo Holdings, LP – as General partner
4. BPHC – as Managing member
5. Telecom Investment Inc
6. Argnor Wirelss Venture AB
7. Neural Technologies Limited
8. NT 3
9. OnMobile Systems Inc
10. Nostix
11. uReach
12. Volubill

13. Neural Technologies Int. Limited
14. Vox Mobili
15. OnMobile SA
16. OnMobile USA LLC – as Manager
17. Argo Holdings N.V.
18. Argnor Holdings Limited
19. Argo GP Inc.

**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. Naresh retires by rotation and being eligible offers himself for re-appointment at the forthcoming Annual General Meeting to be held on July 30, 2013. 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. Deriv IT Solutions Private Limited
7. Deriv IT Solutions PTE Limited
8. Blue Star Infotech Limited
9. Modern Family Doctor Private Limited
10. B Natural Beverages & Snacks Private Limited
11. OnMobile USA LLC - as manager
12. OnMobile Bangladesh Private Limited
13. Royal Orchid Associated Hotels 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 headquarters 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 28 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. Harit was appointed as a Director at the Annual General Meeting of the shareholders 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
3. Vox Mobili
4. OnMobile SA
5. OnMobile Global for Telecommunication Services

**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 as a Director at the Annual General Meeting of the shareholders 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. 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, 2013 the Board had four Committees - the Audit Committee, the Compensation Committee, the Shareholders and Investors Grievance Committee and the Corporate Governance 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 Rajiv Khaitan. 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.

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

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 requirement 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, 2013, ten meetings of the audit committee were held. The details of the same are as follows:

Sl. No.	Name of Director and Position	Meetings/Attendance									
		May 2, 2012	May 7, 2012	May 25, 2012	June 26, 2012	July 4, 2012#	July 9, 2012#	July 31, 2012	Nov 7, 2012	Dec 10, 2012	Feb 2, 2013
1	Naresh Malhotra- Chairman	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present
2	Harit Nagpal- Member	Present	Present	Present	Absent	VC~	Present	Absent	Present	VC~	Present
3	Rajiv Khaitan*- Member	NA	NA	Present	Absent	Present	Present	Present	Present	Present	Present
4	H H Haight- Member**	Present	Present	Present	Present	AC^	VC~	Present	Present	Present	NA

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

\*\* H H Haight has resigned from the Audit Committee w.e.f January 1, 2013

# the audit committee meeting held on July 4, 2012 was adjourned to July 9, 2012.

~ Video Conference (VC)

^ Audio Conference (AC)

#### 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 Rajiv Khaitan. 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 headquarters 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 28 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, CFO and Senior Management team 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, 2013, six meetings of the Compensation Committee were held. The details of the same are as follows:

Sl. No.	Name of Director and Position	Meetings/Attendance					
		May 7, 2012	July 31, 2012	Aug 29, 2012	July 9, 2012	Nov 7, 2012	Feb 2, 2013
1.	Harit Nagpal- Chairman	Present	Absent	Present	Present	Present	Present
2.	Naresh Malhotra- Member	Present	Present	Present	Present	Present	Present
3.	H H Haight- Member**	Present	Present	Present	VC~	Present	NA
4.	Rajiv Khaitan*- Member	NA	Present	Present	Present	Present	Present

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

\*\* H H Haight has resigned from the compensation committee w.e.f January 1, 2013

~ Video Conference (VC)

#### 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.3.4 million remuneration by way of commission to the independent directors for the financial year 2012-13. The Company has paid Rs. 1.88 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 the non-executive directors Rs. 3.4 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 ended March 31, 2013:

(Amount in Rs. Millions)

Sl. No.	Name	Salary and Other benefits	Commission	Sitting Fees	Total	Terms
1	Chandramouli Janakiraman	7.45	-	-	7.45	Appointed as Managing Director for a period of 5 years with effect from July 9, 2012.
2	H. H. Haight IV*	-	-	0.46	0.46	Retirement by rotation
3	Naresh K Malhotra	-	1.13	0.64	1.77	Retirement by rotation
4	Harit Nagpal	-	1.13	0.42	1.55	Retirement by rotation
5	Rajiv Khaitan	-	1.13	0.36	1.49	Retirement by rotation
6	Arvind Rao	5.53	-	-	5.53	Resigned from the Board on July 9, 2012

\* H. H. Haight IV has been appointed as Manager in OnMobile USA LLC, subsidiary of the Company w.e.f January 1, 2013 with a remuneration not exceeding USD 4,00,000 per annum.

### Stock Options to the Independent and Non-Executive Directors

As on March 31, 2013 each of the independent and non-executive directors had been granted stock options as below:

Sl No.	Name	No. of Options granted
1.	Naresh Malhotra	88000
2.	H H Haight	88000
3.	Harit Nagpal	25000
4.	Rajiv Khaitan	Nil

None of the non-executive directors hold any shares in the Company as on March 31, 2013.

### 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 the 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 and SEBI Circular No. CIR/MRD/DP/30/2010 dated September 6, 2010.

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, 2013, four meetings of the Shareholder and Investor Grievance Committee were held. The details of the same are as follows:



SI No.	Name of Director and Position	Meetings/Attendance			
		May 7, 2012	July 31, 2012	Nov 7, 2012	Feb 2, 2013
1	Naresh Malhotra-Chairman	Present	Present	Present	Present
2	Chandramouli Janakiraman-Member	Present	Present	Present	Present
3	Harit Nagpal-Member	Present	Absent	Present	Present

Information for shareholder complaints received for financial year 2012-13:

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	63
Number of Shareholder complaints resolved so far	63
Number of Shareholder complaints pending	NIL
Number of pending share transfers	NIL

#### 4. 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, 2013, four meeting of the committee were held. The details of the same are as follows:

SI No.	Name of Director	Meetings/Attendance			
		May 2, 2012	May 7, 2012	May 25, 2012	June 26, 2012
1	Naresh Malhotra	Present	Present	Present	Present
2	H H Haight	Present	Present	Present	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, 2013 (Refer Note 33 forming part of the financial statements).

##### 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, 2012 to March 31, 2013.

The Company had made an application to the Central Government for compounding of one of the contracts for a party covered under Section 297 of the Company Act, 1956, which expired during the previous year. The total transaction entered into during the year for which compounding application vide SRN No. B38412946 dated 05/05/2012 had filed amounted to Rs. 0.48 Millions (previous year : 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 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.

### ANNUAL GENERAL MEETINGS

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

Year	Venue	Date & Time	Special Resolutions passed
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"> <li>1. Employee Stock Option Plan – I 2010</li> <li>2. Employee Stock Option Plan – II 2010</li> <li>3. Employee Stock Option Plan – II 2010 for subsidiary company employees participation</li> <li>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</li> </ol>
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"> <li>1. Employee Stock Option Plan – I, 2011</li> <li>2. Employee Stock Option Plan – I, 2011 for subsidiary company employees participation</li> <li>3. Re-appointment of Arvind Rao as Managing Director of the Company</li> <li>4. Re-appointment of Chandramouli Janakiraman as Whole Time Director of the company designated as Executive Director</li> </ol>
2011-12	MLR Convention Centres, Brigade Millennium Campus, 7th Phase, J.P. Nagar, Bangalore - 560 078	August 29, 2012, 10:00 A.M	<ol style="list-style-type: none"> <li>1. Appointment of Harit Nagpal as Director</li> <li>2. Appointment of Rajiv Khaitan as Director</li> <li>3. Appointment of Chandramouli Janakiraman as Managing Director.</li> <li>4. Employee Stock Option Plan – I, 2012</li> <li>5. Employee Stock Option Plan – I, 2012 for subsidiary company employees participation</li> <li>6. Authorization to the Board to extend the exercise period of any options granted under ESOP Plan I, 2003</li> <li>7. Authorization to the Board to extend the exercise period of any options granted under ESOP Plan III, 2006</li> <li>8. Authorization to the Board to extend the exercise period of any options granted under ESOP Plan I, 2007</li> <li>9. Approval for setting up subsidiary in Rwanda.</li> </ol>

During the year ended March 31, 2013 no special resolutions were passed by the shareholders through postal ballot.

### MEANS OF COMMUNICATION

- 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.
- The results are published in the newspapers namely Business Standard /The Financial Express (English) and Samyukta Karnataka (Kannada). Further, the results and Shareholding Pattern are also posted in the Company's website.

### 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.

## General Information for Shareholders

### CONTACT INFORMATION

#### Registered and Corporate Office

##### OnMobile Global Limited

E City, Tower 1, #94/1C & 94/2, Veerasandra Village, Attibele Hobli, Anekal Taluk, Electronic City,  
Phase 1, Bangalore - 560 0100, Karnataka, India  
T + 91 80 4180 2500 F + 91 80 4009 6009  
<http://www.onmobile.com>

### OTHER LOCATIONS

#### 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 - 201305 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 4009 6009  
E: [investors@onmobile.com](mailto:investors@onmobile.com)

#### INVESTOR RELATIONS – INSTITUTIONAL

##### Rajesh Kunnath - Chief Financial Officer

**Girdhar Patel** - Director, Finance  
T + 91 80 4180 2500  
F + 91 80 4009 6009  
E: [investors@onmobile.com](mailto:investors@onmobile.com)

#### PUBLIC RELATIONS

##### Srividhya Parthasarathy,

Consultant, Corporate Marketing  
T + 91 80 4180 2500  
F + 91 80 4009 6009  
E: [srividhya.parthasarathy@onmobile.com](mailto:srividhya.parthasarathy@onmobile.com)

<b>Listing details</b>	<p>The shares of the Company are listed on:  <b>Bombay Stock Exchange (BSE)</b>  Phiroze Jheejheebhouy Towers,  Dalal Street, Fort, Mumbai – 400 001</p> <p><b>National Stock Exchange of India Limited (NSE)</b>  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 2013-14. The Company has complied with the provisions of the listing agreement for the year ended March 31, 2013.</p>										
<b>Stock code</b>	National Stock Exchange of India Limited (NSE) –ONMOBILE Bombay Stock Exchange Limited (BSE) – 532944 Reuters – ONMO. Bloomberg – ONMB:IN										
<b>Forthcoming Annual General Meeting (AGM)</b>	The Thirteenth Annual General Meeting (AGM) of the Members of OnMobile Global Limited will be held on Tuesday, July 30, 2013, at 11.00 A.M at Hotel Royal Orchid, 01 Golf Avenue, adjoining KGA Golf course, HAL Airport Road, Bangalore – 560 008										
<b>Financial Calendar (tentative and subject to change)</b>	<table border="1"> <thead> <tr> <th>Event</th><th>Likely Board Meeting Schedule</th></tr> </thead> <tbody> <tr> <td>Financial reporting for the quarter ending June 30, 2013</td><td>End of July 2013</td></tr> <tr> <td>Financial reporting for the quarter ending September 30, 2013</td><td>End of October 2013</td></tr> <tr> <td>Financial reporting for the quarter ending December 31, 2013</td><td>End of January 2014</td></tr> <tr> <td>Financial reporting for the quarter/year ending March 31, 2014</td><td>End of April 2014</td></tr> </tbody> </table>	Event	Likely Board Meeting Schedule	Financial reporting for the quarter ending June 30, 2013	End of July 2013	Financial reporting for the quarter ending September 30, 2013	End of October 2013	Financial reporting for the quarter ending December 31, 2013	End of January 2014	Financial reporting for the quarter/year ending March 31, 2014	End of April 2014
Event	Likely Board Meeting Schedule										
Financial reporting for the quarter ending June 30, 2013	End of July 2013										
Financial reporting for the quarter ending September 30, 2013	End of October 2013										
Financial reporting for the quarter ending December 31, 2013	End of January 2014										
Financial reporting for the quarter/year ending March 31, 2014	End of April 2014										
<b>Book Closure Date(s)</b>	From Friday, July 19, 2013 to Tuesday, July 30, 2013 (both days inclusive).										
<b>Dividend Payment Date</b>	August 20, 2013										
<b>Registrars And Share Transfer Agents</b>	Karvy Computershare Private Limited Plot No. 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad – 500 081 T +91 40 2342 0818 F +91 40 2342 0814										
<b>Depository System</b>	Currently 99.86% 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.										
<b>Email ID of Grievance Redressal Division</b>	einward.ris@karvy.com or investors@onmobile.com										

#### Distribution Schedule

Distribution Schedule - Consolidated as on 31/03/2013					
Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1-5000	40,278	85.31	55,93,051	5,59,30,510	4.90
5001- 10000	3,283	6.95	26,71,174	2,67,11,740	2.34
10001- 20000	1,589	3.37	24,54,047	2,45,40,470	2.15
20001- 30000	580	1.23	14,91,273	1,49,12,730	1.31
30001- 40000	254	0.54	9,24,836	92,48,360	0.81
40001- 50000	266	0.56	12,68,324	1,26,83,240	1.11
50001- 100000	429	0.91	32,34,362	3,23,43,620	2.83
100001& Above	534	1.13	9,65,15,755	96,51,57,550	84.55
<b>TOTAL</b>	<b>47,213</b>	<b>100.00</b>	<b>11,41,52,822</b>	<b>1,14,15,28,220</b>	<b>100.00</b>

### Shareholding Pattern as on March 31, 2013

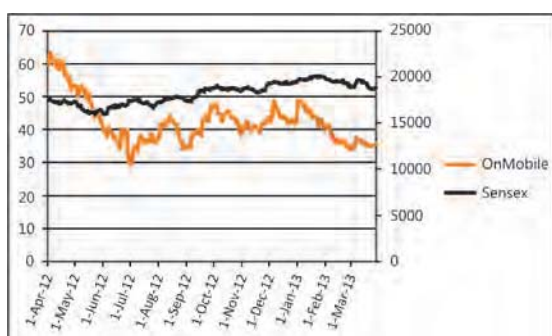
Description	No. of Shareholders	Total Shares	% To Equity
Promoter and Promoter Group	7	4,37,73,694	38.35
Mutual Funds	6	1,37,60,035	12.05
Financial Institutions /Banks	4	8,32,820	0.73
Foreign Institutional Investors	17	61,22,465	5.36
Bodies Corporate	866	1,60,76,869	14.08
Individuals	44,625	3,02,44,273	26.50
HUF	947	15,04,731	1.32
Non Resident Indians	596	15,06,243	1.32
Clearing Members	121	2,54,750	0.22
Trusts	4	7,400	0.01
Foreign Nationals	20	69,542	0.06
<b>Total</b>	<b>47,213</b>	<b>11,41,52,822</b>	<b>100.00</b>

### Stock Market Data

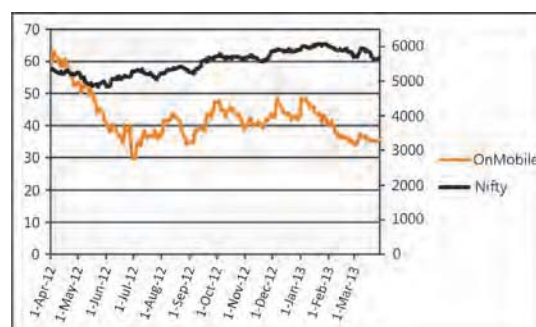
Monthly high and low quotes during each month in the financial year 2012-13 as well as the volume of shares traded on NSE and BSE are as below:

Financial Year 2012 – 13	BSE			NSE		
	High (Rs.)	Low (Rs.)	Total Traded Quantity	High (Rs.)	Low (Rs.)	Total Traded Quantity
April	64.40	51.60	20,68,313	64.30	51.50	1,20,15,284
May	55.90	40.75	20,85,443	58.75	40.80	1,13,28,974
June	41.90	30.00	1,20,13,347	42.00	30.00	5,34,30,596
July	39.35	28.75	5,73,91,247	39.40	28.85	21,83,86,243
August	44.60	33.00	2,09,94,700	44.55	33.00	8,57,34,614
September	48.40	34.15	2,56,09,649	48.50	34.15	9,84,13,976
October	48.45	37.45	98,60,500	48.50	37.50	3,30,31,071
November	44.40	38.60	73,66,090	44.45	38.60	2,43,07,769
December	49.50	41.30	1,05,26,837	49.40	41.25	3,07,98,703
January	50.40	36.50	1,06,34,088	50.50	39.45	3,32,58,599
February	44.00	33.95	57,79,515	44.00	33.75	1,81,89,032
March	38.35	33.40	30,83,299	38.45	33.10	78,36,405

**OnMobile Global Limited vs BSE (Sensex)**



**OnMobile Global Limited vs NSE(Nifty)**





### Investor Grievances and Share Transfer

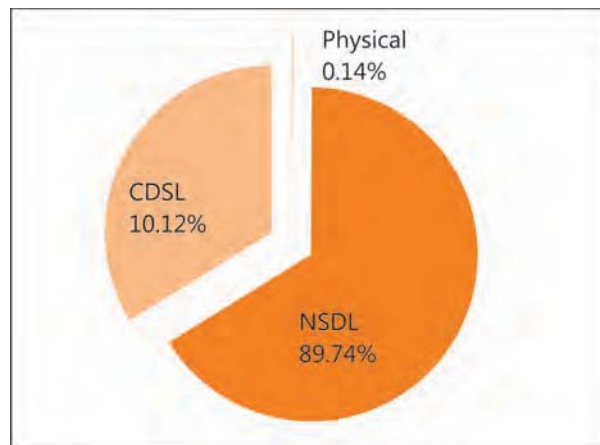
The Company has an Investor Grievances committee of the Board to examine and redress shareholders' and investor complaints. The status on share transfers is reported to the Board by the Company Secretary. Details of complaints received and their nature is provided below. For shares transferred in physical 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	0	0	0
2.	Non receipt of annual reports	17	17	0
3.	Non receipt of dividend warrants	45	45	0
4.	Non receipt of Refund orders	0	0	0
5.	Non receipt of securities	1	1	0
6.	Non receipt of bonus share	0	0	0
	<b>Total</b>	<b>63</b>	<b>63</b>	<b>0</b>

### 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, 2013, 99.86% of the Company's shares are held in electronic form.



### 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](http://www.onmobile.com).

All Board Members and senior management personnel have confirmed compliance with the Code for the financial year 2012-13. 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, 2013, 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, 2013 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 representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned 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)

Bangalore, 15 May, 2013

V. Srikumar  
Partner  
M. No.: 84494

**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, 2013.

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, 2013.

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

Place: Bangalore  
Date: May 10, 2013

# Directors' Report

Dear Members,

The Directors take pleasure in presenting the 13th Annual Report on the business and operations of the Company together with the Audited Financial Statements and Accounts for the year ended March 31, 2013.

## RESULTS OF OPERATIONS FOR THE YEAR 2012-13

(In Rs. Million)		
PARTICULARS	2012-13	2011-12
Revenue from operations	4,664.28	4,998.33
Earnings before other income, depreciation and amortisation, finance charges and tax	701.40	1,030.05
Earnings before tax	351.43	800.53
Earnings after taxation	263.83	502.82
Equity Share Capital	1,141.53	1,150.03
Reserves and Surplus	7,221.78	7,191.83
Networth	8,363.31	8,341.86
Net Block	3,144.13	3,445.73
Net Current Assets	1,568.35	1,663.64
Cash and Cash Equivalents	1,077.87	1,520.79
Earnings per share (Diluted) (In Rs.)	2.3	4.2

## BUSINESS PERFORMANCE / FINANCIAL OVERVIEW

### Standalone Financials:

During 2012-13, the Company recorded net revenue of Rs.4,664.28 million, a decrease of 7% over the previous year of Rs.4,998.33 million. The earnings after tax of the Company is Rs.263.83 million in 2012-13 as compared to Rs.502.82 million in 2011-12. The diluted earnings per share (EPS) is Rs.2.3 per share as compared to Rs.4.2 per share in 2011-12.

### Consolidated Financials:

During 2012-13, the Company recorded consolidated net revenue of Rs. 7,252.69 million, an increase of 6% over the previous year of Rs. 6,380.14 million. The consolidated earnings after tax of the Company for the year 2012-13 is Rs.471.77 million as compared to Rs. 830.94 million in 2011-12. The consolidated diluted earnings per share (EPS) for the year 2012-13 is Rs.4.1 as compared to Rs. 7.0 per share in 2011-12.

## Appropriations

### Dividend

Your directors are pleased to recommend a dividend of Rs. 1.50/- per equity share of Rs. 10/- which is payable on obtaining shareholders' approval in the 13th annual general meeting.

The dividend payout amount for the current year inclusive of dividend distribution tax will be Rs. 200.33 million.

The register of members and the share transfer books will remain closed from Friday, July 19, 2013 to Tuesday, July 30, 2013 (both days inclusive). The Annual General Meeting of the Company has been scheduled for July 30, 2013.

The Company proposes to retain Rs. 3,773.92 million in the Statement of Profit and Loss, amount to be transferred to general reserve is Rs. 13.2 million.

### Liquidity

As on March 31, 2013 the Company had liquid assets including investments in fixed deposits and Mutual funds of Rs. 1,251.56 million.

## CHANGES TO THE SHARE CAPITAL

During the year under review the Company allotted 2,13,512 equity shares (including bonus) on the exercise of stock options under its various Employee Stock Option Plans (ESOPs).

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 had bought back 29,36,000 shares till March 31, 2012. Further, in the financial year 2012-13, the Company had bought back 10,64,000 shares.

Due to the said Buyback process and the allotment of equity shares under ESOPs, the issued and paid up equity share capital of the Company as on March 31, 2013 stands at 11,41,52,822 equity shares of face value Rs. 10/- each. (i.e. Rs. 114,15,28,220).

## SIGNIFICANT EVENTS THIS YEAR

### International Market Expansion

- a) OnMobile partnered with PT XL Axiata Tbk (XL), a leading telecommunication company in Indonesia, to provide mobile cloud services to XL's customers. OnMobile's product will augment XL's XCloud portfolio with the addition of a mobile cloud solution that will enable XL's subscribers to store, sync, share and stream their data from any of their smartphone, tablet for PC device.
- b) OnMobile collaborated with the Centre for e-Governance, Government of Karnataka, to launch Phase 1 (Pilot) of the mobile governance services for Karnataka citizens. OnMobile provided the platform and services to help launch and manage the pilot phase of the project on m-Governance. OnMobile has provided the underlying technology platform for helping design, develop and manage different governance services over mobile, across channels such as Interactive Voice Response (IVR), Unstructured Supplementary Service Data (USSD) and mobile browsers or WAP.
- c) OnMobile secured contracts from two operators during the third quarter for provision of RBT services in Europe.
- d) There was also a sizable outsourcing contract signed in Europe and OnCloud was launched in North America and Europe, and M Radio in South Asia.
- e) OnMobile successfully launched the Football service in Africa in addition to winning a contract for managed services across all content types and channels.
- f) OnMobile has powered Everything Everywhere's (EE) recently launched Clone Phone service and is responsible for delivering the cloud-based element of Clone Phone, including all data storage and support as well as integration with the carrier's back-end systems. The OnMobile solution was chosen on the basis of its user-friendly interface, its high performance that allows large files including videos to be quickly restored, and the company's strong track record in the provision of value added services to leading global operators.
- g) Telefonica selected OnMobile to provide converged value added services for the operator's Movistar Emocion content service for customers in Spain. OnMobile is improving the ease of use of the Emocion portal and the integration of content capabilities to generate new revenue streams for Movistar by re-inventing the way customers are offered relevant content.

### AWARDS

- a) OnMobile was awarded the VAS Company of the Year 2012 trophy by Voice & Data on the basis of its annual VAS industry survey. The award was received by Chandramouli Janakiraman, Managing Director from

the renewable energy minister Dr Farooq Abdullah and Pradeep Gupta, CMD, Cybermedia in December 2012.

### SUBSIDIARIES

As on March 31, 2013, 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, Brasil
11. OnMobile Global for Telecommunications Services
12. OnMobile Uruguay S A
13. OnMobile Senegal SARL
14. OnMobile Mali SARL
15. OnMobile Bangladesh Private Limited
16. OnMobile Servicios Corporativos De Telefonía
17. OnMobile Kenya Telecom Limited
18. OnMobile Telecom Limited
19. OnMobile Costa Rica OBCR SA
20. OnMobile Spain SL
21. OnMobile Tanzania Telecom Limited
22. OnMobile Zambia Telecom Limited
23. OnMobile Uganda Limited
24. OnMobile Madagascar Telecom Limited
25. OnMobile Telecom Rwanda Limited
26. OnMobile Telecom Nigeria Limited
27. OnMobile Ghana Telecom Limited
28. OnMobile Telecom (SL) Limited
29. OnMobile Global Solutions Canada Limited
30. OnMobile Global Italy S.R.L.

As per Section 212 of the Companies Act, 1956, we are required to attach the directors' report, balance sheet, and the statement of profit and loss of our subsidiaries. The Ministry of Corporate Affairs, Government of India vide its circular no.2/2011 dated February 8, 2011 had 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 2012-13 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 has set up new branch offices in Guatemala and Niamey (Niger). The Company has set up new subsidiaries in Spain, Tanzania, Zambia, Uganda, Madagascar, Rwanda, Nigeria, Ghana, Sierra Leone, Canada and Italy.

## 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 2012-13 and the date of this report.

## NEW PRODUCTS AND SERVICES DEPLOYED IN THE YEAR 2012-13

### (a) Full Track Music Store

OnMobile launched a new music product – The Full Track Music Store – for two Indian operators. This product is available as a mobile site and is also present on Interactive Voice Response (IVR). The users can access the Full Track (FT) store and browse/download full songs by subscribing to the store or on a pay per consume model. A new team is currently in place to build/manage the digital content stores for operators across the globe. The first role out is expected to happen in June for Telefonica, a major operator in Spain.

### b) GreatBuyz

An exciting new product – GreatBuyz – was developed to bring paid and free deals to mobile phone as an aggregation service. GreatBuyz is the only deal product, live across all mobile channels including WAP, Android client, USSD, SMS and CBC. OnMobile launched this with two large Indian operators, Idea and BSNL, and has on-boarded several large deal players. The Company

is currently concentrating on extending the product to other Indian operators and partnering with several international telecom operators to explore launch opportunities in countries like Spain, Italy, Bangladesh, Sri Lanka, Egypt, etc.

### c) m-Health - Project Ananya with BBC Media Action

OnMobile partnered with BBC Media Action to provide the technical platform to run Mobile Academy, an IVR training course that enables the health workers to expand their knowledge of life saving maternal and child health behaviours. The project which is sponsored and supported by the Bill & Melinda Gates Foundation, was developed in collaboration with Bihar government. OnMobile's platform also powers Mobile Kunji, another BBC Media Action service that allows health workers to playback information about maternal and child health via their mobile phones. BBC Media Action are discussing the possibility of expanding similar services to other states in the country, starting with Odisha.

### d) m-Governance

OnMobile collaborated with the Centre for e-Governance - Government of Karnataka, to launch pilot phase of the mobile governance services for Karnataka citizens. OnMobile provided the underlying technology platform for helping design, develop and manage these services over mobile, across channels such as Interactive Voice Response (IVR), Unstructured Supplementary Service Data (USSD) and mobile browsers or WAP including an offer of payment channels for utility services like credit card, IMPS and mobile wallet. The service, initiated in January 2013, spanned informational, interactive and transactional services - Sakala, helpline numbers and access, utility bill payments, etc.

### e) OnMobile Cloud Platform

The OnMobile Cloud platform (version 8) was released with new modules and additional features. Synchronization is one of the key pillars of Personal Cloud and a new synchronization engine, that enables real-time notification on multiple end-points, was released. The award-winning Network Address Book was complemented with 2 new modules - the Central Message Store and the Call Log Cloud – which allows users to store, manage, access their SMS, MMS and call logs on any screen.

### f) RBT

OnMobile's flagship product, RBT, has made great strides over the last one year and we have several innovations in this space, enabling us into becoming globally dominant player. The new launches in this



sector include RBT Handset App, RBT Lottery, RBT Touch/Non Touch Smartphone web page, Record my Own with Karaoke and Like RBT. Innovations and feature developments include Night Callertunes, Personalized Pre-RBT, Recommendation RBT, Built WAP over WIFI and RBT+RRBT Integrated Model.

Other deployments (tailored to the following geographies):

India	<ul style="list-style-type: none"> <li>• RBT Handset App</li> <li>• Night Callertunes</li> <li>• New RBT website</li> <li>• RBT WAP for Digital Marketing Campaign</li> <li>• New RBT WAP</li> <li>• Personalized Pre-RBT</li> <li>• Like RBT</li> <li>• Recommendation RBT</li> </ul>
Europe	<ul style="list-style-type: none"> <li>• RBT Handset Android App</li> <li>• RBT Handset Client</li> <li>• New web &amp; WAP Storefront</li> <li>• WAP over WIFI</li> <li>• Special Try &amp; Buy Christmas Promotion</li> </ul>
Africa	<ul style="list-style-type: none"> <li>• Record my Own with Karaoke</li> <li>• SRBT App</li> <li>• WAP</li> <li>• Contest Integration GUI</li> </ul>
LatAm	<ul style="list-style-type: none"> <li>• RBT Handset Client</li> <li>• RBT Lottery Contest</li> <li>• RBT Touch/Non Touch Smartphone web page</li> </ul>
SAARC & ME	<ul style="list-style-type: none"> <li>• New RBT website</li> <li>• RBT+RRBT Integrated Model</li> </ul>

## 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, Du, Idea and Telefonica Latin America Client Delivery Units, System Integration and support functions. The Company's various products/services are subjected to periodic and rigorous assessments by reputed external assessors.

## 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.

All key business support processes in the organization are automated, integrated and deployed globally across geographies. This, along with dashboards for senior management, has provided increased visibility and availability of key metrics for compliance across processes. Additionally, specialized tools have been deployed for increased efficiency in the sales, software product development and delivery lifecycle. The Global NOC allows for efficient monitoring of applications and infrastructure across all deployments. The Company has renewed its focus on knowledge management and collaboration, which are resulting in greater innovation.

## INFRASTRUCTURE

As of March 31, 2013, 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, and Dar es Salam.

Registered office of the company is shifted from No. 26, Bannerghatta Road, JP Nagar, 3rd Phase, Bangalore- 560076 to E City, Tower - 1, No. 94/1C & 94/2, Veerasandra Village, Attibele Hobli, Anekal Taluk, Electronic City Phase -1, Bangalore - 560100.

## 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 the financial year, OnMobile has net addition of 29 employees. Our head count, as a result, stands at 1664 as on March 31, 2013.

Today, we are a multicultural company with employees from all across the globe creating a vibrant & dynamic work environment.

### Talent Acquisition

Our vision of “Making a large scale positive impact on people through mobile” has been the fabric of our vision and we try to recruit people who believe in this philosophy through our stringent selection process. Our goal is to attract the best talent around the globe. We continue to hire a diverse workforce and 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. This year we added 45 campus hires into our workforce from top MBA and engineering campuses across India.

### Processes

With a pursuit towards streamlining and simplifying HR processes, we have automated & enhanced the recruitment, immigration & performance management systems, thereby reducing turnaround time & improving productivity. We continue to review HR processes on a periodic basis and create a benchmark in the VAS industry

### 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.

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. With this mandate, in the year 2012-2013, we conducted training programs across organization covering approximately 713 employees.

### 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

OnMobile has R&D centers based in India and in France. The fact that approximately a third of our employees are dedicatedly working on R&D initiatives at these locations re-emphasizes our focus on innovation and technological excellence. Our RBT, Data and other VAS offerings reach out to over 200 million unique consumers globally.

#### Data Analytics and Business Intelligence

Winning in the VAS space requires considerable investment in understanding consumer behaviour, needs, and spending capacity – and these profiles and trends vary significantly across geographies. We now live in the world of “Big Data” and your company is investing in building technologies to handle large amounts of data, distill insights that help drive growth. Our predictive models are helping drive retention or usage programs.

Our “Consumer Connect” initiative focuses on gathering insights into consumer behaviour and their mobile usage in the fast changing digital world. These insights help our product teams to build create new innovative services and services that drive higher adoption.

#### Product Innovation

The telecom world globally is focussed on driving mobile data usage. The emergence of the Smartphone in the last few years has significantly changed consumer behaviour of how they discover, adopt and use mobile services.

We are evolving several of our key products and creating new products for consumers in the new world driven by mobile data. We firmly believe that future of telecom communications will be carried out in Cloud-centric environment and we are working with telecom operators to evolve their systems into the communications cloud. The communications cloud will enable

operators to take to market a new range of innovative services and links into their existing RCS or WebRTC initiatives.

As more consumers adopt smart phones, we are launching applications for Ringback Tones, Full Track Music, Football, etc that will enable new experiences for our consumers.

#### **The Bottom Billion**

While delivery of services with new experiences on Smartphones is very important, we cannot ignore the 3 billion consumers in emerging markets that still do not use data and carry a simple feature or ultra low cost phone. OnMobile continues to invest in creating technology and engaging services that can be delivered to this target group on even the most basic handsets. We are also investing in creating life impacting services in areas like agriculture, healthcare and education. We work closely with the social services sector and government to help take these services effectively to the market.

#### **Lowering Costs & Increasing efficiency**

OnMobile's Platforms for VAS services have been time-tested and validated globally for their scalability, security and stability. Our platforms have consistently been upgraded to support the latest developments in the hardware and software areas. We have evolved from basic Time Division Multiplexing (TDM) systems to support Optical Interconnects and IP based systems. These have both increased density per deployed rack and lowered overall deployment costs. We are also reducing the number of hardware servers by adopting technologies like virtualization. Our current scalability program aims to reduce the cost per deployment by more than half within the next 2 years.

OnMobile R&D teams have developed systems and tools that power our Global Network Operations Center (GNOC). This central 24x7 service desk monitors every hardware node that OnMobile has deployed as part of its managed services globally. This helps us catch faults / events and respond within agreed Service Level Agreements (SLA).

#### **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**

Naresh Malhotra, 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**

Arvind Rao has resigned from the Board on July 9, 2012.

#### **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.

#### **OTHER MATTERS**

In respect of the special review called for by the Audit Committee of the Board in May 2012 covering certain transactions initiated under the instructions of the erstwhile CEO, the Board wishes to inform that the final report submitted by our legal advisors confirmed that there was no evidence of commission of an offense that was required to be reported to any judicial or investigating body. The report also confirmed that there was no evidence of misappropriation or personal gain. The report did identify certain weaknesses in the contracting and payment processes which have been strengthened to prevent recurrence.

#### **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 ; Employee Stock Option Plan I, 2011, and Employee Stock Option Plan I, 2012 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 32 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, 2012	3,96,954	-	-	-	4,65,442	7,30,816	1,64,400	22,16,587	3,42,706	1,15,000	14,14,640
Options Granted During the Year	-	-	-	-	-	-	-	6,97,500	-	-	-
Forfeited options re-issued	94,536	-	-	-	32,712	43,028	-	1,27,086	-	-	16,998
Exercised during the year	2,13,512	-	-	-	-	-	-	-	-	-	-
Options Forfeited During the Year	51,090	-	-	-	87,118	2,51,914	-	13,02,423	-	80,000	4,16,878
Options Lapsed during the Year	-	-	-	-	-	-	-	-	-	-	-
Options Granted Outstanding at the End of the Year	2,26,888	-	-	-	4,11,036	5,21,930	1,64,400	17,38,750	3,42,706	35,000	10,14,760
Weighted average exercise price per option (after adjusting for Bonus issue, if applicable)	Not Applicable				61						

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, 2013 would have been lower by Rs.24.61 Million (Previous year Rs.157.22 Million) and Basic and diluted EPS would have been revised to Rs.2.1/- (Previous year Rs 3.0/-) and Rs.2.1/- (Previous year- Rs 2.9/-) respectively as compared to Rs.2.3/- (Previous year Rs 4.3/-) and Rs.2.3/-(Previous year Rs 4.2/-) 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, 2013	March 31, 2012
Foreign exchange earnings	2,251.20	1,506.70
Foreign exchange outgo	1,646.81	1,574.19

#### 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 15, 2013



# Management Discussion and Analysis

## ONMOBILE GLOBAL LIMITED ("OnMobile")

### 1. INDUSTRY OVERVIEW

Almost half the population world over now uses mobile communications. A billion mobile subscribers were added in the last four years bringing the total to 3.2 billion.

#### GLOBAL

The global telecommunications industry is expected to bring in \$2.2 trillion dollars in 2013, about the same as 2012. The number may grow to \$2.7 trillion in 2018 at an average annual growth rate of just 3.8 percent. As per market analysis, wireless business will be the hottest, with revenues growing at 31 percent; but wireline numbers will remain flat until substantial economy recovers around the globe. There are some sectors – Ethernet, cloud and mobile solutions – that will show double-digit annual percentage growth over the period. In North America, wireless revenues will grow by 35 percent and wireline broadband revenues will grow by 19 percent over current levels.<sup>1</sup>

Mobile data traffic will reach the following milestones within the next five years:

- Monthly global mobile data traffic will surpass 10 exabytes in 2017
- The number of mobile-connected devices will exceed the world's population in 2013
- The average mobile connection speed will surpass 1 Mbps in 2014
- Due to increased usage on smartphones, handsets will exceed 50 percent of mobile data traffic in 2013
- Monthly mobile tablet traffic will surpass 1 exabyte per month in 2017
- Tablets will exceed 10 percent of global mobile data traffic in 2015

The Asia Pacific and North America regions will account for almost two-thirds of global mobile data traffic by 2017. Middle East and Africa will experience the highest CAGR of 77 percent, increasing 17.3-fold over the forecast period. Asia Pacific will have the second highest CAGR of 76 percent, increasing 16.9-fold over the forecast period. The emerging market regions of Latin America and Central and Eastern Europe will have CAGRs of 67 percent and 66 percent respectively, and combined with Middle East and Africa will represent an increasing share of total mobile data traffic, up from 19 percent at the end of 2012 to 22 percent by 2017.

By the end of 2013, the number of mobile-connected devices will exceed the number of people on earth,

and by 2017 there will be nearly 1.4 mobile devices per capita. There will be over 10 billion mobile-connected devices in 2017, including machine-to-machine (M2M) modules-exceeding the world's population at that time (7.6 billion). By 2017, 41 percent of all global mobile devices and connections could potentially be capable of connecting to an IPv6 mobile network. Over 4.2 billion devices and connections will be IPv6-capable in 2017.<sup>2</sup>

Emerging markets are the major engines of mobile connection and subscriber growth – in particular Asia Pacific will add nearly half of all new connections between now and 2017 (1.4 billion) and will remain at just under 50% of both global connections and subscribers. Latin America and Africa combined will add the next 20%, representing 595 million new connections.

While non-smartphones have the largest share of all mobile devices and connections, after 2015 the number of overall non-smartphones in use will start declining for the first time. While Asia-Pacific and Middle East and Africa will still show a low single digit growth for non-smartphones, all other regions will experience a decline. The highest decline will be experienced by North America (negative CAGR of 37 percent) and Western Europe.

Two-thirds of the world's mobile data traffic will be video by 2017.

The global telecom services market will continue to be the largest IT spending market in 2013 according to Gartner.

#### India

One of the major drivers of development in India, the telecom industry, has witnessed an exponential growth in the past few years and this sector is expected going to boom in the coming years. Smartphones and smarter networks have made it easier to communicate between communities of connected users.

India's mobile services market will reach INR 1.2 trillion in 2013, 8% increase from INR 1.1 trillion in 2012. Active mobile connections will grow to 770 million in 2013, 11% increase from 712 million in 2012.

A recent report from IAMAI found that the number of mobile Internet users in India is expected to nearly double between December 2012 and March 2014, from 87.1 million to nearly 165 million.<sup>3</sup>

As mobile voice services continue to get commoditized in the country with the increased use of voice over IP (VoIP) and the probable termination of national roaming charges, mobile broadband is the area of opportunity for operators. While social and video apps are doing extremely well in India, feedback from industry stakeholders is that it is time to look beyond these and

<sup>1</sup> Insight Research: The 2013 Telecommunications Industry Review: An Anthology of Market Facts and Forecasts

<sup>2</sup> Cisco Visual Networking Index: Global Mobile Data Traffic Forecast Update, 2011–2016

<sup>3</sup> IAMAI report, Beyond the Tip of the Iceberg -The multi-billion dollar Indian MVAS market opportunity – March 2013

deliver apps that can have a sustained business model. Operators need to insert themselves into the value chain of these new apps and services.

The impact of 4G is likely to be significant on the Indian telecom market when most of the Broadband Wireless Access (BWA) license holders will roll out LTE services across the nation in 2013.

### Mobile Value Added Services (MVAS)

Indian mobile VAS market has been growing at a rapid pace and outpaced in all market dimensions. Apart from subscriber's base growth, various other factors including innovation, scale, value chain supremacy, and insight into the evolving VAS user base supported VAS players to achieve astonishing revenue results.

According to a joint report by Wipro and The Internet and Mobile Association of India (IAMAI), titled "Future Thought of Business (FTOB): MVAS", the Indian MVAS market will grow at a CAGR of 25% between 2012 and 2015 to reach US \$9.5 billion in 2015, from an estimated US \$4.9 billion in 2012. While the basic informational mobile services are set to decline, consumers are expected to increasingly purchase education, health, finance and entertainment services.

mEntertainment is considered to be largest contributor to operators' MVAS revenues and provides significant opportunities in vernacular content, on-demand music and video content and live TV shows and events. On the other hand, mEducation can play a key role in expanding the reach and quality of education in India. mHealth has also the potential to improve healthcare access and affordability in India especially through remote diagnostics, chronic disease management and maternal care.

MVAS adoption is not limited to entertainment services – there lies a strong consumer interest in MVAS but reality still remains that majority of India's consumers use only basic and free data. Because mobile video content has much higher bit rates than other mobile content types, mobile video will generate much of the mobile traffic growth through 2017. Mobile video will grow at a CAGR of 75 percent between 2012 and 2017, the highest growth rate of any mobile application category that we forecast. Of the 11.2 exabytes per month crossing the mobile network by 2017, 7.4 exabytes will be due to video.

## 2. OPPORTUNITIES AND CHALLENGES

There are still many people who would appreciate the social and economic benefits of mobile technology but are unable to access it, underlining a huge opportunity for future growth and a challenge to the ecosystem to expand the scope of products and services to tap this demand.

### Opportunities

- Machine to machine (M2M) technologies which allows wireless and wired systems to communicate with other devices has developed from one-to-one connection and has changed into a system of networks.

M2M is set to grow while developed markets' connection and subscriber growth is slowing – subscriber numbers are forecast to grow at just 1% p.a. between now and 2017 in Europe and North America due to market maturity. However, total connections will grow at 9% and 10% p.a. respectively – faster than in emerging markets – due to strong m2m connections growth (1.2 billion connected devices by 2017 according to GSMA Wireless Intelligence).

Although it is in a nascent stage in India currently, there is immeasurable growth opportunity ahead. Cellular operators who are looking at new and profitable services will benefit immensely as M2M will provide additional revenue streams to these providers. The need to reduce losses and improve cost efficiency for service providers in India will be the key drivers for M2M growth. Going forward, it is expected to play a significant role in bridging new business opportunities and connections across different domains.

- 4G is also likely to bring in added non-voice revenues. However, Indian telecom operators have to offer cost effective 4G services in order to increase the subscriber base in 2013. 4G access should augment across the world so that equipment prices will come down.
  - The key driver of data consumption growth today is video content. It is expected that by 2015, video streaming will be accountable for nearly 60 percent of all data traffic.
  - Mobile network operators are developing a strong value proposition outside of non-core services and products and collaborating with the wider ecosystem to deliver new and innovative services to users.
- Mobile operators are developing new collaboration models – both with other parts of the mobile ecosystem and with each other – to seek out win-win opportunities to deliver innovation for the customer.
- Other parts of the ecosystem are also dynamic and evolving – OEMs and OS players are driving innovation through the race to differentiate themselves, infrastructure stakeholders are driving new efficiencies in the race to support the demand of tomorrow and content providers are harnessing the new hardware and software innovations to deliver their own innovative services and products to the consumer.

- Connected living – utilities, automotive and transport, health, education, smart cities, Cloud Computing is expected to emerge as a major disruptive force for IT users in the coming year and will continue to evolve rapidly as it brings along with lot of opportunities.

### Challenges

- With the growth in mobile VAS industry, mobile subscriber's demand for data rich VAS and user centric VAS is advancing fast. At present, there are not enough incentives available for content developers to create innovative content. If better VAS has to be offered, it is necessary to offer enough incentives to non-operator segment of the ecosystem.
- The mobile telecom industry is challenged by decreasing Average Revenue Per User (ARPU) given the huge subscriber base but high expected future adoption rate of MVAS could help in increasing the ARPU.
- MVAS today are perceived to lack customization and are easily replaced with freely available options.
- Increasing regulatory costs for incumbent and new operators is considered to be a dampener for the industry. The cancellation of telecom licences and muted response to their re-auction have resulted in consolidation in industry.

### 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 59 countries each month. With our diverse product portfolio of Mobile Music, Cloud and Data solutions, Voice portals, M-Commerce products and services, we contribute 2 – 4% of topline revenues for our top customers and generate approximately \$1 billion for our customers in revenues and have executed complex projects worldwide consistently. 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 revenue for Q4 FY 2013 was Rs. 1,841 million, a 3.7% increase compared to a year ago and the net revenue increased by 13.7% to Rs. 7,253 million. Robust growth in international business continued with international revenues at Rs. 4,409 million (up by 55.1%), driven by strong performances in LatAm (up 135.7%), Africa (up 105.3%) and Europe (up 48.4%). India revenues were affected by financial and regulatory pressures in the Indian telecom industry and declined by 19.6% to Rs. 2,845 million, however witnessed stability in the last quarter.

OnMobile Global Ltd offers a variety of products that meet the needs of customers across all geographies by tapping into user trends such as mobile music, voice and social networking.

OnMobile was founded in 2000 and has over 1800 employees spread across India, U.S., LATAM, Africa, Australia, Middle East and Europe. OnMobile offers services in 59 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 expansion in international geographies and is always on lookout to explore new opportunities for growth. Established as global pioneers in the realm of MVAS, the Company ensures that the multitude of risks are undertaken 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 revenue and product planning, 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 based upon revenue share. Therefore, the revenue accrues to the Company only if 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 customer acceptance of its application services along with the subscription rate, that is largely dependent on the pricing of the services, product placement, and promotional 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 believes that its products are well placed on its customers' menus and websites. Further, the Company will continue to invest in research and development to remain at the forefront of latest development in the telecommunication industry.

The Company aims to develop and roll out 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 with lower levels of ARPU. The Company has invested resources in understanding consumer needs and their spending pattern in order to increase the penetration level 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 organizational 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 2012-13

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 2012-13 includes figures of OnMobile Global Spain S.A., OnMobile Uganda Telecom Limited, OnMobile Zambia Telecom Limited, OnMobile Madagascar Telecom Limited, OnMobile Rwanda Telecom Limited, OnMobile Nigeria Telecom Limited, OnMobile Tanzania Telecom Limited, OnMobile Ghana Telecom Limited, OnMobile Telecom (SL) Limited, OnMobile Global Solutions Canada Limited and OnMobile Global Italy SRL formed during the year. This also includes figures of Mobile Voice Konnect Private Limited, which has not commenced operations during the year.

## RESULT OF OPERATIONS

(in Rs. Million except EPS)

	FY 2012-13	% of Total Revenue	FY 2011-12	% of Total Revenue	Growth %
<b>Revenue from operations</b>					
Telecom Value Added Services	7,252.69	-	6,380.14	-	14
Other Income	220.42	-	676.41	-	-67
<b>Total Revenue</b>	<b>7,473.11</b>	<b>-</b>	<b>7,056.55</b>	<b>-</b>	<b>6</b>
Cost of Sales and Services	1,115.57	15	1,361.57	19	-18
Employee Benefits expense	2,890.52	39	2,312.37	33	25
Finance costs	27.00	0	31.26	0	-14
Depreciation and amortisation expense	986.20	13	840.24	12	17
Other expenses	1,753.06	23	1,306.87	19	34
<b>Total Expenses</b>	<b>6,772.35</b>	<b>91</b>	<b>5,852.31</b>	<b>83</b>	<b>16</b>
<b>Profit before tax</b>	<b>700.76</b>	<b>9</b>	<b>1,204.24</b>	<b>17</b>	<b>-42</b>
Provision for taxation	228.99	3	373.30	5	-39
<b>Profit for the year</b>	<b>471.77</b>	<b>6</b>	<b>830.94</b>	<b>12</b>	<b>-43</b>
Profit attributable to Consolidated group	471.77	6	830.94	12	-43
EPS- Basic	4.1	-	7.1	-	-
EPS –Diluted	4.1	-	7.0	-	-



## 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 2012-13 was Rs.7,252.69 million as against Rs.6,380.14 million for FY 2011-12, thus recording a growth of 14%. High growth in International markets like Latin America and Africa driven by launch of new customers and expansion of subscriber base has offset the de-growth on the domestic front.

We continue to focus on our long term de-risking strategy of shifting our revenue concentration from India away to different geographies.

The segmentation of revenue by geography is as follows:

(In Rs. Million)

	FY 2012-13	% of Total Revenue	FY 2011-12	% of Total Revenue	Growth %
India	2,842.60	39	3,536.97	55	(20)
Outside India	4,410.09	61	2,843.17	45	55
<b>Total Revenue</b>	<b>7,252.69</b>		<b>6,380.14</b>		<b>14</b>

## 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 decrease in the Other Income earned in the current FY 2012-13, it was Rs.220.42 million as compared to Rs.676.41 million in the FY 2011-12. The Other Income in FY 2011-12 was higher due to sale of higher stake in Ver se Innovation Private Limited as compared to the current year.

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

## 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, royalty 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 FY 2012-13, the cost of sales and services was Rs.1,115.57 million as against Rs.1,361.57 million incurred in FY 2011-12. Better domestic and international revenue mix and better contractual management for content and other direct costs has resulted in lower cost as compared to the previous year.

(In Rs. Million)

	FY 2012-13	% of Total Revenue	FY 2011-12	% of Total Revenue	Increase %
Content fee	698.74	9	825.56	12	(15)
Cost of software development and other charges	416.83	6	536.01	8	(22)
<b>Cost of Sales and Services</b>	<b>1,115.57</b>	<b>15</b>	<b>1,361.57</b>	<b>19</b>	<b>(18)</b>

## Employee Benefits Expense

Employee Benefits Expense comprise 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 2012-13, the group incurred a cost of Rs.2,890.52 million as against Rs.2,312.37 million in the FY 2011-12 thus, representing an increase of 25% 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 certain geographies like Europe and Africa.

The total employee strength as on March 31, 2013 was 1664 which included a net addition of 29 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.

## Finance Charges

The Finance Charges 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 2012-13, the Company incurred Finance Charges of Rs.27.00 million as compared to Rs.31.26 million in FY 2011-12.

### Depreciation and Amortisation

The group provided a sum of Rs.986.20 million and Rs.840.24 million towards Depreciation and Amortisation for the FY 2012-13 and FY 2011-12, respectively, thus representing a growth of 17% 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.
- Higher Amortization of market development and deployment rights in the FY 2012-13 as compared to the previous year.

Depreciation and 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 and Amortization as a percentage of average gross block is 14% and 13% for the years ended March 31, 2013 and 2012, respectively.

### Other Expenses

In the FY 2012-13, Other Expenses increased by 34% to Rs.1,753.06 million as against Rs.1,306.87 million incurred in FY 2011-12. The break- up of the expenses is as follows:

In Rs. Million

	FY 2012-13	% of Total Revenue	FY 2011-12	% of Total Revenue	Increase%
Travelling and Conveyance	350.24	5	315.83	4	11
Rent and other facilities cost	296.71	4	296.61	4	0
Legal, professional & consultancy charges	234.22	3	169.45	2	38
Rates and taxes	271.70	4	122.95	2	121
Communication charges	137.52	2	114.30	2	20
Marketing Expenses	64.33	1	68.00	1	-5
Others	398.34	5	219.73	3	81
<b>Total</b>	<b>1,753.06</b>	<b>23</b>	<b>1,306.87</b>	<b>19</b>	<b>34</b>

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

- Travelling and Conveyance/Communication Charges: Increase in travel and communication expenses is on account of increase in business activity and geographical spread.
- Legal, Professional & Consultancy Charges: The Group had engaged consultants at various new geographic locations to take care of book-keeping, tax, legal and statutory compliances, which has resulted in higher cost during the year.
- Rates and Taxes: Impact on account of levy of local taxes in few of our international locations.
- Others: Mainly due to loss on account of foreign currency transactions and translations.

### Profit before Tax

The Profit before Tax of Rs.700.76 million in the current FY 2012-13, as compared to Rs.1,204.24 million earned during the previous year, represents a 42% decline over the previous year.

### Provision for Taxation

The amount provided for taxation in the current year is Rs.228.99 million as against Rs.373.30 million provided in FY 2011-12, thus representing 33% and 31% of Earnings before Tax, respectively. The amount includes international taxes.

### Profit for the year

The Profit after Tax of Rs.471.77 million in the current FY 2012-13, as compared to Rs.830.94 million earned during the previous year, represents a 43% decline from the previous year.

## FINANCIAL CONDITION

### Share Capital

The Authorized Share Capital of the group 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.

As at March 31, 2013, the group has 114,152,822 equity shares of Rs 10/- each as Issued, Subscribed and Paid-up Capital which decreased from 115,003,310 equity shares of Rs 10/- each as at March 31, 2012. The decrease was consequent to buyback of 1,064,000 equity shares during the year. The decrease is partly offset by allotment of 213,512 fully paid up Equity Shares of Rs.10/- each in pursuance of stock options exercised during the year.

## Reserves and Surplus

A summary of the Reserves and Surplus is given below:

	In Rs. Million	
	As at March 31, 2013	As at March 31, 2012
Capital Redemption Reserve	40.00	29.36
Securities premium	3,394.22	3,439.65
Stock Option outstanding	0.44	0.44
General Reserve	13.20	-
Foreign Currency Translation Reserve	45.27	38.53
Surplus in Statement of Profit and Loss	4,455.54	4,196.06
<b>Total</b>	<b>7,948.67</b>	<b>7,704.04</b>

The decrease in securities premium account of Rs.45.43 million during the year is the net adjustment of receipt on exercise of stock options 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, 2013 is Rs.4,455.54 million.

The total Net Worth of the group as March 31, 2013 is Rs.9,090.20 million with the book value of each share being Rs.80. The corresponding numbers for the previous FY are Rs.8,854.07 million and Rs.77 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 the deferred tax liability of the Company and as on March 31, 2013 is Rs.32.26 million as compared to Rs.75.89 million as on March 31, 2012. The Deferred Tax Asset represents the deferred tax assets of the subsidiaries and as on March 31, 2013 is Rs.31.26 million as compared to Rs.0.61million as on March 31, 2012.

## Long-term provisions

The Long-term Provisions outstanding as on March 31, 2013 are Rs.147.40 million as compared to Rs.143.37 million as on March 31, 2012, thus representing an increase of Rs.4.03 million. The increase is primarily on account of increase in provision for employee benefits.

## Non-Current Liabilities

The Non-Current Liabilities outstanding as on March 31, 2013 are Rs.182.26 million as compared to Rs.224.65 million as on March 31, 2012, thus representing a decrease of Rs.42.39 million.

## Current Liabilities

The Current Liabilities outstanding as on March 31, 2013 are Rs.3,745.61 million as compared to Rs.3,333.29 million as on March 31, 2012, thus representing an increase of Rs.412.32 million. Increases in deferred payment liability towards purchase of market development and deployment right for value-added services and other Trade Payables contribute to the increase in Current Liabilities which is partially offset by repayment of short-term loans.

## 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 were made.

The Goodwill as on March 31, 2013 is Rs.2,046.26 million.

## Fixed Assets

The Company incurred an amount of Rs.960.18 million (Rs.540.42 million in the previous year) as capital expenditure in the FY 2012-13. Addition to the gross block mainly comprises of additions to computers and electronic equipment, software and market development and deployment rights consequent to expanding operations.

## Non-current Investments

The decrease in Non-current Investment to Nil as at March 31, 2013 from Rs.206.94 million as at March 31, 2012 was due to regrouping of investment in money market securities of Rs. 200 million to Current Investment and sale of balance investment in Ver Se Innovation Private Limited.

## Long-term loans and advances

The Long-term Loans and Advances recoverable as on March 31, 2013 are Rs.1,071.69 million as compared to Rs.594.73 million as on March 31, 2012, thus representing an increase of Rs.476.96 million. The increase is primarily on account of Advance Income Tax, Tax deducted at source and withholding taxes during the year.

### Current Investments

The Increase in short-term investment to Rs.337.30 million as at March 31, 2013 from Rs.221.03 million as at March 31, 2012 was due to regrouping of investment in money market securities Rs.200 million from Non-current Investment and offset by redemption of money market securities.

### Trade receivables

The Trade Receivables (net of Provision for Doubtful Trade Receivables) amount to Rs.1,786.87 million as on March 31, 2013 as against Rs.1,754.67 million as on March 31, 2012.

Below is the ageing of Trade receivables:

	As at March 31, 2013	As at March 31, 2012
Less than 6 months	1,468.32	1,562.06
More than 6 months	318.55	192.61

### Cash and cash equivalents

The Cash and Cash Equivalents as on March 31, 2013 were Rs.1,671.37 million as against a balance of Rs.2,013.69 million as on March 31, 2012. The decrease in balance is the result of repayment of short-term loan for working capital requirement and payment of dividend during FY 2012-13.

### Short-term loans and advances

The short-term loans and advances outstanding as on March 31, 2013 is Rs.874.67 million as compared to Rs.796.24 million outstanding as on March 31, 2012, thus representing an increase of Rs.78.43 million.

### Other current assets

The Other current assets outstanding as on March 31, 2013 are Rs.1,668.48 million as compared to Rs.1,133.47 million outstanding as on March 31, 2012, thus representing an increase of Rs.535.01 million.

The increase is resulting from:

- Increase in unbilled revenue to Rs. 1,572.98 million as of March 31, 2013 from Rs.1,051.58 million as of March 31, 2012, which is because of new launches in multiple geographies in the last one year.
- Increase in receivables on sale of fixed assets.

## 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.

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. With this mandate, in the year 2012-2013, we conducted training programs across organization covering approximately 713 employees in these trainings.

## 8. CORPORATE SOCIAL RESPONSIBILITY

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.

## 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.

# INDEPENDENT AUDITORS' REPORT

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## TO THE MEMBERS OF ONMOBILE GLOBAL LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of ONMOBILE GLOBAL LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 comply with the Accounting Standards referred to in Section 211(3C) of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March, 2013 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

Bangalore, 15 May, 2013

V. SRIKUMAR  
Partner  
Membership. No. 84494



# ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

TO THE MEMBERS OF ONMOBILE GLOBAL LIMITED FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013

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

- (i) Having regard to the nature of the Company's business/activities/results during the year, clauses i(c), ii, iii(b) to (d), iii(f) and (g), vi, viii, xii, xiii, xiv, xix and xx of paragraph 4 of the Order are not applicable to the Company.
- (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 covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (iv) 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 major weakness in such internal control system. The Company's operations during the year did not entail purchases 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 45 forming part of the financial statements. The compounding application filed by the Company in respect of the above is pending approval from the Registrar of Companies.
  - (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, other than certain purchases which are of a special nature for which comparable quotations are not available
- (vi) In our opinion, the internal audit functions carried out during the year by an external agency appointed by the Management have been commensurate with the size of the Company 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 statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs 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 of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears, as at March 31, 2013 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, Customs Duty, Excise Duty and Cess which have not been deposited as on March 31, 2013 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount (Rs. in Million)
Karnataka Value Added Tax Act / Central Sales Tax	Value added tax, interest and penal interest	Karnataka Appellate Tribunal Bangalore	2002-05	32.92
Income Tax Act, 1961	Income tax	Commissioner (Appeals)	AY 2009-10	36.47
Income Tax Ordinance, 1984, Bangladesh	Income tax	Tribunal	AY 2010-11	17.28
Income Tax Act, 2004, Tanzania	Income tax	Commissioner, Tanzania Revenue Authority	Year ended December 31, 2011	3.41
Chapter V, Finance Act, 1994	Service tax	Customs Excise & Service Tax Appellate Tribunal (CESTAT)	2006-07 to 2008-09	5.52

- (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 of the Company, we report that funds raised on short-term basis have, prima facie, 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, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

Bangalore, May 15, 2012

V. SRIKUMAR  
Partner  
Membership. No. 84494

# BALANCE SHEET

		In Rs. Million	
	Notes	As at March 31, 2013	As at March 31, 2012
<b>EQUITY AND LIABILITIES</b>			
Shareholders' Funds:			
Share capital	2	1,141.53	1,150.03
Reserves and Surplus	3	7,221.78	7,191.83
		<b>8,363.31</b>	<b>8,341.86</b>
Non-Current Liabilities			
Long-term borrowings	4	2.60	5.39
Deferred tax liabilities (net)	35a	23.74	67.60
Long-term provisions	5	121.72	123.47
		<b>148.06</b>	<b>196.46</b>
Current Liabilities			
Short-term borrowings	6	307.48	630.31
Trade payables	7	1,806.13	1,742.72
Other current liabilities	8	846.63	464.49
Short-term provisions	9	379.78	340.98
		<b>3,340.02</b>	<b>3,178.50</b>
<b>TOTAL</b>		<b>11,851.39</b>	<b>11,716.82</b>
<b>ASSETS</b>			
Non-Current Assets			
Fixed assets			
Tangible Assets	10	559.06	751.92
Intangible Assets	10	2,585.07	2,693.81
Capital work-in-progress		126.91	66.68
		<b>3,271.04</b>	<b>3,512.41</b>
Non-current investments	11	2,624.27	2,767.60
Long-term loans and advances	12	1,047.71	594.67
Current Assets			
Current investments	13	295.40	166.77
Trade receivables	14	1,114.37	1,196.90
Cash and cash equivalents	15	1,077.87	1,520.79
Short-term loans and advances	16	1,273.93	991.46
Other current assets	17	1,146.80	966.22
		<b>4,908.37</b>	<b>4,842.14</b>
<b>TOTAL</b>		<b>11,851.39</b>	<b>11,716.82</b>
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

**Chandramouli J**  
Managing Director

**H. H. Haight IV**  
Director

**V. Srikumar**  
Partner

**Rajesh Kunnath**  
Chief Financial Officer

**P V Varaprasad**  
Company Secretary

Place: Bangalore  
Date : May 15, 2013

Place: Bangalore  
Date: May 15, 2013

# STATEMENT OF PROFIT AND LOSS

(In Rs. Million except per share data)

	Notes	For the year ended March 31, 2013	For the year ended March 31, 2012
<b>REVENUE FROM OPERATIONS</b>			
Telecom Value Added Services		4,664.28	4,998.33
Other Income	18	595.35	624.62
<b>Total Revenue (A)</b>		<b>5,259.63</b>	<b>5,622.95</b>
<b>EXPENSES</b>			
Cost of Sales and Services	19	1,011.27	1,212.73
Employee Benefits expense	20	1,545.41	1,318.76
Finance costs	21	22.64	30.22
Depreciation and amortisation expense	10	922.68	823.92
Other expenses	22	1,406.20	1,436.79
<b>Total expenses (B)</b>		<b>4,908.20</b>	<b>4,822.42</b>
<b>Profit before tax (C) = (A-B)</b>		<b>351.43</b>	<b>800.53</b>
<b>TAX EXPENSE / (BENEFIT)</b>			
Current Tax expense		131.46	295.57
Minimum Alternate Tax (MAT) credit entitlement		-	(6.85)
Current Tax expense relating to prior years		-	14.45
Deferred tax		(43.86)	(5.46)
<b>Net tax expense (D)</b>		<b>87.60</b>	<b>297.71</b>
<b>Profit for the year (E) = (C-D)</b>		<b>263.83</b>	<b>502.82</b>
<b>EARNINGS PER SHARE</b>	34		
1. Basic (Face value of equity share of Rs 10/- each)		2.3	4.3
2. Diluted (Face value of equity share of Rs 10/- each)		2.3	4.2
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

For and on behalf of the Board of Directors

**Chandramouli J**  
Managing Director

**H. H. Haight IV**  
Director

**V. Srikumar**  
Partner

**Rajesh Kunnath**  
Chief Financial Officer

**P V Varaprasad**  
Company Secretary

Place: Bangalore  
Date: May 15, 2013

Place: Bangalore  
Date: May 15, 2013



# CASH FLOW STATEMENT

	(In Rs. Million)	
	For the year ended March 31, 2013	For the year ended March 31, 2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	351.43	800.53
Adjustments for :		
Depreciation and amortisation	922.68	823.92
Unrealised Foreign Exchange Loss/(Gain)	16.44	42.33
Loss/(Gain) on Sale of Fixed Assets (Net)	(7.76)	(1.45)
Loss/(Gain) on sale of Investment (Net)	(47.32)	(466.42)
Provisions no longer required written back	-	(2.40)
Bad Trade Receivables	63.60	-
Provision for Doubtful trade receivables (Net)	37.57	36.66
Dividend Income	(28.97)	(13.33)
Finance cost	22.64	30.22
Interest Income	(67.56)	(118.49)
	911.32	331.04
Operating profit before working capital changes	1,262.75	1,131.57
(Increase)/decrease in operating assets:		
Trade receivables	(8.26)	44.25
Short-term loans and advances and other current assets	(456.67)	(549.57)
Long-term loans and advances	46.81	17.63
Increase/(decrease) in operating liabilities:		
Current liabilities and provisions	40.32	281.36
Non-Current liabilities and provisions	(1.75)	60.80
	(379.55)	(145.53)
Cash generated from operations	883.20	986.04
Direct taxes paid (Including refunds)	(599.11)	(172.93)
Net cash generated from operating activities	284.09	813.11
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets including capital advances	(396.25)	(824.37)
Sale of fixed assets	33.60	5.17
Sale, Redemption/ (Purchase) of short term investments (net)	71.37	310.15
Sale, Redemption/ (Purchase) of Long term investments (net)	54.95	285.00
(Purchase) / Sale of Investment in Subsidiaries/ Joint ventures	(64.30)	(22.68)
Loans realised from subsidiary	3.02	-
(Increase)/decrease in earmarked bank balances	255.25	(75.22)
Dividend Income	7.45	13.33
Interest received	99.96	87.50
Net cash (used in) / generated from investing activities	65.05	(221.12)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of Share Capital (net of refund of share application money)	0.09	0.20
Buyback of Equity Share Capital	(43.38)	(195.22)
Repayment of Finance Lease	(17.12)	(30.81)
Proceeds from/ (Repayment of) short term borrowings	(351.68)	333.73
Finance cost	(23.95)	(27.78)
Dividend Paid including tax	(132.42)	-
Net cash (used in) / generated from financing activities	(568.46)	80.12
Net increase/(decrease) in cash and cash equivalents	(219.32)	672.11
Cash and cash equivalents as at March 31, 2012 (Opening Balance)	1,143.83	455.66
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(31.65)	(16.06)
Cash and cash equivalents as at March 31, 2013 (Closing Balance)	956.16	1,143.83
	(219.32)	672.11
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet (Refer Note 15)	1,077.87	1,520.79
Less: Bank balances not considered as Cash and cash equivalents as defined in AS-3	121.71	376.96
Cash and cash equivalents at the end of the year	956.16	1,143.83

In terms of our report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

**V. Srikumar**  
Partner

Place: Bangalore  
Date: May 15, 2013

For and on behalf of the Board of Directors

**Chandramouli J**  
Managing Director

**H. H. Haight IV**  
Director

**Rajesh Kunnath**  
Chief Financial Officer

Place: Bangalore  
Date: May 15, 2013

**P V Varaprasad**  
Company Secretary

# Notes forming part of the financial statements

## 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. 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
Building	61 years
Office equipments	3 years
Computers & Electronic equipments	3 years-5 years
Finance Lease Assets	Primary lease period of 3 years -5 years

Furniture & Fixtures	3 years
Motor Car	3 years
Software	3 years
Intellectual Property Rights	3 years
Market development and deployment rights	Over the term of the agreement

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.

### d. Revenue Recognition

Revenue from Telecom Value Added Services, net of credit notes, 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 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 includes the cost of fixed assets that are not ready for their intended use at the Balance Sheet date.

### f. 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.

# Notes forming part of the financial statements

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.

## g. 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.

## 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 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 13 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, OnMobile Employees Stock Option Plan 2011 and OnMobile Employees Stock Option Plan I, 2012.

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, OnMobile Employees Stock Option Plan 2011 and OnMobile Employees Stock Option Plan I, 2012 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. Borrowing Costs

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.

## 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,

## Notes forming part of the financial statements

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.

### **l. 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.

### **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.

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 or substantively 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.

### **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 based on the available informations.

### **o. Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### **p. 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.

### **q. 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 the financial statements.

### **r. Operating Cycle**

Based on the nature of services / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

# Notes forming part of the financial statements

(In Rs. Million)

	As at March 31, 2013	As at March 31, 2012
<b>2. SHARE CAPITAL</b>		
<b>Authorised:</b>		
149,500,000 Equity Shares of Rs.10 each with voting rights (as at March 31, 2012 - 149,500,000 Equity Shares of Rs.10 each)	1,495.00	1,495.00
500,000 Preference Shares of Rs.10 each (as at March 31, 2012 - 500,000 Preference Shares of Rs.10 each)	5.00	5.00
	<b>1,500.00</b>	<b>1,500.00</b>
<b>Issued, Subscribed and Fully Paid up</b>		
114,152,822 Equity Shares of Rs.10 each fully paid up with voting rights (as at March 31, 2012 - 115,003,310 Equity Shares of Rs.10 each)	1,141.53	1,150.03
	<b>1,141.53</b>	<b>1,150.03</b>

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, 2013		As at March 31, 2012	
	Number of Shares	Amount	Number of Shares	Amount
<b>Equity Shares with voting rights</b>				
Opening balance	115,003,310	1,150.03	58,954,543	589.55
Add: Exercise of Employee Stock Option Plan	213,512	2.14	15,112	0.15
Add : Bonus	-	-	58,969,655	589.69
Less: Buy back	1,064,000	10.64	2,936,000	29.36
<b>Closing balance</b>	<b>114,152,822</b>	<b>1,141.53</b>	<b>115,003,310</b>	<b>1,150.03</b>

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

	Number of Shares	%	Number of Shares	%
<b>Equity Shares with voting rights</b>				
a) OnMobile Systems Inc	39,023,703	34.19	40,507,729	35.22
b) Smallcap World Fund, Inc	-	-	7,184,110	6.25

C) Aggregate Number of shares allotted as fully paid up pursuant to contracts without payment being received in cash, bonus shares and buyback of shares 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 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].
- 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 ended March 31, 2012 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.  
During the year, the Company has completed the above referred buy-back of equity shares and bought back 1,064,000 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. 10.64 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, 2013 are 4,455,470 (at March 31, 2012: 5,846,545).

E) Rights and restrictions attached to equity shares:

The Company has only one class of equity share with voting rights (one vote per share). The dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company the equity shareholders are entitled to receive only the residual assets of the Company. The distribution of dividend is in proportion to the number of equity shares held by the shareholders.



# Notes forming part of the financial statements

	(In Rs. Million)			
	As at March 31, 2013		As at March 31, 2012	
<b>3. RESERVES AND SURPLUS</b>				
<b>Capital Redemption Reserve</b>				
Opening Balance	29.36		-	
Add: Transfer from Securities Premium Account	10.64		29.36	
Closing Balance		40.00		29.36
<b>Securities Premium Account</b>				
Opening Balance	3,439.65		4,224.52	
Add : Received during the year	-		0.17	
Less: Utilised during the year for:				
Transfer to Capital Redemption Reserve	10.64		29.36	
Shares buy back	32.74		165.86	
Bonus shares	-		589.69	
Discount on exercise of eligible stock options	2.05		0.13	
Closing Balance		3,394.22		3,439.65
<b>Stock Options Outstanding</b>		0.44		0.44
<b>General Reserve</b>				
Transfer from Surplus in Statement of Profit and Loss		13.20		-
<b>Surplus in Statement of Profit and Loss</b>				
Opening Balance	3,722.38		3,353.22	
Add : Profit for the year	263.83		502.82	
Add : Reversal of Proposed dividend for earlier year (including tax)	1.24		-	
Less: Appropriations				
Transfer to General Reserve	13.20		-	
Proposed equity dividend (amount per share Rs 1.50 (as at March 31, 2012: Re 1)	171.23		115.00	
Tax on proposed equity dividend	29.10		18.66	
Closing Balance		3,773.92		3,722.38
		<b>7,221.78</b>		<b>7,191.83</b>

	(In Rs. Million)			
	As at March 31, 2013		As at March 31, 2012	
<b>4. LONG TERM BORROWINGS</b>				
<b>Long Term Maturities of Finance Lease Obligation*</b>		2.60		5.39
(Refer Note 30)				
		<b>2.60</b>		<b>5.39</b>

\*Secured by underlying assets acquired under finance lease.

\*Repayable within 24 months, the implicit interest rate is in the range of 9% to 13.50%

	(In Rs. Million)			
	As at March 31, 2013		As at March 31, 2012	
<b>5. LONG- TERM PROVISIONS</b>				
Provision for employee benefits:				
Provision for Compensated Absences		29.05		28.40
Provision - Others		92.67		95.07
Credit Notes (Refer Note 36)				
		<b>121.72</b>		<b>123.47</b>

# Notes forming part of the financial statements

(In Rs. Million)			
	As at March 31, 2013		As at March 31, 2012
<b>6. SHORT TERM BORROWINGS</b>			
Loans (Secured)			
From Banks		307.48	630.31
		<b>307.48</b>	<b>630.31</b>

**Notes:**

- Buyers' Credit Rs.307.48 Million (at March 31, 2012: Rs 300.67 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 Nil (at March 31, 2012: Rs.329.64 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, 2013		As at March 31, 2012
<b>7. TRADE PAYABLE</b>			
Total outstanding dues of micro enterprises and small enterprises (Refer Note 38)		-	3.95
Total outstanding dues of creditors other than micro enterprises and small enterprises.		1,806.13	1,738.77
		<b>1,806.13</b>	<b>1,742.72</b>

(In Rs. Million)			
	As at March 31, 2013		As at March 31, 2012
<b>8. OTHER CURRENT LIABILITIES</b>			
Deferred payment Liability (Refer Note 27)		389.03	36.37
Current Maturities of Finance Lease obligations (Refer Note 30)		10.56	9.40
Interest Accrued but not due on Borrowings		1.65	2.96
Deferred revenue		8.16	11.26
Share application Money (Refer Note 23)		0.24	0.24
<b>Other Payables</b>			
Statutory remittances		110.45	78.16
Payable on purchase of Fixed Assets:			
- Total outstanding dues of micro enterprises and small enterprises (Refer Note 38)		0.28	3.63
- Total outstanding dues of creditors other than micro enterprises and small enterprises		326.26	314.01
Others		-	8.46
		<b>846.63</b>	<b>464.49</b>

(In Rs. Million)			
	As at March 31, 2013		As at March 31, 2012
<b>9. SHORT TERM PROVISIONS</b>			
Provision for employee benefits:			
Provision for Compensated Absences		2.04	1.85
Provision for Gratuity (Refer Note 28)		1.75	7.60
Provision - Others			
Credit Notes (Refer Note 36)		175.66	197.87
Proposed equity dividend		171.23	115.00
Provision for tax on proposed equity dividend		29.10	18.66
		<b>379.78</b>	<b>340.98</b>

# Notes forming part of the financial statements

## 10. FIXED ASSETS

	(In Rs. Million)									
	GROSS BLOCK					DEPRECIATION/ AMORTISATION			NET BLOCK	
	As at April 1, 2012	Additions	Deletions	As at March 31, 2013	As at April 1, 2012	For the year	Deletions	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
<b>Tangible Assets</b>										
Leasehold Improvements	59.92 (46.21)	24.86 (14.39)	45.47 (0.69)	39.31 (59.92)	39.86 (28.59)	20.71 (11.71)	45.10 (0.44)	15.47 (39.86)	23.84 (20.06)	20.06 (17.62)
Building	106.75 (106.75)	-	-	106.75 (106.75)	8.15 (6.40)	1.75 (1.75)	-	9.90 (8.15)	96.85 (98.60)	98.60 (100.35)
Office Equipments	3.15 (3.32)	0.89 (0.07)	0.17 (0.24)	3.87 (3.15)	2.66 (2.40)	0.66 (0.50)	0.16 (0.24)	3.16 (2.66)	0.71 (0.49)	0.49 (0.92)
Computer and Electronic Equipments (owned)	2,250.40	197.87	106.58	2,341.69	1,635.04	342.54	57.25	1,920.33	421.36	615.36
Computer and Electronic Equipments under finance lease	(1,860.26)	(403.99)	(13.85)	(2,250.40)	(1,303.13)	(342.34)	(10.43)	(1,635.04)	(615.36)	(557.13)
	123.57	15.49	0.03	139.03	106.60	16.28	0.03	122.85	16.18	16.97
Furniture and Fixtures	(123.51)	(0.09)	(0.03)	(123.57)	(72.12)	(34.50)	(0.02)	(106.60)	(16.97)	(51.39)
	15.05	0.58	8.17	7.46	14.61	0.28	7.55	7.34	0.12	0.44
	(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	13.74	-	-	13.74	-	-
	(13.74)	(-)	(-)	(13.74)	(13.02)	(0.72)	(-)	(13.74)	(-)	(0.72)
<b>Total Tangible Assets</b>	<b>2,572.58</b>	<b>239.69</b>	<b>160.42</b>	<b>2,651.85</b>	<b>1,820.66</b>	<b>382.22</b>	<b>110.09</b>	<b>2,092.79</b>	<b>559.06</b>	<b>751.92</b>
<b>Previous Year</b>	<b>(2,168.85)</b>	<b>(418.64)</b>	<b>(14.91)</b>	<b>(2,572.58)</b>	<b>(1,439.73)</b>	<b>(392.12)</b>	<b>(11.19)</b>	<b>(1,820.66)</b>	<b>(751.92)</b>	
<b>Intangible Assets</b>										
Softwares	740.25 (573.08)	14.46 (167.17)	-	754.71 (740.25)	545.31 (405.94)	108.06 (139.37)	-	653.37 (545.31)	101.34 (194.94)	194.94 (167.14)
Intellectual Property Rights	181.90 (181.90)	-	-	181.90 (181.90)	108.64 (59.83)	48.81 (48.81)	-	157.45 (108.64)	24.45 (73.26)	73.26 (122.07)
Market Development and Deployment Rights	2,717.09 (2,717.09)	417.26 (-)	-	3,134.35 (2,717.09)	291.48 (47.86)	383.59 (243.62)	-	675.07 (291.48)	2,459.28 (2,425.61)	2,425.61 (2,669.23)
<b>Total Intangible Assets</b>	<b>3,639.24</b>	<b>431.72</b>	<b>-</b>	<b>4,070.96</b>	<b>945.43</b>	<b>540.46</b>	<b>-</b>	<b>1,485.89</b>	<b>2,585.07</b>	<b>2,693.81</b>
<b>Previous Year</b>	<b>(3,472.07)</b>	<b>(167.17)</b>	<b>(-)</b>	<b>(3,639.24)</b>	<b>(513.63)</b>	<b>(431.80)</b>	<b>(-)</b>	<b>(945.43)</b>	<b>(2,693.81)</b>	

Note: Figures in brackets relate to the previous year.

# Notes forming part of the financial statements

	(In Rs. Million)	
	As at March 31, 2013	As at March 31, 2012
<b>11. NON CURRENT INVESTMENTS</b>		
<b>Investments (At Cost)</b>		
<b>Trade Investments (Unquoted) In Equity Shares</b>		
<b>Wholly owned subsidiaries:</b>		
OnMobile Singapore Pte. Ltd., Singapore 4,485,000 (at March 31, 2012: 4,485,000) equity shares of Singapore \$ 1 each, fully paid	154.49	154.49
Pt. Indonesia OnMobile ., Indonesia 1,000 (at March 31, 2012: 1,000) equity shares of USD 100 each, fully paid	4.06	4.06
Onmobile Europe B.V., Netherlands 12,908,844 (at March 31, 2012: 12,908,844) equity shares of Euro 1 each, fully paid	2,207.51	2,207.51
Phonetize Solutions Private Ltd , India 9,999 (at March 31, 2012: 9,999) equity shares of Rs 10/- each, fully paid	0.10	0.10
OnMobile USA LLC, USA 20,100 (at March 31, 2012: 20,100) units of Common Stock of USD 100/- each fully paid	91.51	91.51
Servicios De Telefonía Onmobile Sa De Cv, Mexico 1,829,877 (at March 31, 2012: 1,829,877) equity shares of 1 peso each fully paid	6.86	6.86
OnMobile Global S A, Argentina 2,073,850 (at March 31, 2012: 2,073,850) equity shares of 1 ARS each fully paid	25.63	25.63
OnMobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis Ltda, Brazil 2,365,109 (at March 31, 2012: 352,000) equity shares of 1 BRL each fully paid	65.64	9.59
Share application money pending allotment	-	56.05
OnMobile Global for Telecommunications Services, Egypt 100 (at March 31, 2012: 100) equity shares of 100 EGP each fully paid	0.08	0.08
OnMobile Bangladesh Private Limited 370,000 (at March 31, 2012: 370,000) equity shares of TK 10 each fully paid	2.28	2.28
Onmobile Global Spain, S.L.U. 3,000 (at March 31, 2012: Nil) equity shares of Euro 1 each fully paid	0.21	-

## Notes forming part of the financial statements

	(In Rs. Million)	
	As at March 31, 2013	As at March 31, 2012
OnMobile Kenya Telecom Limited 500,000 (at March 31, 2012: Nil) equity shares of KES 20 each fully paid	41.50	-
On Mobile Zambia 5,000,000 (at March 31, 2012: Nil) equity shares of ZMK 1 each fully paid	8.24	-
OnMobile Madagascar Telecom Limited 10,000 (at March 31, 2012: Nil) equity shares of MGA 100 each fully paid	1.08	-
OnMobile Telecom Limited, Malawi 10,000 (at March 31, 2012: Nil) equity shares of MWK 1 each fully paid	0.81	-
OnMobile Uganda Limited 10,000 (at March 31, 2012: Nil) equity shares of UGX 100 each fully paid	13.51	-
OnMobile Global Italy S.R.L. 10,000 (at March 31, 2012: Nil) equity shares of Euro 1 each fully paid	0.71	-
<b>Joint Venture:</b> Kabuya Marketing Private Limited Nil (at March 31, 2012: 250,000) equity shares of Rs.10 each fully paid	-	2.50
<b>Other entity:</b> Ver Se Innovation Private Ltd, India Nil (at March 31, 2012: 85,420) equity shares of Rs 10 each, fully paid	-	6.94
Mobile Voice Konnect Private Limited 5,000 (at March 31, 2012: Nil) equity shares of Rs 10 each fully paid	0.05	-
<b>Non Trade</b> <b>Investment in mutual funds (Quoted):</b> Kotak FMP Series 82- Growth Nil (at March 31, 2012 –10,000,000) units, Net Asset Value Rs.Nil (at March 31, 2012 –Rs.100.42 Million)	-	100.00
HSBC Fixed Term Series- 86- Growth Nil (at March 31, 2012 –10,000,000) units, Net Asset Value Rs.Nil (at March 31, 2012 –Rs.100.58 Million)	-	100.00
	<b>2,624.27</b>	<b>2,767.60</b>

Aggregate amount of quoted investments Rs Nil (at March 31, 2012: Rs.200 Million); and  
Aggregate amount of unquoted investment Rs 2,624.27 Million (at March 31, 2012 Rs 2,567.60 Million); and  
The market value of quoted investments Rs Nil (at March 31, 2012: Rs 201 Million)



## Notes forming part of the financial statements

(In Rs. Million)

	As at March 31, 2013	As at March 31, 2012
<b>12. LONG - TERM LOANS AND ADVANCES</b>		
(Unsecured, Considered good)		
Capital Advances	37.51	2.29
Security Deposits	54.43	101.35
Loans to Subsidiaries (Refer Note 26)	10.43	12.17
Advances to Employees	3.28	4.45
Advance Income tax (net of provisions of Rs.1,296.23 Million (at March 31, 2012: Rs.1,199.44 Million)	841.79	374.14
MAT Credit Entitlement	99.57	99.57
Fringe Benefit Tax (net of provisions of Rs 70 Million (at March 31, 2012: Rs 70 Million)	0.70	0.70
	<b>1,047.71</b>	<b>594.67</b>

(In Rs. Million)

	As at March 31, 2013	As at March 31, 2012
<b>13. CURRENT INVESTMENT</b>		
Investments in Mutual Funds (Unquoted) at lower of cost and market value		
Birla Sun life Cash Plus-Instl-Daily Dividend -Reinvestment 200,217 (at March 31, 2012 –699,780) units, Net Asset Value Rs.20.06 Million (at March 31, 2012 –Rs.70.11 Million)	20.06	70.11
HDFC Cash Management Fund-Treasure Advantage Plan-Whole-Sale Daily Dividend Option Reinvest 4,985,322 (at March 31, 2012 –Nil) units, Net Asset Value Rs.50.26 Million (at March 31, 2012 –Nil)	50.26	-
ICICI Prudential Liquid super Regular Plan- Daily Dividend 250,775 (at March 31, 2012 –500,324) units, Net Asset Value Rs.25.08 Million (at March 31, 2012 –Rs.50.04 Million)	25.08	50.04
Reliance liquidity Fund Daily Dividend Reinvestment Option Nil (at March 31, 2012 –2,149,826) units, Net Asset Value Rs.Nil (at March 31, 2012 – Rs.21.51 Million)	-	21.51
Reliance Liquidity Fund - Treasury Plan- Institutional Option Daily Div Option Nil (at March 31, 2012 –1,642,450) units, Net Asset Value Rs.Nil (at March 31, 2012 – Rs. 25.11 Million)	-	25.11
<b>Current portion of Long-term Investments</b>		
<b>Investment in mutual funds (Quoted):</b>		
Kotak FMP Series 82- Growth 10,000,000 units, Net Asset Value Rs.110.76 Million	100.00	-
HSBC Fixed Term Series- 86- Growth 10,000,000 units, Net Asset Value Rs.110.75 Million	100.00	-
	<b>295.40</b>	<b>166.77</b>
Aggregate amount of quoted investment Rs 200 Million		
The market value of quoted investments Rs 221.51 Million		

## Notes forming part of the financial statements

(In Rs. Million)			
	As at March 31, 2013		As at March 31, 2012
<b>14. TRADE RECEIVABLES</b>			
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment			
Unsecured, considered good	281.37		133.95
Unsecured, considered doubtful	105.87		62.73
	387.24		196.68
Less: Provision for doubtful Trade receivables	105.87	281.37	62.73
			133.95
Other Trade Receivables			
Unsecured, considered good	833.00		1,062.95
Unsecured, considered doubtful	7.52		13.09
	840.52		1,076.04
Less: Provision for doubtful Trade receivables	7.52	833.00	13.09
			1,062.95
		<b>1,114.37</b>	<b>1,196.90</b>

(In Rs. Million)			
	As at March 31, 2013		As at March 31, 2012
<b>15. CASH AND CASH EQUIVALENTS</b>			
Cash on hand		0.22	0.28
Balances with bank :			
- In Current Accounts (Note 1 below)		578.52	449.66
- In Deposit Accounts		377.42	693.89
- Earmarked Balances			
- Share application money received for allotment of securities and due for refund		0.24	0.24
- Margin money on Bank Guarantees		121.47	376.72
		<b>1,077.87</b>	<b>1,520.79</b>

**Notes:**

- Balances with Banks include Rs 263.80 Million (as at March 31, 2012- Rs 220.02 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.956.16 Million (at March 31, 2012: Rs.1,143.83 Million).

# Notes forming part of the financial statements

(In Rs. Million)

	As at March 31, 2013		As at March 31, 2012	
<b>16. SHORT TERM LOANS AND ADVANCES</b>				
(Unsecured, Considered good)				
Security Deposits		82.57		5.06
Advances to Related Parties (Refer Note 3 below)		680.87		316.27
Prepaid Expenses		82.68		73.33
Balances with Statutory authorities (Refer Note 2 below)		309.74		458.30
Advances to Employees (Refer Note 1 below)		32.27		38.03
Advances to Vendors		85.80		99.11
Others		-		1.36
		<b>1,273.93</b>		<b>991.46</b>
<b>Notes:</b>				
1) Advances to employees include Rs.0.26 Million (at March 31, 2012 Rs.0.64 Million) as travel advance to a director.				
2) Balances with statutory authorities include Rs.146.28 Million (at March 31, 2012: Rs.312.85 Million) paid 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.		155.05		73.72
b) PT OnMobile Indonesia		4.96		4.18
c) Voxmobili S.A.		20.46		98.28
d) OnMobile Europe B.V.		0.03		0.03
e) Servicios De Telefonía OnMobile Sa De Cv		175.37		28.15
f) OnMobile USA LLC.		44.43		12.62
g) OnMobile Brasil Sistemas de Valor Agregado Para Comunicacoes Moveis Ltd		30.90		4.45
h) OnMobile Global SA, Argentina		61.45		-
i) OnMobile De Venezuela C A		33.36		14.71
j) OnMobile Global for Telecommunication Services		98.91		69.05
k) OnMobile Kenya Telecom Limited		6.32		2.38
l) OnMobile Mali SARL		0.58		2.72
m) OnMobile Senegal SARL		0.35		5.17
n) OnMobile Telecom Limited., Malawi		1.34		0.71
o) OnMobile Costa Rica OBCR SA		0.37		-
p) OnMobile Ghana Telecom Limited		1.73		-
q) OnMobile Madagascar Telecom Limited		2.90		-
r) OnMobile Nigeria Telecom Limited		3.23		-
s) OnMobile Rwanda Telecom Limited		2.97		-
t) OnMobile Uganda Telecom Limited		22.50		-
u) OnMobile Zambia Telecom Limited		10.73		-
v) OnMobile Telecom (SL) Limited		1.80		-
w) OnMobile Uruguay S.A		1.13		-
x) Mobile Traffik Pvt. Ltd		-		0.10
		<b>680.87</b>		<b>316.27</b>

(In Rs. Million)

	As at March 31, 2013		As at March 31, 2012	
<b>17. OTHER CURRENT ASSETS</b>				
Unbilled Revenue due from:				
- Subsidiaries (Refer Note 33)	161.85		223.22	
- Others	889.45	1,051.30	661.11	884.33
Accrued Interest on deposits		13.58		45.98
Accrued Dividend on investments		21.52		-
Others				
- Receivable on sale of Fixed Assets (including CWIP)		60.40		35.91
		<b>1,146.80</b>		<b>966.22</b>

## Notes forming part of the financial statements

	(In Rs. Million)			
	For the year ended March 31, 2013		For the year ended March 31, 2012	
<b>18. OTHER INCOME</b>				
Interest				
- From Banks on deposits		66.93		97.96
- From Subsidiaries on long- term loans		0.63		0.59
- On Income Tax refund		-		19.94
Dividend income from current investments		28.97		13.33
Profit on sale of Long- term investments (Net)		47.32		466.42
Other Non- Operating Income:				
- Provisions no longer required written back		-		2.40
- Profit on Sale of Fixed Assets (Net)		7.76		1.45
- Rental Income from Operating leases		-		7.13
- Reimbursement of expenses (Net) (Refer Note 44)		433.89		-
- Miscellaneous Income		9.85		15.40
		<b>595.35</b>		<b>624.62</b>

	(In Rs. Million)			
	For the year ended March 31, 2013		For the year ended March 31, 2012	
<b>19. COST OF SALES AND SERVICES</b>				
Content fees		544.68		791.82
Cost of software development and other charges		466.59		420.91
		<b>1,011.27</b>		<b>1,212.73</b>

	(In Rs. Million)			
	For the year ended March 31, 2013		For the year ended March 31, 2012	
<b>20. EMPLOYEE BENEFITS EXPENSE</b>				
Salaries and wages		1,418.12		1,210.32
Contribution to provident fund and other funds		91.53		73.84
Workmen and staff welfare expenses		12.91		11.65
Employee Insurance		22.85		22.95
		<b>1,545.41</b>		<b>1,318.76</b>

	(In Rs. Million)			
	For the year ended March 31, 2013		For the year ended March 31, 2012	
<b>21. FINANCE COSTS</b>				
Interest on Finance lease		3.18		9.15
Interest on Short- term Borrowings		13.34		13.67
Other borrowing costs		6.12		7.40
		<b>22.64</b>		<b>30.22</b>

# Notes forming part of the financial statements

(In Rs. Million)

	For the year ended March 31, 2013	For the year ended March 31, 2012
<b>22. OTHER EXPENSES</b>		
Power and Fuel	28.50	23.62
Rent	121.03	132.41
Insurance	5.48	3.83
Repairs and Maintenance		
- Machinery	1.89	0.97
- Others	34.66	32.10
Office maintenance	45.54	54.82
Rates and taxes	13.87	38.03
Printing and stationery	3.76	3.60
Postage, courier and octroi	6.56	4.86
Communication charges	107.18	89.61
Training and Recruitment expenses	36.38	32.75
Travelling and conveyance	208.30	214.51
Legal, professional & consultancy charges	125.52	125.87
Commission to non whole time directors	3.40	3.80
Remuneration to auditors (Refer Note 29)	11.41	10.38
Marketing expenses	52.73	65.69
Business development expenses (Net)	424.13	504.19
Bad Trade Receivables	63.60	-
Provision for Doubtful Trade Receivables (Net)	37.57	36.66
Brokerage and Commission	6.49	10.16
Bank charges	5.00	3.20
Net loss on foreign currency transactions and translations	62.30	43.41
Miscellaneous expenses	0.90	2.32
	<b>1,406.20</b>	<b>1,436.79</b>

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 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. 59.08 Million (Previous year: Rs 299.32 Million ) and disputed Income Tax Rs.111.74 Million (Previous year: Rs.57.70 Million).
- Claims against the Company not acknowledged as debts is Rs. Nil (Previous year: Rs 67.16 Million ).

e. Bank Guarantees given for loans availed by subsidiaries Rs 170.29 Million (Previous year: Rs.177.63 Million).

f. Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for is Rs. 123.35 Million (Previous year: Rs. 149.90 Million).

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

**25. Divestment in Ver se Innovation Pvt Ltd.:**

During the year the Company sold its balance stake in Ver se Innovation Private Limited for a consideration of Rs. 55 Million (Sale during previous year Rs.500 Million).

**26. Loans to Subsidiaries:**

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



## Notes forming part of the financial statements

In Rs. Million				
Particulars	As at March 31, 2013	As at March 31, 2012	Maximum amount due at any time during the year 2012-13	Maximum amount due at any time during the year 2011-12
Subsidiaries				
- OnMobile Singapore Pte. Ltd	-	2.78	2.78	2.78
- PT OnMobile Indonesia	10.43	9.39	10.43	9.39
<b>Total</b>	<b>10.43</b>	<b>12.17</b>	<b>13.21</b>	<b>12.17</b>

27. Deferred Payment liability includes Rs. 34.35 Million (BRL 1.27 Million) (previous year: Rs. 36.37 Million (BRL 1.27 Million)) payable to a customer in Brazil towards deploying value added services on an exclusive basis in the region and Rs. 354.68 Million (Euro 5.1 Million) (Previous year: Nil) Payable to a customer in Europe towards deploying value added services on an exclusive basis.

### 28. Employee Benefits:

#### I. Defined Contribution Plans

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

Particulars *	For the year ended March 31, 2013 (In Rs. Million)	For the year ended March 31, 2012 (In Rs. Million)
Employer's Contribution to Provident Fund	64.31	56.07
Contribution for Foreign Branches	8.55	2.78
Employee State Insurance Contribution	0.07	0.84

\*Included in Note 20

#### II. Defined Benefit Plans

##### Gratuity

In accordance with Accounting Standard 15 (Revised 2005) - "Employee Benefits", actuarial valuation as on March 31, 2013 was done in respect of the aforesaid defined benefit plan of Gratuity based on the following assumptions:

Particulars *	For the year ended March 31, 2013	For the year ended March 31, 2012
Discount Rate	8.25% p.a	8.5% 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	As at March 31, 2013 (In Rs. Million)	As at March 31, 2012 (In Rs. Million)
Present Value of Obligation (Opening)	52.47	47.58
Current Service Cost	10.64	8.41
Interest on Defined Benefit Obligation	3.94	3.81
Benefits Paid	(9.32)	(5.59)
Net Actuarial Losses / (Gains) Recognized during the Year	1.26	(1.74)
Past Service Cost	-	-
Losses / (Gains) on "Cur-tailments and Settlements"	-	-
Closing Present Value of Obligations	58.99	52.47

#### Change in the Fair Value of Assets:

Particulars	As at March 31, 2013 (In Rs. Million)	As at March 31, 2012 (In Rs. Million)
Opening Fair Value of Plan Assets	44.87	31.94
Expected Return on Plan Assets	3.91	2.93
Actuarial Gains / (Losses)	0.67	0.66
Assets Distributed on Settlements	-	-
Contributions by Employer (net of risk premium etc)	17.11	14.93
Assets Acquired due to Acquisition	-	-
Exchange Difference on Foreign Plans	-	-
Benefits Paid	(9.32)	(5.59)
Closing Fair Value of Plan Assets	<b>57.24</b>	<b>44.87</b>

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

# Notes forming part of the financial statements

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

Particulars	As at March 31, 2013 (In Rs. Million)	As at March 31, 2012 (In Rs. Million)
Closing Present Value of Funded Obligations	58.99	52.47
Closing Fair Value of Plan Assets	57.24	44.87
Unfunded Net Asset / (Liability) recognised in Balance Sheet	(1.75)	(7.60)

## Experience Adjustments:

Particulars	As at March 31, 2013 (In Rs. Million)	As at March 31, 2012 (In Rs. Million)	As at March 31, 2011 (In Rs. Million)	As at March 31, 2010 (In Rs. Million)	As at March 31, 2009 (In Rs. Million)
Defined Benefit Obligations	58.99	52.47	47.58	30.02	26.34
Plan Assets	57.24	44.87	31.94	26.21	7.12
Surplus/ (Deficit)	(1.75)	(7.60)	(15.64)	(3.81)	(19.22)
Experience adjustments on Plan Liabilities	1.26	(1.74)	(0.24)	(0.72)	1.20
Experience adjustments on Plan Assets	0.67	0.66	0.60	0.79	0.06

## Amount recognized in the Balance Sheet:

Particulars	As at March 31, 2013 (In Rs. Million)	As at March 31, 2012 (In Rs. Million)
Closing Present value of obligations	58.99	52.47
Closing Fair Value of Plan Assets	(57.24)	(44.87)
Liability Recognised in the Balance Sheet	1.75	7.60

Estimate of amount of contribution in the immediately next year Rs 1.75 Million.

## Expenses recognised in the Statement of Profit and Loss:

Particulars	For the year ended March 31, 2013 (In Rs. Million)	For the year ended March 31, 2012 (In Rs. Million)
Current Service Cost	10.64	8.41
Past Service Cost	-	-
Interest Cost	3.94	3.81
Expected Return on Plan Assets	(3.91)	(2.93)
Actuarial Losses / (Gain)	0.59	(1.08)
Total Expense recognized in the Statement of Profit and Loss	11.26	8.21

## III. Other long- term benefits

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

Particulars	For the year ended March 31, 2013 (In Rs. Million)	For the year ended March 31, 2012 (In Rs. Million)
Compensated absences	11.41	19.46

## 29. Auditors Remuneration:

Particulars	For the year ended March 31, 2013 (In Rs. Million)	For the year ended March 31, 2012 (In Rs. Million)
For Audit	2.85	2.25
For Taxation matters	2.34	1.95
For other attest services	5.93	6.08
Reimbursement of expenses	0.29	0.10
<b>Total</b>	<b>11.41</b>	<b>10.38</b>

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

## 30. Finance Lease:

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

## Notes forming part of the financial statements

The minimum lease payments and their present value as at March 31, 2013 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, 2013	For the year ended March 31, 2012	For the year ended March 31, 2013	For the year ended March 31, 2012	For the year ended March 31, 2013	For the year ended March 31, 2012
Amount repayable not later than 1 year	10.56	9.40	2.80	2.95	13.36	12.35
Amount repayable later than 1 year and not later than 5 years	2.60	5.39	1.16	2.43	3.76	7.82
Total	13.16	14.79	3.96	5.38	17.12	20.17

### 31. 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, 2013	For the year ended March 31, 2012
Total Rental expense charged to Statement of Profit and Loss	121.03	133.68
<b>Future lease payments under non- cancellable leases:</b>		
Not later than 1 year	53.88	14.05
Later than 1 year and not later than 5 years	51.80	4.37

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

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

Particulars	For the year ended March 31, 2013 (In Rs. Million)	For the year ended March 31, 2012 (In Rs. Million)
Rental Income recognized in Statement of Profit and Loss	Nil	7.13

### 32. 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 forming part of the 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, 2013	For the year ended March 31, 2012
Options granted outstanding at the beginning of the year	396,954	285,383
Bonus shares issued during year	-	285,383
Exercised during the year	213,512	68,770
Forfeited options reissued	94,536	-
Forfeited during the year	51,090	105,042
Options granted outstanding at the end of the year	226,888	396,954
Grants outstanding which are vested as at Balance Sheet date including increase due to issuance of bonus shares	226,888	396,954

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.

## Notes forming part of the financial statements

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.
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

Plan	Board approval date	Share holder's approval date	Total options appropriated	Terms of Vesting
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.
OnMobile Employees Stock Option Plan I, 2012	7-May-12	29-Aug-12	3,000,000	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, 2013	For the year ended March 31, 2012
Options granted outstanding at the beginning of the year	5,449,591	2,994,527
Bonus shares issued during year	-	2,994,527
Granted during the year	697,500	382,500
Exercised during the year	-	1,754
Forfeited options reissued	219,824	-
Forfeited during the year	2,138,333	920,209
Options granted outstanding at the end of the year	4,228,582	5,449,591
Weighted average remaining contractual life (years) at the year end	3.4	3.9
Weighted average exercise price per option (after adjusting for Bonus issue)	Rs. 61	Rs. 64
Range of exercise price (after adjusting for bonus issue)	Rs 37.03 to Rs 79.23	Rs 63.78 to Rs 79.23

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, 2013 would have been lower by Rs.24.61 Million (Previous year Rs.157.22 Million) and Basic and diluted EPS would have been revised to Rs.2.1/- (Previous year Rs 3.0/-) and Rs.2.1/- (Previous year- Rs 2.9/-) respectively as compared to Rs.2.3/- (Previous year Rs 4.3/-) and Rs.2.3/-(Previous year Rs 4.2/-) 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.



## Notes forming part of the financial statements

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 4.4 years (Previous year 3.9 years), a “2%”(Previous year 2%) expected dividend yield on the underlying equity shares, weighted average volatility in the share price of 55.74% (Previous year 51.58%) and a risk free rate of 8.25% p.a. (Previous year 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.

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

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.

## Notes forming part of the financial statements

### 33. Transactions with related parties:

#### I. List of Related parties and relationship:

SI No.	Relationship	Related parties
(i)	<b>Subsidiaries</b>	OnMobile Singapore Pte. Ltd. PT. OnMobile Indonesia . Vox Mobili S.A. (subsidiary of OnMobile S.A.) OnMobile SA. (subsidiary of OnMobile Europe B.V.) Phonetize Solutions Private Limited (under liquidation) OnMobile Europe B.V. OnMobile Servicios Corporativos De Telefonía S.A. DE C.V, Mexico Servicios De Telefonía OnMobile, SA DE CV, Mexico OnMobile USA LLC. OnMobile Global S A, Argentina 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 Ghana Telecom Limited OnMobile Madagascar Telecom Limited OnMobile Nigeria Telecom Limited OnMobile Zambia Telecom Limited OnMobile Telecom (SL) Limited, Sierra Leone OnMobile Tanzania Telecom Limited OnMobile Global Spain S.A OnMobile Uruguay S.A OnMobile Uganda Telecom Limited OnMobile Rwanda Telecom Limited OnMobile Global Italy S.R.L. OnMobile Global Solution Canada Limited OnMobile Telecom Limited, Malawi
(ii)	<b>Other related parties with whom the Company had transactions</b>	
	<b>Key Management Personnel</b>	Arvind Rao (Upto July 9, 2012) Chandramouli Janakiraman
(iii)	<b>Joint Venture</b>	Kabuza Marketing Private Limited (Upto November 23, 2012)
(iv)	<b>Associate</b>	Mobile Voice Konnect Private Limited
(v)	<b>Enterprises owned or significantly influenced by key management personnel/Directors or their relatives</b>	OnMobile Systems Inc., USA Riff Mobile Private Limited (Upto July 9, 2012) Mobile Traffik Private Limited (Upto July 9, 2012)

# Notes forming part of the financial statements

## II Transactions with Related Parties:

Sl No	Nature of transactions	In Rs. Million											
		Subsidiaries		Joint Venture		Associate		Key Management Personnel		Enterprises owned or significantly influenced by Key Management Personnel/ Directors or their relatives		Total	
		March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
<b>1 Telecom value added services</b>													
	OnMobile Singapore Pte. Ltd.	80.15	37.35	-	-	-	-	-	-	-	-	80.15	37.35
	OnMobile Global for Telecommunication Services	232.53	188.90	-	-	-	-	-	-	-	-	232.53	188.90
	OnMobile De Venezuela C A	8.51	11.68	-	-	-	-	-	-	-	-	8.51	11.68
	Voxmobili S.A.	48.25	14.28	-	-	-	-	-	-	-	-	48.25	14.28
	OnMobile Brasil Sistemas de Valor Agregado Para Comunicacoes Moveis Ltda	211.39	110.08	-	-	-	-	-	-	-	-	211.39	110.08
	Servicios De Telefonía OnMobile SA DE CV	19.71	78.57	-	-	-	-	-	-	-	-	19.71	78.57
	OnMobile Global SA	6.27	15.95	-	-	-	-	-	-	-	-	6.27	15.95
	OnMobile Costa Rica OBCR SA	1.43	-	-	-	-	-	-	-	-	-	1.43	-
	<b>Total</b>	<b>608.24</b>	<b>456.81</b>	-	-	-	-	-	-	-	-	<b>608.24</b>	<b>456.81</b>
<b>2 Business Development expenses</b>													
	PT OnMobile Indonesia	50.79	54.14	-	-	-	-	-	-	-	-	50.79	54.14
	OnMobile USA LLC	263.50	554.00	-	-	-	-	-	-	-	-	263.50	554.00
	OnMobile Kenya Telecom Limited	23.84	12.47	-	-	-	-	-	-	-	-	23.84	12.47
	OnMobile Senegal SARL	10.25	13.48	-	-	-	-	-	-	-	-	10.25	13.48
	OnMobile Telecom Limited.	14.13	1.68	-	-	-	-	-	-	-	-	14.13	1.68
	OnMobile Mali SARL	4.96	4.10	-	-	-	-	-	-	-	-	4.96	4.10
	Servicios De Telefonía OnMobile SA DE CV	2.42	-	-	-	-	-	-	-	-	-	2.42	-
	OnMobile Ghana Telecom Limited	4.46	-	-	-	-	-	-	-	-	-	4.46	-
	OnMobile Madagascar Telecom Limited	5.38	-	-	-	-	-	-	-	-	-	5.38	-
	OnMobile Nigeria Telecom Limited	4.28	-	-	-	-	-	-	-	-	-	4.28	-
	OnMobile Zambia Telecom Limited	12.20	-	-	-	-	-	-	-	-	-	12.20	-
	OnMobile Telecom (SL) Limited	4.18	-	-	-	-	-	-	-	-	-	4.18	-
	OnMobile Tanzania Telecom Limited	2.03	-	-	-	-	-	-	-	-	-	2.03	-
	OnMobile Global Spain S.A	1.38	-	-	-	-	-	-	-	-	-	1.38	-
	OnMobile Uruguay S.A	9.50	-	-	-	-	-	-	-	-	-	9.50	-
	OnMobile Uganda Telecom Limited	4.58	-	-	-	-	-	-	-	-	-	4.58	-
	OnMobile Rwanda Telecom Limited	6.26	-	-	-	-	-	-	-	-	-	6.26	-
	<b>Total</b>	<b>424.14</b>	<b>639.87</b>	-	-	-	-	-	-	-	-	<b>424.14</b>	<b>639.87</b>
<b>3 Recovery of Business Development expenses</b>													
	OnMobile S.A.	-	15.79	-	-	-	-	-	-	-	-	-	15.79
	Voxmobili S.A.	-	119.89	-	-	-	-	-	-	-	-	-	119.89
	<b>Total</b>	-	<b>135.68</b>	-	-	-	-	-	-	-	-	-	<b>135.68</b>

# Notes forming part of the financial statements

SI No	Nature of transactions	Subsidiaries		Joint Venture		Associate		Key Management Personnel		Enterprises owned or significantly influenced by Key Management Personnel/ Directors or their relatives		Total		In Rs. Million		
		March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012			
4	Transfer of Corporate Costs	OnMobile Global SA	12.25	-	-	-	-	-	-	-	-	-	12.25	-		
		OnMobile Brasil Sistemas de Valor Agregado Para Comunicacoes Moveis Ltda	78.86	-	-	-	-	-	-	-	-	-	78.86	-		
		OnMobile Global for Telecommunication Services	34.82	-	-	-	-	-	-	-	-	-	34.82	-		
		OnMobile Kenya Telecom Limited	2.95	-	-	-	-	-	-	-	-	-	2.95	-		
		OnMobile Madagascar Telecom Limited	1.02	-	-	-	-	-	-	-	-	-	1.02	-		
		OnMobile Telecom Limited.	1.63	-	-	-	-	-	-	-	-	-	1.63	-		
		Servicios De Telefonía OnMobile SA DE CV	33.29	-	-	-	-	-	-	-	-	-	33.29	-		
		OnMobile Singapore Pte. Ltd.	13.42	-	-	-	-	-	-	-	-	-	13.42	-		
		OnMobile Telecom (SL) Limited	0.04	-	-	-	-	-	-	-	-	-	0.04	-		
		OnMobile Ghana Telecom Limited	0.01	-	-	-	-	-	-	-	-	-	0.01	-		
		OnMobile Nigeria Telecom Limited	0.13	-	-	-	-	-	-	-	-	-	0.13	-		
		OnMobile Uganda Telecom Limited	6.76	-	-	-	-	-	-	-	-	-	6.76	-		
		OnMobile De Venezuela C A	4.60	-	-	-	-	-	-	-	-	-	4.60	-		
OnMobile Zambia Telecom Limited	6.77	-	-	-	-	-	-	-	-	-	6.77	-				
	Total	196.55	-	-	-	-	-	-	-	-	-	196.55	-			
5	Transfer of amortisation costs of Marketing rights	OnMobile Global SA	51.84	-	-	-	-	-	-	-	-	-	51.84	-		
		OnMobile Brasil Sistemas de Valor Agregado Para Comunicacoes Moveis Ltda	45.24	-	-	-	-	-	-	-	-	-	45.24	-		
		Servicios De Telefonía OnMobile SA DE CV	140.40	-	-	-	-	-	-	-	-	-	140.40	-		
		OnMobile De Venezuela C A	19.50	-	-	-	-	-	-	-	-	-	19.50	-		
			Total	256.98	-	-	-	-	-	-	-	-	256.98	-		
		6	Transfer of Data centre costs absorbed	OnMobile USA LLC	50.73	-	-	-	-	-	-	-	-	50.73	-	
					Total	50.73	-	-	-	-	-	-	-	50.73	-	
				7	Transfer of cross charge absorbed.	OnMobile Kenya Telecom Limited	19.85	-	-	-	-	-	-	-	-	19.85
			Total			19.85	-	-	-	-	-	-	-	19.85	-	
		8	Content Cost			Mobile Traffik Pvt. Ltd	-	-	-	-	-	-	-	-	-	-
					Total	-	-	-	-	-	-	-	-	-	7.86	7.86
				9	Cost of software development and other charges	OnMobile S.A.	178.65	122.97	-	-	-	-	-	-	-	178.65
		Voxmobili S.A.	13.87			34.91	-	-	-	-	-	-	-	-	13.87	34.91
	Total	192.52	157.88			-	-	-	-	-	-	-	192.52	157.88		

# Notes forming part of the financial statements

Sl No	Nature of transactions	In Rs. Million											
		Subsidiaries		Joint Venture		Associate		Key Management Personnel		Enterprises owned or significantly influenced by Key Management Personnel/ Directors or their relatives		Total	
		March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
10	Remuneration (including other benefits)												
	Arvind Rao	-	-	-	-	-	-	5.53	6.84	-	-	5.53	6.84
	Chandramouli Janakiraman	-	-	-	-	-	-	7.45	2.29	-	-	7.45	2.29
	<b>Total</b>	-	-	-	-	-	-	<b>12.98</b>	<b>9.13</b>	-	-	<b>12.98</b>	<b>9.13</b>
11	Legal and Professional charges												
	Mobile Trafik Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	-	-	-	-	-	-	-	-	-	-	-	-
12	Interest Income												
	OnMobile Singapore Pte. Ltd.	0.13	0.16	-	-	-	-	-	-	-	-	0.13	0.16
	PT OnMobile Indonesia	0.50	0.43	-	-	-	-	-	-	-	-	0.50	0.43
	<b>Total</b>	<b>0.63</b>	<b>0.59</b>	-	-	-	-	-	-	-	-	<b>0.63</b>	<b>0.59</b>
13	Purchase of Fixed Assets												
	OnMobile Singapore Pte. Ltd.	1.38	134.97	-	-	-	-	-	-	-	-	1.38	134.97
	OnMobile USA LLC	-	1.92	-	-	-	-	-	-	-	-	-	1.92
	OnMobile S.A.	1.31	96.30	-	-	-	-	-	-	-	-	1.31	96.30
	<b>Total</b>	<b>2.69</b>	<b>233.19</b>	-	-	-	-	-	-	-	-	<b>2.69</b>	<b>233.19</b>
14	Investments made during the year in												
	OnMobile Kenya Telecom Limited	41.50	-	-	-	-	-	-	-	-	-	41.50	-
	OnMobile Global SA	0.21	-	-	-	-	-	-	-	-	-	0.21	-
	OnMobile Zambia Telecom Limited	8.24	-	-	-	-	-	-	-	-	-	8.24	-
	OnMobile Telecom Limited	0.81	-	-	-	-	-	-	-	-	-	0.81	-
	OnMobile Uganda Telecom Limited	13.51	-	-	-	-	-	-	-	-	-	13.51	-
	OnMobile Madagascar Telecom Limited	1.08	-	-	-	-	-	-	-	-	-	1.08	-
	OnMobile Global Italy S.R.L.	0.71	-	-	-	-	-	-	-	-	-	0.71	-
	Mobile Voice Konekt Private Limited	-	-	-	-	0.05	-	-	-	-	-	0.05	-
	OnMobile Brasil Sistemas de Valor Agregado Para Comunicacoes Moveis Ltda	-	17.90	-	-	-	-	-	-	-	-	-	17.90
	OnMobile Bangladesh Private Limited	-	2.28	-	-	-	-	-	-	-	-	-	2.28
	Kabuza Marketing Private Limited	-	-	-	2.50	-	-	-	-	-	-	-	2.50
	<b>Total</b>	<b>66.06</b>	<b>20.18</b>	-	<b>2.50</b>	<b>0.05</b>	-	-	-	-	-	<b>66.11</b>	<b>22.68</b>
15	Investments sold during the year												
	Kabuza Marketing Private Limited	-	-	1.76	-	-	-	-	-	-	-	1.76	-
	<b>Total</b>	-	-	<b>1.76</b>	-	-	-	-	-	-	-	<b>1.76</b>	-
16	Recovery of Expenses from												
	OnMobile Singapore Pte. Ltd.	9.39	20.62	-	-	-	-	-	-	-	-	9.39	20.62
	Voxmobili S.A.	22.55	-	-	-	-	-	-	-	-	-	22.55	-
	<b>Total</b>	<b>31.94</b>	<b>20.62</b>	-	-	-	-	-	-	-	-	<b>31.94</b>	<b>20.62</b>
17	Reimbursement of Expenses to												
	OnMobile S.A.	81.12	73.76	-	-	-	-	-	-	-	-	81.12	73.76
	<b>Total</b>	<b>81.12</b>	<b>73.76</b>	-	-	-	-	-	-	-	-	<b>81.12</b>	<b>73.76</b>



# Notes forming part of the financial statements

SI No	Nature of transactions	Subsidiaries		Joint Venture		Associate		Key Management Personnel		Enterprises owned or significantly influenced by Key Management Personnel/ Directors or their relatives		Total	
		March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
18	Transfer of Fixed Assets, AMC, Content Cost, Freight and Insurance to:												
		37.33	30.88	-	-	-	-	-	-	-	-	37.33	30.88
		11.81	0.29	-	-	-	-	-	-	-	-	11.81	0.29
		1.93	5.26	-	-	-	-	-	-	-	-	1.93	5.26
		0.73	1.79	-	-	-	-	-	-	-	-	0.73	1.79
		0.90	2.25	-	-	-	-	-	-	-	-	0.90	2.25
		-	4.53	-	-	-	-	-	-	-	-	-	4.53
		9.19	-	-	-	-	-	-	-	-	-	9.19	-
		1.98	-	-	-	-	-	-	-	-	-	1.98	-
		3.14	-	-	-	-	-	-	-	-	-	3.14	-
		0.24	-	-	-	-	-	-	-	-	-	0.24	-
		0.89	-	-	-	-	-	-	-	-	-	0.89	-
		16.66	-	-	-	-	-	-	-	-	-	16.66	-
		5.27	-	-	-	-	-	-	-	-	-	5.27	-
		8.38	-	-	-	-	-	-	-	-	-	8.38	-
		2.85	-	-	-	-	-	-	-	-	-	2.85	-
		0.80	-	-	-	-	-	-	-	-	-	0.80	-
		5.02	-	-	-	-	-	-	-	-	-	5.02	-
		-	53.20	-	-	-	-	-	-	-	-	-	53.20
		-	3.92	-	-	-	-	-	-	-	-	-	3.92
		17.89	11.97	-	-	-	-	-	-	-	-	17.89	11.97
		125.01	114.09	-	-	-	-	-	-	-	-	125.01	114.09
19	Annual Maintenance Charge (Prepaid)												
		34.83	34.89	-	-	-	-	-	-	-	-	34.83	34.89
20	Payables written back	34.83	34.89	-	-	-	-	-	-	-	-	34.83	34.89
	Riff Mobile Private Limited												
		-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-

## 83

## 21 Payables

22 Amount Receivables under:

22 Amount Receivables under:

a Long-term loans and advances

## OnMobile Singapore Pte. Ltd.

## PT OnMobile Indonesia

## Accrued interest

OnMobile Singapore Pte Ltd

BT Q-Mobile Indonesia  
OTI Mobile Singapore Pte. Ltd.

## PT UnMobile Indonesia

### c Short-term loans and advances

## Arvind Rao

## Chandramouli Janakiraman

OnMobile Singapore Pte. Ltd.

## PT OnMobile Indonesia

# Notes forming part of the financial statements

SI No	Nature of transactions	Subsidiaries		Joint Venture		Associate		Key Management Personnel		Enterprises owned or significantly influenced by Key Management Personnel/ Directors or their relatives				Total		
		March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012			
d	Voxmobili S.A.	20.46	98.28	-	-	-	-	-	-	-	-	-	-	20.46	98.28	
	OnMobile Europe B.V.	0.03	0.03	-	-	-	-	-	-	-	-	-	-	0.03	0.03	
	Mobile Traffik Pvt. Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	0.10	
	Servicios De Telefonía OnMobile SA DE CV	175.37	28.15	-	-	-	-	-	-	-	-	-	-	175.37	28.15	
	OnMobile USA LLC.	44.43	12.62	-	-	-	-	-	-	-	-	-	-	44.43	12.62	
	OnMobile Brasil Sistemas de Valor Agregado Para Comunicacoes Moveis Ltda	30.90	4.45	-	-	-	-	-	-	-	-	-	-	30.90	4.45	
	OnMobile Global SA, Argentina	61.45	-	-	-	-	-	-	-	-	-	-	-	61.45	-	
	OnMobile De Venezuela C A	33.36	14.71	-	-	-	-	-	-	-	-	-	-	33.36	14.71	
	OnMobile Global for Telecommunication Services	98.91	69.05	-	-	-	-	-	-	-	-	-	-	98.91	69.05	
	OnMobile Kenya Telecom Limited	6.32	2.38	-	-	-	-	-	-	-	-	-	-	6.32	2.38	
	OnMobile Mali SARL	0.58	2.72	-	-	-	-	-	-	-	-	-	-	0.58	2.72	
	OnMobile Senegal SARL	0.35	5.17	-	-	-	-	-	-	-	-	-	-	0.35	5.17	
	OnMobile Telecom Limited., Malawi	1.34	0.71	-	-	-	-	-	-	-	-	-	-	1.34	0.71	
	OnMobile Costa Rica OBCR SA	0.37	-	-	-	-	-	-	-	-	-	-	-	0.37	-	
	OnMobile Ghana Telecom Limited	1.73	-	-	-	-	-	-	-	-	-	-	-	1.73	-	
	OnMobile Madagascar Telecom Limited	2.90	-	-	-	-	-	-	-	-	-	-	-	2.90	-	
	OnMobile Nigeria Telecom Limited	3.23	-	-	-	-	-	-	-	-	-	-	-	3.23	-	
	OnMobile Rwanda Telecom Limited	2.97	-	-	-	-	-	-	-	-	-	-	-	2.97	-	
	OnMobile Uganda Telecom Limited	22.50	-	-	-	-	-	-	-	-	-	-	-	22.50	-	
	OnMobile Zambia Telecom Limited	10.73	-	-	-	-	-	-	-	-	-	-	-	10.73	-	
	OnMobile Telecom (SL) Limited	1.80	-	-	-	-	-	-	-	-	-	-	-	1.80	-	
	OnMobile Uruguay S.A	1.13	-	-	-	-	-	-	-	-	-	-	-	1.13	-	
	Trade Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	OnMobile Singapore Pte. Ltd.	-	7.87	-	-	-	-	-	-	-	-	-	-	-	-	7.87
	OnMobile Global for Telecommunication Services	15.89	77.91	-	-	-	-	-	-	-	-	-	-	-	15.89	77.91
	OnMobile De Venezuela C A	-	0.46	-	-	-	-	-	-	-	-	-	-	-	-	0.46
Voxmobili S.A.	-	6.50	-	-	-	-	-	-	-	-	-	-	-	-	6.50	
OnMobile S.A.	-	4.12	-	-	-	-	-	-	-	-	-	-	-	-	4.12	
OnMobile Costa Rica OBCR SA	3.14	-	-	-	-	-	-	-	-	-	-	-	-	3.14	-	
OnMobile Ghana Telecom Limited	1.50	-	-	-	-	-	-	-	-	-	-	-	-	1.50	-	
OnMobile Madagascar Telecom Limited	9.19	-	-	-	-	-	-	-	-	-	-	-	-	9.19	-	
OnMobile Nigeria Telecom Limited	0.23	-	-	-	-	-	-	-	-	-	-	-	-	0.23	-	
OnMobile Rwanda Telecom Limited	5.27	-	-	-	-	-	-	-	-	-	-	-	-	5.27	-	
OnMobile Kenya Telecom Limited	0.59	-	-	-	-	-	-	-	-	-	-	-	-	0.59	-	

# Notes forming part of the financial statements

Sl No	Nature of transactions	In Rs. Million											
		Subsidiaries		Joint Venture		Associate		Key Management Personnel		Enterprises owned or significantly influenced by Key Management Personnel/ Directors or their relatives		Total	
		March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	OnMobile Uganda Telecom Limited	8.37	-	-	-	-	-	-	-	-	-	8.37	-
	OnMobile Zambia Telecom Limited	16.66	-	-	-	-	-	-	-	-	-	16.66	-
	OnMobile Telecom Limited.	2.34	-	-	-	-	-	-	-	-	-	2.34	-
	OnMobile Telecom (SL) Limited	0.90	-	-	-	-	-	-	-	-	-	0.90	-
	OnMobile Global Spain S.A	5.13	-	-	-	-	-	-	-	-	-	5.13	-
	OnMobile Uruguay S.A	2.89	-	-	-	-	-	-	-	-	-	2.89	-
e	Unbilled revenue												
	OnMobile Global SA	20.96	16.51	-	-	-	-	-	-	-	-	20.96	16.51
	OnMobile Brasil Sistemas de Valor Agregado Para Comunicacoes Moveis Ltda	-	110.82	-	-	-	-	-	-	-	-	-	110.82
	Servicios De Telefonía OnMobile SA DE CV	16.61	83.39	-	-	-	-	-	-	-	-	16.61	83.39
	Voxmobili S.A.	12.46	-	-	-	-	-	-	-	-	-	12.46	-
	OnMobile Global for Telecommunication Services	88.01	-	-	-	-	-	-	-	-	-	88.01	-
	OnMobile Costa Rica OBCR SA	1.43	-	-	-	-	-	-	-	-	-	1.43	-
	OnMobile De Venezuela C A	22.38	12.50	-	-	-	-	-	-	-	-	22.38	12.50
	<b>Total</b>	<b>925.25</b>	<b>648.43</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.26</b>	<b>0.64</b>	<b>-</b>	<b>0.10</b>	<b>925.51</b>	<b>649.17</b>

## Notes:

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

## Notes forming part of the financial statements

### 34. 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, 2013	For the year ended March 31, 2012
Profit after tax as per the Statement of Profit and Loss (In Rs. Million)	263.83	502.82
Weighted Average number of Shares	114,240,072	117,079,068
Weighted Average number of Shares for Basic EPS	114,240,072	117,079,068
Add: Effect of Stock Options outstanding	247,377	1,601,918
Weighted Average Number of equity shares for Diluted EPS	114,487,449	118,680,986
	Rs.	Rs.
Nominal value of equity shares	10.0	10.0
Earnings Per Share		
Basic	2.3	4.3
Diluted	2.3	4.2

### 35. Accounting For Taxes On Income

- a. 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.43.86 Million for the current year, which has been credited to the Statement of Profit and Loss. Details of Deferred Tax Asset and Liabilities are:

Particulars	Deferred Tax (Assets)/ Liabilities as on April 1, 2012 (In Rs. Million)	Current year (credit)/charge (In Rs. Million)	Deferred Tax (Assets)/ Liabilities as on March 31, 2013 (In Rs. Million)
Difference between book and tax depreciation	104.49	(31.04)	73.45
Others (Provision for gratuity, compensated absences, doubtful trade receivables etc.)	(36.89)	(12.82)	(49.71)
	<b>67.60</b>	<b>(43.86)</b>	<b>23.74</b>

- b. The Company has ‘international transactions with associated enterprises’ which are subject to Transfer Pricing regulations in India. These regulations, inter alia, require the maintenance of prescribed documents and information for the basis of establishing arm’s length price including furnishing a report from an Accountant within the due date of filing the return of income. The Company has undertaken necessary steps to comply with the regulations. The Management is of the opinion that the international transactions are at arm’s length, and hence the aforesaid legislation will not have any material impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

## Notes forming part of the financial statements

36. 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, 2012	Provision made during the year	Provision utilised during the year	Provision reversed during the year	Provision outstanding as at March 31, 2013
Other provisions- Credit Notes	Not later than 1 year	197.87	110.19	80.67	51.73	175.66
	1-3 years	95.07	17.34	-	19.74	92.67
		<b>292.94</b>	<b>127.53</b>	<b>80.67</b>	<b>71.47</b>	<b>268.33</b>
Previous year		(151.04)	(213.73)	(36.62)	(35.21)	(292.94)

37. 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, 2013 Nominal Value (In Rs. Million)	As at March 31, 2012 Nominal Value (In Rs. Million)	Currency	As at March 31, 2013 (Foreign Currency in Million)	As at March 31, 2012 (Foreign Currency in Million)
Foreign Currency Forward Contract -(BUY)	-	169.76	USD/INR	-	3.22
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 Mio

- b. Unhedged Foreign currency exposure is as follows:

Particulars	As at March 31, 2013 Amount (In Rs. Million)	As at March 31, 2012 Amount (In Rs. Million)	Nature of Currency	As at March 31, 2013 Amount (Foreign Currency in Million)	As at March 31, 2012 Amount (Foreign Currency in Million)
<b>Due to:</b>					
<b>Non current liabilities</b>					
Long term provisions	0.85	-	AED	0.06	-
	0.42	32.30	BDT	0.59	49.70
	0.04	-	CLP	0.384	-
	0.439	13.11	COP	14.76172	443.80
	0.23	-	EGP	0.03	-
	1.22	0.18	EUR	0.02	0.003
	0.83	0.002	GBP	0.01	0.00003
	0.01	-	LKR	0.03	-
	0.18	-	MYR	0.01	-
	0.06	-	PEN	0.003	-
	0.51	-	RON	0.03	-
	4.99	-	TZS	144.74	-
	0.60	-	USD	0.01	-
	0.97	0.51	ZAR	0.17	0.08
	0.10	-	ZMK	9.08	-



## Notes forming part of the financial statements

Particulars	As at March 31, 2013 Amount (In Rs. Million)	As at March 31, 2012 Amount (In Rs. Million)	Nature of Currency	As at March 31, 2013 Amount (Foreign Currency in Million)	As at March 31, 2012 Amount (Foreign Currency in Million)
<b>Current Liabilities</b>					
Short-term borrowings	307.48	460.55	USD	5.65	9.10
Trade payables	1.23	2.50	AED	0.08	0.18
	6.76	4.17	AUD	0.12	0.08
	110.21	86.36	BDT	155.54	132.85
	0.42	0.10	CLP	3.68	0.90
	2.92	1.62	COP	98.20	54.93
	16.05	-	EGP	2.00	-
	327.78	210.05	EUR	4.71	3.07
	5.75	7.37	GBP	0.07	0.09
	0.50	-	GHS	0.02	-
	4.04	-	GTQ	0.57	-
	144.64	-	IDR	25,763.74	-
	87.41	4.37	KES	135.16	6.82
	0.27	0.29	LKR	0.62	0.70
	8.62	-	MGA	350.38	-
	8.60	-	MWK	60.53	-
	110.57	-	MXN	25.09	-
	1.70	3.49	MYR	0.10	0.20
	0.65	0.01	PEN	0.03	0.001
	2.85	5.37	RMB	0.33	0.65
	8.93	-	RON	0.56	-
	2.56	-	RWF	29.49	-
	128.18	-	SGD	2.93	-
	3.38	-	SLL	265.40	-
	20.57	-	TZS	596.01	-
	66.99	289.49	USD	1.23	5.64
	25.20	4.25	XOF	236.60	39.27
	2.78	1.24	ZAR	0.47	0.18
	24.43	-	ZMK	2,321.78	-

## Notes forming part of the financial statements

Particulars	As at March 31, 2013 Amount (In Rs. Million)	As at March 31, 2012 Amount (In Rs. Million)	Nature of Currency	As at March 31, 2013 Amount (Foreign Currency in Million)	As at March 31, 2012 Amount (Foreign Currency in Million)
Other current liabilities	0.46	0.37	AUD	0.01	0.01
	30.44	4.56	BDT	42.96	7.02
	34.35	36.37	BRL	1.27	1.27
	7.34	7.17	CAD	0.14	0.14
	2.99	0.30	CLP	25.93	2.83
	5.90	2.65	COP	198.36	89.84
	383.33	116.24	EUR	5.51	1.70
	0.34	0.02	GBP	0.00	0.0002
	-	94.37	IDR	-	16,498.44
	6.97	-	KES	10.78	-
	0.46	-	MGA	18.64	-
	1.41	0.03	MWK	9.92	0.10
	-	20.61	MXN	-	5.04
	1.32	0.79	MYR	0.07	0.05
	0.29	-	NIO	0.12	-
	2.28	-	NGN	6.56	-
	0.26	-	PAB	0.00	-
	2.16	0.11	PEN	0.10	0.01
	0.84	0.09	RON	0.05	0.01
	0.00	-	RWF	0.00	-
	-	121.57	SGD	-	2.93
	0.09	-	SLL	7.21	-
	-	0.77	TZS	-	23.23
	13.96	-	UGX	658.56	-
	111.79	91.94	USD	2.06	1.79
	6.10	2.15	XOF	57.29	19.85
	2.62	1.04	ZAR	0.45	0.15
	11.69	-	ZMK	1,110.78	-
Short term provisions	2.86	-	TZS	82.88	-

## Notes forming part of the financial statements

Particulars	As at March 31, 2013 Amount (In Rs. Million)	As at March 31, 2012 Amount (In Rs. Million)	Nature of Currency	As at March 31, 2013 Amount (Foreign Currency in Million)	As at March 31, 2012 Amount (Foreign Currency in Million)
Due from:	4.49	4.51	AUD	0.08	0.08
Long term loans and advances	74.38	-	BDT	104.97	-
	39.49	-	BRL	1.46	-
	8.05	-	COP	270.787	-
	2.11	0.63	EUR	0.03	0.01
	3.78	-	KES	5.84	-
	13.65	-	MXN	3.10	-
	-	0.001	MYR	-	0.0001
	0.20	0.03	RON	0.01	0.002
	0.00001	2.78	SGD	0.0000003	0.07
	0.02	-	THB	0.01	-
	1.42	0.80	TZS	41.10	24.07
	42.65	9.72	USD	0.78	0.19
Trade receivables	0.33	0.26	AED	0.02	0.02
	8.43	6.63	AUD	0.15	0.12
	40.63	43.15	BDT	57.35	66.39
	5.69	7.17	CAD	0.11	0.14
	0.22	-	CLP	1.88	-
	0.0000001	21.15	COP	0.000004	715.69
	8.22	77.91	EGP	1.02	8.97
	165.23	66.23	EUR	2.38	0.97
	0.41	-	GBP	0.01	-
	0.26	1.97	IDR	45.57	343.72
	49.37	1.59	MYR	2.81	0.09
	4.63	1.17	RON	0.29	0.07
	-	25.12	SGD	-	0.60
	-	0.04	THB	-	0.03
	23.98	17.41	TZS	694.76	523.37
	233.54	171.45	USD	4.29	3.30
	8.24	5.49	ZAR	1.40	0.91

## Notes forming part of the financial statements

Particulars	As at March 31, 2013 Amount (In Rs. Million)	As at March 31, 2012 Amount (In Rs. Million)	Nature of Currency	As at March 31, 2013 Amount (Foreign Currency in Million)	As at March 31, 2012 Amount (Foreign Currency in Million)
Short term loans and advances	0.20	0.97	AED	0.01	0.07
	60.59	-	ARS	5.69	-
	0.68	0.36	AUD	0.01	0.01
	10.69	10.92	BDT	15.09	16.80
	79.78	-	BRL	2.95	-
	1.89	-	CLP	16.41	-
	5.23	-	COP	175.80	-
	33.75	4.59	EGP	4.20	0.53
	59.18	138.41	EUR	0.85	2.02
	14.43	10.89	GBP	0.18	0.13
	0.002	-	GHS	0.0001	-
	16.70	-	GTQ	2.34	-
	10.03	-	KES	15.51	-
	1.57	-	MGA	63.93	-
	-	0.71	MWK	-	2.25
	130.78	-	MXN	29.68	-
	0.55	-	MYR	0.03	-
	0.09	-	NGN	0.25	-
	14.72	1.27	PEN	0.69	0.06
	1.10	1.05	RMB	0.13	0.13
	0.21	0.04	RON	0.01	0.002
	0.35	-	RWF	4.06	-
	135.89	46.52	SGD	3.10	1.12
	0.08	-	SLL	6.21	-
	4.23	0.14	TZS	122.70	4.11
	21.46	-	UGX	1,012.36	-
	225.36	271.18	USD	4.14	5.30
	2.46	0.19	ZAR	0.42	0.03
	28.05	-	ZMK	2,665.99	-

## Notes forming part of the financial statements

Particulars	As at March 31, 2013 Amount (In Rs. Million)	As at March 31, 2012 Amount (In Rs. Million)	Nature of Currency	As at March 31, 2013 Amount (Foreign Currency in Million)	As at March 31, 2012 Amount (Foreign Currency in Million)
Other current assets	20.96	16.51	ARS	1.97	1.38
	40.35	76.09	BDT	56.95	117.06
	-	182.01	BRL	-	6.36
	0.66	1.02	CLP	5.75	9.55
	17.72	2.97	COP	595.88	100.50
	88.01	-	EGP	10.96	-
	272.20	100.25	EUR	3.91	1.47
	2.09	-	GHS	0.07	-
	-	5.52	GTQ	-	0.80
	15.52	-	KES	24.00	-
	5.38	-	MGA	218.61	-
	2.02	-	MWK	14.25	-
	16.61	98.93	MXN	3.77	24.18
	10.46	-	NGN	30.07	-
	10.91	0.54	PAB	0.20	0.01
	6.83	20.45	PEN	0.32	1.04
	0.82	2.22	RON	0.05	0.14
	0.94	-	RWF	10.83	-
	-	0.04	SGD	-	0.001
	3.86	-	SLL	302.69	-
	39.66	17.17	TZS	1,149.18	516.21
	4.58	-	UGX	215.92	-
	151.20	132.96	USD	2.78	2.60
	16.61	-	XOF	155.98	-
	3.23	2.66	ZAR	0.55	0.39
	12.18	-	ZMK	1,158.19	-

38. 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:

Particulars	As at March 31, 2013 (In Rs Million)	As at March 31, 2012 (In Rs Million)
(i) The principal amount remaining unpaid to any supplier at the end of accounting year.	0.28	2.85
(ii) The interest due on above.	-	4.73
<b>The total of (i) &amp; (ii)</b>	<b>0.28</b>	<b>7.58</b>
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

### 39. Interest in joint venture

The Company has interest in the following jointly controlled entity (upto November 23, 2012)

(In Rs. Million)

Name of the Company	% of shareholding	Amount of interest based on accounts for the year ended March 31, 2013			
		Assets	Liabilities	Income	Expenses
Kabuza Marketing Private Limited	-	-	-	-	-
	(50.00)	(2.01)	(-)	(-)	(0.49)

Note: Figures in brackets relate to the previous year.

## Notes forming part of the financial statements

40. 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.

### 41. Value of imports calculated on CIF basis

Particulars	For the year ended March 31, 2013 (In Rs. Million)	For the year ended March 31, 2012 (In Rs. Million)
Capital goods (including software downloads and Market development and deployment rights)	256.25	382.87

### 42. Expenditure in Foreign Currency (on accrual basis)

Particulars	For the year ended March 31, 2013 (In Rs. Million)	For the year ended March 31, 2012 (In Rs. Million)
Business Development Expenses	424.14	504.19
Travel	91.73	89.93
Content Cost	167.11	103.98
Software and Software development charges	131.24	109.56
Annual maintenance charges	70.04	54.84
Legal and Professional	46.80	31.26
Payroll Costs	277.20	235.92
Others	182.30	61.64
<b>Total</b>	<b>1,390.56</b>	<b>1,191.32</b>

### 43. Earnings in Foreign Currency

Particulars	For the year ended March 31, 2013 (In Rs. Million)	For the year ended March 31, 2012 (In Rs. Million)
Telecom value added services and others.	2,251.20	1,506.70

44. As part of the Company's periodic review of its transfer pricing policy as also the substantial growth in its international operations, the Company has adopted a revised global transfer pricing policy with effect from April 1, 2012 and has cross charged expenses to its subsidiaries based on an allocation model. The same has been included as reimbursement of expenses in other income during the year (Refer Note 18). The cross charge of expenses are given below:

Particulars	For the year ended March 31, 2013 (In Rs. Million)
Employee benefits expense (Net)	58.58
Other expenses	118.33
Depreciation and amortization expense	256.98
<b>Total</b>	<b>433.89</b>

45. The Company had 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 previous year. The total transaction entered into during the year, for which compounding application has been filed amounted to Rs. 0.48 Million (Previous year: Rs 2.53 Million). The approval from Central Government is awaited.

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



# INDEPENDENT AUDITORS' REPORT

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## TO THE BOARD OF DIRECTORS OF ONMOBILE GLOBAL LIMITED

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of ONMOBILE GLOBAL LIMITED (the "Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013;
- (b) 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
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

### Other Matter

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets (net) of Rs.2,470.51 Million as at 31st March, 2013, total revenues of Rs.1,093.23 Million and net cash inflows amounting to Rs.134.49 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 by the management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

### FOR DELOITTE HASKINS & SELLS

Chartered Accountants  
(Firm Registration No. 008072S)

V. Srikumar  
Partner  
Membership No. 84494

Bangalore, 15 May, 2013

# Consolidated Balance Sheet

(In Rs. Million)			
	Notes	As at March 31, 2013	As at March 31, 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	2	1,141.53	1,150.03
Reserves and surplus	3	7,948.67	7,704.04
		<b>9,090.20</b>	<b>8,854.07</b>
<b>Non-Current Liabilities</b>			
Long-term borrowings	4	2.60	5.39
Deferred tax liabilities (net)	35	32.26	75.89
Long-term provisions	5	147.40	143.37
		<b>182.26</b>	<b>224.65</b>
<b>Current Liabilities</b>			
Short-term borrowings	6	477.71	807.94
Trade payables	7	1,719.07	1,578.52
Other current liabilities	8	1,007.71	455.18
Short-term provisions	9	541.12	491.65
		<b>3,745.61</b>	<b>3,333.29</b>
<b>TOTAL</b>		<b>13,018.07</b>	<b>12,412.01</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed assets			
Tangible Assets	10	781.10	1,000.71
Intangible Assets	10	2,507.49	2,513.03
Capital work-in-progress		241.58	110.83
		<b>3,530.17</b>	<b>3,624.57</b>
Goodwill on Consolidation		2,046.26	2,046.26
Non-current investments	11	-	206.94
Deferred tax Assets (net)	35	31.26	0.61
Long-term loans and advances	12	1,071.69	594.73
<b>Current Assets</b>			
Current investments	13	337.30	221.03
Inventories	14	-	19.80
Trade receivables	15	1,786.87	1,754.67
Cash and cash equivalents	16	1,671.37	2,013.69
Short-term loans and advances	17	874.67	796.24
Other current assets	18	1,668.48	1,133.47
		<b>6,338.69</b>	<b>5,938.90</b>
<b>TOTAL</b>		<b>13,018.07</b>	<b>12,412.01</b>
<b>Significant accounting policies</b>	1		

The accompanying notes are an integral part of the financial statements 1 to 41

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

For and on behalf of the Board of Directors

**V. Srikumar**  
Partner

**Chandramouli J**  
Managing Director

**H. H. Haight IV**  
Director

**Rajesh Kunnath**  
Chief Financial Officer

**P V Varaprasad**  
Company Secretary

Place: Bangalore  
Date: May 15, 2013

Place: Bangalore  
Date: May 15, 2013

# Statement of Consolidated Profit and Loss Account

(In Rs. Million except per share data)			
	Notes	For the year ended March 31, 2013	For the year ended March 31, 2012
<b>REVENUE FROM OPERATIONS</b>			
Telecom Value Added Services		7,252.69	6,380.14
Other Income	19	220.42	676.41
<b>Total Revenue (A)</b>		<b>7,473.11</b>	<b>7,056.55</b>
<b>EXPENSES</b>			
Cost of Sales and Services	20	1,115.57	1,361.57
Employee benefits expense	21	2,890.52	2,312.37
Finance costs	22	27.00	31.26
Depreciation and amortisation expense	10	986.20	840.24
Other expenses	23	1,753.06	1,306.87
<b>Total Expenses (B)</b>		<b>6,772.35</b>	<b>5,852.31</b>
<b>Profit before tax (C) = (A-B)</b>		<b>700.76</b>	<b>1,204.24</b>
<b>TAX EXPENSE / (BENEFIT)</b>			
Current Tax expense		306.47	369.43
Minimum Alternate Tax (MAT) credit entitlement		-	(6.85)
Current Tax expense relating to prior years		0.02	14.45
Deferred tax		(77.50)	(3.73)
<b>Net tax expense (D)</b>		<b>228.99</b>	<b>373.30</b>
<b>Profit for the year (E) = (C-D)</b>		<b>471.77</b>	<b>830.94</b>
<b>EARNINGS PER SHARE</b>			
1. Basic (Face value of equity share of Rs 10/- each)	35	4.1	7.1
2. Diluted (Face value of equity share of Rs 10/- each)		4.1	7.0
<b>Significant accounting policies</b>	1		

The accompanying notes are an integral part of the financial statements 1 to 41

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

For and on behalf of the Board of Directors

**V. Srikumar**  
Partner

**Chandramouli J**  
Managing Director

**H. H. Haight IV**  
Director

**Rajesh Kunnath**  
Chief Financial Officer

**P V Varapasad**  
Company Secretary

Place: Bangalore  
Date: May 15, 2013

Place: Bangalore  
Date: May 15, 2013

# Consolidated Cash Flow Statement

	In Rs. Million	
	March 31, 2013	March 31, 2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	700.76	1,204.24
Adjustments for :		
Depreciation and amortisation	986.20	840.24
Unrealised Foreign Exchange Loss/(Gain)	98.98	73.03
Loss/(Gain) on Sale of Fixed Assets (Net)	(6.72)	(1.29)
Loss/(Gain) on Sale/Redemption of Investment (Net)	(47.32)	(466.80)
Bad Trade receivables	63.60	-
Provisions no longer required written back	(0.58)	(2.40)
Provision for Doubtful trade receivables (net)	38.53	37.35
Dividend Income	(31.64)	(14.62)
Finance Cost	27.00	31.26
Interest Income	(81.58)	(121.89)
	1,046.47	374.88
Operating profit before working capital changes	1,747.23	1,579.12
(Increase) / decrease in operating assets:		
Trade and other receivables	(134.56)	(381.10)
Short-term loans and advances and other current assets	(607.71)	(229.77)
Long-term loans and advances	44.05	16.37
Inventories	19.80	5.48
Increase / (decrease) in operating liabilities:		
Current liabilities and provisions	205.62	326.82
Non-current liabilities and provisions	4.03	58.50
	(468.77)	(203.70)
Cash generated from operations	1,278.46	1,375.42
Direct taxes paid (including refunds)	(761.97)	(232.07)
Net cash generated from operating activities	516.49	1,143.35
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets including capital advances	(620.59)	(1,003.80)
Sale of fixed assets	50.77	5.18
Sale, Redemption / (Purchase) of Short term investments (net)	83.73	295.64
Sale, Redemption/ (Purchase) of Long term investments (net)	54.95	285.00
(Increase)/decrease in earmarked bank balances	255.25	(75.23)
Dividend Income	10.12	14.62
Interest received	113.98	90.90
Net cash (used in) / generated from investing activities	(51.79)	(387.69)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of Share Capital (net of refund of share application money)	0.09	0.20
Buyback of Equity Share Capital	(43.38)	(195.22)
Repayment of Finance lease	(17.12)	(30.81)
Proceeds from/ (Repayment of) short term borrowings	(362.28)	509.08
Finance cost	(28.31)	(28.82)
Dividend Paid including tax	(132.42)	-
Net cash (used in) / generated from financing activities	(583.42)	254.43
Net increase/(decrease) in cash and cash equivalents	(118.72)	1,010.09
Cash and cash equivalents as at March 31, 2012 (Opening Balance)	1,636.73	610.58
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(31.65)	(16.06)
Cash and cash equivalents as at March 31, 2013 (Closing Balance)	1,549.66	1,636.73
	(118.72)	1,010.09
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 16)	1,671.37	2,013.69
Less: Bank balances not considered as Cash and cash equivalents as defined in AS-3	121.71	376.96
Cash and cash equivalents at the end of the year	1,549.66	1,636.73

The accompanying notes are an integral part of the financial statements 1 to 41

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

For and on behalf of the Board of Directors

**V. Srikumar**  
Partner

**Chandramouli J**  
Managing Director

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Director

**Rajesh Kunnath**  
Chief Financial Officer

**P V Varaprasad**  
Company Secretary

Place: Bangalore  
Date: May 15, 2013

Place: Bangalore  
Date: May 15, 2013

## Notes forming part of the consolidated financial statements

### 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. Together these constitutes a "Group".

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 intra-group 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, 2013	% of Ownership held as on March 31, 2012
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	OnMobile S.A. (erstwhile Telisma S.A.)	France	100.00	100.00
6	OnMobile Europe B.V.	Netherlands	100.00	100.00
7	OnMobile USA LLC	United States of America	100.00	100.00
8	Servicios De Telefonía OnMobile Sa De Cv	Mexico	100.00	100.00
9	Onmobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis Ltda.	Brazil	100.00	100.00
10	OnMobile De Venezuela C.A.	Venezuela	100.00	100.00
11	OnMobile Global SA	Argentina	100.00	100.00
12	OnMobile Uruguay SA	Uruguay	100.00	100.00
13	OnMobile Senegal SARL	Senegal	100.00	100.00
14	OnMobile Global for Telecommunication Services	Egypt	100.00	100.00
15	OnMobile Mali SARL	Mali	100.00	100.00
16	OnMobile Bangladesh Private Limited	Bangladesh	100.00	100.00
17	OnMobile Servicios Corporativos De Telefonía S.A. DE C.V.	Mexico	100.00	100.00
18	OnMobile Kenya Telecom Limited	Kenya	100.00	100.00
19	OnMobile Costa Rica OBCR, S.A.	Costa Rica	100.00	100.00
20	OnMobile Telecom Limited.	Malawi	100.00	100.00
21	OnMobile Global Spain S.L.U.	Spain	100.00	-
	(w. e. f. June 21, 2012)			
22	OnMobile Uganda Limited	Uganda	100.00	-
	(w. e. f. August 3, 2012)			

## Notes forming part of the consolidated financial statements

23	OnMobile Zambia Telecom Limited	Zambia	100.00	-
	(w. e. f. June 15, 2012)			
24	OnMobile Madagascar Telecom Limited	Madagascar	100.00	-
	(w. e. f. July 25, 2012)			
25	OnMobile Rwanda Telecom Limited	Rwanda	100.00	-
	(w. e. f. August 23, 2012)			
26	OnMobile Nigeria Telecom Limited	Nigeria	100.00	-
	(w. e. f. August 17, 2012)			
27	OnMobile Tanzania Telecom Limited	Tanzania	100.00	-
	(w. e. f. August 24, 2012)			
28	OnMobile Ghana Telecom Limited	Ghana	100.00	-
	(w. e. f. August 31, 2012)			
29	OnMobile Telecom (SL) Limited	Siera Leone	100.00	-
	(w. e. f. November 2, 2012)			
30	OnMobile Global Solutions Canada Limited	Canada	100.00	-
	(w. e. f. October 12, 2012)			
31	OnMobile Global Italy SRL	Italy	100.00	-
	(w. e. f. March 27, 2013)			
32	Mobile Voice Konnect Private Limited - Associate.	India	50.00	-
	(w. e. f. September 12, 2012)			
33	Kabuza Marketing Private Limited - Jointly controlled entity	India	-	50.00
	(upto November 23, 2012)			

The consolidation for the year includes figures of OnMobile Global Spain S.L.U., OnMobile Uganda Limited, OnMobile Zambia Telecom Limited, OnMobile Madagascar Telecom Limited, OnMobile Rwanda Telecom Limited, OnMobile Nigeria Telecom Limited, OnMobile Tanzania Telecom Limited, OnMobile Ghana Telecom Limited, OnMobile Telecom (SL) Limited, OnMobile Global Solutions Canada Limited and OnMobile Global Italy SRL formed during the year. Hence previous year figures are not comparable.

Mobile Voice Konnect Private Limited have not commenced operation during the year ended March 31, 2013.

In respect of entities in Sl. No. 4 & 5, 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. Inventories

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

### e. 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 Group are segregated.

### f. Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### g. Depreciation

Depreciation/Amortisation on assets is provided using the straight-line method based on useful/commercial



## Notes forming part of the consolidated financial statements

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

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.

### h. Revenue Recognition

Revenue from Telecom Value Added Services, net of credit notes, 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 carrying value of the investment.

Rental Income is recognised on an accrual basis.

Interest Income is recognised on an accrual basis.

### i. 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.

### j. 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.

## Notes forming part of the consolidated financial statements

### k. 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.

### l. 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 fund manager, 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.

### m. Employee Stock Option Plan

The Company has formulated 13 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, OnMobile Employees Stock Option Plan 2011 and OnMobile Employees Stock Option Plan - I 2012

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 2010, OnMobile Employees Stock Option Plan 2011 and OnMobile Employees Stock Option Plan - I 2012 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.

### n. Borrowing Costs

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.

### o. 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.

## Notes forming part of the consolidated financial statements

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.

### p. Leases

Assets taken on lease where the Group 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.

### q. Earnings per Share

In determining the Earnings per share, the Group 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. .

### r. 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 Group 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 or substantively 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.

Research tax rebate:-

In accordance with French fiscal rules, the subsidiaries Vox mobili S.A. and OnMobile 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.

### s. 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.

### t. 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.

### u. Operating Cycles

Based on the nature of services / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## Notes forming part of the consolidated financial statements

(In Rs. Million)

	As at March 31, 2013		As at March 31, 2012	
<b>2. SHARE CAPITAL</b>				
<b>Authorised:</b>				
149,500,000 Equity Shares of Rs.10 each with voting rights (as at March 31, 2012 - 149,500,000 Equity Shares of Rs.10 each)		1,495.00		1,495.00
500,000 Preference Shares of Rs.10 each (as at March 31, 2012 - 500,000 Preference Shares of Rs.10 each)		5.00		5.00
		1,500.00		1,500.00
<b>Issued, Subscribed and Fully Paid up</b>				
114,152,822 Equity Shares of Rs.10 each fully paid up with voting rights (as at March 31, 2012 - 115,003,310 Equity Shares of Rs.10 each)		1,141.53		1,150.03
		1,141.53		1,150.03

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, 2013		As at March 31, 2012	
	Number of Shares	Amount	Number of Shares	Amount
<b>Equity Shares with voting rights</b>				
Opening balance	115,003,310	1,150.03	58,954,543	589.55
Add: Exercise of Employee Stock Option Plan	213,512	2.14	15,112	0.15
Add : Bonus	-	-	58,969,655	589.69
Less: Buy back	1,064,000	10.64	2,936,000	29.36
<b>Closing balance</b>	<b>114,152,822</b>	<b>1,141.53</b>	<b>115,003,310</b>	<b>1,150.03</b>

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

	Number of Shares	%	Number of Shares	%
<b>Equity Shares with voting rights</b>				
a) OnMobile Systems Inc	39,023,703	34.19	40,507,729	35.22
b) Smallcap World Fund, Inc	-	-	7,184,110	6.25

C) Aggregate Number of shares allotted as fully paid up pursuant to contracts without payment being received in cash, bonus shares and buyback of shares for the period of 5 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 and Securities Premium account.  
567,749 Equity shares were issued to erstwhile shareholders of ITfinty 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 OnMobile, 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 ended March 31, 2012 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.

During the year, the Company has completed the above referred buy-back of equity shares and bought back 1,064,000 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. 10.64 Million being the nominal value of equity shares bought back in terms of Sec.77AA of the Companies Act, 1956.

## Notes forming part of the consolidated financial statements

D) Total number of Options outstanding under various employee stock option plans, that are convertible into equity shares, as on March 31, 2013 are 4,455,470 (at March 31, 2012: 5,846,545).

### E) Rights and restrictions attached to equity shares:

The Company has only one class of equity share with voting rights (one vote per share). The dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company the equity shareholders are entitled to receive only the residual assets of the Company. The distribution of dividend is in proportion to the number of equity shares held by the shareholders.

	(In Rs. Million)			
	As at March 31, 2013		As at March 31, 2012	
<b>3. RESERVES AND SURPLUS</b>				
<b>Capital Redemption Reserve</b>				
Opening Balance	29.36		-	
Add: Transfer from Securities Premium Account	10.64		29.36	
Closing Balance		40.00		29.36
<b>Securities Premium Account</b>				
Opening Balance	3,439.65		4,224.52	
Add : Received during the year	-		0.17	
Less: Utilised during the year for:				
Transfer to Capital Redemption Reserve	10.64		29.36	
Shares buy back	32.74		165.86	
Bonus share	-		589.69	
Discount on exercise of eligible stock options	2.05		0.13	
Closing Balance		3,394.22		3,439.65
<b>Stock Options Outstanding</b>		0.44		0.44
<b>General Reserve</b>				
Transfer from Surplus in Statement of Profit and Loss		13.20		
<b>Foreign Currency Translation Reserve</b>				
Opening Balance	38.53		9.08	
Add : Effect of foreign exchange rate variations during the year	6.74		29.45	
Closing Balance		45.27		38.53
<b>Surplus in Statement of Profit and Loss</b>				
Opening Balance	4,196.06		3,498.78	
Add : Profit for the year	471.77		830.94	
Add: Reversal of Proposed dividend for earlier year (including tax)	1.24			
Less: Appropriations				
Transfer to General Reserve	13.20			
Proposed equity dividend (amount per share Rs. 1.50 (as at March 31, 2012: Re 1)	171.23		115.00	
Tax on proposed equity dividend	29.10		18.66	
Closing Balance		4,455.54		4,196.06
		<b>7,948.67</b>		<b>7,704.04</b>

	(In Rs. Million)			
	As at March 31, 2013		As at March 31, 2012	
<b>4. LONG - TERM BORROWINGS</b>				
Long Term Maturities of Finance Lease Obligation *		2.60		5.39
(Refer Note 30)		<b>2.60</b>		<b>5.39</b>
* Secured by underlying assets acquired under finance lease.				
* Repayable within 24 months, implicit interest rate is in the range of 9% to 13.50%				

	(In Rs. Million)			
	As at March 31, 2013		As at March 31, 2012	
<b>5. LONG TERM PROVISIONS</b>				
Provision for employee benefits:				
Provision for Compensated Absences		29.05		28.40
Provision for Post employment benefits		25.68		19.90
Provision - Others				
Credit Notes (Refer Note 36)		92.67		95.07
		<b>147.40</b>		<b>143.37</b>

## Notes forming part of the consolidated financial statements

	(In Rs. Million)	
	As at March 31, 2013	As at March 31, 2012
<b>6. SHORT - TERM BORROWINGS</b>		
Loans (Secured)		
From Banks	477.71	807.94
	<b>477.71</b>	<b>807.94</b>

Note :

- Buyers' Credit Rs.307.48 Million (at March 31, 2012: Rs 300.67 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 Nil (at March 31,2012: Rs.329.64 Million) repayable in six months. Secured by first paripassu charge on present and future stocks and book debts.
- Line of Credit Rs. 170.23 Million (at March 31, 2012: Rs. 177.63 Million) repayable within twelve months. Secured by OnMobile Global Limited's Standby letter of credit.

	(In Rs. Million)	
	As at March 31, 2013	As at March 31, 2012
<b>7. TRADE PAYABLES</b>		
Trade Payables	1,719.07	1,578.52
	<b>1,719.07</b>	<b>1,578.52</b>

	(In Rs. Million)	
	As at March 31, 2013	As at March 31, 2012
<b>8. OTHER CURRENT LIABILITIES</b>		
Deferred payment Liability (Refer Note 27)	389.03	36.37
Current Maturities of Finance Lease obligations (Refer Note 30)	10.56	9.40
Interest Accrued but not due on Borrowings	1.65	2.96
Deferred revenue	64.49	92.14
Advance from Customers	13.37	33.24
Share application Money (Refer Note 24)	0.24	0.24
<b>Other Payables</b>		
Statutory remittances	400.43	174.31
Payables on purchases of Fixed Assets	127.94	98.06
Others	-	8.46
	<b>1,007.71</b>	<b>455.18</b>

	(In Rs. Million)	
	As at March 31, 2013	As at March 31, 2012
<b>9. SHORT-TERM PROVISIONS</b>		
Provision for employee benefits:		
Provision for Compensated Absences	76.59	61.19
Provision for Gratuity (Refer Note 29)	1.75	7.60
Provision for post employment benefits	9.58	9.86
Provision for tax (Net of advances of Rs. 59.55 Million; (at March 31, 2012: Rs. 6.41 Million))	44.50	30.97
Provision - Others		
Credit Notes (Refer Note 36)	201.40	238.84
Proposed equity dividend	171.23	115.00
Provision for tax on proposed equity dividend	29.10	18.66
Others (Refer Note 36)	6.97	9.53
	<b>541.12</b>	<b>491.65</b>



# Notes forming part of the consolidated financial statements

Particulars	Gross Block					Accumulated Depreciation / Amortisation					Net Block			Rs. In Millions
	As At April 1, 2012	Adjust-ments	Addi-tions	Dele-tions	As At March 31, 2013	As At April 1, 2012	Adjust-ments	For the year	Dele-tions	As At March 31, 2013	As At March 31, 2013	As At March 31, 2012		
10. Fixed Assets														
Tangible Assets														
Leasehold improvements	64.06 (47.76)	- (14.39)	26.59 (2.59)	45.47 (0.68)	45.18 (64.06)	41.41 (29.94)	-	21.41 (11.91)	45.10 (0.44)	17.72 (41.41)	27.46 (22.65)	22.65 (17.82)		
Building	106.74 (106.74)	-	-	-	106.74 (106.74)	8.15 (6.40)	-	1.75 (1.75)	-	9.90 (8.15)	96.84 (98.59)	98.59 (100.34)		
Office Equipments	12.08 (11.69)	0.13 (0.56)	0.93 (0.07)	0.17 (0.24)	12.97 (12.08)	6.95 (5.73)	0.05 (0.23)	1.47 (1.23)	0.16 (0.24)	8.31 (6.95)	4.66 (5.13)	5.13 (5.96)		
Computer and Electronic equipments (owned)	2,760.38	0.31	347.20	132.74	2,975.15	1,905.57	0.27	500.56	65.20	2,341.20	633.95	854.81		
Computer and Electronic Equipment under finance lease	(2,242.84) 123.57	(1.39) -	(544.08) 15.49	(27.93) 0.03	(2,760.38) 139.03	(1,460.74) 106.60	(1.14) -	(468.96) 16.28	(25.27) 0.03	(1,905.57) 122.85	(854.81) 16.18	(782.10) 16.97		
Furniture & Fixtures	(123.51) 22.81 (21.70)	- 0.05 (0.19)	(0.09) 0.80 (1.03)	(0.03) 8.17 (0.11)	(123.57) 15.49 (22.81)	(72.12) 20.25 (19.26)	- 0.02 (0.10)	(34.50) 0.76 (0.95)	(0.02) 7.55 (0.06)	(106.60) 13.48 (20.25)	(16.97) 2.01 (2.56)	(51.39) 2.56 (2.44)		
Motor Cars	13.75 (13.75)	- -	- -	- -	13.75 (13.75)	13.75 (13.02)	- -	- (0.73)	- -	13.75 (13.75)	- -	- (0.73)		
Total Tangible Assets	3,103.39	0.49	391.01	186.58	3,308.31	2,102.68	0.34	542.23	118.04	2,527.21	781.10	1,000.71		
Previous year	(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)		
Intangible Assets														
Software	819.68 (801.81)	0.11 (0.45)	21.18 (17.42)	-	840.97 (819.68)	805.51 (777.35)	0.11 (0.39)	11.57 (27.78)	-	817.20 (805.51)	23.77 (14.16)	14.16 (24.46)		
Intellectual Property Rights	181.90 (181.90)	-	-	-	181.90 (181.90)	108.64 (59.83)	-	48.81 (48.81)	-	157.45 (108.64)	24.45 (73.26)	73.26 (122.07)		
Market Development and Deployment Rights	2,717.09	-	417.25	-	3,134.34	291.48	-	383.59	-	675.07	2,459.27	2,425.61		
Total Intangible Assets	(2,717.09)	-	-	-	(2,717.09)	(47.86)	-	(243.62)	-	(291.48)	(2,425.61)	(2,669.23)		
Previous year	3,718.67	0.11	438.43	-	4,157.21	1,205.64	0.11	443.97	-	1,649.72	2,507.49	2,513.03		
	(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)		

Note: Figures in brackets relate to the previous year.

Note: Figures in brackets relate to the previous year.

## Notes forming part of the consolidated financial statements

	(In Rs. Million)	
	As at March 31, 2013	As at March 31, 2012
<b>11. NON-CURRENT INVESTMENTS</b>		
Investments (At Cost)		
Trade Investments (Unquoted)		
In Equity shares		
Ver Se Innovation Private Ltd, India	-	6.94
Nil (at March 31, 2012: 85,420) equity shares of Rs 10 each, fully paid		
Non Trade		
Investment in mutual funds (Quoted):		
Mutual Funds	-	200.00
	-	<b>206.94</b>

Aggregate amount of quoted investments Rs. Nil (at March 31, 2012 Rs. 200 Million)  
Market value of quoted investments Rs Nil (at March 31, 2012: Rs. 201.00 Million)  
Aggregate amount of unquoted investment Rs. Nil (at March 31, 2012 Rs 6.94 Million)

	(In Rs. Million)	
	As at March 31, 2013	As at March 31, 2012
<b>12. LONG - TERM LOANS AND ADVANCES</b>		
(Unsecured, Considered good)		
Capital Advances	55.94	3.94
Security Deposits	57.10	104.24
Advances to Employees	8.20	5.11
Advance Taxation (net of provisions of Rs 1,302.95 Million (at March 31 2012 Rs 1,214.96 Million)	850.18	381.17
MAT Credit Entitlement	99.57	99.57
Fringe Benefit Tax (net of provisions)	0.70	0.70
	<b>1,071.69</b>	<b>594.73</b>

	(In Rs. Million)	
	As at March 31, 2013	As at March 31, 2012
<b>13. CURRENT INVESTMENTS</b>		
Current portion of Long term investments:		
Mutual Funds in Fixed Maturity Plans (Quoted)	200.00	-
Other current investments		
Mutual Funds and other short term investments	137.30	221.03
	<b>337.30</b>	<b>221.03</b>

Aggregate amount of quoted investment Rs 200 Million.  
Market Value of Quoted investments Rs. 221.51 Million

	(In Rs. Million)	
	As at March 31, 2013	As at March 31, 2012
<b>14. INVENTORIES</b>		
Components	-	19.80
	-	<b>19.80</b>

	(In Rs. Million)	
	As at March 31, 2013	As at March 31, 2012
<b>15. TRADE RECEIVABLES</b>		
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	318.55	192.61
Unsecured, considered doubtful	105.93	68.89
	<b>424.48</b>	<b>261.50</b>
Less: Provision for doubtful Trade receivables	105.93	68.89
	<b>318.55</b>	<b>192.61</b>
Other Trade Receivables		
Unsecured, considered good	1,468.32	1,562.06
Unsecured, considered doubtful	14.58	13.09
	<b>1,482.90</b>	<b>1,575.15</b>
Less: Provision for doubtful Trade receivables	14.58	13.09
	<b>1,468.32</b>	<b>1,562.06</b>
	<b>1,786.87</b>	<b>1,754.67</b>

## Notes forming part of the consolidated financial statements

	(In Rs. Million)	
	As at March 31, 2013	As at March 31, 2012
<b>16. CASH AND CASH EQUIVALENTS</b>		
Cash on hand	0.26	0.28
Cheques in hand	-	4.99
Balances with bank :		
- In Current Accounts (Note 1 below)	806.39	613.19
- In Deposit Accounts	743.01	1,018.27
- Earmarked Balances		
- Share application money received for allotment of securities and due for refund	0.24	0.24
- Margin money on Bank Guarantees	121.47	376.72
	<b>1,671.37</b>	<b>2,013.69</b>

**Notes:**

- Balances with Banks include Rs 263.80 Million (as at March 31, 2012- Rs 220.02 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.1,549.66 Million (at March 31, 2012: Rs.1,636.73 Million)

	(In Rs. Million)	
	As at March 31, 2013	As at March 31, 2012
<b>17. SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured, Considered good)		
Security Deposits	94.01	15.68
Prepaid Expenses	78.13	66.53
Balances with Statutory authorities (Refer Note 1)	568.39	553.88
Advances to Employees	38.24	42.64
Advances to Vendors	95.90	114.21
Others	-	3.30
	<b>874.67</b>	<b>796.24</b>

- Balances with statutory authorities include Rs.146.28 Million (at March 31, 2012: Rs.312.85 Million) paid to VAT Authorities under direction of the Honorable High Court of Karnataka.

	(In Rs. Million)	
	As at March 31, 2013	As at March 31, 2012
<b>18. OTHER CURRENT ASSETS</b>		
Unbilled Revenue	1,572.98	1,051.58
Accrued Interest on deposits	13.58	45.98
Accrued dividend	21.52	-
Others		
- Receivable on sale of Fixed Assets (including CWIP)	60.40	35.91
	<b>1,668.48</b>	<b>1,133.47</b>

	(In Rs. Million)	
	As at March 31, 2013	As at March 31, 2012
<b>19. OTHER INCOME</b>		
Interest		
- From Banks on deposits	81.58	101.95
- On Income Tax refund	-	19.94
Dividend income from current investments	31.64	14.62
Profit on sale of Long term investments (net)	47.32	466.80
Other Non- Operating Income		
- Provisions no longer required written back	0.58	2.40
- Profit on Sale of Fixed Assets (Net)	6.72	1.29
- Rental Income from Operating leases	-	7.13
- Miscellaneous Income	52.58	62.28
	<b>220.42</b>	<b>676.41</b>

	(In Rs. Million)	
	As at March 31, 2013	As at March 31, 2012
<b>20. COST OF SALES AND SERVICES</b>		
Content fee	698.74	825.56
Cost of software development and other charges	416.83	536.01
	<b>1,115.57</b>	<b>1,361.57</b>

## Notes forming part of the consolidated financial statements

	(In Rs. Million)	
	As at March 31, 2013	As at March 31, 2012
<b>21. EMPLOYEE BENEFITS EXPENSES</b>		
Salaries and wages	2,492.66	1,934.32
Contribution to provident fund and other funds	308.28	297.83
Workmen and staff welfare expenses	26.17	27.26
Employee Insurance	63.41	52.96
	<b>2890.52</b>	<b>2312.37</b>

	(In Rs. Million)	
	As at March 31, 2013	As at March 31, 2012
<b>22. FINANCE COSTS</b>		
Interest on Finance lease	3.18	9.15
Interest on Short term Borrowings	17.70	14.71
Other borrowing costs	6.12	7.40
	<b>27.00</b>	<b>31.26</b>

	(In Rs. Million)	
	As at March 31, 2013	As at March 31, 2012
<b>23. OTHER EXPENSES</b>		
Power and Fuel	28.58	24.13
Rent	202.21	200.74
Insurance	10.29	5.79
Repairs and Maintenance		
- Machinery	1.89	2.04
- Others	39.59	32.99
Office maintenance	65.92	71.74
Rates and taxes	271.70	122.95
Printing and stationery	4.48	3.69
Postage, courier and octroi	8.03	6.65
Communication charges	137.52	114.30
Training and Recruitment expenses	57.07	48.62
Travelling and conveyance	350.24	315.83
Legal, professional & consultancy charges	234.22	169.45
Commission to non whole time directors	3.40	3.80
Remuneration to auditors (Refer Note 28)	25.70	19.92
Marketing expenses	64.33	68.00
Bad Trade Receivables	63.60	-
Provision for Doubtful Trade Receivables	38.53	37.35
Brokerage and Commission	6.17	14.49
Bank charges	9.81	8.31
Net loss on foreign currency transactions and translations	116.80	23.68
Miscellaneous expenses	12.98	12.40
	<b>1,753.06</b>	<b>1,306.87</b>

## Notes forming part of the 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 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. 59.08 Million (Previous year: Rs 299.32 Million ) and disputed Income Tax Rs.111.74 Million (Previous year: Rs.57.70 Million ) .
- Claims against the Company not acknowledged as debts is Rs. Nil (Previous year: Rs 67.16 Million ) .
- Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for is Rs. 128.77 Million (Previous year: Rs. 157.95 Million).
- Pending amount for buyback of equity shares Rs. Nil (Previous year Rs. 54.78 Million)

### 26. Divestment in Ver se Innovation Pvt Ltd

During the year the Company sold its balance stake in Ver se Innovation Private Limited for a consideration of Rs. 55 Million (Sale during previous year Rs.500 Million).

27. Deferred Payment liability includes Rs. 34.35 Million (BRL 1.27 Million) (previous year: Rs. 36.37 Million (BRL 1.27 Million)) payable to a customer in Brazil towards deploying value added services on an exclusive basis in the region and Rs. 354.68 Million (Euro 5.1 Million) (Previous year: Rs. Nil) Payable to a customer in Europe towards deploying value added services on an exclusive basis.

### 28 Auditors Remuneration

a. Remuneration to the auditors of the Company:

Particulars	(In Rs. Million)	
	For the year ended March 31, 2013	For the year ended March 31, 2012
For Audit	2.85	2.25
For Taxation matters	2.34	1.95
For other attest services	5.93	6.08
Reimbursement of expenses	0.29	0.10
<b>Total</b>	<b>11.41</b>	<b>10.38</b>

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, 2013	For the year ended March 31, 2012
For Audit	13.59	8.88
For other attest services	0.70	0.66
Reimbursement of expenses	-	-
<b>Total</b>	<b>14.29</b>	<b>9.54</b>

### 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, 2013	For the year ended March 31, 2012
Employer's Contribution to Provident Fund	64.31	56.07
Contribution for Foreign Branches	8.55	2.78
Employee State Insurance Contribution	0.07	0.84

\* Included in Note 21.

## Notes forming part of the consolidated financial statements

### II .Defined Benefit Plans

#### Gratuity

In accordance with Accounting Standard 15 (Revised 2005) - "Employee Benefits", actuarial valuation as on March 31, 2013 was done in respect of the aforesaid defined benefit plan of Gratuity based on the following assumptions:

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Discount Rate	8.25% p.a	8.5% 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, 2013	As at March 31, 2012
Present Value of Obligation (Opening)	52.47	47.58
Current Service Cost	10.64	8.41
Interest on Defined Benefit Obligation	3.94	3.81
Benefits Paid	(9.32)	(5.59)
Net Actuarial Losses / (Gains) recognized during the Year	1.26	(1.74)
Past Service Cost	-	-
Losses / (Gains) on "Curtailements and Settlements"	-	-
Closing Present Value of Obligations	58.99	52.47

#### Change in the Fair Value of Assets:

(In Rs. Million)		
Particulars	As at March 31, 2013	As at March 31, 2012
Opening Fair Value of Plan Assets	44.87	31.94
Expected Return on Plan Assets	3.91	2.93
Actuarial Gains / (Losses)	0.67	0.66
Assets Distributed on Settlements	-	-
Contributions by Employer (net of risk premium etc)	17.11	14.93
Assets Acquired due to Acquisition	-	-
Exchange Difference on Foreign Plans	-	-
Benefits Paid	(9.32)	(5.59)
Closing Fair Value of Plan Assets	57.24	44.87

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

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

(In Rs. Million)		
Particulars	As at March 31, 2013	As at March 31, 2012
Closing Present Value of Funded Obligations	58.99	52.47
Closing Fair Value of Plan Assets	57.24	44.87
Unfunded Net Asset / (Liability) recognised in Balance Sheet	(1.75)	(7.60)



## Notes forming part of the consolidated financial statements

### Experience Adjustments:

(In Rs. Million)					
Particulars	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009
Defined Benefit Obligations	58.99	52.47	47.58	30.02	26.34
Plan Assets	57.24	44.87	31.94	26.21	7.12
Surplus/ (Deficit)	(1.75)	(7.60)	(15.64)	(3.81)	(19.22)
Experience adjustments on Plan Liabilities	1.26	(1.74)	(0.24)	(0.72)	1.20
Experience adjustments on Plan Assets	0.67	0.66	0.60	0.79	0.06

### Amount recognized in the Balance Sheet:

(In Rs. Million)		
Particulars	As at March 31, 2013	As at March 31, 2012
Closing Present value of obligations	58.99	52.47
Closing Fair Value of Plan Assets	(57.24)	(44.87)
Liability Recognised in the Balance Sheet	1.75	7.60

Estimate of amount of contribution in the immediately next year Rs 1.75 Million

### Expenses recognized in the Statement of Profit and Loss:

(In Rs. Million)		
Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Current Service Cost	10.64	8.41
Past Service Cost	-	-
Interest Cost	3.94	3.81
Expected Return on Plan Assets	(3.91)	(2.93)
Actuarial (Losses) / Gain	0.59	(1.08)
Total Expenses to be recognized in the Statement of Profit and Loss	11.26	8.21

### 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, 2013	For the year ended March 31, 2012
Compensated absence	11.41	19.46

### 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 assumptions:

### Experience Adjustments:

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Discount Rate	6.5% p.a	7% p.a
Expected Rate of Return on Plan Assets	-	-
Salary Escalation Rate	5% p.a	7% p.a

### Expenses recognized in the Statement of Profit and Loss:

(In Rs. Million)		
Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Current Service Cost	0.37	0.82
Interest Cost	0.07	0.03
Underprovision in prior year	-	-
Actuarial Losses / (Gain)	-	-
Foreign Exchange Difference	-	-
Total Expenses recognized in the Statement of Profit and Loss	0.44	0.85

### Amount recognized in the Balance Sheet:

(In Rs. Million)		
Particulars	As at March 31, 2013	As at March 31, 2012
Present value of obligations	0.85	1.36
Unrecognised actuarial loss	0.48	-
Liability Recognised in the Balance Sheet	1.33	1.36

### 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, 2013	For the year ended March 31, 2012
Amount expensed in the Statement of Profit and Loss	14.66	6.15

## Notes forming part of the consolidated financial statements

### 30. 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, 2013 under the various agreements are given below:

Particulars	(In Rs. Million)					
	Present value of Minimum Lease Payments		Future Interest		Minimum Lease Payments	
	For the year ended March 31, 2013	For the year ended March 31, 2012	For the year ended March 31, 2013	For the year ended March 31, 2012	For the year ended March 31, 2013	For the year ended March 31, 2012
Amount repayable not later than 1 year	10.56	9.40	2.80	2.95	13.36	12.35
Amount repayable later than 1 year and not later than 5 years	2.60	5.39	1.16	2.43	3.76	7.82
<b>Total</b>	<b>13.16</b>	<b>14.79</b>	<b>3.96</b>	<b>5.38</b>	<b>17.12</b>	<b>20.17</b>

### 31. 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, 2013	For the year ended March 31, 2012
Total rental expense charged to Statement of Profit and Loss	202.21	202.01
<b>Future lease payments</b>		
Not later than 1 year	65.93	21.73
Later than 1 year and not later than 5 years	81.98	18.44

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

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

Particulars	(In Rs. Million)	
	For the year ended March 31, 2013	For the year ended March 31, 2012
Rental Income recognized in Statement of Profit and Loss	Nil	7.13

### 32. 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 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 forming part of the 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, 2013	For the year ended March 31, 2012
Options granted outstanding at the beginning of the year	396,954	285,383
Bonus shares issued during year	-	285,383
Exercised during the year	213,512	68,770
Forfeited options reissued	94,536	-
Forfeited during the year	51,090	105,042
Options granted outstanding at the end of the year	226,888	396,954
Grants outstanding which are vested as at Balance Sheet date including increase due to issuance of bonus shares	226,888	396,954

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.
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

## Notes forming part of the consolidated financial statements

Plan	Board approval date	Share holder's approval date	Total options appropriated	Terms of Vesting
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
OnMobile Employees Stock Option Plan 1, 2012	7-May-12	29-Aug-12	3,000,000	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, 2013	For the year ended March 31, 2012
Options granted outstanding at the beginning of the year	5,449,591	2,994,527
Bonus shares issued during year	-	2,994,527
Granted during the year	697,500	382,500
Exercised during the year	-	1,754
Forfeited options reissued	219,824	-
Forfeited during the year	2,138,333	920,209
Options granted outstanding at the end of the year	4,228,582	5,449,591
Weighted average remaining contractual life (years) at the year end	3.4	3.9
Weighted average exercise price per option (after adjusting for Bonus issue)	Rs. 61	Rs. 64
Range of exercise price (after adjusting for bonus issue)	Rs 37.03 to Rs 79.23	Rs 63.78 to Rs 79.23

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, 2013 would have been lower by Rs.24.61 Million (Previous year Rs.157.22 Million) and Basic and diluted EPS would have been revised to Rs.3.9/- (Previous year Rs 5.8/-) and Rs.3.9/- (Previous year- Rs 5.7/-) respectively as compared to Rs.4.1/- (Previous year Rs 7.1/-) and Rs.4.1/-(Previous year Rs 7.0/-) 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 4.4 years (Previous year 4.3 years), a "2%" (Previous year 2%) expected dividend yield on the underlying equity shares, weighted average volatility in the share price of 55.74% (Previous year 51.58%) and a risk free rate of 8.25% p.a. (Previous year 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.

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 forming part of the 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.

33. 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”.

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, 2013	For the year ended March 31, 2012
I Revenue (by location of customer)		
India	2,842.60	3,536.97
Latin America	1,650.97	707.95
Europe	1,423.87	1,025.24
Africa	843.59	465.94
Rest of the World	491.66	644.04
<b>Total</b>	<b>7,252.69</b>	<b>6,380.14</b>
II Total carrying amount of Segment Assets, by geographical location of assets	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
India	4,114.19	4,868.05
Latin America	900.83	476.90
Europe	1,601.99	1,045.75
Africa	843.52	434.16
Rest of the World	485.77	548.17
<b>Total</b>	<b>7,946.30</b>	<b>7,373.03</b>
III Cost incurred for purchase of tangible & intangible assets, by geographical location of assets *	<b>For the year ended March 31, 2013</b>	<b>For the year ended March 31, 2012</b>
India	209.80	201.49
Latin America	83.40	88.03
Europe	434.18	51.29
Africa	66.70	175.07
Rest of the World	166.11	44.15
<b>Total</b>	<b>960.19</b>	<b>560.03</b>

\* excluding capital advances

### 34. 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, 2013	For the year ended March 31, 2012
Profit after tax as per the Statement of Profit and Loss (In Rs. Million)	471.77	830.94
Weighted Average number of Shares	114,240,072	117,079,068
Weighted Average number of Shares for Basic EPS	114,240,072	117,079,068
Add: Effect of Stock Options outstanding	247,377	1,601,918
Weighted Average Number of equity shares for Diluted EPS	114,487,449	118,680,986
	Rs.	Rs.
Nominal value of equity shares	10.0	10.0
Earnings Per Share		
Basic	4.1	7.1
Diluted	4.1	7.0

## Notes forming part of the consolidated financial statements

### 35. Accounting For Taxes On Income

- a. In accordance with the Accounting Standard 22 – “Accounting for Taxes on Income”, during the year, the Company has credited the deferred tax to the extent of Rs.77.50 Million in 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, 2012	Current year (credit)/ charge	Adjustments for foreign currency translation	Deferred Tax (Assets)/ Liabilities as on March 31, 2013
Difference between book and tax depreciation	105.35	(31.04)	-	74.31
Others (Provision for gratuity, compensated absences, doubtful receivables, etc.)	(29.46)	(12.82)	0.23	(42.05)
	<b>75.89</b>	<b>(43.86)</b>	<b>0.23</b>	<b>32.26</b>

(In Rs. Million)				
Particulars	Deferred Tax (Assets)/ Liabilities as on April 1, 2012	Current year (credit)/ charge	Adjustments for foreign currency translation	Deferred Tax (Assets)/ Liabilities as on March 31, 2013
Others (Provision for gratuity, compensated absences etc.)	(0.61)	(33.64)	2.99	(31.26)
	<b>(0.61)</b>	<b>(33.64)</b>	<b>2.99</b>	<b>(31.26)</b>

36. 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, 2012	Provision made during the year	Provision utilized during the year	Provision reversed during the year	Provision outstanding as at March 31, 2013
Other provisions- credit notes and others	Not later than 1 year	248.37	161.38	92.33	109.05	208.37
	1-3 years	95.07	17.34	-	19.74	92.67
		<b>343.44</b>	<b>178.72</b>	<b>92.33</b>	<b>128.79</b>	<b>301.04</b>
Previous year		(179.55)	(264.33)	(65.13)	(35.21)	(343.44)

### 37. 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 (Upto July 9, 2012)
		Chandramouli Janakiraman
		H. H. Haight IV
(ii)	Enterprises owned or significantly influenced by key management personnel/Directors or their relatives	OnMobile Systems Inc., USA
		Mobile Traffik Pvt. Ltd (Upto July 9, 2012)
		Riff Mobile Private Limited (Upto July 9, 2012)



## Notes forming part of the consolidated financial statements

### II. Transactions with Related Parties:

(In Rs. Million)

SI No	Nature of transactions	Key Management Personnel		Enterprises owned or significantly influenced by Key Management Personnel/ Directors or their relatives		Total	
		March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
1	Content Cost						
	Mobile Traffik Pvt. Ltd	-	-	-	7.86	-	7.86
	Total	-	-	-	7.86	-	7.86
2	Remuneration (including other benefits)						
	Arvind Rao	5.53	6.84	-	-	5.53	6.84
	Chandramouli Janakiraman	4.47	2.29	-	-	4.47	2.29
	H. H. Haight IV	3.47	-	-	-	3.47	-
	Total	13.47	9.13	-	-	13.47	9.13
3	Legal and Professional charges						
	Mobile Traffik Pvt. Ltd	-	-	-	3.53	-	3.53
	Total	-	-	-	3.53	-	3.53
4	Payable written back						
	Riff Mobile Private Limited	-	-	-	2.00	-	2.00
	Total	-	-	-	2.00	-	2.00

### III. Balances with Related Parties:

(In Rs. Million)

SI No	Nature of transactions	Key Management Personnel		Enterprises owned or significantly influenced by key management personnel / Directors or their relatives		Total	
		March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
1	Trade payables						
	Mobile Traffik Pvt. Ltd	-	-	-	15.17	-	15.17
	Total	-	-	-	15.17	-	15.17
2	Amount Receivables under: Short term loans and advances						
	Arvind Rao	-	0.64	-	-	-	0.64
	Chandramouli Janakiraman	0.26	-	-	-	0.26	-
	Mobile Traffik Pvt. Ltd	-	-	-	0.10	-	0.10
	Total	0.26	0.64	-	0.10	0.26	0.74

#### Notes:

- 1 Related party relationships are as identified by the Company on the basis of information available and relied upon 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 previous year.

## Notes forming part of the consolidated financial statements

### 38. 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, 2013 Nominal value (In Rs. Million)	As at March 31, 2012 Nominal value (In Rs. Million)	Currency	As at March 31, 2013 (Foreign Currency in Million)	As at March 31, 2012 (Foreign Currency in Million)
Foreign Currency Forward Contract -(SELL)#	115.19	50.46	BRL/USD	4.25	1.76
Foreign Currency Forward Contract -(BUY)	-	169.76	USD/INR	-	3.22
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 2 Million (Previous year USD 1 Million)

- b. Unhedged Foreign currency exposure is as follows:

Particulars	As at March 31, 2013 (In Rs. Million)	As at March 31, 2012 (In Rs. Million)	Nature of Currency	As at March 31, 2013 (Foreign Currency in Million)	As at March 31, 2012 (Foreign Currency in Million)
<b>Due to:</b>					
Non current liabilities					
Long-term provisions	0.85	-	AED	0.06	-
	0.42	32.30	BDT	0.59	49.70
	0.04	-	CLP	0.38	-
	0.439	13.11	COP	14.76	443.80
	0.227	-	EGP	0.03	-
	1.22	0.18	EUR	0.02	0.003
	0.83	0.002	GBP	0.01	0.0003
	0.01	-	LKR	0.03	-
	0.18	-	MYR	0.01	-
	0.06	-	PEN	0.00	-
	0.51	-	RON	0.03	-
	4.99	-	TZS	144.74	-
	0.60	-	USD	0.01	-
	0.97	0.51	ZAR	0.17	0.08
	0.10	-	ZMK	9.08	-
<b>Current Liabilities</b>					
Short-term borrowings	307.48	584.82	USD	5.65	11.53
Trade payables	1.23	2.50	AED	0.08	0.18
	6.76	4.17	AUD	0.12	0.08
	110.21	86.36	BDT	155.54	132.85
	0.42	0.10	CLP	3.68	0.90
	3.81	1.62	COP	128.13	54.93

## Notes forming part of the consolidated financial statements

Particulars	As at March 31, 2013 (In Rs. Million)	As at March 31, 2012 (In Rs. Million)	Nature of Currency	As at March 31, 2013 (Foreign Currency in Million)	As at March 31, 2012 (Foreign Currency in Million)
	18.58	-	EGP	2.31	-
	104.22	63.77	EUR	1.50	0.93
	5.75	7.37	GBP	0.07	0.09
	0.01	-	GHS	0.0002	-
	68.83	-	KES	106.44	-
	0.27	0.29	LKR	0.62	0.70
	4.21	-	MGA	171.14	-
	0.06	-	MWK	0.42	-
	1.70	3.49	MYR	0.10	0.20
	0.65	0.01	PEN	0.03	0.001
	2.85	5.37	RMB	0.33	0.65
	8.93	-	RON	0.56	-
	0.93	-	RWF	10.77	-
	0.04	-	SLL	2.79	-
	18.88	-	TZS	546.97	-
	133.09	21.36	USD	2.45	0.41
	11.37	0.45	XOF	106.76	4.18
	2.78	1.24	ZAR	0.47	0.18
	13.37	-	ZMK	1,270.74	-
Other current liabilities	0.46	0.37	AUD	0.01	0.01
	0.88	-	ARS	0.082	-
	30.44	4.56	BDT	42.965	7.016
	39.81	36.37	BRL	1.47	1.27
	7.34	7.17	CAD	0.14	0.14
	2.99	0.30	CLP	25.93	2.83
	5.90	2.65	COP	198.36	89.84
	385.18	35.51	EUR	5.5386	0.52
	0.34	0.02	GBP	0.004	0.0002
	-	94.37	IDR	-	16,498.44
	6.97	-	KES	10.78	-
	0.46	-	MGA	18.64	-
	0.59	0.03	MWK	4.18	0.096
	2.20	20.61	MXN	0.50	5.04
	1.32	0.79	MYR	0.07	0.05
	0.29	-	NIO	0.12	-
	0.22	-	NGN	0.62	-
	0.26	-	PAB	0.005	-
	2.16	0.11	PEN	0.10	0.006
	0.84	0.09	RON	0.053	0.01
	0.0003	-	RWF	0.0004	-
	1.31	-	SGD	0.030	-
	0.09	-	SLL	7.213	-
	-	0.77	TZS	-	23.23
	13.96	-	UGX	658.564	-
	5.06	12.93	USD	0.093	0.25
	0.95	2.15	XOF	8.891	19.85
	2.62	1.04	ZAR	0.445	0.15
	11.69	-	ZMK	1,110.784	-

## Notes forming part of the consolidated financial statements

Particulars	As at March 31, 2013 (In Rs. Million)	As at March 31, 2012 (In Rs. Million)	Nature of Currency	As at March 31, 2013 (Foreign Currency in Million)	As at March 31, 2012 (Foreign Currency in Million)
Short-term provisions	2.86	-	TZS	82.881	-
Due from:					
Long term loans and advances	4.49	4.51	AUD	0.08	0.08
	74.38	-	BDT	104.97	-
	39.49	-	BRL	1.46	-
	8.053	-	COP	270.7869	-
	2.11	0.63	EUR	0.03	0.01
	3.78	-	KES	5.84	-
	13.65	-	MXN	3.10	-
	-	0.001	MYR	-	0.0001
	0.20	0.03	RON	0.01	0.00
	-	2.78	SGD	-	0.07
	0.02	-	THB	0.01	-
	1.42	0.80	TZS	41.10	24.07
	34.32	9.72	USD	0.63	0.19
Trade receivables	0.33	0.26	AED	0.02	0.02
	8.43	6.63	AUD	0.15	0.12
	40.63	43.15	BDT	57.35	66.39
	6.90	7.17	CAD	0.13	0.14
	0.22	-	CLP	1.88	-
	0.0000001	21.15	COP	0.000004	715.69
	8.22	0.000001	EGP	1.02	0.0000001
	165.23	66.23	EUR	2.38	0.97
	0.41	-	GBP	0.01	-
	0.26	1.97	IDR	45.57	343.72
	49.37	1.59	MYR	2.81	0.09
	4.63	1.17	RON	0.29	0.07
	-	0.01	SGD	-	0.0002
	-	0.04	THB	-	0.03
	23.98	17.41	TZS	694.76	523.37
	346.00	267.60	USD	6.36	5.18
	8.24	5.49	ZAR	1.40	0.91
Short term loans and advances	0.20	0.97	AED	0.01	0.07
	0.68	0.36	AUD	0.01	0.01
	10.69	10.92	BDT	15.09	16.80
	1.89	-	CLP	16.41	-
	5.23	-	COP	175.80	-
	-	4.59	EGP	-	0.53
	59.21	103.52	EUR	0.85	1.51
	14.43	10.89	GBP	0.18	0.13
	7.05	-	KES	10.90	-
	0.37	-	MGA	14.94	-
	3.23	0.71	MWK	22.77	2.25
	0.42	-	MYR	0.02	-
	0.01	-	NGN	0.03	-
	14.72	1.27	PEN	0.69	0.06
	1.10	1.05	RMB	0.13	0.13
	0.21	0.04	RON	0.01	0.002
	(0.00)	46.52	SGD	0.00	1.12
	0.04	-	SLL	3.44	-
	4.23	0.14	TZS	122.70	4.11
	17.45	-	UGX	823.176	-

## Notes forming part of the consolidated financial statements

Particulars	As at March 31, 2013 (In Rs. Million)	As at March 31, 2012 (In Rs. Million)	Nature of Currency	As at March 31, 2013 (Foreign Currency in Million)	As at March 31, 2012 (Foreign Currency in Million)
	88.82	273.24	USD	1.63	5.34
	2.46	0.19	ZAR	0.42	0.03
	20.90	-	ZMK	1,986.68	-
Other current assets	40.35	76.09	BDT	56.95	117.06
	-	71.19	BRL	-	2.49
	0.66	1.02	CLP	5.75	9.55
	17.72	2.97	COP	595.88	100.50
	259.74	89.62	EUR	3.73	1.31
	2.09	-	GHS	0.07	-
	-	5.52	GTQ	-	0.80
	15.52	-	KES	24.00	-
	5.38	-	MGA	218.61	-
	2.02	-	MWK	14.25	-
	-	15.55	MXN	-	3.80
	10.46	-	NGN	30.074	-
	10.91	0.54	PAB	0.197	0.01
	6.83	20.45	PEN	0.32	1.04
	0.82	2.22	RON	0.05	0.14
	0.94	-	RWF	10.83	-
	-	0.11	SGD	-	0.00
	3.86	-	SLL	302.69	-
	39.66	17.17	TZS	1,149.18	516.21
	4.58	-	UGX	215.92	-
	179.14	120.00	USD	2.77	2.35
	16.61	-	XOF	155.98	-
	3.23	2.66	ZAR	0.55	0.39
	12.18	-	ZMK	1,158.19	-

39. Research tax rebate accrued as other income for Vox mobili S.A. and OnMobile S.A., during the year amounted to Rs. 27.50 Million (Previous year: Rs. 22.31 Million) and total tax receivable outstanding at March 31, 2013 amounted to Rs. 100.38 Million (Previous year: Rs. 72.18 Million).

40. The Company had 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 previous year. The total transaction entered into during the year, for which compounding application has been filed amounted to Rs. 0.48 Million (Previous year: Rs. 2.53 Million). The approval from Central Government is awaited.

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

For and on behalf of the Board of Directors

**H. H. Haight IV**  
Director

**P V Varaprasad**  
Company Secretary

Place: Bangalore  
Date: May 15, 2013



ADDITIONAL DETAILS AS REQUIRED BY GOVT. OF INDIA, MINISTRY OF CORPORATE AFFAIRS VIDE GENERAL CIRCULAR NO. 2/2011 DATED FEBRUARY 8, 2011

	OnMobile Singapore Pte. Ltd.	PT. OnMobile Indo-nesia	Von mobil S.A	OnMobile SA	OnMobile Europe BV	OnMobile USA LLC	Servicios De Telefonía OnMobile S.a De C.V	Brasil Serviços De Agregado Para Operações Móveis Ltda.	OnMobile Global SA	OnMobile Telecom-unicat-ion Services	Privatize Pte. Ltd.	OnMobile De Venezuela C.A.	OnMobile Kenya SARL	OnMobile Kenya Limited	OnMobile SARL	OnMobile Spain SA	OnMobile S.A. DE Telefonía C.V.	OnMobile Bangla-desh Private Limited	OnMobile Costa OBGR, S.A.	OnMobile Ghana Telecom Limited	OnMobile Madras Telecom Limited	OnMobile Nigeria Telecom Limited	OnMobile Rwanda Telecom Limited	OnMobile Zambia Telecom Limited	OnMobile Telecom (SL) Limited	OnMobile Tanzania Telecom Limited	OnMobile South Africa SA	OnMobile South Africa Limited	OnMobile Global Italy SRL		
Financial Year ended	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13		
Equity capital	196.52	4.95	22.61	1,860.43	897.73	109.32	8.06	63.98	23.53	0.08	0.10	1.30	-	40.19	0.82	-	0.21	-	2.64	-	-	1.09	-	-	13.59	8.22	-	-	-	0.70	
Reserves	17.02	10.11	490.36	33.68	1,638.79	57.76	27.41	137.65	11.44	4.41	0.01	(24.65)	1.44	3.18	1.26	0.46	0.05	1.66	(0.12)	0.18	0.28	0.58	0.85	0.28	3.04	3.12	0.33	0.09	0.82	1.09	-
Total assets	233.21	22.55	836.03	428.22	0.24	615.50	231.26	468.07	209.40	261.62	0.12	75.89	17.97	126.34	207.0	7.78	6.59	6.62	2.64	5.18	9.85	21.97	25.22	10.90	100.53	11.68	2.08	18.54	23.62	0.70	
Total Li-abilities	19.67	7.50	364.97	253.05	1.75	450.75	195.78	266.44	174.39	257.13	0.01	99.24	16.53	82.98	18.62	7.31	6.33	6.96	0.12	5.01	9.67	20.30	24.38	10.62	84.46	89.18	11.35	1.99	17.71	22.53	-
Investments	-	-	41.90	1,716.95	2,533.03	2.33	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for Bad debts	131.74	47.99	1,038.22	382.71	75.36	360.79	354.18	155.24	315.53	6.78	-	45.71	15.15	47.26	24.43	5.17	1.38	43.96	-	2.43	5.66	12.66	18.50	6.14	66.30	68.15	7.12	2.06	11.26	23.14	-
Provision for Before Tax	4.73	3.14	87.56	(39.54)	(2.83)	442.50	37.41	70.99	15.62	6.78	-	(31.72)	0.89	3.09	1.60	0.34	0.08	2.41	(0.12)	0.34	0.37	0.65	1.21	0.40	4.34	4.46	0.47	0.13	1.10	1.51	-
Provision for Taxation	-	0.69	1.39	18.52	-	1.487	11.22	74.38	5.47	5.11	-	1.11	0.30	0.93	0.48	0.10	0.02	0.75	-	0.07	0.09	0.25	0.36	0.12	1.30	1.34	0.14	0.04	0.27	0.42	-
Profit/(Loss) Proposed dividend	4.73	2.45	86.17	(58.06)	(2.83)	27.62	26.19	(3.40)	10.16	1.67	-	(22.83)	0.69	2.16	1.12	0.24	0.05	1.66	(0.12)	0.18	0.28	0.58	0.28	0.34	3.12	0.33	0.09	0.82	1.09	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note:

Total Assets = Non Current Assets + Current Assets

Total Liabilities = Equity + Current Liabilities + Non Current Liabilities

Exchange rate considered as on March 31, 2013

Investment excludes investment in Subsidiaries

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

# Notice

Notice is hereby given that the Thirteenth Annual General Meeting (AGM) of the Members of OnMobile Global Limited will be held on Tuesday, July 30, 2013 at 11.00 A.M at Hotel Royal Orchid, adjoining KGA Golf course, HAL Airport Road, Bangalore- 560 008, 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, 2013, 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, 2013.
3. To appoint a Director in place of Mr. Naresh Malhotra 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 modification(s) the following resolution as an ordinary resolution:  
“RESOLVED THAT pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors be and is hereby authorised to appoint Branch Auditor(s) of any branch office(s) of the Company, whether existing or to be set up hereafter, in India or abroad, in consultation with the Company's Auditors, any person(s) qualified to act as Branch Auditor(s) within the provisions of Section 228 of the Act and to fix their remuneration”
6. 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, 1999 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, 2013” (the “OnMobile ESOP -I, 2013” or “Plan”) the salient features of which are detailed in the Explanatory Statement relevant to this resolution, options exercisable into not more than 15,00,000 (Fifteen lakhs only) Equity Shares of face value Rs.10/- each of the Company, in one or more tranches, 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.”

7. 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, 1999 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, 2013” (the “OnMobile ESOP -I, 2013” or “Plan”) as proposed in the resolution No. 6 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, 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.”

By Order of the Board of Directors  
For OnMobile Global Limited

Sd/-  
P.V.Varaprasad  
Company Secretary

Date: May 15, 2013  
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, July 19, 2013 to Tuesday, July 30, 2013 (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 August 20, 2013 to those members whose names appear on the Register of members as on July 18, 2013.
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, 17-24 Vithal Rao Nagar, Madhapur, Hyderabad 500 081, 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

As per the provisions of Section 228 (3) of the Companies Act, 1956 the shareholders of the Company in a general meeting can appoint a person having the requisite qualification (other than its statutory auditor) for audit of accounts of the branch office of the Company or alternatively can authorise the Board of Directors of the Company for making such appointment in consultation with the Company's Auditors.

In view of these provisions, the approval of the Shareholders is being sought for authorizing the Board of Directors to appoint Branch Auditor(s) of any branch office(s) of the Company, whether existing or already been set up, in India or abroad, and also to fix their remuneration.

The Board of Director recommends the passing of the proposed resolution at Item No. 5 of the Notice.

None of the Directors is concerned or interested in the said resolution.

##### ITEM NO. 6 AND 7

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, 2013" which was approved by the Board of Directors at their meeting held on May 15, 2013.

"OnMobile ESOP -I, 2013" 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, 1999 (hereinafter referred as "Guidelines").

The Salient features of the Employee Stock Option Plan (OnMobile ESOP - I, 2013) as required under the Guidelines are as follows:

Sl. No.	Particulars	Description
1	Plan	ESOP-I, 2013
2	Total number of options to be granted	Employee Stock Options exercisable into not more than 15,00,000 (Fifteen Lakhs only) 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, 2013. 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 (present and future), 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 15,00,000 (Fifteen Lakhs only) 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 15,00,000.
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 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.6 and item No.7 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.6 and item No.7 as Special Resolutions and requests your approval for the same. A copy of the "OnMobile ESOP -I, 2013" 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.

#### ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR RE-APPOINTMENT

##### Naresh Malhotra

Naresh Malhotra, Director, retires by rotation and being eligible, offers himself for re-appointment. A brief resume of Naresh Malhotra is given below:

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. Naresh

retires by rotation and being eligible offers himself for re-appointment at the forthcoming Annual General Meeting to be held on July 30, 2013. 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. Deriv IT Solutions Private Limited
7. Deriv IT Solutions PTE Limited
8. Blue Star Infotech Limited
9. Modern Family Doctor Private Limited
10. B Natural Beverages & Snacks Private Limited
11. OnMobile USA LLC - as Manager
12. OnMobile Bangladesh Private Limited
13. Royal Orchid Associated Hotels Private Limited

Naresh Malhotra 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.

By Order of the Board of Directors  
For OnMobile Global Limited

Sd/-  
P.V.Varaprasad  
Company Secretary

Date: May 15, 2013  
Place: Bangalore



[illegible]

[illegible]

[illegible]

[illegible]



ONMOBILE GLOBAL LIMITED

Registered Office: E City, Tower-1, No 94/1C and 94/2, Veerasandra Village, Attibele Hobli,  
Anekal Taluk, Electronic City Phase - 1, Bangalore – 560100, Karnataka, India

Proxy Form

Thirteenth Annual General Meeting – July 30, 2013

Regd. Folio No./DP Client ID

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I/We..... of ..... being a member of OnMobile Global Limited hereby appoint. ....  
of ..... or failing him/her ..... of ..... as my/our proxy to vote for me/us on my/our behalf at the  
THIRTEENTH ANNUAL GENERAL MEETING of the Company to be held at Hotel Royal Orchid, adjoining KGA Golf course,  
HAL Airport Road, Bangalore- 560 008, Karnataka, India, at 11.00 AM IST on Tuesday, July 30, 2013 and at any  
adjournment(s) thereof.

Signed this..... day of .....2013

.....

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: E City, Tower-1, No 94/1C and 94/2, Veerasandra Village, Attibele Hobli,  
Anekal Taluk, Electronic City Phase - 1, Bangalore – 560100, Karnataka, India

Attendance Slip

Thirteenth Annual General Meeting – July 30, 2013

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 Thirteenth Annual General Meeting held at Hotel Royal Orchid, adjoining KGA Golf  
course, HAL Airport Road, Bangalore- 560 008, Karnataka, India, at 11.00 AM IST on Tuesday, July 30, 2013 .

.....

Name of the member/proxy  
(in BLOCK letters)

.....

Signature of the member/proxy





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.



*OnMobile*

**ONMOBILE GLOBAL LIMITED**

Tower #1, 94/1 C & 94/2, Veerasandra Village,  
Attibele Hobli, Anekal Taluk, Electronic City Phase-1,  
Bangalore - 560100, INDIA