



**CELEBRATING GLOBAL
PARTNERSHIPS**

ANNUAL REPORT | 2011



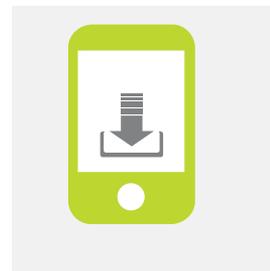
15 Billion

Calls handled every month



105 Million

Unique users every month



35 Million

Phone Back-up
Downloads



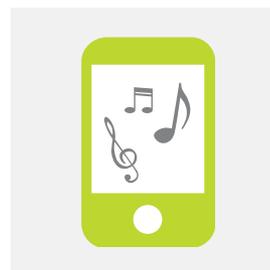
10 Million

On-device Portal Downloads



1016 Million

Market Reach



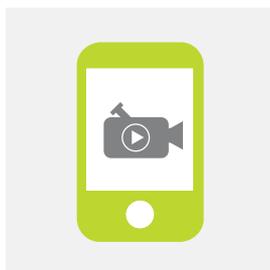
49 Million

RBT users serviced
every months



24 + Million

Video Content Adaptations



4 Million

Mobile Video Advertisements

Contents

01	OnMobile Global, Truly Global
19	Chairman's Message
23	Corporate Information and Board of Directors
25	The Management Team
28	Subsidiaries and Branches
29	CEO and CFO Certification
30	Report on Corporate Governance

44	Director's Report
51	Management Discussion and Analysis
59	Auditors' Report
62	Financial Statements
92	Balance Sheet Abstract
93	Auditors' Report on Consolidated Financial Statements

94	Consolidated Financial Statements
120	Statement Regarding Subsidiary Companies
122	Notice

OnMobile is a pioneer in white-labeled, Value Added Products and Services [VAS] for mobile, landline and media service providers. The #1 VAS specialist in emerging and high-growth markets, OnMobile touches the lives of over 1 billion mobile users across 52 countries each month.

We generate 2– 5% contribution for our top customers and top line revenues of over US \$ 800 million for over 92 customers globally and 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.

Founded in 2000, OnMobile has 1300 employees in offices across the world. The company was publicly listed in India in 2008. Recent acquisitions include Voxmobili (2007), Telisma (2008), and Dilithium Networks (2010).

OnMobile Global, Truly Global

OnMobile Global Limited has been a pioneer in the Mobile Value Added Services industry (VAS) and a market leader in the space ever since its inception 11 years ago. With services in 52 countries and over 1300 employees around the world, OnMobile has created a niche for itself in the Mobile VAS realm and is highly regarded as the 'Partner of Choice' by telecom operators around the world. The company was publicly listed in 2008 and has acquired Voxmobili (2007), Telisma (2008), and Dilithium Networks (2010).

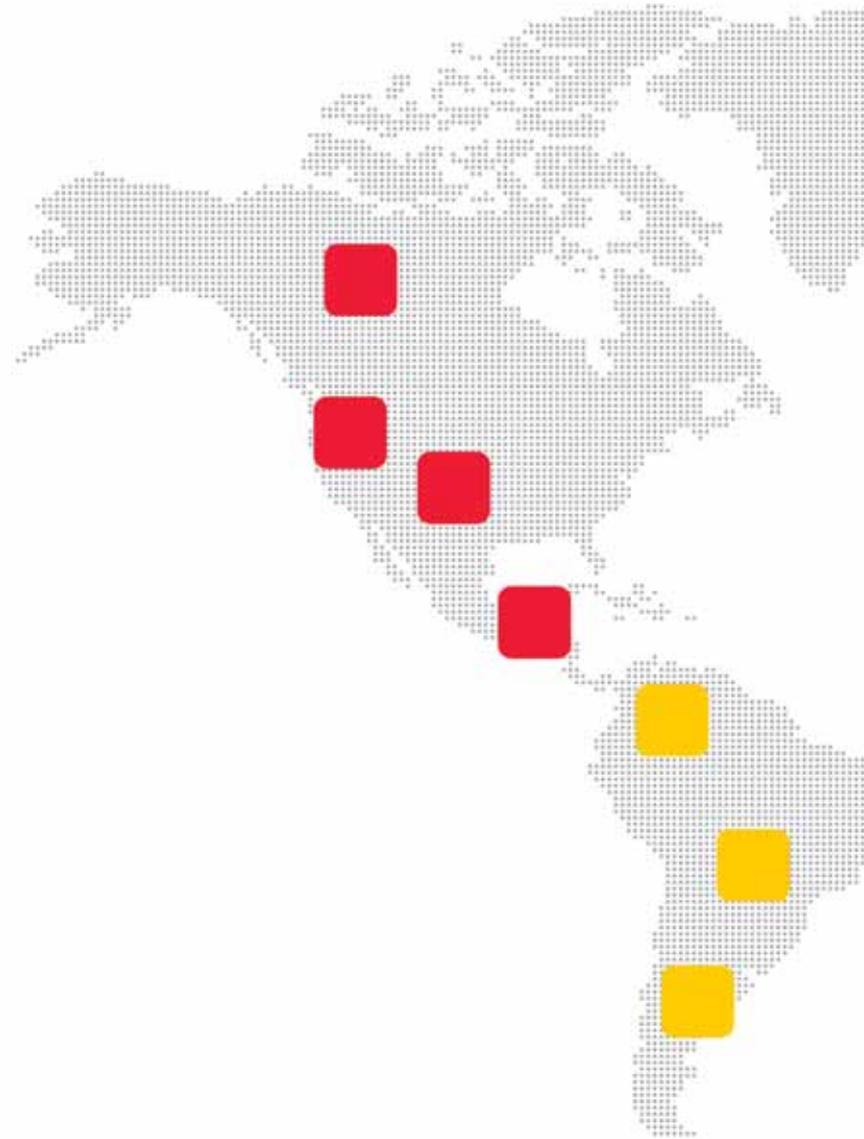
Despite macro challenges for the telecom industry in India, the Mobile VAS industry is poised to grow significantly. In the current VAS ecosystem, after the launch of 3G services in India, it has become even more imperative for players in the VAS ecosystem (mobile operators, content creators and handset manufacturers) to collaborate in order to achieve their full potential and grow results.

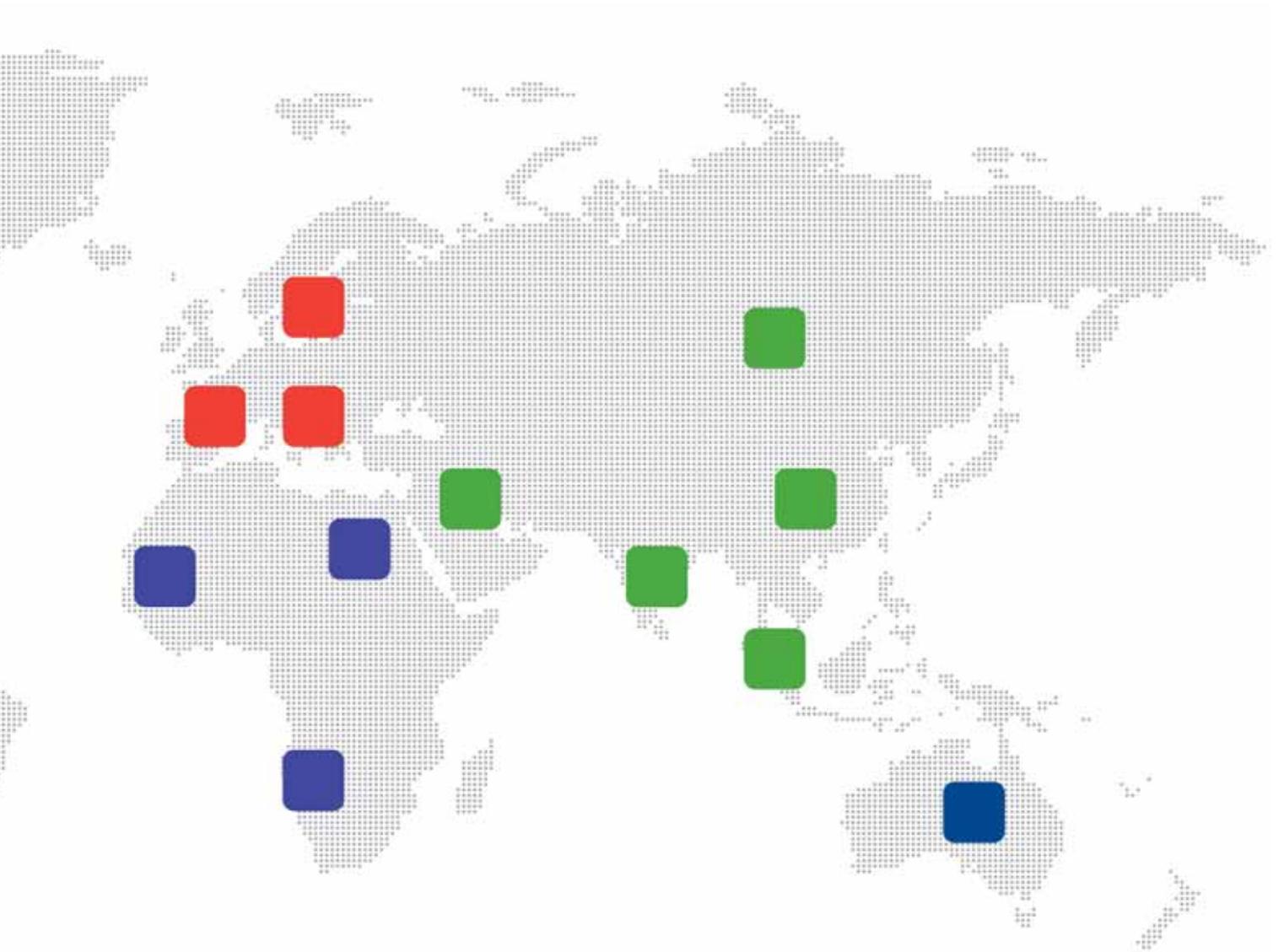
Steadily declining voice ARPUs and tough competition has accentuated the need for operators to offer unique and innovative services to differentiate themselves in the market, further spurring the growth in VAS. Furthermore with onset of 3G, availability of new services has multiplied with providing VAS providers new services like mobile video and TV.

OnMobile is well positioned to take advantage of all these developments. We have signed large international deals with Vodafone and Telefonica, having demonstrated our success in 2G, 2.5G value-added services and 3G data services. From presence in 25 countries, we have spread across 52 global locations within the span of just one year. Our ability to scale, the breadth of offerings and customized solutions provide us the prowess to meet the requirements of individual regions and operators.

OnMobile has partnered with leading operators in India and globally, to offer a broad spectrum of innovative services. We have successfully combined rapid growth with global recognition. Every month, we are entering new markets in new countries. These are very exciting times for us.

In this section, we focus upon the indelible mark OnMobile has made across geographies and how we have leveraged our Indian experience in order to successfully deliver automated, streamlined and improved operational efficiency for our clients.

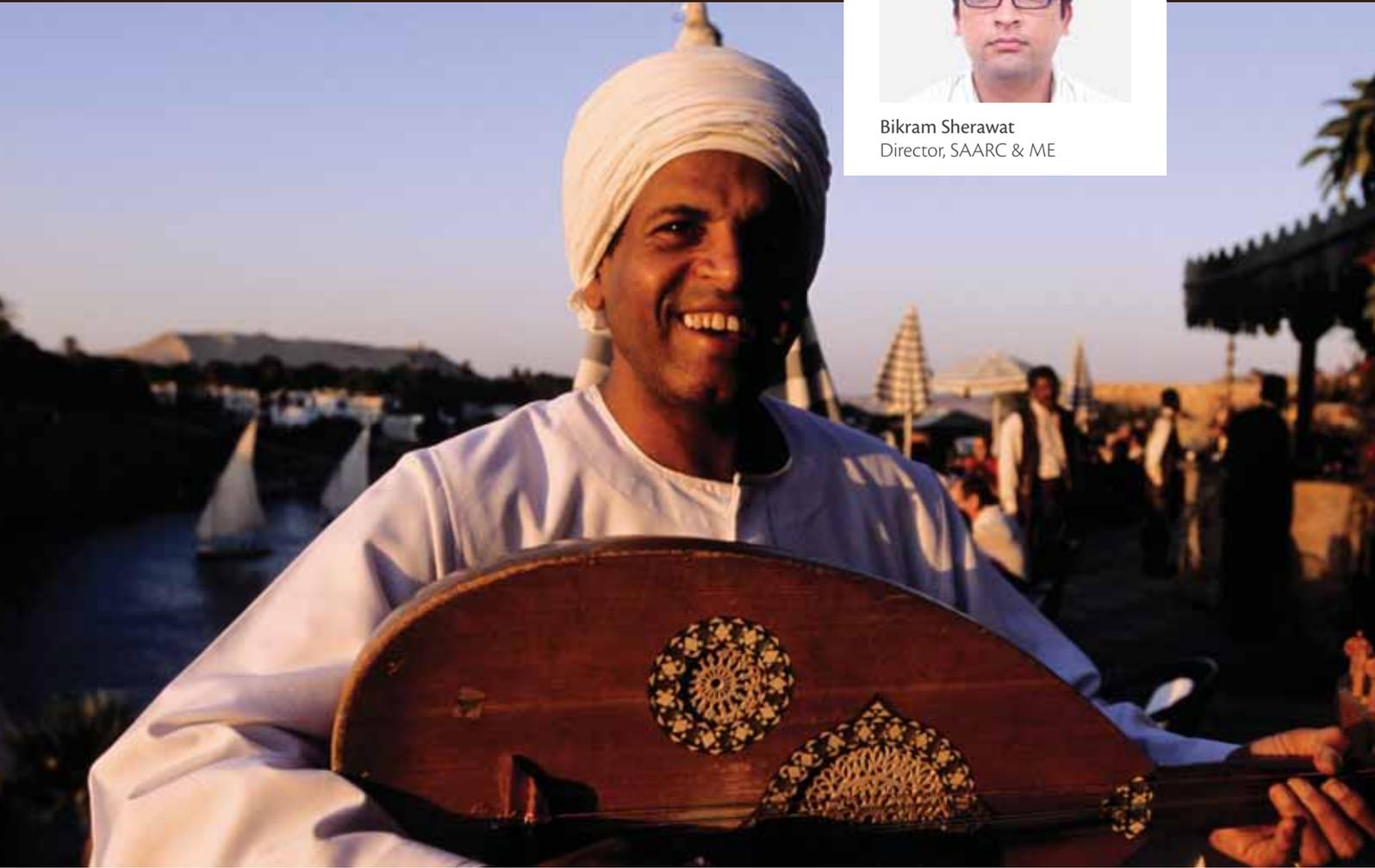




Egypt



Bikram Sherawat
Director, SAARC & ME



Personally it was a very satisfying experience, because it was one of the largest migrations outside India done by OnMobile. Also since we were replacing an in-house developed system, the expectations from the operator were huge and we had to gear up to meet them. We look forward to introducing the entire gamut of our VAS portfolio in Egypt.

Bikram Sherawat



With multi-site deployments across Egypt and our systems distributed across five locations, Ring Back Tones (RBT) are now available for all 30 Million subscribers for a major operator in Egypt. In a span of just 60 days, the service improved dramatically, witnessing millions of downloads.

We work the Egyptian way

OnMobile powers the Call Tones service for one of the largest operators in Northern Africa. The rollout is part of a global deal between the operator and OnMobile to offer Ring Back Tones and other music related services to customers in emerging markets.

Scale of operations

With a multi-site deployment across Egypt and our systems distributed across 5 locations, Ring Back Tones are now available for all 30 Million subscribers of a large operator in Egypt. Branded as Call Tones, this launch in Egypt has been highly rewarding as it bears direct testimony to OnMobile's ability to constantly innovate and demonstrate superior understanding of the markets we operate in.

Challenges faced

The volcanic ash eruption in Europe delayed the delivery of hardware by more than six weeks due to which there were interminable delays. The client was initially not happy but the onsite team scaled up to meet the challenge and multi-tasked, reducing the time of system readiness for launch from the time the hardware landed.

The OnMobile advantage

In a span of just 60 days, the service improved dramatically and added subscribers witnessing millions of downloads. Music related products- specifically RBTs have huge unrealized potential in Egypt owing to the popularity of Arabic and Egyptian music in the region. OnMobile's award winning RBT based products with their easy search, content discovery and single download options tapped into this interest successfully.

Republic of South Africa



Biswajit Nandi
Director, Africa



Launching in new geographies is always a tremendous learning experience and this was a very satisfying one as well. We were able to reinforce OnMobile's market leadership and commitment to client success by launching services in far flung geographies that were also new to the organization.

Biswajit Nandi

OnMobile's client teams both in South Africa and globally worked diligently in overcoming significant challenges pertaining to Localization, Customization and Delivery unique to this operator and the country.



We work the African way

OnMobile started its African journey in mid-2009 with large African operators. With major deals signed with leading telecom operators in South Africa and Tanzania, OnMobile was entrusted with the responsibility of launching a wide array of its products including Ring Back Tones, Mobile Radio, Chat Services and OnSong, a mobile entertainment platform.

Scale of operations

Today, OnMobile has customers in multiple African countries including South Africa and Tanzania. We have hired locally in all these countries, augmenting them with people from India and other countries, thus creating a diverse work environment. It has been a highly enriching journey so far as OnMobile has moved from strength to strength, partnering with major operators in the region to provide value added services for their subscribers.

Challenges faced

Challenges have been multi-fold from understanding the law of the land, delivering hardware, obtaining visas, hiring local on-site resources, and understanding the dynamics of the content market etc.

The OnMobile advantage

With a large international presence, OnMobile worked out processes to ensure timely hardware delivery in various countries, and the sales team worked very diligently with the internal teams to overcome challenges that arose. Apart from this, the deployment of services was done in a smooth manner for the operators in the African market due to the experience gained from earlier successful large scale deployments in India.

Brazil LATAM



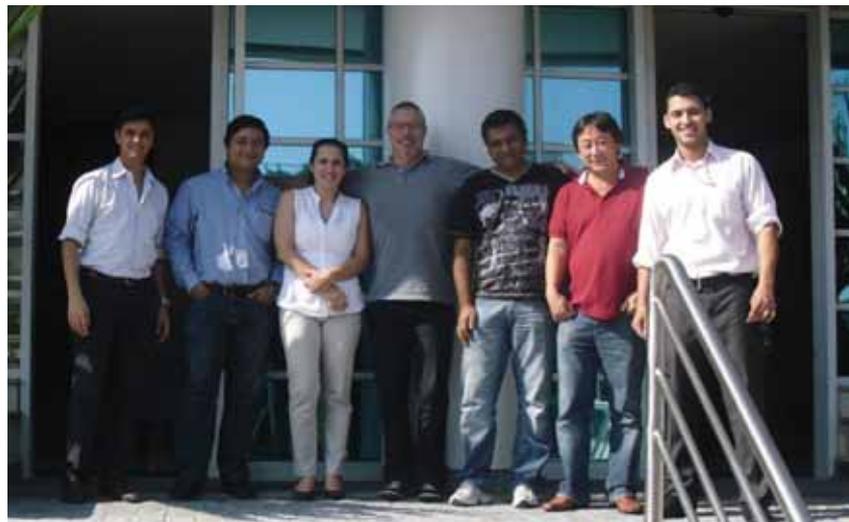
David Fondots
Vice President- Strategic Accounts,
LATAM



Brazil is a highly diverse set of cultures, rhythms, people, and complexity. It was rewarding to see these come together for a powerful music lifestyle service with a passionate, experienced team and dedicated customer.

David Fondots.

The biggest challenge was to overcome time, language and cultural differences and function as a team. OnMobile emerged successful in this endeavour due to a very experienced deployment team, locally deployed whenever necessary.



We work the Brazilian way

With a population of 203 million, Brazil has proven to be a big market for OnMobile in the Latin American region. Brazil is the seventh largest economy in the world and has a mobile density of 107% (as of January 2011). With the increasing demand for digital music consumption in Brazil, OnMobile's Ring Back Tones and other innovative services are proving to be very successful.

Scale of operations

There are several ongoing deployments for OnMobile's major clients in Brazil. Ring Back Tones (RBTs) have had resounding success amongst subscribers of Vivo where the service garnered 1 million subscribers in just the first ninety days. The momentum of RBTs shows the uptake that innovative music products can have in Brazil and is a harbinger of great things to come.

Challenges faced

Overcoming time, language and cultural differences to work seamlessly was a core strength, resulting in one of the fastest major operator deployments only 77 days from the arrival of hardware. Our client had high expectations, being a global leader in a highly competitive market, with strict processes and quality requirements. We developed special features and characteristics to accommodate Vivo's needs and adhere to Brazilian market practices and legal requirements.

The OnMobile advantage

The deployment of special features such as M-Search accelerated early growth winning the client's confidence and trust. OnMobile also had a strong and focused leadership in the region, with extensive experience in LATAM and with Telefonica-Vivo. The deployment process was implemented in a disciplined manner with short time to market and made available in a cost efficient manner.

France



Laurent Balaine
Vice President, Europe



OnMobile's project team was highly enthusiastic and focused on launching the best of services. We spent a lot of time and energy to understand client requirements and worked very hard to meet them.

Laurent Balaine



Working closely for a long time with one of the biggest telecom groups in the world has helped us to be always ahead, in terms of innovation. They share their vision and by understanding needs, our solutions are customized and incorporate their requirements.

Alexandre Joly, Sales Director & GAM Orange Group



We work the European way

OnMobile supplies the web and mobile central address book allowing webmail and mobile users to synchronize their contacts and back-up personal information in the network of one of the largest telecom operators in Europe.

Deployments are now live in multiple countries including France, UK, Poland, Switzerland and Belgium.

Scale of operations

OnMobile has established an exclusively dedicated team to support the Network Address Book (NAB) platform and to drive the evolution and customization of the platform keeping in tune with client requirements. This deployment is a mixed in-house, centralized and full managed services mode where some countries are managed from a central platform and others completely outsourced.

The OnMobile advantage

This large operator in Europe is a very strategic customer for OnMobile. Hence, OnMobile invested in additional dedicated resources in order to meet the strict development SLA targets supporting multiple millions of active users.

Challenges faced

The strategic value of our NAB platform and its flexibility created a lot of specific requirements from the client in order to optimize user experience which was not anticipated. Being a Group deployment, there were different technical teams involved at both the Group and Country level. The combination of these challenges had the potential to impact the delivery date of the product but OnMobile's worldwide expertise was a huge advantage in meeting the requirements satisfactorily.

Romania



Ganesh Thyagarajan,
Director, Pre sales and Delivery
Vodafone GAM



OnMobile has a wonderful amalgamation of individuals for whom spirited team work is the key mantra. It has been a real honor to work with individuals and teams where passion for the customer, our products and the company are at the highest levels. Every service that is launched involves multiple cross functional teams that come together for one common goal. For example when we launched our services at Vodafone Romania, there were about 25 different teams who came together to ensure the rollout was absolutely flawless.

Ganesh Thyagarajan



Vodafone is one of OnMobile's largest customers and our relationship with them dates from 2001. Since then, we have deployed a range of services for Vodafone in India including Ring Back tones, Voice Portals, Data and Video products etc. In 2009, OnMobile signed a global framework agreement with Vodafone to offer our services in both emerging and advanced local markets. As a result, OnMobile now provides services through Vodafone in Egypt, India, Romania, South Africa and Tanzania. The corporate relationship with Vodafone is handled out of London while the individual relationship with each Vodafone local market is managed by a dedicated local team.

Scale of operations

OnMobile has been successful with our services and products due to our managed services model. Dedicated teams operate locally in each country and central teams based out of centers in India, France and US work together to ensure that targets are met. Each Vodafone operator account has dedicated Account Management teams along with Delivery and Operations teams, who understand the local market and operator well. Wherever required, we also have content and user experience experts who understand consumer preferences.

The OnMobile advantage

The OnMobile advantage is that we have experts in every aspect of the business and country that we deal with. Strong support and expertise from various

corporate teams along with the combination of local teams make it a lot easier to resolve any challenge that arises.

Challenges faced

Firstly we had to overcome the local language barrier specifically in Eastern Europe. However this was overcome by our strong local sales and operations team. The second challenge was to transfer all our expertise and knowledge of the business, to our local teams. Other challenges included local taxation laws, customs clearance for our hardware delivery etc. However, with a lot of effort and enthusiasm, the team worked together to make it happen and in a highly efficient manner as well.

United States of America



Ron Longo
Vice President, North America



OnMobile is now doing business with several major mobile operators in North America, and we have kept pace with this by growing our on-site presence in the US and Canada by over 300% just in the last quarter.

Ron Longo



Building upon OnMobile's first North American deployment, the company has now established contracts with several major US and Canadian mobile operators to deploy the Network Address Book service, Video Solutions, and Social Network Applications.

We work the American way

OnMobile expanded into North America with the deployment of its cloud-based Network Address Book (NAB) for T-Mobile USA. Today, this deployment has grown by leaps and bounds activating hundreds of thousands of address book synchronizations per day, adding up to over hundreds of millions of synchronizations per year for T-Mobile customers alone.

Building upon OnMobile's first North American deployment, the company has now established contracts with several major US and Canadian mobile operators to deploy the Network Address Book service, Video Solutions, and Social Network Applications. Major operators are now OnMobile customers and testament to OnMobile's scalable value added applications for mobile customers. OnMobile also provides real-time content adaptation for a major North American content provider, another key customer for whom we cover 20,000+ video assets world-wide.

To support this aggressive growth strategy in North America, OnMobile has established sales, marketing, and support operations in Seattle, Toronto, Montreal, Miami, and the San Francisco Bay Area, with further expansion planned for Atlanta,

Kansas City, and New York. OnMobile's development teams in Noida, Bangalore, Paris, and San Francisco provide the technical support and engineering for the North American sales operations, and each customer is assigned a unique and dedicated project manager to ensure that development, sales, marketing, and support are closely aligned with the customer.

Strategically, OnMobile's Network Address Book, Social Network Gateway, XDMS server, Video Solutions, and overall VAS infrastructure provide the launching platform for OnMobile's broad suite of revenue-generating applications and services. These include Social Music, Live Video Sharing, Group Messaging, and other Rich Communication applications. Leveraging its extensive Value Added business that services almost 100 world-wide customers with over a billion end-users, OnMobile is uniquely positioned to provide North American operators with the underlying VAS platform, content management system, and subscriber management solution to drive up their revenue-enhancing applications and services for the fertile mobile consumer market.

India: Public



Sidharth Sharma
Vice President, India- Public



OnMobile's engagement with BSNL and MTNL has been mutually very rewarding over the years. VAS has become an intrinsic part of the operator strategy today, indicating the huge mind-share we have gained within the operator network. Through our consistent efforts for improvement and quality of service delivery, we provided services to suit customer requirements, convenience, and affordability.

Sidharth Sharma



OnMobile was the first and only VAS partner to launch the famed vernacular speech recognition based Voice Portal in the year 2004-2005 when VAS was still in its nascent stage in the public operator space.



We work the Indian way

Over the last six years, OnMobile has successfully partnered with the country's largest incumbent public sector telecom service providers BSNL and MTNL. We take pride in the fact that by focusing on the end customer user experience, we strive to provide services that add value to the user. OnMobile offers various services including the Personalized Ring Back Tones branded as 'BSNL Tunes', vernacular Voice Portal, SMS and WAP based applications, subscription based services on IVR, SMS and WAP, Phone Backup, On Device Portals and many other utility based applications/services to BSNL's wireless and wireline subscriber base across the country. We have partnered very effectively with both operators with regards to new products and services on VAS that potentially can, not only add value to the end subscriber but also create additional revenue and thus a higher ARPU for the operator as well.

The OnMobile advantage

We were the first VAS company to launch the Speech recognition model in BSNL and launched this with 13 vernacular languages which was unprecedented in 2005-06. OnMobile's multimodal solutions maximize the use of a telecom network's capabilities - all from within a single platform or application, and leverage end user location information and take advantage of the OnMobile VAS platform's flexible billing capabilities. The OnMobile technology solution is handset and network agnostic, and has been deployed and proven on BSNL/MTNL GSM, CDMA and landline networks

Leveraging the latest innovations in Speech Technology, we launched the highly interactive search engine on Mobile, M-Search; customized content for Jobs search, Matrimony, Mobile Radio, Mobile Box office; personalized content for BSNL/MTNL Ring Back tune subscribers and helped boost revenues for BSNL and MTNL.

India: Private



Sanjay Bhambri
Vice President, India- Private



Working with Indian Operators requires you to be highly motivated and challenged all the time. All major operators in India compete with each other to deliver the best in class services to their subscribers and use VAS applications to enhance their non-voice revenues and customer engagements. The fact that OnMobile has been able to constantly engage and deliver services for about a decade to all our customers with equal intensity clearly implies that we have been able to live up to their expectations continually. Whether it is entertainment, education, utility or health based services, the fact that we touch so many customers through our services is immensely gratifying to me.

Sanjay Bhambri

OnMobile has developed a unique marketing model that provides us with the ability to not just co-create innovative Value Added Services with telecom companies, but also cover the last mile when it comes to promoting the services to end customers.

We work the Indian way

OnMobile is the market leader and the largest Value Added Service provider to all Private Operators in India. Our relationships span over a decade and we have co-created and delivered some of the most innovative applications and VAS services to all major Indian Operators. OnMobile provides all major VAS services like Ring Back Tones and Reverse Ring Back Tones, Voice Portals, SMS & USSD products, WAP portals, Music Search and Data Products like Mobile Backup etc.

Scale of operations

With multi-site deployments across India and our systems distributed across all Telecom circles in the country, OnMobile services are available to more than 500 million telecom subscribers in India. Considering the pressures that all major operators in India face on shrinking revenues and churn in the core business, OnMobile is the partner of choice for all major operators in the country.

Challenges faced

OnMobile has developed a unique marketing model that provides us with the ability to not just co-create innovative Value Added Services with telecom

companies, but also cover the last mile when it comes to promoting the services to end customers. OnMobile today has Sales and Marketing personnel based out of each telecom circle for each operator. While giving us the local presence, this also provides a unique advantage since our field sales teams provide regular feedback and inputs on localized VAS applications that are used to enhance our products and services.

The OnMobile advantage

In a market that sees a continuous influx of new partners offering Value Added Services, the fact that OnMobile remains a partner of choice for all Value Added Services amongst all leading operators in the country bears direct testimony to OnMobile's ability to constantly innovate and meet the expectations of one of the most dynamic telecom markets in the world. In addition we share our global best practices in subscriber profiling and analytics to reach out to subscribers with content most suited to their needs and demands.



Chairman's Message

Moving forward, ease of use of VAS as well as providing multilingual content of choice is the key to increasing adoption. We strongly believe that value chain players should focus on design elements to address ease of use and multilingual content. VAS players need to understand consumer behaviour and respond with more targeted service offerings.

Dear Shareholders,

As we stand poised on the threshold of having completed eleven years as a pioneer in Mobile Value Added Services (VAS), it is time to reflect upon this exciting and challenging journey and also ponder upon the way forward for OnMobile to build on its leadership position.

The Mobile VAS industry is becoming bigger each day and with the increased focus on 3G and data services, the best is yet to come. The industry is currently at an inflection point and has ample potential to become larger than the fixed internet, particularly in large, fast growing emerging markets.

At OnMobile, we have always prided ourselves on providing best-of-the-breed technology and innovations to our customers. In the current VAS ecosystem, after the launch of 3G services in India, it has become even more imperative for the players (mobile operators, content creators and handset manufacturers) to collaborate in order to achieve their full potential and garner results. As pioneers and leaders in the VAS space, we intend to help them do just that and drive revenues. Let me discuss how.

Becoming a leader with our first player advantage in the Indian market was one thing. Maintaining a leadership position and addressing revenue and margin challenges of Indian operators in the hyper-competitive market environment is quite another. We do this by offering differentiated and compelling consumer services, on an on-going basis, and working with them closely to make them successful. Being an innovator on many fronts, including Technology, Business Model and Engagement Model, we believe in adapting and constantly re-inventing ourselves.

To this effect, we acquired the leading 3G video technology and mobile solutions, developed over eight years, by Silicon Valley based Dilithium Networks Inc. Dilithium pioneered mobile video, authored the global standard for 3G video telephony, and is the largest customer validated 3G video solution for mobile operators globally. This acquisition will enable OnMobile to deploy Dilithium's leadership technology in the rapidly expanding mobile video solutions space, leveraging OnMobile's 2G and 2.5G VAS platforms embedded in the world's leading telecom operators, accelerating their launch of 3G VAS services. The acquisition also provides OnMobile with Dilithium's extensive patent portfolio over 175 patents in some of the world's most advanced video technologies. Services enabled with Dilithium technology include video calling, video blogging, video optimization, etc.



Arvind Rao
Chairman, CEO & Co-Founder

The rich market experience we have gained in India will be leveraged across global markets in order to successfully deliver automated, streamlined and improved operational efficiency.

As part of our international expansion, nine new offices were registered in Uruguay, Egypt, China, Venezuela, Brazil, Panama, Chile, Nicaragua, Spain, Cyprus, and Senegal. We have onsite presence in 52 countries today, with international revenues contributing to over 27% of our global revenues.

The aggressive deployment schedule of the multi-country Telefonica project in LATAM continues and we are now live in 6 countries in the region, covering over 80% of their total subscriber base. The current absorption rate for RBT and Voice & Data services are in line with our expectations. We already have over 3 million active users in Latin America today, growing rapidly month-on-month.

We also launched RBT services in Egypt, reaching 30 million subscribers in a span of just 3 months. Social RBT was launched amongst four leading telecom operators in India and abroad, allowing them to increase their subscribers' base by reaching out to more users leveraging the viral effect of social networking sites. We also won an embedded deal with seven of the major handset OEMs for our Video Stacks in China.

OnMobile is all about being different and understanding a need in the market even before it becomes apparent. The recent releases from the OnMobile suite of products include Karaophone - an innovative service that allows users to play karaoke with their social networks via mobile or landline phones. The service represents a significant step in the convergence of entertainment and social networks, and can help media houses, record labels, and operators stand out amongst competition.

We also launched the "RCS Phonebook" – a comprehensive and interactive user Address Book that synchronizes all contact information, including friends on social networks, into one central location for easy management and live access. The RCS Phonebook enables mobile providers to stay ahead of communication's shift to the Web, by offering its customers the ability to stay connected and communicate via live presence updates, live chat, and video streaming.

Our Churn Management Solution achieved great success with a leading telecom operator in Asia. The operator witnessed an astounding 88% increase in subscriber recharges and the program added 2% to the top-line revenue of the operator.

Moving forward, ease of use of VAS as well as providing multilingual content of choice is the key to increasing adoption. We strongly believe that value chain players should focus on design elements to address ease of use and multilingual content. VAS players need to understand consumer behaviour and respond with more targeted service offerings.

The rich market experience we have gained in India will be leveraged successfully across global markets in order to successfully deliver automated, streamlined and improved operational efficiency. We are positive and enthusiastic about the future and believe that we can add great value to telecom operators world wide. The deals being won by us across the globe indicate that they share the sentiment as well!

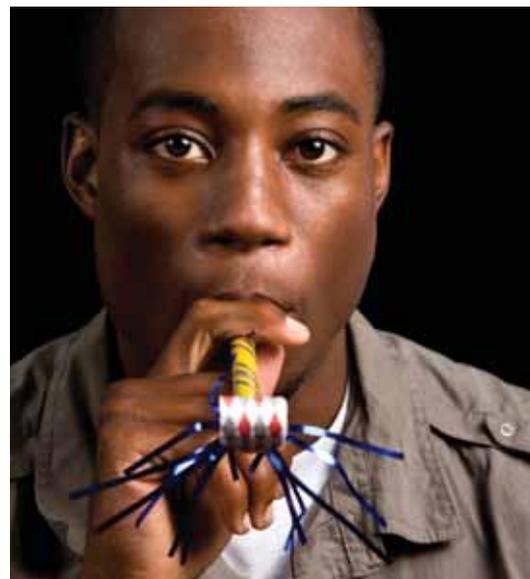
Come join me and 1300+ OnMobilians across the world take OnMobile to newer heights in the burgeoning and exciting VAS space.



Arvind Rao
Chairman, CEO & Co-Founder,
OnMobile Global Ltd

Product Lines

Our diverse product portfolio includes Mobile Music, multi-screen Video Gateway and Delivery Solutions, Phone Back up and Personal Cloud Management Solutions, Voice and Video Portals, M-Commerce products and services. 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.



Consumer VAS Portal

- Music and Entertainment
- M-Radio
- Mobile Box Office
- Sports and Live Streaming
- Infotainment
- Fun Station

In-call Solutions

- Ring Back Tone (RBT), adRBT
- Reverse RBT
- Missed Call Alert
- Voice SMS
- Dynamic Voicemail

Video Products

- Multimedia Gateways
- Video Applications
- Real time Content Adaptation
- Multimedia Protocol Stacks

Speech Products

- Telisppeech
- M-Search
- Karaoke/ Karaophone
- MuzicGenie

Media Solutions

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

Personal Cloud Products

- Phone Backup
- RCS Address Book
- Phonebook 2.0
- Social Address Book
- Social Network Gateway

M-Commerce and M- Marketing

- Mobile Ticketing
- Mobile Bill payments
- Mobile Advertising
- Corporate Advertising- RBT
- Cell Broadcast

Messaging Products

- Messaging and Campaign Management Platforms
- VAS Recommendation engines
- Rich Alerts
- Mobile Advertising platform



Awards and Achievements

| 2011

RCS Phonebook was nominated for 'GSMA App Garage' during the Mobile World Congress 2011

Arvind Rao, Chairman, CEO and Co-Founder was amongst the chosen few to be awarded the prestigious DARE Inspiring Entrepreneur Award

| 2010

Business Standard Star Awards 2010 in the small and medium enterprises category.

Technology Pioneer 2010- World Economic Forum

Nominated amongst Top Ten Companies for 2010 in CNBC TV-18's Young Turks programme

| 2009

Won the Deloitte Technology Fast 50 India and the Deloitte Technology Fast 500 Asia Pacific award for 2009 for third consecutive time

Frost & Sullivan Market Share Leadership award for "Mobile Value Added Services" category for 2009.

Arvind Rao, Chairman, CEO and Co-Founder was awarded the prestigious Dataquest 'Path breaker of the Year 2009' award in recognition of his contribution in the field of Telecom and Infotech, in creating the biggest telecom VAS company in India.

Corporate Information and Board of Directors

Board of Directors

Chairman & Managing Director

Arvind Rao

Executive Director

Chandramouli Janakiraman

Non-Executive Director

H H Haight IV

Independent Directors

Naresh Malhotra

Sridar Iyengar

Prof. Jayanth Rama Varma

Board Committees

Audit Committee

Prof Jayanth Rama Varma – Chairman

Naresh Malhotra – Member

H H Haight IV – Member

Compensation Committee

Sridar Iyengar – Chairman

Naresh Malhotra – Member

H H Haight IV – Member

Share Transfer and Investor

Grievance Committee

Naresh Malhotra – Chairman

Prof. Jayanth Rama Varma – Member

Chandramouli Janakiraman – Member

Registered Office

No. 26, Bannerghatta Road,

JP Nagar Phase III,

Bangalore – 560 076

www.onmobile.com

Statutory Auditors

Deloitte Haskins and Sells

Internal Auditors

KPMG (Registered)

Company Secretary

Mr.. P. V Varaprasad

Bankers

Kotak Mahindra Bank Limited

DBS Bank Limited

Hong Kong and Shanghai Banking Corporation

Citibank N A

ICICI Bank Limited

State Bank of India

IDBI Bank Limited

Punjab National Bank

Bank of India

Canara Bank

Axis Bank Limited

HDFC Bank Limited

Banamex, Mexico

BANCO SANTANDER, S.A. Spain

BBVA Banco Continental, Peru

Banco Mercantil, Av, Venezuela

Banque Internationale pour le Commerce

et l'Industrie au Mali

Registrar and Share Transfer Agent

Karvy Computershare Private Limited

17-24 Vithal Rao Nagar, Madhapur

Hyderabad 500 081. India

Tel: (91) 40 44655000

Fax: (91) 40 2342 0814

Board of Directors



From Left to Right:
Jayanth Rama Varma, Independent Director
Naresh Malhotra, Independent Director
Arvind Rao, Chairman and Managing Director
H.H. Haight IV, Non-Executive Director
Sridar A Iyengar, Independent Director
Chandramouli Janakiraman, Executive Director

The Management Team

Management Team - Corporate

Arvind Rao
Chairman, CEO & Co-Founder



Sanjay Uppal
President & COO



Mouli Raman
CTO & Co-Founder



Sandhya Gupta
Head, M & A, Investment and Strategy



Ratnesh Sharma
Vice President, Marketing



Rajesh Moorti
CFO



Management Team - Customers

Sanjay Bhambri
Vice President, India- Private



Ron Longo
Vice President, North America



Sidharth Sharma
Vice President, India- Public



Laurent Balaine
Vice President, Europe



Sandeep Ganguly
Vice President, LATAM



David Fondots
Vice President- Strategic Accounts, LATAM



Bikram Sherawat
Director, SAARC and ME



M V Rajesh
Senior Director, Media



Biswajit Nandi
Director, Africa



Varun Mehta
Director, ASEAN



Management Team - Products

Ahmad Kamal
Vice President-Network Products



Nicolas Pisseau
Vice President , Personal Cloud Products



Marwan Jabri
Vice President, Video Products



Kapil Raizada
Director, Apps and Voice Products



Jean Jacques Devaux
Director, Speech Products



Proneel Guptan
Senior Director, Architecture



Christy George
Vice President, Engineering



Srinivas M
Director, Messaging Products



Subsidiaries and Branches of the Company

I. List of Subsidiaries of the Company

OnMobile Global Limited has the following Subsidiary Companies:

SI No.	Name of the Subsidiary Company	Country
1.	OnMobile Singapore Pte. Ltd	Singapore
2.	OnMobile Australia Pty Ltd	Australia
3.	PT. OnMobile Indonesia	Indonesia
4.	Vox mobili S A	France
5.	Vox mobili Inc	USA
6.	Phonetize Solutions Private Limited	India
7.	OnMobile Europe B V	Netherlands
8.	Telisma S A	France
9.	OnMobile USA LLC	USA
10.	Servicios De Telefonía OnMobile SA De C V	Mexico
11.	OnMobile Global S A	Argentina
12.	OnMobile De Venezuela C A	Venezuela
13.	OnMobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis Ltda	Brasil
14.	OnMobile Global for Telecommunications Services	Egypt
15.	OnMobile Uruguay S A	Uruguay
16.	OnMobile Senegal SARL	Senegal
17.	OnMobile Mali SARL	Mali

II. List of Branches of the Company

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

SI No.	Branch 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

SI No.	Branch Locations
11	Madrid, Spain
12	Nicosia, Cyprus
13	Milan, Italy
14	Dar es salam, Tanzania
15	Bogota, Colombia
16	Santiago , Chile
17	Panama City, Panama
18	Guyaquil, Ecuador
19	Managua, Nicaragua
20	San Salvador, EL Salvador
21	Lima, Peru

CEO and CFO Certification

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

Arvind Rao, Rajesh Moorti,
CEO CFO

Date: April 30, 2011

Place: Bangalore

Report on Corporate Governance

CORPORATE GOVERNANCE

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

- i. Ensure that the Board exercises its fiduciary responsibilities towards shareholders, thereby ensuring high accountability;
- ii. Ensure that the decision making is transparent and documentary evidence is traceable through the minutes of the meetings of the Board/Committee thereof;
- iii. 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 Shareowners and the Company;
- iv. 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;
- v. Ensure that the core values of the Company are protected;
- vi. 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, Finance and reputed institutions. 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. Currently the Board has 6 Directors, of which the Chairman of the Board is an Executive Director.

DETAILS OF DIRECTORS

Name of Director	Position	Category	Attendance in Board Meetings		Attendance in Last AGM	Other Board			
			Held	Attended		Directorships Indian listed Companies+	Directorships all around world++	Committee Chairmanships#	Committee Memberships# (including Chairmanships)
Arvind Rao	CEO, Executive Chairman & Managing Director	Executive Director – Promoter	7	6	Present	NIL	10	NIL	NIL
Chandramouli Janakiraman	Whole time director and CTO	Executive Director – Promoter	7	6	Present	NIL	5	NIL	1
HH Haight IV	Director	Non-Executive	7	5	Present	NIL	15	NIL	1
Jayanth Varma	Director	Independent	7	5	Present	1	3	2	3
Naresh Malhotra	Director	Independent	7	6	Present	2	14	3	6
Sridar Iyengar	Director	Independent	7	5	Present	3	14	3	6

+ Excluding Directorships in OnMobile Global Limited and its subsidiaries

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

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

Details of Board meetings held during the year

Date of Board Meeting	Board Strength	Directors present
April 30, 2010	6	6
June 13, 2010	6	4
July 23, 2010	6	6
September 21, 2010	6	3
October 24, 2010	6	6
January 29, 2011	6	6
March 07, 2011	6	3

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, 2011, the Board met seven times on April 30, 2010, June 13, 2010, July 23, 2010, September 21, 2010, October 24, 2010, January 29, 2011 and March 07, 2011. 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:

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

1. Ver se Innovation Private Limited
2. RiffMobile Private Limited
3. Oskar Habitat Private Limited
4. Aakar Investments Private Limited
5. Phonetize Solutions Private Limited
6. Vox mobili SA
7. Vox mobili Inc
8. Telisma SA
9. OnMobile Europe BV

Mr. Chandramouli Janakiraman graduated with a Bachelor of Technology degree from the National Institute of Technology, Allahabad. He has over 20 years of experience in the software industry. He has previously served as Associate Vice President and Head of the Internet Products Group in Infosys Technologies Limited. In 2000, he left Infosys and co-founded OnMobile Systems Inc. He was appointed as a director by the shareholders at the AGM held on May 12, 2003. Mr. Chandramouli Janakiraman is on the Board of the following other Companies:

1. PT OnMobile Indonesia
2. Phonetize Solutions Private Limited
3. Servicios De Telefonía OnMobile SA De CV
4. OnMobile Global for Telecommunication services

Mr. 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 is currently the Chief Executive Officer in Argo Global Capital, LLC. He had retired by rotation and was re-appointed as a non-executive Director by the shareholders of our Company at the AGM held on July 24, 2010. Mr. Haight is on the Board of the following other Companies:

1. Argo Global Capital Corp.
2. Argo Global Capital Inc.
3. Argo Holdings, LP (as General Partner)
4. BPHC (as Managing Member)
5. Telecom Investment Inc.
6. Argnor
7. NTL
8. NT3
9. Argo Gasification (AGT)
10. OnMobile Systems Inc
11. Nostix
12. SurfKitchen
13. uReach
14. Volubill

Prof. Jayanth R Varma did his post-graduation in management from the Indian Institute of Management, Ahmedabad (IIMA), where he was awarded a Gold Medal for scholastic performance. Subsequently, he obtained his doctorate in management from the Indian Institute of Management, Ahmedabad. He is also a qualified cost accountant. He is currently a Professor in Finance and Accounting Area at the Indian Institute of Management, Ahmedabad where he teaches courses in capital markets, international financial management and corporate finance. Prof. Varma was a full time Member of the Securities and Exchange Board of India (SEBI) for a year. Before that, he was a part time member of SEBI for three years. Prof. Varma was the Chairman of the Group set up by SEBI to review the Revised Carry Forward System, of the SEBI Committee on Risk Containment Measures in the Derivatives Markets as well as of the SEBI Committee on Employee Stock Options, of the SEBI Advisory Committee on Derivatives and of the SEBI Group on Secondary Market Risk Management. He has also been the Chairman of the Risk Management Group of the Forward Markets Commission. He was the Chairman of the Expert Group on Transfer Pricing Guidelines set up by the Ministry of Finance and Company Affairs as well as of the Committee on Sweat Equity, Employee Stock Options and Preferential Allotment set up by the same Ministry. He has been appointed as an independent Director by the shareholders of our Company at the AGM held on

August 17, 2007. He had retired by rotation and was re-appointed as an Independent Director by the shareholders of our Company at the AGM held on July 24, 2010. Prof. Varma is on the Board of the following other Companies:

1. Infosys BPO Limited
2. Axis Bank Limited

Mr. Naresh K. Malhotra graduated with a Bachelor of Commerce degree from St. Xavier's College, Calcutta University. He qualified as a Chartered Accountant in 1970. He has over 40 years of experience in India and overseas in various companies including Imperial Chemical Industries, Unilever, Colgate Palmolive, Bukhatir Investments, the U B 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. He is currently a senior advisor at Sequoia Capital India. He has been re-appointed as an independent Director by the shareholders of our Company at the AGM held on August 01, 2009. Mr. Malhotra retires by rotation and being eligible offers himself for re-appointment at the forthcoming AGM to be held on August 04, 2011. Mr. Malhotra is on the Board of the following other Companies:

1. AB Holdings Private Limited
2. Balan Natural Foods Private Limited
3. Cotton County Retail Limited
4. NM Properties and Consulting Private Limited
5. Tarang Software Technologies Private Limited
6. Printo Document Services Private Limited
7. Genesis Colors Private Limited
8. Royal Orchid Hotels Limited
9. Deriv IT Solutions Private Limited
10. Deriv IT Solutions PTE Limited
11. Blue Star Infotech Limited
12. Modern Family Doctor Private Limited
13. Strand Life Sciences Private Limited

Mr. Sridar A. Iyengar is a fellow of the Institute of Chartered Accountants, England and Wales. He has over 39 years of experience in corporate finance and accounting. He has previously served as Chairman and chief executive officer at KPMG, India operations. He is associated with Bessemer Venture Partners and is an independent director of various companies including Infosys Technologies Limited, ICICI Bank Limited and Rediff.com. He has been re-appointed as an independent Director by the shareholders of our Company at the AGM held on August 01, 2009. Mr. Iyengar retires by

rotation and being eligible offers himself for re-appointment at the forthcoming AGM to be held on August 04, 2011. Mr. Iyengar is on the Board of the following other Companies:

1. Infosys Technologies Limited
2. Infosys BPO Limited
3. ICICI Bank Limited
4. Rediff.com Limited
5. Mahindra Holidays and Resorts India Limited
6. ICICI Prudential Life Insurance Company Limited
7. Cleartrip Travel Services Private Limited
8. AverQ Inc
9. Kovair Software Inc
10. Rediff Holdings Inc.
11. American India Foundation Inc
12. Cleartrip Inc
13. CL Educate 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;
- 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.

Remuneration/Compensation to Directors

The table below shows the amount paid or payable to the Directors of the Company for the financial year March 31, 2011:

(Amount in Rs. Million)

Sl No.	Name	Salary and Other benefits	Comm-ission	Sitting Fees	Total	Terms
1.	Arvind Rao	9.64	-	-	9.64	5 years up to July 23, 2011. Severance Notice period of 18 months compensation and 6 months notice. Reappointed for a period of 5 years with effect from April 30, 2011.
2.	Chandramouli Janakiraman	4.90	-	-	4.90	5 years up to July 23, 2011. Reappointed for a period of 5 years with effect from April 30, 2011.
3.	HH Haight IV	-	1.2	0.26	1.46	Retirement by rotation
4.	Sridar A Iyengar	-	1.2	0.18	1.38	Retirement by rotation
5.	Naresh K Malhotra	-	1.2	0.36	1.56	Retirement by rotation
6.	Jayanth R Varma	-	1.2	0.26	1.46	Retirement by rotation

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, unless the Company by special resolution authorizes 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) which ever is lower. The Board of Directors of the Company approved the payment of 4.8 Million remuneration by way of commission to the Non-Executive and/or Independent Directors for the financial year 2010-11. The Company has paid Rs. 1,060,000/- 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:

- Commission payable for four of the non-executive Directors Rs. 4.8 Million.
- Pre-Tax Sitting fee based on the attendance per Board or committee meeting - Rs. 20,000/- per meeting.

Re-appointment of Managing Director and the Executive Director

The Board of Directors at their meeting held on April 30, 2011 approved the re-appointment of Managing Director and the Executive Director for a period of five years with effect from April 30, 2011 and the approval of the shareholders for the same is being sought at the ensuing Annual General Meeting. The Executive Director and the Managing Director shall not be considered for retirement by rotation as per the Articles of Association of the Company.

Stock Options to the Independent and Non-Executive Directors

Each of the Independent and Non-Executive Directors has been granted 34,000 stock options.

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

Materially significant related party transactions

There have been no materially significant related party transactions, monetary transactions or relationships between the Company and directors, management, subsidiary or relatives, except for those disclosed in the financial statements for the year ended March 31, 2011.

COMMITTEES OF THE BOARD

For the Year Ended March 31, 2011 the Board had three Committees – the Audit Committee, the Compensation Committee, the Shareholders and Investors Grievance Committee. 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 given below:

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 Prof. Jayanth R. Varma (Chairman), Naresh K Malhotra and HH Haight IV. The Chairman of the committee is Prof. Jayanth R Varma an independent director. He is an Associate Member of the Institute of Cost and Works Accountants of India; he has also obtained a fellowship of the Indian Institute of Management Ahmedabad and has over 20 years of teaching, research and consulting experience in the field of finance. He has previously served as a full-time member of SEBI and as Chairman of various committees formed by SEBI and the Department of Company Affairs. He is a professor of the Indian Institute of Management, Ahmedabad. The Company Secretary acts as secretary to the committee.

Brief description of terms of reference:

1. Adopt and review Formal Written Charter approved by the Board for its self governance;
2. Review with the management the annual/half-yearly/quarterly financial statements;
3. Hold separate discussion with Internal and Statutory Auditors and among members of Audit committee to find out whether the Company's financial statements are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP);
4. Review the adequacy of accounting records maintained in accordance with the provisions of Companies Act 1956;
5. To look into reasons for substantial defaults if any in payment to depositors, shareowners and creditors;
6. Review the performance of Statutory Auditors, internal auditors and recommend their appointment and remuneration to the Board, considering their independence and effectiveness;
7. Perform other activities consistent with the Charter, Company's Memorandum and Articles, the Companies Act, 1956 and other Governing Laws.

Details of Audit Committee Meetings during the financial year

During the financial year ended March 31, 2011, four meetings of the audit committee were held. The details of the same are as follows:

Sl. No.	Name of Director and Position	Meetings/Attendance			
		April 29, 2010	July 23, 2010	October 24, 2010	January 29, 2011
1.	Prof. Jayanth R Varma – Chairman	Present	Present	Present	Present
2.	HH Haight IV – Member	Present	Present	Present	Present
3.	Naresh Malhotra – Member	Present	Present	Present	Present

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 Sridar A Iyengar (Chairman), Naresh K Malhotra and HH Haight IV. The Chairman of the Committee is Mr. Sridar A Iyengar, Independent Director. He is a fellow of the Institute of Chartered Accountants, England and Wales. He has over 39 years of experience in corporate finance and accounting. He has previously served as chairman and chief executive officer at KPMG, India operations. He is associated with Bessemer Venture Partners and is an independent director of various companies including Infosys Technologies Limited, ICICI Bank Limited and Rediff.com India Limited. The Company Secretary acts as secretary to the committee.

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

1. Annual review of the salary, bonus and other compensation plans of the CEO, CTO and COO & President of the Company.
2. Review and approve the salary, bonus and compensation plans for all the executive directors of the Company.
3. Framing suitable policies and systems to ensure that there is no violation, by an Employee or Company of any applicable laws in India or overseas, including:
 - The Securities and Exchange Board of India (Insider Trading) Regulations, 1992; or
 - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities market) Regulations, 1995.
4. Administer the implementation and award of stock options under the stock option plans of the Company.
5. Perform such functions as are required to be performed by the Compensation Committee under Clause 5 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

6. Recommend to the Board of Directors of the Company on any other employment incentives as the compensation committee deems it appropriate in the best interests of the Company.
7. Such other matters as may from time to time are required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

Details of Compensation Committee Meetings during the financial year

During the financial year ended March 31, 2011, four meetings of the Compensation Committee were held. The details of the same are as follows:

Sl. No.	Name of Director and Position	Meetings/Attendance			
		April 29, 2010	July 23, 2009	October 24, 2010	January 29, 2011
1.	Sridar Iyengar – Chairman	Present	Present	Present	Present
2.	HH Haight – Member	Present	Present	Present	Present
3.	Naresh Malhotra – Member	Present	Present	Present	Present

3. Share Transfer and Investor Grievance Committee

The Share Transfer and Investor Grievance Committee consists of a minimum of three (3) directors of whom two thirds including the Chairman are Independent Directors. This Committee was constituted by our Board at their meeting held on April 20, 2007. This Committee was formed to specifically look into the redressal of shareholder and investor complaints and issues pertaining to allotment or transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. The Share Transfer and Investor Grievance Committee consists of Naresh Malhotra (Chairman), Prof. Jayanth R Varma and Chandramouli Janakiraman. The Chairman of the Committee is Mr. Naresh Malhotra, independent director. He has over 39 years of experience in India and overseas in various companies including Imperial Chemical Industries, Unilever, Colgate Palmolive, Bukhatir Investments, the U B 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.

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

During the financial year ended March 31, 2011, four meetings of the Shareholder and Investor Grievance Committee were held. The details of the same are as follows:

Sl No.	Name of Director and Position	Meetings/Attendance			
		April 29, 2010	July 23, 2010	October 24, 2010	January 29, 2011
1.	Naresh Malhotra – Chairman	Present	Present	Present	Present
2.	Chandramouli – Janakiraman Member	Present	Present	Present	Present
3.	Prof. Jayanth R Varma – Member	Present	Present	Present	Present

Information for shareholder complaints received so far:

Name of Non-executive Director Heading the Committee	Naresh Malhotra – Independent Director
Name and Designation of Compliance Officer	P.V. Varaprasad, Company Secretary
Number of Shareholders complaints received so far	10
Number of Shareholder complaints resolved so far	10
Number of Shareholder complaints pending	NIL
Number of pending share transfers	NIL

DISCLOSURES

There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.

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, 2010 to March 31, 2011 - NIL.

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.

Among the non-mandatory requirements of the Clause 49 of the Listing Agreement, the Company has set up Compensation Committee and has a whistle blower policy in place.

Details of the Public issue and utilization thereof

The details pertaining to the utilization of the proceeds of the fresh issue of Equity Shares under the Initial Public Offering (IPO) of the Company in financial year 2010-11 are specified herein below.

The utilization of IPO proceeds is as below:

Amount in Rs. Million

Particulars	Projected in the prospectus	Actual funds utilised till March 31, 2011
Purchase equipment for our offices at Bangalore, Mumbai and Delhi and various customer sites	1,805.21	1,805.21
Working capital requirements	50.00	50.00
Repayment of Loan	350.00	350.00
General Corporate purposes	1,339.33	1,339.33
Total	3,544.54	3,544.54

MANAGEMENT DISCUSSION AND ANALYSIS

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

CEO/CFO CERTIFICATION

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

AUDITORS' CERTIFICATION ON CORPORATE GOVERNANCE

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

ANNUAL GENERAL MEETINGS

Details of the last three Annual General Meetings of the Company are given below:

Particulars date and time	FY 2008-09 August 1, 2009 10:30 AM	FY 2009-10 July 24, 2010 9.30 AM	FY 2010-11 August 4, 2011 10:00 AM
Venue	Hotel Royal Orchid, 01, Golf Avenue, Adjoining KGA Golf Course, Airport Road, Bangalore – 560 008	Hotel Royal Orchid, 01, Golf Avenue, Adjoining KGA Golf Course, Airport Road, Bangalore – 560 008	Hotel Royal Orchid, 01, Golf Avenue, Adjoining KGA Golf Course, Airport Road, Bangalore – 560 008

Details of the postal ballot resolutions passed by the Company till the date of this report are given below:

FINANCIAL YEAR	DATE	TIME	VENUE
2007-08	April 18, 2008	Not Applicable	Not Applicable
2008-09	October 30, 2008	Not Applicable	Not Applicable
2009-10	NIL	NIL	NIL
2010-11	April 21, 2011	Not Applicable	Not Applicable

General Information for Shareholders

CONTACT INFORMATION

Registered and Corporate Office

OnMobile Global Limited

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

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

<http://www.onmobile.com>

OTHER LOCATIONS (Domestic)

BANGALORE:

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

MUMBAI:

#1004, Floor 10, Dalamal House, Nariman Point,
Mumbai – 400 021

T +91 22 22833470, F +91 22 22876141

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

OTHER LOCATIONS (International):

ASIA

BANGLADESH

Rupayan Centre (Floor 17, South East) Plot No. 72,
Mohakhali Commercial Area, Dhaka 1212, Bangladesh
T +88 019 11740351, +88 018 1923242, +88 017 11566999

NEPAL

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

SRI LANKA

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

CHINA

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

MALAYSIA

Level 16, Menara Hap Seng, Jalan P. Ramlee,
50250 Kuala Lumpur, Malaysia
T +60 392367230, +60 392367231, F +60 392367333

INDONESIA

PT OnMobile Indonesia
M-23, Mayapada Tower, 11th Floor,
Jl. Jenderal Sudirman Kav. 28
Jakarta 12920, Indonesia
T +62 2152897330, F +62 2152897375

SINGAPORE

OnMobile Singapore Pte. Ltd.
APBC Raffles Place, 30 Raffles Place,
#23-00 Chevron House, Singapore - 048622
T +65 62335048, F +65 62335041

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.

EGYPT

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

SENEGAL

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

TANZANIA

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

SOUTH AFRICA

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

EUROPE

FRANCE

Voxmobili SA (an OnMobile Company)
36, rue Brunel 75017 Paris - France
T + 33 140262334, F +33 140269288

Telisma SA (an OnMobile Company)

97 av. du Général Leclerc 75014 Paris
T +33 156536444, F +33 145432454

THE NETHERLANDS

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

ROMANIA

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

UNITED KINGDOM

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

SPAIN

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

ITALY

Corso Plebisciti 8 - 20129 Milano

CYPRUS

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

UNITED STATES OF AMERICA

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

CALIFORNIA

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

SEATTLE

Voxmobili Inc(an OnMobile Company)
1601, Fifth Avenue, Suit 2400, Seattle, WA 981011

LATIN AMERICA

MEXICO

SERVICIOS DE TELEFONIA ONMOBILE SA DE CV
Paseo de la Reforma No. 505-31
Col. Cuauhtémoc C.P.06500
Deleg. Cuauhtémoc Mexico, D.F.

COLOMBIA

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

VENEZUELA

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

BRASIL

ONMOBILE BRASIL SISTEMAS DE VALOR AGREGADO
PARA COMUNICAÇÕES MÓVEIS LTDA.
Rua Barão do Triunfo, nº 88, cj 915 - Brooklin Paulista, CEP
04602-000, Cidade e Estado de São Paulo

ARGENTINA

ONMOBILE GLOBAL S.A.
Av.Roque Saenz Peña 788 9º, Buenos Aires, Argentina

CHILE

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

PANAMA

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

ECUADOR

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

NICARAGUA

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

EL SALVADOR

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

PERU

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

URUGUAY

ONMOBILE URUGUAY SA
Bulevar Artigas 1100
11300 - Montevideo - Uruguay

Representing Officers of the Company

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

COMPANY SECRETARY AND COMPLIANCE OFFICER

P.V. Varaprasad

Company Secretary
T + 91 80 4180 2500
F + 91 80 4180 2810
E investors@onmobile.com

INVESTOR RELATIONS – INSTITUTIONAL

Rajesh Moorti

Chief Financial Officer
T + 91 80 4180 2500,
F + 91 80 4180 2810
E rmoorti@onmobile.com

PUBLIC RELATIONS

Ratnesh Sharma

VP, Marketing
T + 91 80 4180 2500
F + 91 80 4180 2810
E ratnesh.sharma@onmobile.com

Listing details	The shares of the Company are listed on: Bombay Stock Exchange (BSE) Phiroze Jheejheebhouy Towers, Dalal Street, Fort, Mumbai – 400 001 National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 The Listing Fee for both the exchanges has been paid for the FY 2011. The Company has complied with the provisions of the listing agreement for the year ended March 31, 2011.										
Stock code	National Stock Exchange of India Limited (NSE) – ONMOBILE Bombay Stock Exchange Limited (BSE) – 532944 Reuters – ONMO. Bloomberg – ONMB:IN										
Forth coming Annual General Meeting (AGM)	The Eleventh Annual General Meeting (AGM) of the Members of OnMobile Global Limited will be held on Thursday, August 4, 2011, at 10.00A.M at Hotel Royal Orchid, 01, Golf Avenue, Adjoining KGA Golf Course, Airport Road, Bangalore – 560 008										
Financial Calendar (Tentative And Subject To Change)	<table border="1"> <thead> <tr> <th>Event</th> <th>Likely Board Meeting Schedule</th> </tr> </thead> <tbody> <tr> <td>Financial reporting for the quarter ended June 30, 2011</td> <td>July 30, 2011</td> </tr> <tr> <td>Financial reporting for the quarter ended September 30, 2011</td> <td>October 26, 2011</td> </tr> <tr> <td>Financial reporting for the quarter ended December 31, 2011</td> <td>January 28, 2012</td> </tr> <tr> <td>Financial reporting for the quarter ended March 31, 2012</td> <td>Last week of April 2012</td> </tr> </tbody> </table>	Event	Likely Board Meeting Schedule	Financial reporting for the quarter ended June 30, 2011	July 30, 2011	Financial reporting for the quarter ended September 30, 2011	October 26, 2011	Financial reporting for the quarter ended December 31, 2011	January 28, 2012	Financial reporting for the quarter ended March 31, 2012	Last week of April 2012
Event	Likely Board Meeting Schedule										
Financial reporting for the quarter ended June 30, 2011	July 30, 2011										
Financial reporting for the quarter ended September 30, 2011	October 26, 2011										
Financial reporting for the quarter ended December 31, 2011	January 28, 2012										
Financial reporting for the quarter ended March 31, 2012	Last week of April 2012										
Book Closure Date(s)	From Thursday, July 28, 2011 to Thursday, August 04, 2011 both days inclusive										
Registrars And Share Transfer Agents	Karvy Computershare Private Limited Plot No. 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad – 500 081 T +91 40 44655000 F +91 40 23420814										
Depository System	Currently 99.83% of the Company's share capital is held in dematerialised form. For any assistance in conversion of the physical shares to demat form or vice versa, the investors may approach Karvy Computershare Private Limited or Mr. P V Varaprasad, Compliance Officer, at the addresses mentioned above.										
Email ID of Grievance Redressal Division	einward.ris@karvy.com or investors@onmobile.com										

Distribution Schedule

Distribution Schedule - Consolidated as on 31/03/2011					
Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1 - 5000	31,684	95.51	2,330,380	23,303,800	3.95%
5001 – 10000	639	1.93	491,935	4,919,350	0.83%
10001 – 20000	360	1.09	536,981	5,369,810	0.91%
20001 – 30000	113	0.34	282,076	2,820,760	0.48%
30001 – 40000	70	0.21	246,583	2,465,830	0.42%
40001 – 50000	46	0.14	207,199	2,071,990	0.35%
50001 - 100000	80	0.24	547,521	5,475,210	0.93%
100001 & Above	180	0.54	54,311,868	543,118,680	92.12%
TOTAL	33,172	100	58,954,543	589,545,430	100%

Shareholding Pattern as on March 31, 2011

Category code	Category of Shareholder	No. of shareholders	Total No. of shares	No. of Shares held in demat form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of Shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
(A)	Shareholding of Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals/ Hindu Undivided Family	7	6,099,724	6,099,704	10.35	10.35	2,618,200	42.92
(b)	Central Government / State Government (s)	--	--	--	--	--	--	--
(c)	Bodies Corporate	2	2,000,000	2,000,000	3.39	3.39	435,000	21.75
(d)	Financial Institutions / Banks	--	--	--	--	--	--	--
(e)	Any Other (specify)	--	--	--	--	--	--	--
	Sub-Total (A)(1)	9	8,099,724	8,099,704	13.74	13.74	3,053,200	64.67
(2)	Foreign							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	--	--	--	--	--	--	--
(b)	Bodies Corporate	1	20,434,595	20,434,595	34.66	34.66	--	--
(c)	Institutions	--	--	--	--	--	--	--
(d)	Any Other (specify)	--	--	--	--	--	--	--
	Sub-Total (A)(2)	1	20,434,595	20,434,595	34.66	34.66	--	--
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	10	28,534,319	28,534,299	48.40	48.40	3,053,200	10.70
(B)	Public Shareholding							
(1)	Institutions							
(a)	Mutual Funds / UTI	16	2,546,152	2,546,152	4.32	4.32	--	--
(b)	Financial Institutions / Banks	4	219,575	219,575	0.37	0.37	--	--
(c)	Central Government / State Government (s)	--	--	--	--	--	--	--
(d)	Venture Capital Funds	--	--	--	--	--	--	--
(e)	Insurance Companies	--	--	--	--	--	--	--
(f)	Foreign Institutional Investors	70	13,814,338	13,814,338	23.43	23.43	--	--
(g)	Foreign Venture Capital Investors	--	--	--	--	--	--	--
(h)	Any Other (specify)	--	--	--	--	--	--	--
	Sub-Total (B)(1)	90	16,580,065	16,580,065	28.12	28.12	NA	NA
(2)	Non-institutions							
(a)	Bodies Corporate	668	4,955,166	4,955,166	8.41	8.41	--	--
(b)	Individuals - (i) Individual shareholders holding nominal share capital up to Rs.1 lakh.	31089	3,740,721	3,708,272	6.35	6.35	--	--

	(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	73	4,197,568	4,132,373	7.12	7.12	--	--
(c)	Any Other (specify)	--	--	--	--	--	--	--
(ci)	Non Resident Indians	417	217,005	217,005	0.37	0.37	--	--
(cii)	HUF	656	123,425	123,425	0.21	0.21	--	--
(ciii)	Director	--	--	--	--	--	--	--
(civ)	Trust	5	5,475	5,475	0.01	0.01	--	--
(cv)	Clearing Members	139	145,669	145,669	0.25	0.25	--	--
(cvi)	Foreign Nationals	24	66,256	66,256	0.11	0.11	--	--
(cvii)	Foreign Companies	1	388,874	388,874	0.66	0.66	--	--
	Sub-Total (B)(2)	33072	13,840,159	13,742,515	23.48	23.48	NA	NA
	Total Public Shareholding (B)=(B)(1)+(B)(2)	33162	30,420,224	30,322,580	51.60	51.60	--	--
	TOTAL (A)+(B)	33172	58,954,543	58,856,879	100.00	100.00	3,053,200	5.18
(C)	Shares held by Custodians and against which Depository Receipts have been issued	--	--	--	--	--	--	--
1	Promoter and Promoter Group	--	--	--	--	--	--	--
2	Public	--	--	--	--	--	--	--
	GRAND TOTAL (A)+(B)+(C)	33172	58,954,543	58,856,879	100.00	100.00	3,053,200	5.18

Shareholding of 1% or more holding

Sl No.	Name of the shareholder	Shares	As a % to eq
1.	SMALLCAP WORLD FUND, INC	3,592,055	6.09
2.	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD	2,748,450	4.66
3.	AMANSA INVESTMENTS LTD	1,922,894	3.26
4.	DRAGON PEACOCK INVESTMENTS LTD	1,013,514	1.72
5.	SBI LIFE INSURANCE CO. LTD	714,451	1.21
6.	FIL TRUSTEE COMPANY PRIVATE LIMITED	607,455	1.03
	TOTAL	10,598,819	17.98

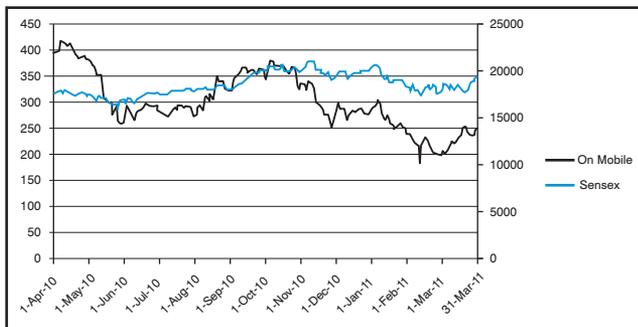
Last Financial Year Trade details:

BSE and NSE:

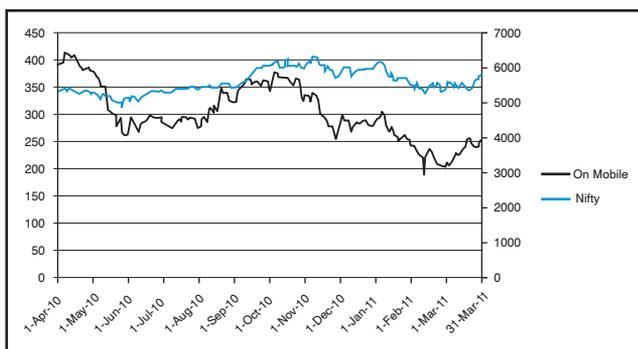
Month wise - Price – High and Low

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April	432.75	376.5	432	380.1
May	385.3	257	388	256.9
June	310.7	256.8	310.65	258.3
July	299	271.7	298.90	271.00
August	354.4	274.1	354.4	274
September	397	322.2	378.9	321
October	400	322	393	321.2
November	348	226	351	225
December	309.5	255	309.4	254.05
January	310	230	310	236
February	247	180.9	247.7	180.55
March	262.6	199.95	262.8	200

OnMobile Global Limited Vs BSE



OnMobile Global Limited Vs S & P CNX 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

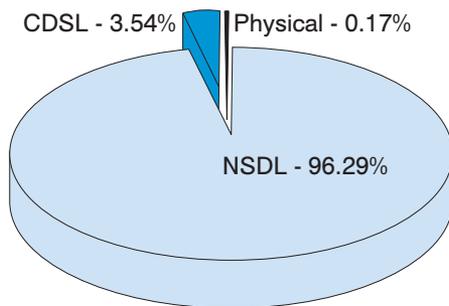
the Board by the Company Secretary. Details of complaints received and their nature is provided above. For shares transferred in physical form, the Company gives adequate notice to the seller before registering the transfer of shares. The Company Secretary receives the share transfers and reports the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

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

Dematerialization of Shares

The Company's shares are admitted into both the depositories viz., National Securities Depository Ltd (NSDL) and Central Depository Services (India) Limited. As of March 31, 2011, 99.83% of the Company's shares are held in electronic form.

Chart depicting the dematerialization of shares



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 AUDITORS

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, 2011 as stipulated in Clause 49 of the Listing Agreement of the said company with the relevant Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the management, we certify that the Company has

complied with the conditions of Corporate Governance as stipulated in the 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
April 30, 2011

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, 2011.

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, 2011.

Place: Bangalore
Date: April 22, 2011

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

Directors' Report

Dear Members,

The Directors take pleasure in presenting the 11th Annual Report on the business and operations of the Company together with the Audited Financial Statements and Accounts for the year ended March 31, 2011.

RESULTS OF OPERATIONS FOR THE YEAR 2010-11

PARTICULARS	(In Rs. Millions)	
	2010-11	2009-10
Net Revenue	4,550.27	3,639.14
Earning before other income, depreciation and amortisation, finance charges and tax	1,188.02	981.34
Other Income	467.68	180.37
Depreciation and amortization	565.41	452.44
Finance Charges	7.72	2.20
Earnings before tax	1,082.57	707.07
Earnings after tax	916.38	528.96
Equity Share Capital	589.55	585.17
Reserves and Surplus	7,577.74	6,645.94
Net worth	8,167.73	7,231.51
Investments	3,040.43	2,897.45
Gross Block	5,640.92	4,781.32
Net Block	3,687.56	3,384.56
Net Current Assets	2,199.85	2,748.55
Cash and Cash Equivalents	757.40	1,693.52
No. of Equity shares	58,954,543	58,516,792
Earnings per share (Diluted) (In Rs.)	15.2	8.9

BUSINESS PERFORMANCE / FINANCIAL OVERVIEW

Standalone Financial:

During 2010-11, the Company recorded net revenue of Rs.4,550.27 million, an increase of 25% over the previous year of Rs. 3,639.14 million. The earnings after tax of the Company was Rs.916.38 million in 2010-11 as compared to Rs.528.96 million in 2009-10. The diluted earnings per share (EPS) is Rs. 15.2 per share as compared to Rs. 8.9 per share for 2009-10.

Consolidated Financial:

During 2010-11, the Company recorded consolidated net revenue of Rs.5,372.07 million, an increase of 18% over the previous year of Rs. 4,544.03 million. The consolidated

earnings after tax of the Company for the year 2010-11 was Rs.892.00 million as compared to Rs. 427.98 million in 2009-10. The consolidated diluted earnings per share (EPS) for the year 2010-11 is Rs. 14.8 as compared to Rs. 7.2 per share in 2009-10.

Appropriations

A. Dividend

The Company has expanded its business to more than 30 countries over the last couple of years which has resulted in considerable investment in tangible and intangible assets. This has been funded through internal accruals. The Company may also require additional funds in the coming years to finance this expansion. Hence, the directors do not recommend any dividend for the year ended March 31, 2011.

The register of members and the share transfer books will remain closed from Thursday, July 28, 2011 to Thursday, August 4, 2011 both days inclusive. The Annual General Meeting of the Company has been scheduled for August 04, 2011.

B. Transfer to Reserves

The Company proposes to retain Rs. 3,353.22 million in the Profit and Loss Account.

Liquidity

As on March 31, 2011 the Company had liquid assets including investments in fixed deposits and Mutual funds of Rs. 932.58 million.

CHANGES TO THE SHARE CAPITAL

During the year under review, the Company allotted 437,751 equity shares on the exercise of stock options under its various Employee Stock Option Plans, which increased the number of issued, subscribed and paid-up equity shares from 58,516,792 to 58,954,543. The issued and paid up equity share capital of the Company as on the date of this report stands at Rs. 589,545,430 (equity shares of face value Rs. 10/- each).

The Board of Directors at their meeting held on March 7, 2011, subject to the approval of the shareholders, approved for increase of authorised share capital from Rs. 75 Crore to Rs. 150 Crore and for issue of bonus shares in the ratio of 1:1. The shareholders had also approved for the same vide their resolution dated April 21, 2011 through postal ballot process. For giving effect of the Bonus shares, May 4, 2011 is fixed as Record date.

Initial Public Offering

The details pertaining to the utilization of IPO proceeds till March 31, 2011 is specified in the notes to accounts section of the Annual Report.

SIGNIFICANT EVENTS THIS YEAR

A. International Market Expansion

- a) Telefonica: OnMobile has continued with the aggressive deployment schedule of the multi-country Telefonica project in LATAM. Services launched in Mexico made it the third country and the first large-scale deployment in the multi-country Telefonica project. The current take rate for the RBT and Voice services are running in line with expectations. As of now we are live in 6 countries, covering 80% of the total subscriber base of LATAM. We already have 3 million+ active users in 9 months from our first country deployment. The RBT ARPU for us in LATAM is 2x-3x from that of India.
- b) OnMobile launched RBT services in Vodafone Egypt which has a 26M total subscriber base, as part of our multi-operator global project for Vodafone, the migration from the in-house developed system was accomplished in an accelerated timeframe and early revenue traction that was very encouraging.
- c) Social RBT was launched amongst four leading telecom operators in India and abroad, allowing them to increase their subscribers' base by reaching out to more users leveraging the viral effect of social networking site.
- d) OnMobile has won an embedded deal with one of the major handset OEMs for its video stacks in China. This has also led to the establishment of a new OnMobile office in China.
- e) A major operator in Africa selected OnMobile as the Music service provider across all their music service offerings. OnMobile is replacing the basic service from the current service provider and extending it to multi format and multi channel.

B. Acquisition: Assets of Dilithium Technologies

OnMobile acquired the leading 3G video technology and mobile solutions, developed over eight years, by Silicon Valley based Dilithium Networks Inc. Dilithium pioneered mobile video, authored the global standard for 3G video telephony, and is the largest customer validated 3G video solution for mobile operators globally including deployments in China Mobile, Vodafone XYZ, Deutsche Telekom, Yahoo, BSNL, Chunghwa Telecom, D2see, Echovox, France, Etisalat, France Telecom (Orange), Qualcomm, HTC, VTM Belgium. This acquisition will enable OnMobile to deploy Dilithium's leadership technology in the rapidly expanding mobile video solutions space, leveraging OnMobile's 2G and 2.5G VAS platforms

embedded into the world's leading telecom operators, thereby accelerating their launch of 3G VAS services.

The acquisition also provides OnMobile with Dilithium's extensive patent portfolio over 175 patents in some of the world's most advanced video technologies. Dilithium's technology enables the delivery of novel 3G Value Added Services by offering superior video quality and scale to the creation, adaptation and distribution of all types of multimedia assets across a wide range of handsets and networks.

We have licensed our 'Video Calling software stack' to several major handset, chipset and platform vendors in China. The licensees will embed the OnMobile video calling software in a range of handsets and chipsets, including Android.

We have renewed our relationship with two of the biggest Telcos in China who were erstwhile Dilithium customers. This gives us an entry in a major way into the large Chinese market.

SUBSIDIARIES

As on March 31, 2011, the Company has the following Subsidiaries:

1. OnMobile Singapore Pte. Ltd
2. OnMobile Australia Pty Ltd
3. PT. OnMobile Indonesia
4. Vox mobili S A
5. Vox mobili Inc
6. Phonetize Solutions Private Limited
7. OnMobile Europe B V
8. Telisma S A
9. OnMobile USA LLC
10. Servicios De Telefonía OnMobile SA De C V
11. OnMobile Global S A
12. OnMobile De Venezuela C A
13. OnMobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis Ltda
14. OnMobile Global for Telecommunications Services
15. OnMobile Uruguay S A
16. OnMobile Senegal SARL

As per Section 212 of the Companies Act, 1956, we are required to attach the directors' report, balance sheet, and profit and loss account of our subsidiaries. The Company had applied to the Government of India seeking exemption from such an attachment as the Company

presents the audited consolidated financial statements in the Annual Report. The Government of India has granted exemption from complying with Section 212 vide their letter No. 47/97/2011 – CL – III, dated February 09, 2011. Accordingly, the annual report does not contain the financial statements of these subsidiaries. The company will make available the audited annual accounts and related information of the Subsidiary companies, where applicable, upon request by any investor of the Company. These documents will also be made available for inspection during business hours at our registered office. The Company has given the necessary details requested by the Government of India along with the statement regarding subsidiary companies under Section 212 of the Companies Act, 1956 as a part of this Annual Report for the Financial Year 2010-2011.

However, Ministry of Corporate Affairs, vide General Circular No. 2/2011, dated February 08, 2011 had given a direction stating that provisions of Section 212 shall not apply in relation to the subsidiaries of the Companies subjected to certain specified conditions.

NEW LOCATIONS

The Company continued its expansion internationally during this year as well. The Company had signed various important global contracts during the year under review. As part of the Company's global expansion, the Company now also has new branch offices in Spain, Italy, Cyprus, Tanzania, Chile, Panama, Ecuador, Nicaragua, El Salvador, Peru. The Company also has new subsidiaries in Argentina, Venezuela, Brasil, Egypt, Uruguay and, Senegal.

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 2010-11 and the date of this report.

NEW PRODUCTS & SERVICES DEPLOYED IN THE YEAR 2010 – 2011

Various new initiatives, introduction of new products and enhancements marked various milestones for OnMobile this year. As we expand rapidly into new geographies, there has been a significant amount of investment in scaling up and becoming more nimble. Some of the new products, services and enhancements introduced by the Company during the financial year 2010-11 are as follows:

1. Ring Back Tones

We won the contract to upgrade and replace the current RBT systems at a public Telecom operator in both Mumbai and Delhi. Reverse RBT offerings were expanded and we continued to add new subscribers to the existing GSM operator in India at an accelerated pace and a leading Indian operator experienced 100% growth. We also launched it for the first time internationally for a major operator in the

Asia Pacific region and ramped up the penetration of RBT to 20+% in a large operator in Bangladesh.

2. Mobile Box Office

An exciting new product, Mobile Box Office, was developed to bring Bollywood movie clips to the mobile phone. OnMobile launched this with one of the large Indian Operators and content partners, and went on to sign an additional four operators in India, expanding the footprint and making MBO a leading offering in the audio cinema market in India.

3. Address Book

We extended the feature set of our Social Networking products by adding new connectors to LinkedIn for the OnMobile Social Network Gateway. For our Network Address Book product we added an enterprise capability to allow companies to share and sync addresses across the enterprise.

4. M-Radio:

M-Radio was launched with two operators in the Asia –Pacific region and we doubled the penetration of Music Radio services in one large operator in the SAARC region.

5. Speech recognition:

OnMobile launched live speech recognition based Music Search services with two large operators in APAC. We also deployed our speech recognition and IVR solutions for a large retail chain in partnership with a large Telco in Europe. A record number of music search requests – more than 25 million – were reported by M-Search technology.

6. Sports:

In conjunction with the FIFA World cup, we developed the OnMobile Futbol product across SMS and WAP and deployed it in the LATAM market across 12 Countries.

7. Personal Data Management:

With Android technology continuing to ramp up worldwide, we have expanded our sync and personal data management capabilities on that platform. This resulted in two wins for the OnMobile Personal Data Management (PDM) product amongst Western operators. We expanded our offerings in the PDM space for both Android and IOS devices.

- On the Apple OS handset 'MyPhonebook' application was selected as the best application of the year by one of our leading Operator Customers in the European and North American region.
- On Android, the enhanced version of our 'My Synchronization Space' service was launched in one of our European Operators. Some of the

key features include enriched web interface, embedding of the application on Android devices.

8. Churn Management:

OnMobile's dynamic churn management solution helped add 2% to the topline revenue for a leading telecom operator in Asia, resulting in an astounding 88% increase in subscriber recharging and saved 250 thousand subscribers from churning in one month at a large operator in APAC.

9. RCS Phonebook 2.0:

The OnMobile RCS Phonebook 2.0 was selected for the App Garage at Mobile World Congress 2011 in Barcelona. The RCS Phonebook, a comprehensive and interactive user address book that synchronizes all contact information, including friends on social networks, into one central location for easy management and live access enables mobile providers to stay ahead of communication's shift to the Web, by offering its customers the ability to stay connected and communicate via live presence updates, live chat, and video streaming.

QUALITY AND OPERATIONAL EFFICIENCY

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

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

About ISO/IEC 27001:

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

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

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

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

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

AWARDS AND RECOGNITION/BRANDING

- OnMobile has been recognized amongst the top 100 companies at the Annual Inc. India 500 Awards which recognize India's best performing medium sized enterprises.
- Arvind Rao, our CEO and Co-Founder was selected as one of thirteen inspiring Indian entrepreneurs by Dare Magazine, India's first entrepreneurship publication. The Chairman of Dare Inspiring Entrepreneurs Awards Mr. N.R. Narayanamurthy and the jury unanimously chose Arvind as one of the thirteen Inspiring Entrepreneurs. This award recognizes the stupendous developments made by OnMobile in the field of telecommunications.

INFRASTRUCTURE

As of March 31, 2011, the Company has obtained on lease, office spaces at Bangalore, Bangalore SEZ, Mumbai and Noida SEZ. Further, the Company owns an office space in Mumbai. Apart from this the Company has set up offices at Gurgaon, Sydney, Singapore, Kuala Lumpur, Jakarta, Paris, Dhaka, Seattle, Bucharest, Centurion, Kathmandu, Dubai, London, Amsterdam, Miami, Bogota, Mexico City, California, Caracas, Sao Paulo, Buenos Aires, Panama City, Guayaquil, Managua, San Salvador, Lima, Monte Video, Madrid, Milan, Cairo, Nicosia, Dakar, Beijing, and Dar es Salam.

HUMAN RESOURCES MANAGEMENT

The Company has completed over 10 years in the VAS industry. Innovation, forward thinking and the customer-centric approach of our team members have been the key differentiators in achieving business excellence.

We believe in attracting the best-in-class talent from the industry across the globe. Our workforce comprises of diverse talent from across the globe. In the last one year, we have grown, both in terms of business and human capital in LATAM, Africa and Europe.

As on March 31, 2011 the employee strength is 1,205 Full Time Employees and 128 Contract Employees bringing our total head count to 1333.

Strengthening the Foundation

With the objective of streamlining Performance Management, we launched SuccessFactors during the first quarter of 2010-11 for all our employees globally. This comprehensive tool has enabled us to further improve our Performance Management process.

Based on the training-needs analysis done in 2009-10, a robust training calendar was run for 40 topics- technical and functional, over 60 sessions for employees across organization. We also ran the First Time Managers Program for more than 30 frontline Managers. As a more focused developmental initiative, the Mentorship Program at OnMobile has been launched for 50 high performing mentees with Senior Managers as mentors.

Another major initiative is the e-learning platform and Learning Management System. The custom development of the e-learning modules for Induction and Affirmative Work Practices has begun, for launch in June 2011.

As the basis for design and implementation of development initiatives for our senior leaders in 2011-12, we conducted an extensive 360 Feedback program in the last two quarters of 2010-11 covering the entire Senior Management team.

Corporate Social Responsibilities

OnMobile is a responsible corporate citizen, and strives to give back to the community it operates in. The corporate social initiatives, which the Company implemented, are:

1. Tie-up with GiveIndia for the Payroll program (monthly contribution by employees). GiveIndia is a nonprofit organization that channelizes resources to Non-Governmental Organizations across India.
2. Car pooling and a drive to encourage employees in to using the reverse side of printed documents, on an on-going basis.
3. Started Initiatives to leverage our existing platforms for various causes. We have started with micro-donation and health education, to begin with.
4. Partnered with the Spastic Society of India, Shristi academy and CRY for various initiatives.

RESEARCH AND DEVELOPMENT/EDUCATION AND KNOW-HOW INITIATIVES

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

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

- Reaching out to as many users as possible across multiple channels, given the different capabilities of handsets and networks;

- Making the services affordable, particularly given the low-ARPU and challenging recharge patterns, in the developing markets;
- Serving a totally-new set of subscribers, who have joined the mobile network;
- Making the services easy to use, with Localization, Easier Content Discovery and Personalization.

CORPORATE GOVERNANCE

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

Mr. Naresh Malhotra and Mr. Sridar Iyengar, Directors retire by rotation and being eligible, offer themselves for reappointment at the forthcoming Annual General Meeting of the Company.

Brief resumes of the directors offering for re-appointment are included in the notice for the Annual General Meeting.

AUDITORS

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

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, ESOP-III, 2008, ESOP-IV, 2008, ESOP-I 2010, and ESOP-II, 2010 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 Notes to Accounts Schedule 19 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, 2010	613,476	-	-	-	416,162	104,917	100,000	822,897	173,953	-	-
Options Granted During the Year	-	-	-	-	-	399,895	-	472,890	-	91,200	789,300
Options Exercised During the Year	318,850	-	-	-	45,108	7,023	-	23,347	-	-	-
Options Forfeited During the Year	9,243	-	-	-	50,471	47,501	-	203,237	-	-	-
Options Lapsed during the Year	-	-	-	-	-	-	-	-	-	-	-
Options Granted Outstanding at the End of the Year	285,383	-	-	-	320,583	450,288	100,000	1,069,203	173,953	91,200	789,300
Weighted average exercise price per option (after adjusting for Bonus issue, if applicable)	Not Applicable					306					

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

The Company accounted the above options using the intrinsic value method and thus, the difference between the fair value of the underlying shares at the time of grant and the options exercise value was charged to the profit and loss account. Accordingly, the compensation charge thereon in the current year is Rs.0.04 Million (Previous year-Rs.0.11 Million). If the Company had accounted the option under fair value method, amortizing the stock compensation expense thereon over the vesting period, the reported profit for the year ended March 31, 2011 would have been lower by Rs.95.65 Million (Previous year- Rs.21.05 Million) and Basic and diluted EPS would have been revised to Rs.14.0/- (Previous year- Rs 8.7/-) and Rs 13.6/- (Previous year- Rs 8.5/-) respectively as compared to Rs 15.6/- (Previous year- Rs 9.2/-) and Rs 15.2/- (Previous year- Rs 9.0/-) without such impact

FOREIGN EXCHANGE EARNINGS AND OUTGO

(In Rs. million)

Description	Year ended	
	March 31, 2011	March 31, 2010
Foreign exchange earnings	644.46	349.49
Foreign exchange outgo	1537.94	2932.55

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

Arvind Rao

Chairman and Managing Director

Chandramouli Janakiraman

Executive Director

Place: Bangalore

Date: April 30, 2011

Management Discussion and Analysis

ONMOBILE GLOBAL LIMITED ("OnMobile")

1. INDUSTRY OVERVIEW

The Indian telecom sector continues to grow at a rapid pace. With the addition of 20.21 million new subscribers in March 2011, India's total mobile phone subscribers touched 811.59 million towards the end of the month, according to the Telecom Regulatory Authority of India (TRAI). India is the fastest-growing wireless phone market in the world, and the second in terms of numbers after China.

The overall tele-density in India reached 70.89 in March 2011. The urban teledensity is 157.32 and rural teledensity is 33.35 as of March 2011. Today the penetration of mobile phones in urban areas has already hit 100% while in rural areas it is only 23%. The next wave of growth in subscriptions will come from semi-urban and rural areas.

It is reported that the Indian telecom market will surpass a psychological \$100 billion-mark by 2015, despite a host of concerning factors such as intense competition backed by low-tariff structures and ensuing decline in ARPUs in the sector.

The interesting thing in the Indian telecom market is that the traditional revenue sources for the operators- voice & SMS are decreasing. The subscriber churn as a result of Mobile Number Portability has also added to the worries of the operators. Therefore the operators are betting on VAS as the next big opportunity to sustain and succeed in the market.

The mobile VAS market in India has really taken off in the last few years. The launch of pocket-friendly Android based Smartphones is helping the cause of VAS services and the launch of 3G is now expected to give the Indian Mobile VAS market a huge boost. The mobile VAS market in India has the potential to generate Rs 55,000 crores by 2015 as reported by PwC.

Mobile Value Added Services (MVAS)

Value-added services are enhanced services, in the nature of non-core services, which add value to the basic teleservices and bearer services – the core services being standard voice calls, voice/non-voice messages, fax transmission, and data transmission. VAS services are provided either directly by telecom operators or by third-party content aggregators/enablers, generally known as VAS providers.

Enabled by 3G / 4G technologies and driven by the commoditisation of voice coupled with falling ARPUs, the industry today potentially stands on the cusp of another revolution called Mobile Value Added Services (MVAS). The industry is looking at various means to use

MVAS as a growth driver and simultaneously as a key differentiator. The focus of the industry, so far, has been music, entertainment, gaming and other similar services, but MVAS has huge potential to be used in areas which help bridge the digital divide and foster inclusive growth. In India, these services are referred to as Utility MVAS. Poised for rapid economic growth, India continues to lag behind on key development indicators such as basic health and education facilities. In order to promote and expedite inclusive growth, India should use MVAS to deliver such basic services.

India's current Mobile Value Added Services (MVAS) industry has an estimated size of Rs.12, 200 crores. The Indian MVAS industry derives its revenues majorly from top five to six products including Entertainment VAS (Jokes, Ringtones, Caller Ring Back Tones (CRBT), Mobile Radio, etc), Information VAS (Movie Reviews, News, Astrology, Stock Updates, etc) and game based applications. These continue to generate close to 80% of VAS revenues. The other types of services such as governance, education, and commerce constitute only 20-25% of VAS revenues.

2. OPPORTUNITIES AND CHALLENGES

Opportunities

- Experts claim that Mobile ramping would be faster than desktop Internet and bigger than what most think. The five trends Converging would be 3G, Social Networking, VoIP, Video and Impressive Mobile Devices
- Amongst the major MVAS services, Communication VAS services comprising of SMS, Video Calls, MMS and Email is expected to cross Rs 20,000 crores by 2015 with a majority contribution by SMS. Information VAS services comprising news and alert based services are expected to cross Rs 7,900 crores by 2015. Entertainment VAS services comprising of Caller Tunes among other things are expected to be the most profitable VAS segment and are expected to reach Rs 25,000 crores by 2015. Multilingual content, application support around languages, killer applications and readiness of handsets will drive this growth.
- Among the factors that will affect future growth, is rising demand for regional and multi-lingual content; medical advice VAS; video calling and m-commerce leaving a large scope of growth.
- Online gaming on mobile is expected to be a favourite among students.
- Growing Subscriber base.
- Evolving VAS users.

- Availability of Smart phones.
- Innovative offerings.
- 3G rollout.

Challenges

- The adoption rates are expected to remain low for m-commerce.
- SMS as a percentage of mobile VAS revenue is expected to decline to around 25% by 2015 from current levels of around 60% according to PwC
- Regional Entertainment based VAS services are expected to be in big demand and localization and multi-lingual capabilities require more focus
- Revenue Sharing.
- Consumer education and awareness.
- Devices and Technology.
- Dominance of prepaid subscribers.

3. OUTLOOK

OnMobile Global Limited is a pioneer in white-labelled, Value Added Products and Services [VAS] for mobile, landline and media service providers. The #1 VAS specialists in emerging and high-growth markets, OnMobile touches the lives of over 1 billion mobile users across 52 countries each month. With our diverse product portfolio of Mobile Music, multi-screen Video Gateway and delivery solutions, Phone Backup and Personal Cloud Management solutions, Voice and Video portals, M-Commerce products and services, we generate 2 – 5% contribution and top line revenues of over US \$ 800 million for over 92 customers globally. During the year, the Company has undertaken significant measures to expand its reach in global markets.

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. Founded in 2000, OnMobile has 1300 employees spread across India, U.S., LATAM, Africa, Australia, Middle East and Europe. The company was publicly listed in India in 2008. Recent acquisitions include Voxmobili (2007), Telisma (2008), and Dilithium Networks (2010).

4. RISKS AND CONCERNS

The Company is operating in an extremely competitive environment. As it is expanding rapidly in international markets, it is poised to exploit several new opportunities. The Company ensures that the risks it undertakes are commensurate with better returns. Through strategic focus, forward thinking and contingency planning, the

Company has devised a framework to mitigate risks involved in all corporate activities in order to maximize opportunities and minimize adversities.

- OnMobile's products are aimed primarily at end-user telecommunication subscribers and hence expose the Company to the risk of industry concentration. The Company is also exposed to the risk of client concentration as it derives a significant portion of its revenue from a few major carrier customers, as these carrier customers continue to dominate the market share of the Indian telecommunication industry. Geographic concentration risk arises as India contributes around 73% of the Company's revenues. Further, OnMobile currently depends on music related services, including ringback tones, ringtone downloads and music messaging applications for significant amount of its revenue. This leads to product concentration risk. The Company endeavours to de-risk from the above by geographical expansion and product innovation, through organic and inorganic means. Mitigation of risk through organic route involves expansion of the Company's geographic presence to new carrier customers by leveraging its expertise and track record in India. The Company also takes advantage of its leading market position in India to launch, test and develop innovative applications and services with its existing carrier customers, thereby expanding the breadth of services, as well as to extend these new applications and services in new international markets as they become commercially viable. Mitigation of risk through inorganic route involves continually seeking new growth and acquisition opportunities in its existing line of business as well as related businesses to expand its geographic presence and product offerings. The Company will pursue similar opportunities in other regions to strengthen and grow its business, including investment in or acquisition of minority or majority stakes in companies which support its business and product strategy.
- The Company operates in a highly competitive market. As new entrants emerge in the industry due to the opportunities available and as existing competitors seek to expand their services, the competition would intensify further. Competitors in the future may include other content aggregators and wireless software companies from India and abroad. OnMobile is India's leading company and a recognised brand in the

MVAS segment in the country. It has established a strong reputation for innovation and quality in the industry. Also, there exist high technological and time-to-market barriers in the business that make the entry of new players extremely difficult. These include the development of innovative revenue generating products as well as joint revenue and product planning and service deployments with customers involving complex hardware systems and software applications deeply embedded within the carrier's network infrastructure.

- Most of the Company's customer contracts are on a revenue sharing basis. Therefore, the Company receives revenue only if its customers' end-user subscribers use or subscribe to the services offered by them. As a result, the Company's revenue is subject to uncertainties that are beyond its control, such as market acceptance of its application services by its customers' end-user subscribers and the subscriber churn rate and are dependent on the pricing of the services, product placement and marketing and promotion activities conducted by the Company's customers, either jointly with the Company or solely. Given the Company's in-depth understanding of consumer needs, creative user interface and continued focus on developing innovative products, the Company is certain of its products enjoying good positioning on its customers' menus and websites. Further, the Company will continue to invest in research and development to remain at the forefront of developments in the telecommunication industry and to develop new and differentiated products and services/upgrade or improve the existing ones, for each of its customers.
- The ARPU of the Company's carrier customers is influenced by the demographic makeup of their subscriber base. A substantial number of

new subscribers of carrier customers are from non-metro areas and they tend to have lower levels of ARPU. The Company has invested resources in understanding consumer needs and their spending pattern in order to increase the penetration of value-added services. This has led to the development of new pricing solutions thereby making products affordable to the existing as well as new subscribers.

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

6. DISCUSSION ON CONSOLIDATED FINANCIAL PERFORMANCE FOR THE YEAR ENDED 2010-11

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

The consolidation for the FY 2010-11 includes figures of OnMobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis (Brasil), OnMobile Global SA (Argentina), OnMobile De Venezuela C.A. (Venezuela) and OnMobile Global for Telecommunication Services (Egypt) formed during the year.

RESULT OF OPERATIONS

(in Rs. Million except EPS)

	FY 2010-11	% of Total Revenue	FY 2009-10	% of Total Revenue	Growth %
Revenue	5,372.07	-	4,544.03	-	18
Cost of Sales and Services	1,303.12	24	1,304.88	29	0
Manpower Cost	1,773.26	33	1,492.75	33	19
Administration and other expenses	1,089.85	20	906.45	20	20
Earnings before Other Income, Depreciation and Amortization, Finance charges and taxes	1,205.84	22	839.95	18	44
Other Income	448.05	8	228.38	5	96
Depreciation and Amortization	566.64	11	440.73	10	29
Finance Charges	8.17	0	2.70	0	203
Earnings before Tax	1,079.08	19	624.90	13	73
Provision for taxation	212.29	4	201.40	4	5
Earnings after Tax	866.79	15	423.50	9	105
Less: Minority interest in income	--	-	9.45	-	-
Add: Share of profit from Associate concerns	25.21	-	13.93	-	-
Profit attributable to Consolidated group	892.00	15	427.98	9	108
EPS - Basic	15.2	-	7.4	-	-
EPS - Diluted	14.8	-	7.2	-	-

Revenue

Revenue is derived from Telecom Value Added Services, Sale of User licenses and other services. Revenue from Telecom Value Added Services including royalty income 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 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 2010-11 was Rs. 5,372.07 Millions as against Rs. 4,544.03 Millions for FY 2009-10, thus recording a growth of 18% despite change in contractual scope involving content management responsibilities in one of the major customers and general weakness in the European economy. The increase in revenue is attributable to:

- Increase in the number of customers, both domestic and international,
- Launch of new products and innovative features,

- Expansion of the subscriber base of the existing customers; and
- Acquisition of assets and customer contracts of Dilithium Networks Inc.

The segmentation of revenue by geography is as follows:

(In Rs. Million)

	FY 2010-11	% of Total Revenue	FY 2009-10	% of Total Revenue	Growth %
India	3,902.80	73	3,395.30	75	15
Outside India	1,469.27	27	1,148.73	25	28
Total Revenue	5,372.07		4,544.03		18

Cost of Sales and Services

Cost of Sales and Services consists of amount incurred towards content fee, royalty and cost of hardware and software development charges.

Content fee and royalty is paid to content providers such as music label companies, royalties agencies, sports licensing authorities and other content licensors from whom the group sources and aggregates content, pursuant to licensing agreements with them. Cost of hardware and software development charges primarily represents cost of software packages, tools and services procured by the group for providing/enhancing the quality of its services to the customers.

During the FY 2010-11, the cost of sales and services was Rs. 1,303.12 Millions which was marginally lower than an expense of Rs. 1,304.88 Millions incurred in FY 2009-10. The break up is as follows:

(In Rs. Million)

	FY 2010-11	% of Total Revenue	FY 2009-10	% of Total Revenue	Increase %
Content fee and Royalty	955.43	18	891.50	20	7
Cost of hardware and software development charges	347.69	6	413.38	9	(16)
Cost of Sales and Services	1,303.12	24	1,304.88	29	0

Increase in revenue from media related applications resulted in a commensurate increase in the content fee. However the increase has been compensated by a decrease on account of change in contractual scope involving content management responsibilities in one of the major customers.

Manpower Costs

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

During the FY 2010-11, the group incurred a manpower cost of Rs 1,773.26 Millions as against Rs 1,492.75 Millions in the FY 2009-10 thus, representing an increase of 19% over the previous year. The increase was primarily on account of the following reasons:

- Increments given to employees in line with the market.
- New hires across the Globe including integration of Dilithium employees.

The total employee strength as on March 31, 2011 was 1,333 which included a net addition of 101 employees during the financial year. Also, during the year, there was an increased and sustained focus on improving the existing employee productivity and optimization of human resources.

Administration and other expenses

In the FY 2010-11, the administration and other expenses increased by 20% to Rs. 1,089.85 Millions as against Rs. 906.45 Millions incurred in FY 2009-10. The break up of the expenses is as follows:

(In Rs. Million)

	FY 2010-11	% of Total Revenue	FY 2009-10	% of Total Revenue	Increase%
Rent and other facilities cost	270.13	5	229.68	5	18
Travelling and Conveyance	243.77	5	191.71	4	27
Legal, professional & consultancy charges	137.55	3	127.83	3	8
Marketing Expenses	104.85	2	54.90	1	91
Communication charges	102.67	2	92.38	2	11
Others	230.88	4	209.95	4	10
Total	1,089.85	20	906.45	20	20

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

- Rent and other facilities cost: The Group has added new office premises in China, LATAM region to accommodate the increased business activity.
- Travelling and Conveyance/ Communication charges: There has been an increase in business activity as the group expands its geographical presence internationally.
- Legal, professional & consultancy charges: The Group had engaged consultants during the year in relation to acquisition/ proposed acquisitions/ strategy road maps.
- Marketing expenses: There has been an increase on account of new sales and marketing initiatives undertaken during the year.

During the FY 2010-11, there was an increased focus in optimization of costs resulting in several measures being initiated all across the group without compromising on the quality of services rendered to the customers. This is reflected as a steady percentage of administration and other expenses on revenue being maintained, in the current year vis-à-vis the previous year.

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

The group earned an EBIDTA of Rs. 1,205.84 Millions in the FY 2010-11 as compared to Rs. 839.95 Millions, representing a 44% growth over the previous year.

Other Income

Other Income primarily consists of Interest earned on Fixed Deposits, dividends yielded on Mutual funds and profit on sale of Investments. There has been a substantial increase in the other income earned in the current FY 2010-11, Rs 448.05 Millions as compared to Rs 228.38 Millions of FY 2009-10. The increase is due to sale of shares in Ver se Innovation Private Limited, during the year. As a result of the above, the Company's shareholding in Ver se Innovation Private Limited (associate of the Company) stands reduced and the said associate has become an investment of the Company.

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

Depreciation and Amortisation

The group provided a sum of Rs. 566.64 Millions and Rs. 440.73 Millions toward depreciation for the FY 2010-11 and FY 2009-10, respectively, thus representing a growth of 29% over the previous year. Increase in depreciation and amortization is on account of:

- Increased investment in fixed assets resulting from aggressive deployment schedule of the Telefonica project in Latin America and contracts signed in other geographies.
- Commencement of amortization of Market development and deployment rights in the FY 2010-11.

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

The depreciation as a percentage of average gross block is 10% and 11% for the years ended March 31, 2011 and 2010, respectively.

Finance Charges

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

Earnings before Tax

The Earnings before Tax of Rs. 1,079.08 Millions in the current FY 2010-11, as compared to Rs. 624.90 Millions earned during the previous year, represents a 73% growth over the previous year.

Provision for taxation

The amount provided for taxation in the current year is Rs 212.29 Millions as against Rs 201.40 Millions provided in FY 2009-10, thus representing 20% and 32% of Earnings before Tax, respectively. The amount includes international taxes. The decrease in tax as a percentage of Earnings before Tax is primarily on account of availment of SEZ benefit.

Earnings after Tax

The Earnings after Tax of Rs. 892 Millions in the current FY 2010-11, as compared to Rs. 427.98 Millions earned during the previous year, represents a 108% growth over the previous year.

FINANCIAL CONDITION

Share Capital

The authorized share capital of the group is Rs 750 Millions, comprising of 74,500,000 equity shares of Rs 10/-each and 500,000 preference shares of Rs 10/- each.

Currently as at March 31, 2011, the group has 58,954,543 equity shares of Rs 10/- each as issued, subscribed and paid up capital which increased from 58,516,792 equity shares of Rs 10/- each as at March 31, 2010. The increase was consequent to allotment of 437,751 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 reserve and surplus is given below:

(In Rs. million)

	As at March 31, 2011	As at March 31, 2010
Securities premium	4,224.52	4209.10
Foreign Currency Translation Reserve	9.08	(5.53)
Profit and Loss account	3,498.78	2,606.78
Total	7,732.38	6,810.35

The increase in share premium account of Rs. 15.42 Millions during the year is the net adjustment of receipt on exercise of stock options with issuance of bonus shares.

'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 Profit and Loss.

The balance retained in the Profit and Loss account as at March 31, 2011 was Rs. 3,498.78 Millions.

The total net worth of the group as March 31, 2011 is Rs. 8,322.37 Millions with a book value of each share being Rs 141. The corresponding numbers for the previous FY are Rs 7,395.92 Millions and Rs 126, respectively.

LOAN FUNDS

Loan funds represent

- Secured Loan availed by the Company from banks to meet working capital requirements and capital expenditure. The loans are secured by receivables and movable fixed assets of the Company.
- Amount outstanding towards finance lease which the company has entered during the earlier years for procurement of computer and electronic equipments.
- Unsecured loans availed by one of the subsidiaries to meet its working capital requirement.

Deferred Payment Liability

Deferred Payment Liability represents amount payable towards acquisition of market development and deployment rights.

The total Deferred Liability as at March 31, 2011 stands at Rs 457.15 Millions as compared to Rs 1,720.40 Millions as at March 31, 2010. The decrease in liability is on account of payment made to Telefonica during the year towards market development and deployment rights.

Deferred Tax Liability and Asset

Deferred Tax Assets and Liabilities are recognized for the future tax consequences of temporary differences between carrying values of the assets and liabilities and their respective tax bases and are measured using enacted tax rates applicable on the Balance Sheet date. Deferred Tax assets are recognized subject to management's judgment that realization is virtually certain.

The deferred tax liability represents deferred tax liability of the company and as on March 31, 2011 is Rs 78.41 Millions as compared to Rs. 93.69 Millions as on March 31, 2010.

The deferred tax asset represent deferred asset of one of the subsidiaries and as on March 31, 2011 is Rs 0.31 Millions as compared to Rs. 0.23 Millions as on March 31, 2010.

Goodwill on consolidation

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

The goodwill as on March 31, 2011 is Rs 2,046.26 Millions.

Fixed Assets

The company incurred an amount of Rs. 1,092.60 Millions (Rs. 2,712.60 Millions in the previous year) as capital expenditure in the FY 2010-11. Addition to the gross block mainly comprises of addition to computers and electronic equipments resulting from expanding operations and marketing development and deployment rights.

Investments

Investments as at March 31, 2011 of Rs 541.82 Millions comprise of long term investment in Ver Se Innovation Private Limited and short term investments in money markets.

The decrease in short term investment to Rs 516.29 Millions as at March 31, 2011 from Rs. 608.44 Millions as at March 31, 2010 was due to redemption of money market securities to pay deferred liability towards marketing development and deployment rights.

Sundry Debtors

The Sundry Debtors (net of provision for doubtful debts) amount to Rs 2,245.03 Millions as on March 31, 2011 as against Rs 1,689.50 Millions as on March 31, 2010. The unbilled revenue as of March 31, 2011 and 2010 amounted to Rs 817.07 Millions and Rs 659.62 Millions, respectively.

(In Rs. Million)

As at March 31	2011	2010
Less than 6 months	2,012.54	1,600.43
More than 6 months	232.49	89.07

Cash and Bank Balances

The cash and bank balance as on March 31, 2011 was Rs.912.32 Millions as against a balance of Rs. 1,883.09 Millions as on March 31, 2010. The decrease in Balance is due to payments made towards marketing development and deployment rights during FY 2010-11.

Loans and Advances

The loans and advances outstanding as on March 31, 2011 is Rs. 1,503.93 Millions as compared to Rs 1,118.81 Millions outstanding as on March 31, 2010 thus representing an increase of Rs. 385.12 Millions.

The increase is resulting from:

- Increase in rental deposits as the company has added new office premises in Mumbai, Bangladesh and Europe.
- Increase in Research Tax credit in France.
- Increase in deposit with statutory authorities in connection with demand notices relating to KST, KVAT, CST and TDS.
- Increase in advance Income tax and Tax deducted at source.

Current Liabilities and Provisions

The Current Liabilities and Provisions outstanding as on March 31, 2011 is Rs. 2,035.13 Millions as compared to Rs. 1,530.02 Millions as on March 31, 2010 thus representing an increase of Rs. 505.11 Millions. The increase is primarily on account of increase in accrual for expenses and employee benefits.

7. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

In the 10th year as a VAS pioneer in India, APAC and in many other parts of the world, OnMobile continued with its endeavor to strengthen and consolidate the Human Resources function. One of the key highlights has been the expansion in Europe, LATAM, and Africa. In these regions, we have opened new branches of OnMobile Global and have on-boarded new employees, to capitalize on the new opportunities.

As on March 31, 2011 the employee strength is 1,205 Full Time Employees and 128 Contract Employees bringing our total head count to 1333.

The focus areas for 2010-11 for the Human Resources department have been Performance Management and Employees Learning and Development. Performance Management processes were refined and new tool implemented to standardize performance management across the company. Today we have a robust training structure in place for technical training and have a solid foundation to build on the skills of our employees. Our younger managers have had the 'First-Time Manager'

as well as the "Mentorship Program" to help them hone their skills. An extensive 360 Feedback program for all senior leaders was conducted. This will be the basis for the 1:1 coaching initiative that is on the anvil as well as other more focused leadership development initiatives that are being planned for 2011-12.

Given our global expansion, the e-learning platform is in place for custom-built modules on Induction and Affirmative Work Practices, for launch in the first half of 2011.

8. CORPORATE SOCIAL RESPONSIBILITIES

OnMobile is a responsible corporate citizen, and strives to give back to the community it operates in. The corporate social initiatives, which the Company implemented, are:

- Started Initiatives to leverage our existing platforms for various causes. We have started with micro-donation and health education, to begin with.
- Tie-up with GiveIndia for the Payroll program (monthly contribution by employees). GiveIndia is a nonprofit organization that channelizes resources to Non-Governmental Organizations across India.
- Car pooling and a drive to encourage employees in to using the reverse side of printed documents, on an on-going basis.
- Partnered with the Spastic Society of India, Shristi academy and CRY for various initiatives.

9. CAUTIONARY STATEMENT

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

AUDITORS' REPORT

TO THE MEMBERS OF ONMOBILE GLOBAL LIMITED

1. We have audited the attached Balance Sheet of **ONMOBILE GLOBAL LIMITED** ("the Company") as at March 31, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Profit and Loss Account 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 Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred in section 211(3C) of the Companies Act, 1956;
 - (e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on March 31, 2011, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2011 from being appointed as a Director in terms of Section 274 (1)(g) of the Companies Act, 1956.

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

V. SRIKUMAR
Partner
(Membership. No. 84494)

April 30, 2011
Bangalore

ANNEXURE TO THE AUDITORS' REPORT

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

- (i) Having regard to the nature of the Company's business/activities/results, clauses i(c), ii, iii (b) to (d), (f), (g), vi, viii, xii, xiii, xiv and xix of CARO are not applicable for the year.
- (ii) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (iv) 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 purchase of inventory or sale of goods.
- (v) In respect of contracts or arrangements entered in the register maintained in pursuance of Section 301 of the Companies Act 1956, to the best of our knowledge and belief, and according to the information and explanations given to us,
- (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered into the register, maintained under the said section have been so entered.
- (b) Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time except in respect of certain purchases for which comparable quotations are not available and in respect of which we are unable to comment.
- (vi) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (vii) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears, as at March 31, 2011 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on March 31, 2011 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount (Rs.)
Karnataka Value Added Tax Act / Central Sales Tax	Value added tax, interest and penal interest	Karnataka Appellate Tribunal Bangalore	2002-03 to 2007-08	259,843,122
Karnataka Value Added Tax Act / Central Sales Tax	Value added tax, interest and penal interest	Joint Commissioner of Commercial Taxes, Bangalore	2008-09 to 2009-10	120,125,062

- (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 company has not given any guarantees for loans taken by others from banks and financial institutions.
- (xi) The Company has not availed any term loans during the year.
- (xii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, *prima facie*, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (xiii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- (xiv) The Management has disclosed the end use of money raised by public issues and we have verified the same.
- (xv) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

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

V. SRIKUMAR
Partner
(Membership No. 84494)

April 30, 2011
Bangalore

Balance sheet

ONMOBILE GLOBAL LIMITED

(In Rs. Million)

	Schedule	As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS			
Shareholders' Funds:			
Share capital	1	589.55	585.17
Stock options outstanding		0.44	0.40
Reserves and Surplus	2	7,577.74	6,645.94
Loan Funds			
Secured Loans	3	315.38	84.76
Deferred Payment Liability (Note B (9) of Schedule 17)		457.15	1,720.40
Deferred Tax Liability (Note B (20 b) of Schedule 17) (Net)		73.06	93.69
		9,013.32	9,130.36
APPLICATION OF FUNDS			
Fixed Assets:			
Gross Block	4	5,640.92	4,781.32
Less: Accumulated Depreciation and Amortisation		1,953.36	1,396.76
Net Block		3,687.56	3,384.56
Capital Work-in-progress (including Capital Advances Rs.7.40 Million (at March 31, 2010- Rs.9.09 Million))		85.48	99.80
		3,773.04	3,484.36
Investments			
	5	3,040.43	2,897.45
Current Assets, Loans and Advances:			
Sundry Debtors	6	1,797.29	1,258.21
Cash and Bank Balances	7	757.40	1,693.52
Other Current Assets	8	14.98	24.97
Loans and Advances	9	1,544.46	1,073.57
		4,114.13	4,050.27
Less: Current Liabilities and Provisions:			
Current Liabilities	10	1,722.79	1,168.74
Provisions	11	191.49	132.98
		1,914.28	1,301.72
Net Current Assets		2,199.85	2,748.55
		9,013.32	9,130.36
Significant Accounting Policies and Notes on Accounts	17		

The Schedules referred to above form an integral part of the Balance Sheet

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

V. Srikumar
Partner

Place: Bangalore
Date: April 30, 2011

For and on behalf of the Board of Directors

Arvind Rao
Chief Executive Officer and
Managing Director

Chandramouli J
Director

Place: Bangalore
Date: April 30, 2011

Sanjay Uppal
President and Chief
Operating Officer

Rajesh Moorti
Chief Financial Officer

P V Varaprasad
Company Secretary

Profit and Loss Account

ONMOBILE GLOBAL LIMITED

(In Rs. Million except per share data)

	Schedule	For the year ended March 31, 2011	For the year ended March 31, 2010
REVENUE			
Telecom Value Added Services		4,483.20	3,625.16
Software development		7.40	4.80
Other services		59.67	9.18
Total Revenue		4,550.27	3,639.14
EXPENDITURE			
Cost of sales and services	12	1,226.01	1,081.26
Manpower costs	13	993.05	837.22
Administration and other expenses	14	1,143.19	739.32
Total operating expenses		3,362.25	2,657.80
Earnings before other income, depreciation and amortisation, finance charges and tax		1,188.02	981.34
Other Income	15	467.68	180.37
Depreciation and amortisation	4	565.41	452.44
Earnings before finance charges and tax		1,090.29	709.27
Finance charges	16	7.72	2.20
Earnings before tax		1,082.57	707.07
Provision for taxation			
Current Year Tax		261.73	162.77
Minimum Alternate Tax (MAT) credit entitlement		(92.72)	-
Earlier year provision		-	(10.20)
Foreign taxes		17.81	-
Deferred tax (Note B (20 b) of Schedule 17) (Net)		(20.63)	25.54
Earnings after taxation		916.38	528.96
Profit brought forward from previous year		2,436.84	1,907.88
Balance carried to Balance Sheet		3,353.22	2,436.84
Basic and Diluted Earning Per Share (Note B (19) of Schedule 17)			
- Earnings per share (Basic)(Face value of equity share of Rs 10/- each)		15.6	9.1
- Earnings per share (Diluted)(Face value of equity share of Rs 10/- each)		15.2	8.9
Significant Accounting Policies and Notes on Accounts	17		

The Schedules referred to above form an integral part of the Profit and Loss Account

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

V. Srikumar
Partner

Arvind Rao
Chief Executive Officer and
Managing Director

Sanjay Uppal
President and Chief
Operating Officer

Chandramouli J
Director

Rajesh Moorti
Chief Financial Officer

P V Varaprasad
Company Secretary

Place: Bangalore
Date: April 30, 2011

Place: Bangalore
Date: April 30, 2011

Cash Flow Statement

ONMOBILE GLOBAL LIMITED

(In Rs. Million)

	As at March 31, 2011		As at March 31, 2010	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax and extraordinary items		1,082.57		707.07
Adjustments for :				
Depreciation	565.41		452.44	
Impairment Loss on assets	-		7.90	
Unrealised Foreign Exchange Loss/(Gain)	175.50		(97.25)	
Loss/(Gain) on Sale of Fixed Assets (Net)	(1.50)		(1.56)	
Loss/(Gain) on sale of Investment (Net)	(373.99)		(24.52)	
Provisions no longer required written back	-		(9.54)	
Provision for Doubtful debts	18.81		44.39	
Dividend Income	(13.10)		(13.24)	
Interest Expense	7.72		2.20	
Interest Income	(67.59)		(118.40)	
		311.26		242.42
Operating profit before working capital changes		1,393.83		949.49
(Increase)/decrease in Trade and other receivables	(554.90)		(312.20)	
(Increase)/decrease in Loans and Advances	(340.02)		(83.23)	
Increase/(decrease) in Current Liabilities and Provisions	552.00		119.36	
		(342.92)		(276.07)
Cash generated from operations		1,050.91		673.42
Direct taxes paid		(312.06)		(372.84)
Net cash from operating activities		738.85		300.58
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets		(531.86)		(902.28)
Sale of fixed assets (Including CWIP)		2.49		1.71
Sale, Redemption/ (Purchase) of short term investments (net)		50.19		(527.12)
Investment in Subsidiaries		(220.50)		(112.32)
Sale of Investment in Subsidiaries		401.32		30.00
Payment towards Deferred Liability		(1,713.30)		(60.15)
Dividend Income		13.10		13.24
Interest received		77.58		115.68
Net cash used in investing activities		(1,920.98)		(1,441.24)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issuance of Share Capital (net of refund of share application money)		19.74		23.24
Proceeds from/ (Repayment of) Finance Lease		(39.25)		42.04
Proceeds from short term borrowings		273.24		-
Interest paid		(7.72)		(2.20)
Net cash used in financing activities		246.01		63.08
Net increase/(decrease) in cash and cash equivalents		(936.12)		(1,077.58)
Cash and cash equivalents as at March 31, 2010 (Opening Balance)		1,693.52		2,771.10
Cash and cash equivalents as at March 31, 2011 (Closing Balance)		757.40		1,693.52
		(936.12)		(1,077.58)

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

V. Srikumar

Partner

For and on behalf of the Board of Directors

Arvind Rao

Chief Executive Officer and
Managing Director

Sanjay Uppal

President and Chief
Operating Officer

Chandramouli J

Director

Rajesh Moorti

Chief Financial Officer

P V Varaprasad

Company Secretary

Place: Bangalore

Date: April 30, 2011

Place: Bangalore

Date: April 30, 2011

Schedules to the Balance Sheet

ONMOBILE GLOBAL LIMITED

(In Rs. Million)

	As at March 31, 2011		As at March 31, 2010	
1. SHARE CAPITAL				
Authorised:				
74,500,000 (at March 31, 2010 – 74,500,000) Equity Shares of Rs.10 each.		745.00		745.00
500,000 (at March 31, 2010 – 500,000) Preference Shares of Rs. 10 each		5.00		5.00
		<u>750.00</u>		<u>750.00</u>
Issued, Subscribed and Paid-up:				
58,954,543 (at March 31, 2010 – 58,516,792) Equity Shares of Rs.10 each fully paid up		589.55		585.17
		<u>589.55</u>		<u>585.17</u>

Notes:

- During the year ended March 31, 2008-
 - 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).
 - 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.
 - 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
- Total number of Options outstanding under various employee stock option plans, that are convertible into equity shares, as on March 31, 2011 are 3,279,910 (at March 31, 2010: 2,231,405) (Note B (17) of Schedule 17)

(In Rs. Million)

	As at March 31, 2011		As at March 31, 2010	
2. RESERVE AND SURPLUS				
Securities Premium account				
Opening Balance	4,209.10		4,159.76	
Add: Received during the year	18.74		54.12	
Less: Utilised towards bonus shares on exercise of eligible stock options	3.32	4,224.52	4.78	4,209.10
Profit and Loss Account		<u>3,353.22</u>		<u>2,436.84</u>
		<u>7,577.74</u>		<u>6,645.94</u>

(In Rs. Million)

	As at March 31, 2011		As at March 31, 2010	
3. SECURED LOANS				
From banks				
Short Term Borrowings*		269.87		-
From other than banks				
Finance Lease obligation**		45.51		84.76
		<u>315.38</u>		<u>84.76</u>

Note:

*Secured by Receivables and Movable Fixed Assets of the Company.

**Secured by underlying assets acquired under finance lease.

Includes repayable within one year Rs.31.23 Million (at March 31, 2010- Rs.39.66 Million)

ONMOBILE GLOBAL LIMITED

4. FIXED ASSETS

Schedules to the Balance Sheet

	(In Rs. Million)											
	GROSS BLOCK				DEPRECIATION/ AMORTISATION				NET BLOCK			
	As at April 1, 2010	Additions	Deletions	Impairment Loss	As at March 31, 2011	As at April 1, 2010	Additions	Deletions	As at March 31, 2011	As at March 31, 2010		
Tangible Assets												
Leasehold Improvements	46.21	-	-	-	46.21	19.35	9.24	-	28.59	17.62	26.86	
Building	106.75	-	-	-	106.75	4.65	1.75	-	6.40	100.35	102.10	
Office Equipment	2.42	0.90	-	-	3.32	1.95	0.45	-	2.40	0.92	0.47	
Computer and Electronic Equipment	1,560.69	309.34	9.77	-	1,860.26	1,010.27	301.66	8.80	1,303.13	557.13	550.42	
Furniture and Fixtures	14.42	0.64	-	-	15.06	10.82	3.25	-	14.07	0.99	3.60	
Motor Cars	13.74	-	-	-	13.74	11.67	1.35	-	13.02	0.72	2.07	
Computer and Electronic Equipment under finance lease	122.58	0.96	0.03	-	123.51	33.68	38.45	0.01	72.12	51.39	88.90	
Total Tangible Assets	1,866.81	311.84	9.80	-	2,168.85	1,092.39	356.15	8.81	1,439.73	729.12	774.42	
Intangible Assets												
Software	485.22	87.86	-	-	573.08	287.69	118.25	-	405.94	167.14	197.53	
Intellectual Property	35.48	146.42	-	-	181.90	16.68	43.15	-	59.83	122.07	18.80	
Market Development and Deployment Rights	2,393.81	323.28	-	-	2,717.09	-	47.86	-	47.86	2,669.23	2,393.81	
Total Intangible Assets	2,914.51	557.56	-	-	3,472.07	304.37	209.26	-	513.63	2,958.44	2,610.14	
Grand Total	4,781.32	869.40	9.80	-	5,640.92	1,396.76	565.41	8.81	1,953.36	3,687.56	3,384.56	
Previous Year	1,961.38	2,829.63	1.79	7.90	4,781.32	945.96	452.44	1.64	1,396.76	3,384.56		

Note:

Fixed Assets do not include assets aggregating to Rs.27.05 Million (at March 31, 2010 Rs.27.05 Million) received on loan basis from the erstwhile Holding Company, OnMobile Systems Inc., USA (formerly Onscan Inc., USA)

Schedules to the Balance Sheet

ONMOBILE GLOBAL LIMITED

(In Rs. Million)

	As at March 31, 2011	As at March 31, 2010
5. INVESTMENTS		
Long term investments - Non Trade (unquoted) at cost		
Wholly owned subsidiaries:		
OnMobile Singapore Pte. Ltd., Singapore	154.49	89.34
4,485,000 (at March 31, 2010: 2,585,000) equity shares of Singapore \$ 1 each, fully paid		
OnMobile Australia Pty. Ltd., Australia	-	3.33
Nil (at March 31, 2010: 100,000) equity shares of Australian \$ 1 each, fully paid		
Pt. OnMobile Indonesia, Indonesia	4.06	4.06
1,000 (at March 31, 2010: 1,000) equity shares of USD 100 each, fully paid		
OnMobile Europe B.V., Netherlands	2,207.51	2,207.51
12,908,844 (at March 31, 2010: 12,908,844) equity shares of Euro 1 each, fully paid		
Phonetize Solutions Private Ltd , India	0.10	0.10
9,999 (at March 31, 2010: 9,999) equity shares of Rs 10/- each, fully paid		
OnMobile USA LLC, USA	91.51	9.61
20,100 (at March 31, 2010: 2,100) units of Common Stock of USD 100/- each fully paid		
Servicios De Telefonía OnMobile Sa De Cv, Mexico	6.86	6.86
1,829,877 (at March 31, 2010: 1,829,877) equity shares of 1 peso each fully paid		
OnMobile Global S A, Argentina	25.63	-
2,183,000 (at March 31, 2010: Nil) equity shares of 1 ARS each fully paid		
OnMobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis Ltda, Brazil	9.59	-
352,000 (at March 31, 2010: Nil) equity shares of 1 BRL each fully paid		
Share application money pending allotment	38.15	-
OnMobile Global for Telecommunication Services, Egypt	0.08	-
100 (at March 31, 2010: Nil) equity shares of 1 EGP each fully paid		
Others:		
Ver Se Innovation Private Ltd, India (Associate upto February 7, 2011)	25.53	49.52
314,088 equity shares of Rs 10/- each, fully paid including 288,058 shares received on bonus issue (at March 31, 2010: 609,305 equity shares of Rs 10/- each, fully paid including 585,870 shares received on bonus issue)		
Total Long Term-Unquoted-(A)	2,563.51	2,370.33

Schedules to the Balance Sheet

ONMOBILE GLOBAL LIMITED

(In Rs. Million)

	As at March 31, 2011		As at March 31, 2010	
Short term investments- Non Trade (quoted) at lower of cost and market value				
IDFC Money Manager Fund -TP-Super Inst plan C -Daily div Nil (at March 31, 2010 –12,604,395) units, Net Asset Value Rs.Nil (at March 31, 2010 – Rs. 126.06 Million)		-		126.06
Kotak Floater - Long Term - Daily Dividend Nil (at March 31, 2010 –24,625,969) units, Net Asset Value Rs. Nil (at March 31, 2010 – Rs.248.23 Million)		-		248.23
Birla Sun life Savings Fund-Instl-Daily Dividend -Reinvestment Nil (at March 31, 2010- 15,272,878) units, Net Asset Value Rs. Nil (at March 31, 2010 –Rs.152.83 Million)		-		152.83
Birla Sun life Cash Plus-Instl Premium-Daily Dividend -Reinvestment 19,950,519 (at March 31, 2010 –Nil) units, Net Asset Value Rs.199.89 Million (at March 31, 2010 –Rs.Nil)		199.89		-
HDFC Cash Mng Fund- Treasury Adv plan-Daily dividend- Reinvestment 19,138,800 (at March 31, 2010 –Nil) units, Net Asset Value Rs.191.99 Million (at March 31, 2010 –Rs.Nil)		191.99		-
ICICI Prudential Liquid super Institutional Plan- Daily Dividend 850,247 (at March 31, 2010 –Nil) units, Net Asset Value Rs.85.04 Million (at March 31, 2010 –Rs.Nil)		85.04		-
Total Short Term Quoted- (B)		476.92		527.12
GRAND TOTAL- (A+B)		3,040.43		2,897.45

Aggregate market value of short term quoted investments Rs.476.92 Million (at March 31, 2010- Rs.527.12 Million)

(In Rs. Million)

	As at March 31, 2011		As at March 31, 2010	
6. SUNDRY DEBTORS (Unsecured)				
Debts outstanding for a period exceeding six months:				
Considered good		253.41		86.39
Considered doubtful		24.13		40.73
Other debts:				
Considered good		1,001.69		737.42
Considered doubtful		15.03		13.66
Unbilled Revenue		542.19		434.40
		1,836.45		1,312.60
Less: Provision for Doubtful Debts		39.16		54.39
		1,797.29		1,258.21
Note:				
Sundry Debtors include due from subsidiaries:				
a) OnMobile Singapore Pte Ltd.		95.26		19.48
b) OnMobile De Venezuela C A		0.80		-
c) Vox Mobili S.A., France		43.43		23.77
d) OnMobile Global for Telecommunication Services, Egypt		70.77		-
e) Telisma S.A., France		3.81		-
		214.07		43.25

Schedules to the Balance Sheet

ONMOBILE GLOBAL LIMITED

(In Rs. Million)

	As at March 31, 2011		As at March 31, 2010	
7. CASH AND BANK BALANCES				
Cash on hand		0.25		0.23
Balance with Scheduled Banks:				
- In Current Accounts		205.26		141.67
- In Deposit Accounts		551.67		1,551.62
Balances with other banks (non scheduled banks):				
- Banco Continental		0.22		-
		<u>757.40</u>		<u>1,693.52</u>
Notes:				
1) Balances with Scheduled Banks- In Fixed Deposit Accounts are as follows:				
a) ICICI Bank Limited		0.09		3.20
b) Kotak Mahindra Bank Limited		386.60		8.05
c) IDBI Bank Limited		50.00		-
d) Punjab National Bank		-		296.50
e) Bank of India		-		775.97
f) Canara Bank		-		467.89
g) Axis Bank Limited		55.00		-
h) DBS Bank Limited		50.00		-
i) Citi Bank N.A.		9.97		-
j) Standard Chartered Bank		0.01		0.01
		<u>551.67</u>		<u>1,551.62</u>
2) Maximum Balances Outstanding with Non Scheduled Bank Rs 0.22 Million (at March 31, 2010: Rs. Nil)				
3) Balances with banks include:				
- Margin Money Deposit		301.49		11.05
- Amounts in Escrow account		0.25		0.25

(In Rs. Million)

	As at March 31, 2011		As at March 31, 2010	
8. OTHER CURRENT ASSETS				
Accrued Interest		14.98		24.97
		<u>14.98</u>		<u>24.97</u>

Schedules to the Balance Sheet

ONMOBILE GLOBAL LIMITED

(In Rs. Million)

	As at March 31, 2011		As at March 31, 2010	
9. LOANS AND ADVANCES (Unsecured, Considered good)				
<i>Advances recoverable in cash or in kind or for value to be received</i>				
Advances to employees	31.35		26.23	
Advances to vendors	146.41		99.57	
Prepaid Expenses	54.81	232.57	37.27	163.07
Deposits				
Rental Deposits	129.18		124.91	
Deposits with body corporates	2.44		1.01	
Deposits with Statutory authorities	426.91	558.53	262.20	388.12
Dues from Subsidiaries :				
- Loan	10.12		9.50	
- Other advances	145.44	155.56	40.32	49.82
Advance income tax & tax deducted at source (Net of Provision for tax Rs. 1,280.50 Million (at March 31, 2010: Rs 1,000.95 Million))		504.38		471.86
MAT Credit entitlement (Note B (20 a) of Schedule 17)		92.72		-
Advance Fringe Benefit Tax (Net of Provision)		0.70		0.70
		1,544.46		1,073.57
Notes:				
1) Advances to employees include Rs.0.04 Million (at March 31, 2010: Rs.Nil) as travel advance to directors. (Note B(11) of Schedule 17)				
2) Deposits with statutory authorities include Rs.312.85 Million (at March 31, 2010: Rs.225.87 Million) to VAT Authorities under direction of the Honorable High Court of Karnataka.				
3) Dues from subsidiaries are as follows:				
a) OnMobile Singapore Pte. Ltd.		47.83		26.80
b) PT OnMobile Indonesia		11.47		9.26
c) OnMobile Europe B.V.		0.03		0.03
d) OnMobile USA LLC		11.55		4.94
e) Servicios De Telefonía OnMobile Sa De Cv		14.96		8.79
f) OnMobile Global S A, Argentina		2.08		-
g) OnMobile De Venezuela C A		12.77		-
h) OnMobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis Ltda, Brazil		2.17		-
i) OnMobile Global for Telecommunication Services, Egypt		52.70		-
		155.56		49.82

Schedules to the Balance Sheet

ONMOBILE GLOBAL LIMITED

(In Rs. Million)

	As at March 31, 2011		As at March 31, 2010	
10. CURRENT LIABILITIES				
Sundry creditors				
Due to Micro and Small Enterprises (Note B(23) of Schedule 17)				
- for capital items		2.03		2.43
- for expenses		5.42		4.60
Due to other than Micro and Small Enterprises				
- for capital items- due to subsidiaries		68.55		55.18
- for capital items- due to others		81.47		140.59
- for expenses- due to subsidiaries		264.60		71.86
- for expenses- due to others		1,144.52		717.00
Share Application money (Refer Note B (2) of Schedule 17)		0.25		0.35
Deferred revenue		3.71		5.19
Other liabilities		152.24		171.54
		<u>1,722.79</u>		<u>1,168.74</u>

Note:

Sundry Creditors include due to a company in which a director is interested Rs.2.08 Million (at March 31, 2010- Rs.13.03 Million). Maximum balance during the year Rs.13.03 Million (at March 31, 2010- Rs.14.43 Million).

(In Rs. Million)

	As at March 31, 2011		As at March 31, 2010	
11. PROVISIONS				
Employee Benefits				
Gratuity (Note B (14 II) of Schedule 17)	15.64		3.81	
Leave Encashment	24.81	40.45	23.18	26.99
Other Provisions (Note B (21) of Schedule 17)		151.04		105.99
		<u>191.49</u>		<u>132.98</u>

Schedules to the Profit and Loss Account

ONMOBILE GLOBAL LIMITED

(In Rs. Million)

	For the year ended March 31, 2011		For the year ended March 31, 2010	
12. COST OF SALES AND SERVICES				
Content fee and royalty		944.64		883.60
Cost of hardware and software development charges		281.37		197.66
		<u>1,226.01</u>		<u>1,081.26</u>

(In Rs. Million)

	For the year ended March 31, 2011		For the year ended March 31, 2010	
13. MANPOWER COST				
Salaries, wages and bonus		894.86		766.80
Contribution to provident fund and other funds		71.68		47.59
Workmen and staff welfare expenses		12.08		10.73
Employee Insurance		14.43		12.10
		<u>993.05</u>		<u>837.22</u>

(In Rs. Million)

	For the year ended March 31, 2011		For the year ended March 31, 2010	
14. ADMINISTRATION AND OTHER EXPENSES				
Power and Fuel		20.41		19.70
Rent		135.15		123.09
Insurance		3.41		4.12
Repairs				
- Machinery		18.59		18.64
- Others		7.79		5.31
Office maintenance		52.31		38.07
Rates and taxes		11.18		13.03
Printing and stationery		3.20		2.74
Postage, courier and octroi		5.91		5.05
Communication charges		82.03		75.78
Training and Recruitment expenses		28.91		17.21
Travelling and conveyance		161.47		142.74
Legal, professional & consultancy charges		111.25		101.56
Commission to non whole time directors		4.80		4.40
Remuneration to auditors (Note B (13) of Schedule 17)		5.93		3.98
Marketing expenses		102.00		52.42
Business development expenses		320.32		42.16
Bad Debts		-		15.72
Provision for Doubtful Debts		18.81		28.67
Brokerage and Commission		14.12		8.27
Bank charges		8.19		3.53
Impairment loss		-		7.90
Exchange loss (Net)		27.02		-
Miscellaneous expenses		0.39		5.23
		<u>1,143.19</u>		<u>739.32</u>

Schedules to the Profit and Loss Account

ONMOBILE GLOBAL LIMITED

(In Rs. Million)

	For the year ended March 31, 2011		For the year ended March 31, 2010	
15. OTHER INCOME				
Interest				
- From Banks		62.76		117.94
[Gross, Tax deducted at source Rs.12.53 Million (at March 31, 2010 : Rs.25.68 Million)]				
- From Subsidiaries		0.55		0.46
- On Income Tax refund		4.28		-
Dividend on investment		13.10		13.24
Profit on sale of investments		373.99		24.52
Provisions for expenses written back		-		9.54
Exchange Gain (Net)		-		7.37
Profit on Sale of Fixed Assets (Net)		1.50		1.56
Other Income		11.50		5.74
		<u>467.68</u>		<u>180.37</u>

(In Rs. Million)

	For the year ended March 31, 2011		For the year ended March 31, 2010	
16. FINANCE CHARGES				
Interest on Finance lease		6.64		2.20
Interest on Short term loan		1.08		-
		<u>7.72</u>		<u>2.20</u>

Schedules to the Financial Statements

ONMOBILE GLOBAL LIMITED

17. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of financial statements

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

2. 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 debts, 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.

3. Revenue Recognition

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

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

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

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

Rental Income is recognised on an accrual basis.

Interest Income is recognised on an accrual basis.

4. 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 advances paid to acquire fixed assets and the cost of fixed assets that are not ready for their intended use at the Balance Sheet date.

5. Depreciation/Amortisation

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

The useful/commercial lives are as follows:

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

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

6. 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 that of a temporary in nature.

Schedules to the Financial Statements

7. Foreign currency transactions

Transactions in foreign currencies are translated at the exchange rate prevailing on the date of the transaction. Monetary assets and Monetary liabilities denominated in foreign currencies are translated at the exchange rate prevalent at the date of the Balance sheet. Exchange differences arising on foreign currency translations are recognized as income or expense in the year in which they arise.

Premium or discount on forward exchange contract is amortised over the life of such contract and is recognised as income or expense.

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

8. 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 Profit and Loss Account.

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 Account 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 Leave Encashment is provided based on actuarial valuation of the accumulated leave credit outstanding to the employees as on the Balance Sheet date.

9. Employee Stock Option Plan

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

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 and OnMobile Employees Stock Option Plan – II 2010 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 profit and loss account over the period of vesting.

10. Leases

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

11. Borrowing Cost

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

Schedules to the Financial Statements

12. Income Tax

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

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

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

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

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

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

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

13. 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.

14. 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 Profit and Loss Account 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.

15. 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.

16. 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.

B. NOTES ON ACCOUNTS

1. Utilization of Proceeds from Initial Public Offer (IPO)

The actual utilization of the proceeds of the Initial Public Offer during 2007-08 issue of Rs. 3,544.54 Million (net of share issue expenses) is as under :

		(In Rs. Million)	
Sl No.	Expenditure Items	Total cost to be financed from Net Proceeds (as disclosed in the Prospectus)	Actual utilisation upto March 31, 2011
1.	Purchase of equipment for offices at Bangalore, Mumbai and Delhi and various customer sites	1,805.21	1,805.21
2.	Working capital requirements	50.00	50.00
3.	Repayment of loan	350.00	350.00
4.	General corporate purposes	1,339.33	1,339.33
		3,544.54	3,544.54

Schedules to the Financial Statements

2. 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.

3. Contingent liabilities and Commitments

- a. The Company has been named as one of the 20 defendants in a civil dispute for injunction pending adjudication. However in the opinion of the management no liability would arise in this regard.
- b. Disputed Value Added Tax Rs. 692.8 Million (Previous year: Rs. 451.73 Million) and disputed Income Tax Rs.55.31 Million (Previous year: Rs.Nil)
- c. Claims against the Company not acknowledged as debts is Rs. 61.68 Million (Previous year: Rs. 56.63 Million).
- d. Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for is Rs. 101.72 Million (Previous year: Rs. 495.78 Million).

4. Issue of Bonus Shares

Subsequent to the balance sheet date, on April 21, 2011, the shareholders of the Company have approved

through Postal ballot process, the issue of one equity share of face value of Rs 10/- each as bonus share for every one share held by the equity shareholders of the Company whose name appear in the register of members as on the record date, by capitalisation of Securities premium account and also shareholders have approved for increase of authorised share capital from Rs. 750 Million to Rs.1,500 Million.

5. Divestment in Ver se Innovation Pvt Ltd

During the year the Company sold 295,217 Equity Shares in Ver se Innovation Private Limited for a consideration of Rs. 397.04 Million. As a result of the above, the Company's shareholding in Ver se Innovation Private Limited stands reduced and thus ceased to be an associate of the Company.

6. Market development and deployment rights

The Company has entered into agreements with Telefonica Internacional, S.A.U, Spain and the telecom operators towards deploying Value Added Services on exclusive and non-exclusive basis in Latin America and Europe with an initial investment of Rs. 2,717.09 Million (Euro 40.5 Million) and during the year has started operations in these regions.

7. Investment in new Subsidiaries/Additional Investment in existing Subsidiaries

Name of the subsidiary	Board Resolution	Amount (in Rs. Million)	Nature of Investment
OnMobile Global S A, Argentina	July 23, 2010	18.79	Initial Investment towards 1,600,000 shares of ARS 1/- each
OnMobile Global S A, Argentina	July 23, 2010	6.84	Additional Investment towards 583,000 shares of ARS 1/- each
OnMobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis Ltda, Brazil	July 23, 2010	9.59	Initial Investment towards 352,000 shares of BRL 1/- each
OnMobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis Ltda, Brazil	July 23, 2010	38.15	Additional Investment towards share application money
OnMobile Global for Telecommunication Services, Egypt	April 30, 2010	0.08	Initial Investment towards 100 equity shares of EGP 100/- each
OnMobile Singapore Pte Ltd., Singapore	July 23, 2010	65.15	Additional Investment towards 1,900,000 equity shares of SGD 1/- each
OnMobile USA LLC, USA	July 23, 2010	81.9	Additional Investment towards 18,000 units of common stock of USD 100/- each

Schedules to the Financial Statements

8. Investments and loans to wholly owned Subsidiaries and employees

(a) Investment in the wholly owned Subsidiaries has been made considering strategic business expansion plan. In the opinion of the management and considering intrinsic value and the business

potential of the subsidiaries, the investment has been carried at cost.

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

(In Rs. Million)

Particulars	As at March 31, 2011	As at March 31, 2010	Maximum amount due at any time during the year 2010-11	Maximum amount due at any time during the year 2009-10
Subsidiaries				
- OnMobile Singapore Pte. Ltd	2.29	1.94	2.29	1.98
- PT OnMobile Indonesia	7.83	7.56	7.83	8.19
Employees loan given in the ordinary course of the business and as per the service rules of the company				
- no repayment schedule or repayment beyond seven years	-	-	-	-
- no interest or at an interest rate below which is specified in section 372A of the Companies Act, 1956.	15.02	11.06	-	-

9. Deferred Payment liability includes:

- Rs 139.44 Million (Euros 2.21 Million) (previous year: Rs. 1,389.85 Million (Euro 22.95 Million)) payable to Telefonica Internacional, S.A.U, Spain towards accrual of liability relating to acquisition of market development and deployment rights.
- Rs 282.12 Million (Euros 4.46 Million) (previous year: Rs. 330.05 Million (Euro 5.45 Million)) payable to a customer in Europe towards deploying value added services on an exclusive basis in the region.
- Rs. 35.09 Million (BRL 1.27 Million) (previous year: Rs. Nil) payable to a customer in Brazil towards deploying value added services on an exclusive basis in the region.
- Rs 0.5 Million (previous year: Rs. 0.5 Million) being balance consideration payable relating to acquisition of Intellectual Property Rights.

10. Details of purchase and sale of investments during the year

Name of the fund	Purchased		Sold (at cost)	
	No. of Shares/ Units	Amount (In Rs. Million)	No. of Shares/ Units	Amount (In Rs. Million)
Long term Investments				
Ver se Innovation Pvt Ltd	-	-	295,217	23.99
OnMobile Australia Pty. Ltd., Australia	-	-	100,000	3.33
OnMobile Singapore Pte. Ltd.	1,900,000	65.15	-	-
OnMobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis Ltda, Brazil	352,000	9.59	-	-
OnMobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis Ltda, Brazil	Share application money	38.15	-	-

Schedules to the Financial Statements

OnMobile Global S A, Argentina	2,183,000	25.63	-	-
OnMobile USA LLC	18,000	81.90	-	-
OnMobile Global for Telecommunication Services, Egypt	100	0.08	-	-
	4,453,100	220.50	395,217	27.32
Short Term Investments				
IDFC Money Manager - Treasury Plan - Plan C - Dly Dividend [825188]	8,058,964	80.60	20,663,359	206.66
Kotak Floater - LT - Daily Dividend [12345]	34,399,978	346.74	59,025,947	594.97
Birla Sun life Savings Fund-Instl-Daily Dividend -Reinvestment	41,291,062	413.19	56,563,940	566.02
HDFC Cash Management Fund-Treasure Advantage Plan-WholeSale Daily Dividend Option Reinvest	33,248,462	333.53	14,109,662	141.54
SBI-SHF-Ultra Short Term Fund-Intstitutional Plan - Daily Dividend	18,009,113	180.20	18,009,113	180.20
Birla Sun life Cash Plus-Instl Prem-Daily Dividend -Reinvestment	19,950,519	199.89	-	-
ICICI Prudential Liquid Super Institutional Plan-Div Daily	850,247	85.04	-	-
	155,808,345	1,639.19	168,372,021	1,689.39

11. Loans and advances include

Particulars	(In Rs. Million)	
	As at March 31, 2011	As at March 31, 2010
Due from a company in which director is interested (Maximum balance outstanding during the year Rs. 0.10 Million (Previous year Rs.0.10 Million))	-	0.10
Due from a director of the Company (Maximum balance outstanding during the year Rs 1.77 Million (Previous year Rs 1.51 Million))	0.04	-

12. Remuneration to Directors

a. Managerial Remuneration to Whole time directors

Particulars	(In Rs. Million)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Salary and Allowances	10.08	6.03
Other Benefits	4.12	6.65
Contribution to Provident Fund	0.34	0.34
	14.54	13.02

The above remuneration excludes gratuity and leave encashment amounts as the same have been provided based on an actuarial valuation.

b. Remuneration to Non Whole time directors

Particulars	(In Rs. Million)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Sitting fees	1.06	1.00
Commission	4.80	4.40
Stock Options	0.04	0.11
	5.90	5.51

c. Computation of net profit in accordance with Section 349 of the Companies Act, 1956 and commission payable to directors:

Particulars	(In Rs. Million)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Profit before taxation	1,082.57	707.07
Add:		
Managerial remuneration	20.44	18.53
Provision for Doubtful Debts	18.81	28.67
	39.25	47.20
Less:		
Profit on Sale of investments	373.99	24.52
Excess Provision reversed back	-	9.54
Profit on Sale of Fixed Assets	1.50	1.56
	375.49	35.62
Net Profit	746.33	718.65
Remuneration to whole time Directors:		
Eligible under Section 309	74.63	71.87
Restricted to remuneration paid	14.54	13.02
Commission to Non-whole-time directors		
Eligible under Section 309	7.46	7.19
Restricted to Commission Payable	4.80	4.40

Schedules to the Financial Statements

13. Auditors Remuneration

Particulars	(In Rs. Million)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Statutory Audit Fees	3.15	2.30
Tax Audit Fees	0.25	0.20
Other attest services	1.40	0.29
Taxation matters	1.13	1.00
Out of pocket expenses	-	0.19
Total	5.93	3.98

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

14. Employee Benefits:

I. Defined Contribution Plans

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

Particulars	(In Rs. Million)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Employer's Contribution to Provident Fund*	43.70	36.78

* Included in Contribution to provident and other funds (Refer Schedule 13)

II. Defined Benefit Plans

Gratuity

In accordance with Accounting Standard 15 (Revised 2005) - "Employee Benefits", actuarial valuation as on March 31, 2011 was done in respect of the aforesaid defined benefit plan of Gratuity based on the following assumptions:

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Discount Rate	8% p.a	8% p.a
Expected Rate of Return on Plan Assets	8% p.a	8% p.a
Salary Escalation Rate	10% p.a. for first 6 years and 7.0% p.a thereafter	10% p.a. for first 6 years and 7.0% p.a thereafter

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority,

promotion and other relevant factors including supply and demand in the employment market.

Change in Present Value of Obligation:

Particulars	(In Rs. Million)	
	As at March 31, 2011	As at March 31, 2010
Present Value of Obligation (Opening)	30.02	26.34
Current Service Cost	19.53	4.51
Interest on Defined Benefit Obligation	2.24	2.01
Benefits Paid	(3.97)	(2.12)
Net Actuarial Losses / (Gains) Recognized in Year	(0.24)	(0.72)
Past Service Cost	-	-
Losses / (Gains) on "Curtailments and Settlements"	-	-
Closing Present Value of Obligations	47.58	30.02

Change in the Fair Value of Assets:

Particulars	(In Rs. Million)	
	As at March 31, 2011	As at March 31, 2010
Opening Fair Value of Plan Assets	26.21	7.12
Expected Return on Plan Assets	2.21	1.25
Actuarial Gains / (Losses)	0.60	0.80
Assets Distributed on Settlements	-	-
Contributions by Employer	6.89	19.17
Assets Acquired due to Acquisition	-	-
Exchange Difference on Foreign Plans	-	-
Benefits Paid	(3.97)	(2.13)
Closing Fair Value of Plan Assets	31.94	26.21

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

Schedules to the Financial Statements

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

Particulars	(In Rs. Million)	
	As at March 31, 2011	As at March 31, 2010
Closing Present Value of Funded Obligations	47.58	30.02
Closing Fair Value of Plan Assets	31.94	26.21
Unfunded Net Asset / (Liability) recognised in Balance Sheet	(15.64)	(3.81)

Experience Adjustments:

Particulars	(In Rs. Million)					Not available
	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	
Defined Benefit Obligations	47.58	30.02	26.34	10.85		
Plan Assets	31.94	26.21	7.12	7.24		
Surplus/ (Deficit)	(15.64)	(3.81)	(19.22)	(3.61)		
Experience adjustments on Plan Liabilities	(0.24)	(0.72)	1.20	3.25		
Experience adjustments on Plan Assets	0.60	0.79	0.06	0.16		

Amount recognized in the Balance Sheet:

Particulars	(In Rs. Million)	
	As at March 31, 2011	As at March 31, 2010
Closing Present value of obligations	47.58	30.02
Closing Fair Value of Plan Assets	(31.94)	(26.21)
Liability Recognised in the Balance Sheet	15.64	3.81

Expenses recognized in the Profit and Loss Account:

Particulars	(In Rs. Million)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Current Service Cost	19.53	4.51
Past Service Cost	-	2.02
Interest Cost	2.24	-
Expected Return on Plan Assets	(2.21)	(1.25)
Actuarial (Losses) / Gain	0.36	(0.54)
Total Expenses to be recognized in the Profit and Loss Account	19.92	4.74

III. Other long term benefits

Leave Encashment

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

Particulars	(In Rs. Million)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Leave Encashment	11.75	15.75

Schedules to the Financial Statements

15. 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, 2011 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 31,2011	For the year ended March 31,2010	For the year ended March 31,2011	For the year ended March 31,2010	For the year ended March 31,2011	For the year ended March 31,2010
Amount repayable not later than 1 year	31.23	39.66	9.27	6.65	40.50	46.31
Amount repayable later than 1 year and not later than 5 years	14.28	45.10	5.27	14.42	19.55	59.52
Total	45.51	84.76	14.54	21.07	60.05	105.83

16. 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 31,2011	For the year ended March 31,2010
Total Rental expense charged to Profit and Loss account	136.98	123.91
Future lease payments under non- cancellable leases:		
Not later than 1 year	8.91	62.04
Later than 1 year and not later than 5 years	-	25.26

b. During the year the Company has sub let office space under non-cancellable operating lease.

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

(In Rs. Million)

Particulars	For the year ended March 31,2011	For the year ended March 31,2010
Rental Income recognized in Profit and Loss account	10.96	5.59
Future lease income		
Not later than 1 year	-	8.14
Later than 1 year and not later than 5 years	-	0.28

Schedules to the Financial Statements

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

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

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Options granted outstanding at the beginning of the year	613,476	1,196,247
Exercised during the year	318,850	518,070
Forfeited during the year	9,243	64,701
Options granted outstanding at the end of the year	285,383	613,476
Grants outstanding which are vested as at Balance Sheet date including increase due to issuance of bonus shares	274,879	514,663

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

Plan	Board approval date	Share holder's approval date	Total options appropriated	Terms of Vesting
OnMobile Employees Stock Option Plan – III 2006	24-Jul-06	24-Jul-06	61,567	25% of such Options granted would vest at the end of twelve (12) months from the date the Optionee becomes an employee of the Company and the remaining 75% would vest at a rate of 1/36th per month for the next thirty six (36) months from the first Vesting.
OnMobile Employees Stock Option Plan – I 2007	12-Jul-07	17-Aug-07	975,000	25% of the Options granted would vest at the end of twelve (12) months from the date of the grant and the remaining 75% would vest at a rate of 1/36th per month for the next thirty six (36) months from the first Vesting.
OnMobile Employees Stock Option Plan-II 2007	12-Jul-07	17-Aug-07	74,360	65%, 30%, 3% and 2% of the options granted would vest at the end of one year, two years, three years and four years from the grant date, respectively.
OnMobile Employees Stock Option Plan – I 2008	18-Mar-08	18-Apr-08	26,000	100% of the Options would vest over a period of four years.
OnMobile Employees Stock Option Plan II 2008	31-Oct-08	1-Aug-08	100,000	100% of the options granted would vest at the end of two years.

Schedules to the Financial Statements

Plan	Board approval date	Share holder's approval date	Total options appropriated	Terms of Vesting
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

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

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Options granted outstanding at the beginning of the year	1,617,929	1,644,319
Granted during the year	1,753,285	287,182
Exercised during the year	75,478	89,541
Forfeited during the year	301,209	224,031
Options granted outstanding at the end of the year	2,994,527	1,617,929
Weighted average remaining contractual life (years) at the year end	4.8	3.6
Weighted average exercise price per option (after adjusting for Bonus issue)	Rs. 306	Rs 322
Range of exercise price (after adjusting for bonus issue)	Rs 216 to Rs 680	Rs 216 to Rs 680

The Company accounted the above options using the intrinsic value method and thus, the difference between the fair value of the underlying shares at the time of grant and the options exercise value was charged to the profit and loss account. Accordingly, the compensation charge thereon in the current year is Rs. 0.04 Million. (Previous year-Rs.0.11 Million).

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, 2011 would have been lower by Rs.95.65 Million (Previous year-Rs.21.05 Million) and Basic and diluted EPS would have been revised to Rs.14.0/- (Previous year-Rs 8.7/-) and Rs.13.6/- (Previous year-Rs 8.5/-) respectively as compared to Rs.15.6/- (Previous year-Rs 9.2/-) and Rs.15.2/- (Previous year-Rs 9.0/-) without such impact.

The fair value of stock based awards to employees is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect

Schedules to the Financial Statements

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 3.9 years (Previous year 3.6 years), a “Nil%”(Previous year Nil %) expected dividend rate on the underlying equity shares, weighted average volatility in the share price of 53.17% (Previous year range of 41%-53%) and a risk free rate of 8.25% p.a. (Previous year 7.4% 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.

18. Transactions with related parties:

I. List of Related parties and relationship:

SI No.	Relationship	Related parties
(i)	Subsidiaries	OnMobile Singapore Pte. Ltd.
		OnMobile Australia Pty. Ltd.
		PT. OnMobile Indonesia .
		Vox Mobili S.A. (subsidiary of Telisma S.A. w.e.f. October 14, 2009)
		Telisma S.A.
		Phonetize Solutions Private Limited
		OnMobile Europe B.V.
		Servicios De Telefonía OnMobile, SA DE CV
		OnMobile USA LLC.
		Ver se Innovation Private Limited (Till September 29, 2009)
		OnMobile Global S A
		OnMobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis Ltda
		OnMoible Global for Telecommunication Services
		OnMobile Senegal SARL
OnMobile Uruguay S A		
OnMobile De Venezuela C.A. (subsidiary of OnMobile USA LLC)		
(ii)	Other related parties with whom the Company had transactions	
	Key Management Personnel	Arvind Rao
		Chandramouli Janakiraman
	Associate	Ver se Innovation Private Limited (w.e.f. September 29, 2009 till February 7, 2011)
	Enterprises owned or significantly influenced by key Management personnel/Directors or their relatives.	OnMobile Systems INC, USA.
		Mobile Traffik Private Limited (Till January 18, 2010)
		Riff Mobile Private limited.

Schedules to the Financial Statements

II Transactions with Related Parties:

SI No	Nature of transactions	(In Rs. Million)											
		Subsidiary Companies		Associate Company		Key Management Personnel		Enterprises owned or significantly influenced by Key Management Personnel/ Directors or their relatives		Total			
		March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010		
1. Income from services													
	OnMobile Singapore Pte. Ltd.	106.22	61.30	-	-	-	-	-	-	-	-	106.22	61.30
	OnMobile Global for Telecommunication Services	71.00	-	-	-	-	-	-	-	-	-	71.00	-
	OnMobile De Venezuela C A	0.80	-	-	-	-	-	-	-	-	-	0.80	-
	Voxmobili S.A.	18.60	15.54	-	-	-	-	-	-	-	-	18.60	15.54
	Telisma S.A.	3.75	-	-	-	-	-	-	-	-	-	3.75	-
	Total	200.37	76.84	-	-	-	-	-	-	-	-	200.37	76.84
2. Business Development expenses													
	OnMobile Australia Pty. Ltd.	-	0.37	-	-	-	-	-	-	-	-	-	0.37
	PT OnMobile Indonesia	39.07	24.68	-	-	-	-	-	-	-	-	39.07	24.68
	Voxmobili S.A.	12.69	17.11	-	-	-	-	-	-	-	-	12.69	17.11
	OnMobile USA LLC	227.18	-	-	-	-	-	-	-	-	-	227.18	-
	Servicos De Telefonia OnMobile SA DE CV	22.06	-	-	-	-	-	-	-	-	-	22.06	-
	OnMobile Global SA	5.49	-	-	-	-	-	-	-	-	-	5.49	-
	OnMobile Brasil Sistemas de Valor Agregado Para Comunicacoes Moveis Ltda	13.83	-	-	-	-	-	-	-	-	-	13.83	-
	Total	320.32	42.16	-	-	-	-	-	-	-	-	320.32	42.16
3. Content Cost													
	Ver se Innovation Private Ltd	-	2.53	2.92	3.37	-	-	-	-	-	-	2.92	5.90
	Riff Mobile Private Limited	-	-	-	-	-	-	-	-	0.50	24.74	0.50	24.74
	Total	-	2.53	2.92	3.37	-	-	-	-	0.50	24.74	3.42	30.64
4. Cost of hardware and software development charges													
	Telisma S.A.	104.16	18.55	-	-	-	-	-	-	-	-	104.16	18.55
	OnMobile USA LLC	5.59	-	-	-	-	-	-	-	-	-	5.59	-
	Voxmobili S.A.	24.49	13.03	-	-	-	-	-	-	-	-	24.49	13.03
	Total	134.24	31.58	-	-	-	-	-	-	-	-	134.24	31.58
5. Remuneration (including other benefits)													
	Arvind Rao	-	-	-	-	9.64	9.52	-	-	-	-	9.64	9.52
	Chandramouli Janakiraman	-	-	-	-	4.90	3.50	-	-	-	-	4.90	3.50
	Total	-	-	-	-	14.54	13.02	-	-	-	-	14.54	13.02
6. Interest Income													
	OnMobile Singapore Pte. Ltd.	0.14	0.10	-	-	-	-	-	-	-	-	0.14	0.10
	PT OnMobile Indonesia	0.41	0.36	-	-	-	-	-	-	-	-	0.41	0.36
	Total	0.55	0.46	-	-	-	-	-	-	-	-	0.55	0.46

Schedules to the Financial Statements

SI No	Nature of transactions	(In Rs. Million)											
		Subsidiary Companies		Associate Company		Key Management Personnel		Enterprises owned or significantly influenced by Key Management Personnel/ Directors or their relatives		Total			
		March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010		
7. Purchase of Fixed Assets													
	OnMobile Singapore Pte Ltd.	37.12	-	-	-	-	-	-	-	-	-	37.12	-
	Servicios De Telefonía OnMobile Sa De Cv	0.17	-	-	-	-	-	-	-	-	-	0.17	-
	OnMobile USA LLC	12.39	-	-	-	-	-	-	-	-	-	12.39	-
	Telisma S.A.	38.39	87.58	-	-	-	-	-	-	-	-	38.39	87.58
	Total	88.07	87.58	-	-	-	-	-	-	-	-	88.07	87.58
8. Investments made during the year in													
	OnMobile Europe B.V.	-	8.80	-	-	-	-	-	-	-	-	-	8.80
	Servicios De Telefonía OnMobile Sa De Cv	-	6.86	-	-	-	-	-	-	-	-	-	6.86
	OnMobile USA LLC.	81.90	9.61	-	-	-	-	-	-	-	-	81.90	9.61
	OnMobile Global for Telecommunication Services	0.08	-	-	-	-	-	-	-	-	-	0.08	-
	OnMobile Brasil Sistemas de Valor Agregado Para Comunicaciones Movels Ltda	47.74	-	-	-	-	-	-	-	-	-	47.74	-
	OnMobile Global SA	25.63	-	-	-	-	-	-	-	-	-	25.63	-
	OnMobile Singapore Pte. Ltd.	65.15	87.05	-	-	-	-	-	-	-	-	65.15	87.05
	Total	220.50	112.32	-	-	-	-	-	-	-	-	220.50	112.32
9. Investments sold during the year													
	OnMobile Australia Pty. Ltd.	3.33	-	-	-	-	-	-	-	-	-	3.33	-
	Total	3.33	-	-	-	-	-	-	-	-	-	3.33	-
10. Recovery of Expenses from													
	OnMobile Singapore Pte. Ltd.	22.83	18.77	-	-	-	-	-	-	-	-	22.83	18.77
	OnMobile Global for Telecommunication Services	2.82	-	-	-	-	-	-	-	-	-	2.82	-
	Servicios De Telefonía OnMobile Sa De Cv	-	0.12	-	-	-	-	-	-	-	-	-	0.12
	OnMobile USA LLC.	-	0.56	-	-	-	-	-	-	-	-	-	0.56
	Total	25.65	19.45	-	-	-	-	-	-	-	-	25.65	19.45
11. Reimbursement of Expenses to													
	OnMobile USA LLC.	3.91	10.04	-	-	-	-	-	-	-	-	3.91	10.04
	Telisma S.A.	13.56	-	-	-	-	-	-	-	-	-	13.56	-
	OnMobile Systems Inc., USA	-	-	-	-	-	-	-	-	-	-	-	-
	Total	17.47	10.04	-	-	-	-	-	-	-	-	17.47	10.04
12. Transfer of Fixed Assets, AMC, Content Cost, Freight and Insurance													
	OnMobile Singapore Pte. Ltd.	4.64	6.34	-	-	-	-	-	-	-	-	4.64	6.34
	Servicios De Telefonía OnMobile Sa De Cv	5.27	8.83	-	-	-	-	-	-	-	-	5.27	8.83
	OnMobile Global for Telecommunication Services	48.37	-	-	-	-	-	-	-	-	-	48.37	-
	OnMobile Brasil Sistemas de Valor Agregado Para Comunicaciones Movels Ltda	2.23	-	-	-	-	-	-	-	-	-	2.23	-
	PT OnMobile Indonesia	0.41	-	-	-	-	-	-	-	-	-	0.41	-
	OnMobile De Venezuela C A	12.80	-	-	-	-	-	-	-	-	-	12.80	-
	OnMobile Global SA	2.16	-	-	-	-	-	-	-	-	-	2.16	-
	OnMobile USA LLC.	5.64	7.90	-	-	-	-	-	-	-	-	5.64	7.90
	Total	81.52	23.07	-	-	-	-	-	-	-	-	81.52	23.07
13. Annual Maintenance Charge (Prepaid)													
	Telisma S.A.	23.93	19.07	-	-	-	-	-	-	-	-	23.93	19.07
	Total	23.93	19.07	-	-	-	-	-	-	-	-	23.93	19.07

Schedules to the Financial Statements

III Balances with Related Parties:

88

SI No	Nature of transactions	Subsidiary Companies		Associate Company		Key Management Personnel		Enterprises owned or significantly influenced by Key Management Personnel/ Directors or their relatives		Total	
		March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
		(In Rs. Million)									
14. Amount Payable											
	OnMobile Singapore Pte. Ltd.	35.32	1.72	-	-	-	-	-	-	35.32	1.72
	OnMobile Australia Pty. Ltd.	-	0.23	-	-	-	-	-	-	-	0.23
	PT OnMobile Indonesia	-	6.98	-	-	-	-	-	-	-	6.98
	Telisma S.A.	105.31	77.35	-	-	-	-	-	-	105.31	77.35
	Voxmobili S.A.	77.20	40.71	-	-	-	-	-	-	77.20	40.71
	Phonetize Solutions Pvt Ltd	0.05	0.05	-	-	-	-	-	-	0.05	0.05
	OnMobile USA LLC.	98.18	-	-	-	-	-	-	-	98.18	-
	OnMobile Brasil Sistemas de Valor Agregado Para Comunicacoes Movels Ltda	13.83	-	-	-	-	-	-	-	13.83	-
	OnMobile Global SA	3.26	-	-	-	-	-	-	-	3.26	-
	Ver se Innovation Private Ltd	-	-	0.08	4.55	-	-	-	-	0.08	4.55
	Riff Mobile Private Limited	-	-	-	-	-	-	2.00	8.38	2.00	8.38
	Mobile Trafik Pvt. Ltd	-	-	-	-	-	-	-	0.10	-	0.10
	Total	333.15	127.04	0.08	4.55	-	-	2.00	8.48	335.23	140.07
15. Amount Receivable											
a Loan											
	OnMobile Singapore Pte. Ltd.	2.06	1.61	-	-	-	-	-	-	2.06	1.61
	PT OnMobile Indonesia	7.15	6.77	-	-	-	-	-	-	7.15	6.77
b Accrued interest											
	OnMobile Singapore Pte. Ltd.	0.23	0.33	-	-	-	-	-	-	0.23	0.33
	PT OnMobile Indonesia	0.69	0.79	-	-	-	-	-	-	0.69	0.79
c Other Advances											
	Arvind Rao	-	-	-	-	-	-	-	-	0.04	-
	OnMobile Singapore Pte. Ltd.	45.54	24.86	-	-	-	-	-	-	45.54	24.86
	PT OnMobile Indonesia	3.63	1.70	-	-	-	-	-	-	3.63	1.70
	OnMobile Europe B.V.	0.03	0.03	-	-	-	-	-	-	0.03	0.03
	Mobile Trafik Pvt. Ltd	-	-	-	-	-	-	-	0.10	-	0.10
	Servicios De Telefonía OnMobile Sa De Cv	14.96	8.79	-	-	-	-	-	-	14.96	8.79
	OnMobile USA LLC.	11.55	4.94	-	-	-	-	-	-	11.55	4.94
	OnMobile Brasil Sistemas de Valor Agregado Para Comunicacoes Movels Ltda	2.17	-	-	-	-	-	-	-	2.17	-
	OnMobile Global SA	2.08	-	-	-	-	-	-	-	2.08	-
	OnMobile De Venezuela C A	12.77	-	-	-	-	-	-	-	12.77	-
	OnMobile Global for Telecommunication Services	52.70	-	-	-	-	-	-	-	52.70	-
d Sundry Debts											
	OnMobile Singapore Pte. Ltd.	95.26	19.48	-	-	-	-	-	-	95.26	19.48
	OnMobile Global for Telecommunication Services	70.77	-	-	-	-	-	-	-	70.77	-
	OnMobile De Venezuela C A	-	0.80	-	-	-	-	-	-	0.80	-
	Voxmobili S.A.	43.43	23.77	-	-	-	-	-	-	43.43	23.77
	Telisma S.A.	3.81	-	-	-	-	-	-	-	3.81	-
	Total	369.63	93.07	-	-	-	-	-	0.10	369.67	93.17

Notes:

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

Schedules to the Financial Statements

19. 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, 2011	For the year ended March 31, 2010
Profit after tax as per the Profit and Loss Account (In Rs. Million)	916.38	528.96
Weighted Average number of Shares for Basic EPS	58,746,101	58,157,795
Add: Effect of Convertible Preference Shares and Stock Options outstanding	1,571,647	1,292,071
Weighted Average Number of equity shares for Diluted EPS	60,317,748	59,449,866
	Rs.	Rs.
Nominal value of equity shares	10.0	10.0
Earnings Per Share		
Basic	15.6	9.1
Diluted	15.2	8.9

20. Accounting For Taxes On Income

- a. During the year, the Company has provided for Minimum Alternative Tax (MAT) under section 115JB of the Income tax Act, 1961 since the tax liability as per regular provisions of the Act is lower. Correspondingly, the Company has also claimed credit of Rs.92.72 Million under section 115JAA of the said Act, which is disclosed as 'MAT credit availed' in the Profit and Loss Account.
- b. 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.20.63 Million for the current year, which has been credited to the Profit and Loss account. Details of Deferred Tax Asset and Liabilities are:

(In Rs. Million)

Particulars	Deferred Tax (Assets)/ Liabilities as on April 1, 2010	Current year (credit)/ charge	Deferred Tax (Assets)/ Liabilities as on March 31, 2011
Difference between book and tax depreciation	93.57	5.56	99.13
Others (Provision for gratuity, leave encashment, doubtful debts etc.)	0.12	(26.19)	(26.07)
	93.69	(20.63)	73.06

21. 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, 2010	Provision made during the year	Provision utilised during the year	Provision reversed during the year	Provision outstanding as at March 31, 2011
Other provisions customer credits	3 years	105.99	107.58	26.48	36.05	151.04

22. 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, 2011 Nominal Value (In Rs. Million)	As at March 31, 2010 Nominal Value (In Rs. Million)	Currency	As at March 31, 2011 (Foreign Currency in Million)	As at March 31, 2010 (Foreign Currency in Million)
Foreign Currency Forward Contract -(BUY)	328.85	1,463.99	EURO/INR	5.20	22.33
Foreign Currency Forward Contract -(BUY)	94.15	-	USD/INR	2.11	-

Schedules to the Financial Statements

b. Unhedged Foreign currency exposure is as follows:

Particulars	As at March 31, 2011 Amount (In Rs. Million)	As at March 31, 2010 Amount (In Rs. Million)	Nature of Currency	As at March 31, 2011 Amount (Foreign Currency in Million)	As at March 31, 2010 Amount (Foreign Currency in Million)
Due from:					
Debtors against export of services/ goods					
	3.47	10.28	AUD	0.07	0.25
	63.15	26.42	BDT	99.20	39.84
	5.43	-	COP	224.54	-
	70.77	-	EGP	9.26	-
	47.89	24.40	EUR	0.76	0.40
	1.67	3.91	RON	0.11	0.26
	110.67	22.41	SGD	3.08	0.70
	174.80	69.62	USD	3.96	1.54
	2.63	2.47	ZAR	0.40	0.40
Against loan (including interest accrued)					
	2.29	1.94	SGD	0.06	0.06
	7.83	7.56	USD	0.18	0.17
Against advances					
	0.53	0.61	AED	0.04	0.05
	9.66	5.65	AUD	0.21	0.14
	8.66	2.71	BDT	13.61	4.08
	0.11	-	COP	4.37	-
	2.36	-	EGP	0.31	-
	29.28	8.53	EUR	0.46	0.14
	6.14	0.02	GBP	0.0854	0.0003
	-	1.53	IDR	-	307.53
	3.74	0.03	MXN	0.9814	0.01
	0.29	0.15	MYR	0.0192	0.01
	0.82	-	RMB	0.1184	-
	0.25	0.01	RON	0.0158	0.0004
	28.21	20.79	SGD	0.7842	0.65
	142.13	24.37	USD	3.09	0.54
	0.10	-	XOF	1.00	-
	0.24	0.11	ZAR	0.04	0.02
Due to:					
Creditors against import of goods and services					
	1.47	0.30	AED	0.119	0.024
	2.86	6.56	AUD	0.061	0.158
	62.96	28.25	BDT	98.90	42.60
	0.53	-	COP	22.04	-
	160.37	122.55	EUR	2.53	2.02
	5.15	3.29	GBP	0.07	0.05
	31.29	-	IDR	5,972.26	-
	0.27	-	LKR	0.63	-
	22.91	-	MXN	6.02	-
	1.19	0.76	MYR	0.08	0.06
	0.00	-	PEN	0.00	-
	3.25	-	RMB	0.47	-
	0.04	0.88	RON	0.00	0.059
	-	3.06	SGD	-	0.09
	228.99	39.64	USD	5.12	0.88
	1.68	0.19	ZAR	0.25	0.03
Deferred Payment Liability					
	139.44	367.90	EUR	2.21	6.08
	35.09	-	BRL	1.27	-
Secured Loans					
	175.73	-	USD	3.94	-

Schedules to the Financial Statements

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

(In Rs. Million)		
Particulars	As at March 31, 2011	As at March 31, 2010
(i) The principal amount remaining unpaid to any supplier at the end of accounting year.	6.25	6.70
(ii) The interest due on above.	1.20	0.33
The total of (i) & (ii)	7.45	7.03
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	1.20	0.33

24. Cash and cash equivalents include deposits of Rs.301.74 Million (March 31, 2010: Rs 11.30 Million) the use of which was restricted and also includes unrealised foreign exchange gain of Rs. 4.86 Million (March 31, 2010- loss of Rs.3.67 Million).

25. Since 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.

26. Quantitative Details

The Company is engaged in the development and maintenance of computer software. The production and sale of such software cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales and certain information as required under paragraphs 3 and 4C of part II of Schedule VI of the Companies Act, 1956. Further there are no traded goods during the year.

27. Value of imports calculated on CIF basis

(In Rs. Million)		
Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Capital goods (including software downloads and Market development and deployment rights)	865.97	2,652.09

28. Expenditure in Foreign Currency (on an accrual basis)

(In Rs. Million)		
Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Business Development Expenses	320.32	42.16
Travel	48.45	38.96
Content Cost	35.51	28.66
Software and Software development charges	95.00	15.95
Annual maintenance charges	35.16	38.84
Legal and Professional	49.43	79.12
Payroll Costs	59.62	9.56
Others	28.48	27.21
	671.97	280.46

29. Earnings in Foreign Currency

(In Rs. Million)		
Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Master Services/ Professional Services/Others	644.46	349.49

30. Previous year's figures have been regrouped/ reclassified wherever necessary.

Arvind Rao
Chief Executive Officer
and Managing Director

Sanjay Uppal
President and Chief
Operating Officer

Chandramouli J
Director

Rajesh Moorti
Chief Financial Officer

P V Varaprasad
Company Secretary

Place: Bangalore
Date: April 30, 2011

Balance Sheet Abstract and Company's General Business Profile

REGISTRATION DETAILS	Details
Registration No.	27860
State Code	08
Balance Sheet Date	31-03-2011
CAPITAL RAISED DURING THE YEAR (In Rs. Million)	
Public Issue	NIL
Rights Issue	NIL
Bonus Issue (Issue of shares under ESOPs as an adjustment for the previous bonus issue- at Rs. 10/- Face Value)	3.81
Private Placement	NIL
Preferential Offer of shares under Employee Stock Option Plan Scheme(s) (at Rs. 10/- face value)	0.57
Total Liabilities	9,013.32
Total Assets	9,013.32
SOURCES OF FUNDS (In Rs. Million)	
Paid up Capital	589.55
Reserves and Surplus	7,577.74
Stock Options Outstanding	0.44
Secured Loans	315.38
Net Deferred Tax Liability	73.06
Deferred Payment Liability	457.15
APPLICATION OF FUNDS	
Net Fixed Assets	3,773.04
Investments	3,040.43
Net Current Assets	2,199.85
Misc. Expenditure	NIL
Accumulated Losses	NIL
PERFORMANCE OF THE COMPANY (In Rs. Million)	
Turnover	4,550.27
Total Expenditure	3,935.38
Other Income	467.68
Profit before Tax & Exceptional items	1,082.57
Profit after Tax & Exceptional items	916.38
Earning per share	15.60
Dividend Rate %	N.A.
GENERIC NAMES OF PRIMARY PRODUCTS/SERVICES OF THE COMPANY	
Item Code No. (ITC Code)	85,243,111
Product Description	Software Development

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS' OF ONMOBILE GLOBAL LIMITED

1. We have audited the attached Consolidated Balance Sheet of **OnMobile Global Limited** ("the Company"), its subsidiaries and associate (the Company, its subsidiaries and associate constitute "the Group") as at March 31, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investments in associate accounted on the equity method in accordance with Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs. 924.17 Million, as at March 31, 2011, total revenues of Rs. 902.08 Million and net cash outflows amounting to Rs. 39.44 Million for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) and Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the separate audit reports on the individual financial statements of the Company, its aforesaid subsidiaries and an associate, and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2011;
 - (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

V. Srikumar
Partner
(Membership No. 84494)

Date: April 30, 2011
Place: Bangalore

Consolidated Balance Sheet

ONMOBILE GLOBAL LIMITED

	Schedule	(In Rs. Million)	
		As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS			
Shareholders' funds:			
Share capital	1	589.55	585.17
Stock options outstanding		0.44	0.40
Reserves and surplus	2	7,732.38	6,810.35
Loan funds:			
Secured loans	3	315.38	84.76
Unsecured loans	4	2.28	2.10
Deferred payment liability (Note B (8) of Schedule 19)		457.15	1,720.40
Deferred tax liability (Note B (18 (b)) of Schedule 19)		78.41	93.69
		9,175.59	9,296.87
APPLICATION OF FUNDS			
Goodwill on consolidation		2,046.26	2,046.26
Fixed assets:			
Gross block	5	6,268.79	5,228.30
Less: Accumulated depreciation and amortisation		2,492.25	1,933.53
Net block		3,776.54	3,294.77
Capital work-in-progress (including Capital advances Rs. 18.15 Million (at March 31, 2010 - Rs. 24.09 Million))		144.25	92.14
		3,920.79	3,386.91
Deferred tax asset (Note B (18 (b)) of Schedule 19)		0.31	0.23
Investments	6	541.82	677.12
Current assets, Loans and advances:			
Inventories	7	25.28	-
Sundry debtors	8	2,245.03	1,689.50
Cash and bank balances	9	912.32	1,883.09
Other current assets	10	14.98	24.97
Loans and advances	11	1,503.93	1,118.81
		4,701.54	4,716.37
Less: Current liabilities and Provisions:			
Current liabilities	12	1,736.57	1,331.33
Provisions	13	298.56	198.69
		2,035.13	1,530.02
Net current assets		2,666.41	3,186.35
		9,175.59	9,296.87
Significant accounting policies and Notes on accounts	19		

The Schedules referred to above form an integral part of the Balance Sheet.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

V. Srikumar
Partner

Place: Bangalore
Date: April 30, 2011

For and on behalf of the Board of Directors

Arvind Rao
Chief Executive Officer and
Managing Director

Chandramouli J
Director

Place: Bangalore
Date: April 30, 2011

Sanjay Uppal
President and Chief
Operating Officer

Rajesh Moorti
Chief Financial Officer

P V Varaprasad
Company Secretary

Consolidated Profit and Loss Account

ONMOBILE GLOBAL LIMITED

(In Rs. Million except per share data)

	Schedule	For the year ended March 31, 2011	For the year ended March 31, 2010
REVENUE			
Telecom value added services		5,145.35	4,253.14
Software development		137.99	240.69
Other services		88.73	50.20
Total Revenue		5,372.07	4,544.03
EXPENDITURE			
Cost of sales and services	14	1,303.12	1,304.88
Manpower costs	15	1,773.26	1,492.75
Administration and other expenses	16	1,089.85	906.45
Total operating expenses		4,166.23	3,704.08
Earnings before other income, depreciation and amortisation, finance charges and tax		1,205.84	839.95
Other income	17	448.05	228.38
Depreciation and amortisation	5	566.64	440.73
Earnings before finance charges and tax		1,087.25	627.60
Finance charges	18	8.17	2.70
Earnings before tax		1,079.08	624.90
Provision for taxation			
- Current year tax		289.24	176.70
- Minimum Alternate Tax (MAT) Credit entitlement		(92.72)	-
- Earlier year provision		-	(10.20)
- Foreign Taxes		31.28	8.78
- Deferred tax (net) (Note B (18 (b)) of Schedule 19)		(15.51)	26.12
Earnings after tax		866.79	423.50
Less: Minority interest in income		-	9.45
Add: Share of profit from Associate concerns		25.21	13.93
Profit attributable to Consolidated group		892.00	427.98
Profit brought forward from previous year		2,606.78	2,178.80
Balance carried to Balance Sheet		3,498.78	2,606.78
Basic and Diluted earnings per share (Note B (17) of Schedule 19)			
- Earnings per share (Basic)(Face value of equity share of Rs 10/- each)		15.2	7.4
- Earnings per share (Diluted)(Face value of equity share of Rs 10/- each)		14.8	7.2
Significant accounting policies and notes on accounts	19		

The Schedules referred to above form an integral part of the Profit and Loss Account.

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

V. Srikumar
Partner

Arvind Rao
Chief Executive Officer and
Managing Director

Sanjay Uppal
President and Chief
Operating Officer

Chandramouli J
Director

Rajesh Moorti
Chief Financial Officer

P V Varaprasad
Company Secretary

Place: Bangalore
Date: April 30, 2011

Place: Bangalore
Date: April 30, 2011

Consolidated Cash Flow statement

ONMOBILE GLOBAL LIMITED

	(In Rs. Million)	
	As at March 31, 2011	As at March 31, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	1,079.08	624.90
Adjustments for :		
Depreciation	566.64	440.73
Impairment Loss on assets	-	7.90
Unrealised Foreign Exchange Loss/(Gain)	189.36	(153.51)
Loss/(Gain) on Sale of Fixed Assets (Net)	(0.99)	(0.45)
Loss/(Gain) on Sale/Redemption of Investment (Net)	(329.88)	(24.76)
Provisions no longer required written back	-	(9.68)
Provision for Bad and Doubtful debts	22.88	45.42
Dividend Income	(14.20)	(13.71)
Interest Expense	8.18	2.70
Interest Income	(67.04)	(118.34)
	<u>374.95</u>	<u>176.30</u>
Operating profit before working capital changes	1,454.03	801.20
(Increase)/decrease in Trade and other receivables	(575.66)	(342.24)
(Increase)/decrease in Loans and Advances	(254.18)	(71.31)
Increase/(decrease) in Current Liabilities and Provisions	434.21	354.38
Increase/(decrease) in Inventories	(25.28)	-
	<u>(420.91)</u>	<u>(59.17)</u>
Cash generated from operations	1,033.12	742.03
Direct taxes paid	(342.50)	(396.72)
Net cash from operating activities	<u>690.62</u>	<u>345.31</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(777.84)	(882.22)
Sale of fixed assets (including CWIP)	2.39	1.71
Sale, Redemption / (Purchase) of Short term investments (net)	92.41	(521.49)
Sale of Long term investments	397.98	30.00
Payment towards Deferred Liability	(1,713.30)	(60.15)
Dividend Income	14.20	13.71
Interest received	77.03	115.65
Net cash used in investing activities	<u>(1,907.13)</u>	<u>(1,302.79)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of Share Capital (net of refund of share application money)	19.74	23.24
Share application money received from erstwhile minority shareholders	-	170.00
Proceeds from/ (Repayment of) Finance lease	(39.25)	-
Proceeds from short term borrowings	275.51	-
Repayment of short term borrowings	(2.09)	(1.56)
Interest paid	(8.17)	(2.70)
Net cash used in financing activities	<u>245.74</u>	<u>188.98</u>
Net increase/(decrease) in cash and cash equivalents	<u>(970.77)</u>	<u>(768.50)</u>
Cash and cash equivalents as at March 31, 2010 (Opening Balance)	1,883.09	2,855.11
Less: Cash and cash equivalents on subsidiary becoming associate	-	(203.52)
Cash and cash equivalents as at March 31, 2011 (Closing Balance)	<u>912.32</u>	<u>1,883.09</u>
	<u>(970.77)</u>	<u>(768.50)</u>

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

V. Srikumar
Partner

Place: Bangalore
Date: April 30, 2011

For and on behalf of the Board of Directors

Arvind Rao
Chief Executive Officer and
Managing Director

Chandramouli J
Director

Place: Bangalore
Date: April 30, 2011

Sanjay Uppal
President and Chief
Operating Officer

Rajesh Moorti
Chief Financial Officer

P V Varaprasad
Company Secretary

Schedules to the Consolidated Balance Sheet

ONMOBILE GLOBAL LIMITED

(In Rs. Million)

	As at March 31, 2011		As at March 31, 2010	
1. SHARE CAPITAL				
Authorised:				
74,500,000 (at March 31, 2010 – 74,500,000) Equity Shares of Rs.10 each.		745.00		745.00
500,000 (at March 31, 2010 – 500,000) Preference Shares of Rs. 10 each		5.00		5.00
		<u>750.00</u>		<u>750.00</u>
Issued, Subscribed and Paid-up:				
58,954,543 (at March 31, 2010 – 58,516,792) Equity Shares of Rs.10 each fully paid up		589.55		585.17
		<u>589.55</u>		<u>585.17</u>

Notes:

- During the year ended March 31, 2008
 - 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).
 - 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.
 - 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.
- Total number of options outstanding under various employee stock option plans, that are convertible into equity shares, as on March 31,2011 are 3,279,910 (at March 31,2010 : 2,231,405) (Note B (14) of Schedule 19).

(In Rs. Million)

	As at March 31, 2011		As at March 31, 2010	
2. RESERVES AND SURPLUS				
Securities Premium account				
Opening Balance	4,209.10		4,181.65	
Add: Received during the year	18.74		54.12	
Less: Adjustment relating to erstwhile subsidiary	-		21.89	
Less: Utilised towards bonus shares on exercise of eligible stock options	<u>3.32</u>	4,224.52	<u>4.78</u>	4,209.10
Foreign Currency Translation Reserve				
Opening Balance	(5.53)		50.72	
Fluctuation for the year	14.61	9.08	(56.25)	(5.53)
Profit and Loss Account		<u>3,498.78</u>		<u>2,606.78</u>
		<u>7,732.38</u>		<u>6,810.35</u>

(In Rs. Million)

	As at March 31, 2011		As at March 31, 2010	
3. SECURED LOAN				
From banks				
Short Term Borrowings*		269.87		-
From other than banks				
Finance Lease obligation**		45.51		84.76
		<u>315.38</u>		<u>84.76</u>

Note: *Secured by Receivables and Movable Fixed Assets of the Company.

**Secured by underlying assets acquired under finance lease.

Includes repayable within one year Rs.31.23 Million (at March 31, 2010- Rs.39.66 Million).

(In Rs. Million)

	As at March 31, 2011		As at March 31, 2010	
4. UNSECURED LOAN				
Loan from Bank- Short Term		2.28		-
Loan from others		-		2.10
		<u>2.28</u>		<u>2.10</u>

ONMOBILE GLOBAL LIMITED

5. CONSOLIDATED FIXED ASSETS

(In Rs. Million)

Particulars	Gross Block						Depreciation / Amortisation				Net Block		
	As at April 1, 2010	Adjustments	Additions	Deletions	Impairment loss	As at March 31, 2011	As at April 1, 2010	Adjustments	Additions	Deletions	As at March 31, 2011	As at March 31, 2010	
Tangible Assets													
Leasehold improvements	47.76	-	-	-	-	47.76	19.90	-	10.04	-	29.94	17.82	27.86
Building	106.74	-	-	-	-	106.74	4.65	-	1.75	-	6.40	100.34	102.09
Office Equipment	10.10	0.30	1.29	-	-	11.69	4.39	0.11	1.23	-	5.73	5.96	5.71
Computer and Electronic equipment	1,684.00	0.72	567.96	9.84	-	2,242.84	1,088.28	0.57	380.76	8.87	1,460.74	782.10	595.72
Furniture & Fixtures	20.02	0.11	1.57	-	-	21.70	15.55	0.05	3.66	-	19.26	2.44	4.47
Motor Cars	13.75	-	-	-	-	13.75	11.67	-	1.35	-	13.02	0.73	2.08
Computer and Electronic Equipment under finance lease	122.58	-	0.96	0.03	-	123.51	33.68	-	38.45	0.01	72.12	51.39	88.90
Total Tangible Assets	2,004.95	1.13	571.78	9.87	-	2,567.99	1,178.12	0.73	437.24	8.88	1,607.21	960.78	826.83
Intangible Assets													
Software	794.06	0.24	7.51	-	-	801.81	738.73	0.23	38.39	-	777.35	24.46	55.33
Intellectual Property	35.48	-	146.42	-	-	181.90	16.68	-	43.15	-	59.83	122.07	18.80
Market Development and Deployment Rights	2,393.81	-	323.28	-	-	2,717.09	-	-	47.86	-	47.86	2,669.23	2,393.81
Total Intangible Assets	3,223.35	0.24	477.21	-	-	3,700.80	755.41	0.23	129.40	-	885.04	2,815.76	2,467.94
Grand Total	5,228.30	1.37	1,048.99	9.87	-	6,268.79	1,933.53	0.96	566.64	8.88	2,492.25	3,776.54	3,294.77
Previous year	2,536.33	(65.82)	2,770.45	4.76	7.90	5,228.30	1,560.83	(64.53)	440.73	3.50	1,933.53	3,294.77	

Note: Fixed Asset do not include assets aggregating to Rs. 27.05 Million (at March 31, 2010 – Rs. 27.05 Million) received on loan basis from the erstwhile Holding company, OnMobile Systems Inc, USA (formerly Onscan Inc., USA)

Schedules to the Consolidated Balance Sheet

ONMOBILE GLOBAL LIMITED

(In Rs. Million)

	As at March 31, 2011		As at March 31, 2010	
6. INVESTMENTS				
Long term investments - Non Trade (unquoted)				
Investments in Ver se Innovation Private Ltd, India (Associate upto February 7, 2011)		25.53		68.68
Short term quoted Investments				
Mutual Funds and other short term investments		516.29		608.44
		<u>541.82</u>		<u>677.12</u>

Note: Aggregate market value of short term quoted investments is Rs. 516.32 Million (as at March 31, 2010 Rs. 608.47 Million)

(In Rs. Million)

	As at March 31, 2011		As at March 31, 2010	
7. INVENTORIES				
Components		25.28		-
		<u>25.28</u>		<u>-</u>

(In Rs. Million)

	As at March 31, 2011		As at March 31, 2010	
8. SUNDRY DEBTORS (Unsecured)				
Debts outstanding for a period exceeding six months:				
Considered good		232.49		89.07
Considered doubtful		29.33		41.17
Other debts:				
Considered good		1,195.47		940.81
Considered doubtful		24.92		14.10
Unbilled Revenue		817.07		659.62
		<u>2,299.28</u>		<u>1,744.77</u>
Less: Provision for Doubtful Debts		54.25		55.27
		<u>2,245.03</u>		<u>1,689.50</u>

(In Rs. Million)

	As at March 31, 2011		As at March 31, 2010	
9. CASH AND BANK BALANCES				
Cash on hand		0.25		0.24
Balance with Banks:				
- In Current Accounts		283.88		196.87
- In Deposit Accounts		628.19		1,685.98
		<u>912.32</u>		<u>1,883.09</u>

(In Rs. Million)

	As at March 31, 2011		As at March 31, 2010	
10. OTHER CURRENT ASSETS				
Accrued Interest		14.98		24.97
		<u>14.98</u>		<u>24.97</u>

Schedules to the Consolidated Balance Sheet

ONMOBILE GLOBAL LIMITED

(In Rs. Million)

	As at March 31, 2011		As at March 31, 2010	
11. LOANS AND ADVANCES				
(Unsecured, Considered good)				
<i>Advances recoverable in cash or in kind or for value to be received</i>				
Advances to employees	32.28		26.58	
Advances to vendors	148.77		100.49	
Prepaid Expenses	51.38		29.93	
Others	83.59	316.02	73.31	230.31
<i>Deposits</i>				
Rental Deposits	138.75		132.37	
Deposits with body corporates	2.47		1.04	
Deposits with Statutory authorities	447.09	588.31	280.82	414.23
<i>Advance income tax & tax deducted at source</i> (Net of provision for tax Rs 1,280.50 Million (as at March 31,2010: Rs 1,000.96 Million))		506.18		473.57
<i>MAT Credit entitlement (Note B (18 (a)) of Schedule 19)</i>		92.72		-
<i>Advance Fringe Benefit Tax (Net of provisions)</i>		0.70		0.70
		1,503.93		1,118.81

(In Rs. Million)

	As at March 31, 2011		As at March 31, 2010	
12. CURRENT LIABILITIES				
<i>Sundry Creditors</i>				
- for capital items- due to others		129.33		151.34
- for expenses- due to others		1,333.49		880.88
<i>Share Application money (Refer Note B (2) of Schedule 19)</i>		0.25		0.35
<i>Deferred revenue</i>		54.01		73.29
<i>Other liabilities</i>		219.49		225.47
		1,736.57		1,331.33

(In Rs. Million)

	As at March 31, 2011		As at March 31, 2010	
13. PROVISIONS				
Income Tax		10.97		-
Employee Benefits		119.81		92.70
Other Provisions (Note B (19) of Schedule 19)		167.78		105.99
		298.56		198.69

Schedules to the Consolidated Profit and Loss Account

ONMOBILE GLOBAL LIMITED

(In Rs. Million)

	For the year ended March 31, 2011	For the year ended March 31, 2010
14. COST OF SALES AND SERVICES		
Content fee and royalty	955.43	891.50
Cost of hardware and software development charges	347.69	413.38
	1,303.12	1,304.88

(In Rs. Million)

	For the year ended March 31, 2011	For the year ended March 31, 2010
15. MANPOWER COST		
Salaries, wages and bonus	1,460.64	1,225.96
Contribution to provident fund and other funds	266.71	233.24
Workmen and staff welfare expenses	19.72	17.75
Employee Insurance	26.19	15.80
	1,773.26	1,492.75

(In Rs. Million)

	For the year ended March 31, 2011	For the year ended March 31, 2010
16. ADMINISTRATION AND OTHER EXPENSES		
Power and Fuel	20.74	20.14
Rent	186.88	162.19
Insurance	4.71	5.41
Repairs		
- Buildings	0.62	1.45
- Machinery	18.59	18.64
- Others	9.12	5.55
Office maintenance	62.51	47.35
Rates and taxes	37.41	39.61
Printing and stationery	3.26	2.82
Postage, courier and octroi	7.41	5.53
Communication charges	102.67	92.38
Training and Recruitment expenses	35.23	24.43
Travelling and conveyance	243.77	191.71
Legal, professional & consultancy charges	137.55	127.83
Commission to non whole time directors	4.80	4.40
Remuneration to auditors (Note B (10) of Schedule 19)	15.00	13.73
Marketing expenses	104.85	54.90
Bad Debts	-	15.72
Provision for Doubtful Debts	22.88	29.70
Impairment loss	-	7.90
Brokerage and Commission	26.16	17.54
Bank charges	11.20	6.58
Exchange loss (Net)	29.79	-
Miscellaneous expenses	4.70	10.94
	1,089.85	906.45

Schedules to the Consolidated Profit and Loss Account

ONMOBILE GLOBAL LIMITED

	(In Rs. Million)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
17. OTHER INCOME		
Interest		
- Banks	62.76	118.34
[Gross, Tax deducted at source Rs. 12.53 Million (As at March 31, 2010: Rs. 25.74 Million)]		
- On Income Tax refund	4.28	-
Dividend on investment	14.20	13.71
Profit on sale of investments	329.88	24.76
Provision for expenses written back	-	9.68
Profit on Sale of Fixed Assets (Net)	0.99	0.45
Exchange Gain (Net)	-	8.21
Other Income	35.94	53.23
	448.05	228.38

	(In Rs. Million)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
18. FINANCE CHARGES		
Interest on Finance lease	6.64	2.20
Interest on Short term loans	1.53	0.50
	8.17	2.70

Schedules to the Consolidated Financial Statements

ONMOBILE GLOBAL LIMITED

19. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of financial statements

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

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

2. 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 following entities are considered in the consolidated financial statements.

Sl. No.	Name of entity	Country of Incorporation	% of Ownership held as on March 31, 2011	% of Ownership held as on March 31, 2010
1	OnMobile Australia Pty. Ltd. (Liquidated)	Australia	-	100
2	OnMobile Singapore Pte. Ltd.	Singapore	100	100
3	Phonetize Solutions Private Limited	India	99.99	99.99
4	PT OnMobile Indonesia	Indonesia	100	100
5	Vox mobili S.A.	France	100	100
6	Vox mobili Inc.	United States of America	100	100
7	Ver se Innovation Private Ltd. (Subsidiary upto September 29, 2009) Ver se Innovation Private Ltd. (Associate w.e.f September 29, 2009 till February 7, 2011)	India India	- 27.64	51 35.64
8	Telisma S.A.	France	100	100
9	OnMobile Europe B.V.	Netherlands	100	100
10	OnMobile USA LLC	United States of America	100	100
11	Servicios De Telefonía OnMobile Sa De Cv	Mexico	100	100
12	OnMobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis Ltda. (w. e. f. April 19, 2010)	Brazil	100	-
13	OnMobile of Venezuela C.A. (w. e. f. November 4, 2010)	Venezuela	100	-
14	OnMobile Global SA (w. e. f. April 10, 2010)	Argentina	100	-
15	OnMobile Uruguay SA (w. e. f. September 21, 2010)	Uruguay	100	-
16	OnMobile Senegal SARL (w. e. f. March 9, 2011)	Senegal	100	-
17	OnMobile Global for Telecommunication Services (w. e. f. December 12, 2010)	Egypt	100	-

Schedules to the Consolidated Financial Statements

The consolidation for the year includes figures of OnMobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis Ltda. OnMobile Global SA, OnMobile of Venezuela C.A. and OnMobile Global for Telecommunication Services formed during the year. Hence previous year figures are not comparable.

3. 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 debts, 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.

4. Revenue Recognition

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

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

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

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

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

Rental Income is recognised on an accrual basis.

Interest Income is recognised on an accrual basis.

5. 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 advances paid to acquire fixed assets and the cost of

fixed assets that are not ready for their intended use at the Balance Sheet date.

6. Depreciation

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

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

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

7. 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 that of a temporary in nature.

8. 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

Schedules to the Consolidated Financial Statements

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 Profit and Loss account in case of "Integral operations". However in case of non-integral operations, these exchange differences are included in 'Foreign Currency Translation Reserve' 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 Profit and Loss account.

9. 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 Profit and Loss Account.
- 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 Account 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 Leave Encashment is provided based on actuarial valuation of the accumulated leave credit outstanding to the employees as on the Balance Sheet date.

10. Employee Stock Option Plan

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

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 and OnMobile Employees Stock Option Plan – II 2010 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 profit and loss account over the period of vesting.

11. Leases

Assets taken on lease where the Company acquires substantially the entire risks and rewards incidental to ownership are classified as finance leases. The amount recorded is the lower of the present value of minimum lease rental and other incidental expenses during the lease term or the fair value of the assets taken on lease. The rental obligations, net of interest charges, are

Schedules to the Consolidated Financial Statements

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 Profit & Loss account on accrual basis.

12. Borrowing Cost

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

13. Income Tax

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

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

Minimum alternate tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in the future years. Accordingly, MAT is recognised as an asset in the balance sheet where it is probable that the future economic benefits 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 as reduced by exempted income and any tax liabilities arising overseas on income sourced from those countries.

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

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

Research tax rebate:-

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

14. 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.

15. Impairment of Assets

The carrying amount 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 Profit and Loss Account 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.

16. 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.

17. 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.

18. Inventories

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

Schedules to the Consolidated Financial Statements

B. NOTES ON ACCOUNTS

1. Utilization of Proceeds from Initial Public Offer (IPO)

The actual utilization of the proceeds of the Initial Public Offer during 2007-08 issue of Rs. 3,544.54 Million (net of share issue expenses) is as under :

(In Rs. Million)

Sl No.	Expenditure Items	Total cost to be financed from Net Proceeds (as disclosed in the Prospectus)	Actual utilisation upto March 31, 2011
1.	Purchase of equipment for offices at Bangalore, Mumbai and Delhi and various customer sites.	1,805.21	1,805.21
2.	Working capital requirements	50.00	50.00
3.	Repayment of loan	350.00	350.00
4.	General corporate purposes	1,339.33	1,339.33
	Total	3,544.54	3,544.54

2. 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.

3. Contingent liabilities and Commitments

- The Company has been named as one of the 20 defendants in a civil dispute for injunction pending adjudication. However in the opinion of the management no liability would arise in this regard.
- Disputed Value Added Tax Rs. 692.8 Million (Previous year: Rs. 451.73 Million) and Income Tax Rs.55.31 Million (Previous year: Rs Nil).
- Claims against the Company not acknowledged as debts is Rs. 61.68 Million (Previous year: Rs. 56.63 Million).
- Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for is Rs. 112.80 Million (Previous year: Rs. 503.56 Million).

4. Issue of Bonus Shares

Subsequent to the balance sheet date, on April 21, 2011, the shareholders of the Company have approved through Postal ballot process, the issue of one equity share of face value of Rs 10/- each as bonus share for every one

share held by the equity shareholders of the Company whose name appear in the register of members as on the record date, by capitalisation of Securities premium account and also shareholders have approved for increase of authorised share capital from Rs 750 Million to Rs.1,500 Million.

5. Divestment in Ver se Innovation Pvt Ltd

During the year the Company sold 295,217 Equity Shares in Ver se Innovation Private Limited for a consideration of Rs. 397.04 Million. As a result of the above, the Company's shareholding in Ver se Innovation Private Limited (associate of the Company) stands reduced and as a result of which the said associate has become an investment of the Company.

6. Market development and deployment rights

The Company has entered into agreements with Telefonica Internacional, S.A.U, Spain and the Telecom operators towards deploying value added services on exclusive and non exclusive basis in Latin America and Europe with an initial investment of Rs 2,717.09 Million (Euro 40.5 Million) and during the year has started operations in these regions.

7. Investment by the Company in new Subsidiaries/ Additional Investments in existing Subsidiaries.

Name of the subsidiary	Board Resolution	Amount (in Rs. Million)	Nature of Investment
OnMobile Global S A, Argentina	July 23, 2010	18.79	Initial Investment towards 1,600,000 shares of ARS 1/- each
OnMobile Global S A, Argentina	July 23, 2010	6.84	Additional Investment towards 583,000 shares of ARS 1/- each
OnMobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis Ltda, Brazil	July 23, 2010	9.59	Initial Investment towards 352,000 shares of BRL 1/- each
OnMobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis Ltda, Brazil	July 23, 2010	38.15	Additional Investment towards share application money
OnMobile Global for Telecommunication Services, Egypt	April 30, 2010	0.08	Initial Investment towards 100 equity shares of EGP 100/- each
OnMobile Singapore Pte Ltd., Singapore	July 23, 2010	65.15	Additional Investment towards 1,900,000 equity shares of SGD 1/- each
OnMobile USA LLC, USA	July 23, 2010	81.9	Additional Investment towards 18,000 units of common stock of USD 100/- each

Schedules to the Consolidated Financial Statements

8. Deferred Payment liability includes:

- Rs 139.44 Million (Euros 2.21 Million) (previous year: Rs. 1,389.85 Million (Euro 22.95 Million)) payable to Telefonica Internacional, S.A.U, Spain towards accrual of liability relating to acquisition of market development and deployment rights.
- Rs 282.12 Million (Euros 4.46 Million) (previous year: Rs. 330.05 Million (Euro 5.45 Million)) payable to a

customer in Europe towards deploying value added services on an exclusive basis in the region.

- Rs. 35.09 Million (BRL 1.27 Million)(previous year: Rs. Nil) payable to a customer in Brazil towards deploying value added services on an exclusive basis in the region.
- Rs. 0.5 Million (previous year: Rs. 0.5 Million) being balance consideration payable relating to acquisition of Intellectual Property Rights.

9. Details of purchase and sale of investments during the year.

Name of the fund	Purchased		Sold (at cost)	
	No. of Shares / Units	Amount (In Rs. Million)	No. of Shares / Units	Amount (In Rs. Million)
Long Term Investments				
Ver se Innovation Pvt. Ltd.	-	-	295,217	23.99
Total	-	-	295,217	23.99
Short Term Investments				
IDFC Money Manager - Treasury Plan - Plan C - Dly Dividend	8,058,964	80.60	20,663,359	206.66
Kotak Floater - LT - Daily Dividend	34,399,978	346.74	59,025,947	594.97
Birla Sun life Savings Fund-Instl-Daily Dividend -Reinvestment	41,291,062	413.19	56,563,940	566.02
HDFC Cash Management Fund-Treasure Advantage Plan-WholeSale Daily Dividend Option Reinvest	33,248,462	333.53	14,109,662	141.54
SBI-SHF-Ultra Short Term Fund-Institutional Plan - Daily Dividend	18,009,113	180.20	18,009,113	180.20
Birla Sun life Cash Plus-Instl Prem-Daily Dividend -Reinvestment	19,950,519	199.89	-	-
ICICI Prudential Liquid Super Institutional Plan-Div Daily	850,247	85.04	-	-
Etoile Première Jour	12	80.67	20	130.68
Sicav 3M Sogemoneplus	65	95.94	68	99.62
Sicav Sogemoneval	149	56.94	120	45.20
Total	155,808,571	1,872.74	168,372,229	1,964.89

10. Auditors Remuneration

a. Remuneration to the auditors of the Company:

Particulars	(In Rs. Million)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Statutory Audit Fees	3.15	2.30
Tax Audit Fees	0.25	0.20
Other attest services	1.40	0.29
Taxation matters	1.13	1.00
Out of pocket expenses	-	0.19
Total	5.93	3.98

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

b. Remuneration to the Auditors of the Subsidiaries

Particulars	(In Rs. Million)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Statutory Audit Fees	8.35	9.69
Other attest services	0.72	0.04
Out of pocket expenses	-	0.02
Total	9.07	9.75

Schedules to the Consolidated Financial Statements

11. Employee Benefits:

I. Defined Contribution Plans

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

Particulars	(In Rs. Million)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Employer's Contribution to Provident Fund*	43.70	36.78

* Included in Contribution to provident and other funds (Refer Schedule 15)

II .Defined Benefit Plans

Gratuity

In accordance with Accounting Standard 15 (Revised 2005) - "Employee Benefits", actuarial valuation as on March 31, 2011 was done in respect of the aforesaid defined benefit plan of Gratuity based on the following assumptions:

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Discount Rate	8% p.a	8% p.a
Expected Rate of Return on Plan Assets	8% p.a	8% p.a
Salary Escalation Rate	10% p.a. for first 6 years and 7.0% p.a thereafter	10% p.a. for first 6 years and 7.0% p.a thereafter

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

Change in Present Value of Obligation:

Particulars	(In Rs. Million)	
	As at March 31, 2011	As at March 31, 2010
Present Value of Obligation (Opening)	30.02	26.34
Current Service Cost	19.53	4.51
Interest on Defined Benefit Obligation	2.24	2.01
Benefits Paid	(3.97)	(2.12)
Net Actuarial Losses / (Gains) recognized in Year	(0.24)	(0.72)
Past Service Cost	-	-
Losses / (Gains) on "Curtailments and Settlements"	-	-
Closing Present Value of Obligations	47.58	30.02

Change in the Fair Value of Assets:

Particulars	(In Rs. Million)	
	As at March 31, 2011	As at March 31, 2010
Opening Fair Value of Plan Assets	26.21	7.12
Expected Return on Plan Assets	2.21	1.25
Actuarial Gains / (Losses)	0.60	0.80
Assets Distributed on Settlements	-	-
Contributions by Employer	6.89	19.17
Assets Acquired due to Acquisition	-	-
Exchange Difference on Foreign Plans	-	-
Benefits Paid	(3.97)	(2.13)
Closing Fair Value of Plan Assets	31.94	26.21

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

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

Particulars	(In Rs. Million)	
	As at March 31, 2011	As at March 31, 2010
Closing Present Value of Funded Obligations	47.58	30.02
Closing Fair Value of Plan Assets	31.94	26.21
Unfunded Net Asset / (Liability) recognised in Balance Sheet	(15.64)	(3.81)

Schedules to the Consolidated Financial Statements

Experience Adjustments:

Particulars	(In Rs. Million)				
	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Defined Benefit Obligations	47.58	30.02	26.34	10.85	
Plan Assets	31.94	26.21	7.12	7.24	
Surplus/ (Deficit)	(15.64)	(3.81)	(19.22)	(3.61)	Not available
Experience adjustments on Plan Liabilities	(0.24)	(0.72)	1.20	3.25	
Experience adjustments on Plan Assets	0.60	0.79	0.06	0.16	

Amount recognized in the Balance Sheet:

Particulars	(In Rs. Million)	
	As at March 31, 2011	As at March 31, 2010
Closing Present value of obligations	47.58	30.02
Closing Fair Value of Plan Assets	(31.94)	(26.21)
Liability Recognised in the Balance Sheet	15.64	3.81

Expenses recognized in the Profit and Loss Account:

Particulars	(In Rs. Million)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Current Service Cost	19.53	4.51
Past Service Cost	-	2.02
Interest Cost	2.24	-
Expected Return on Plan Assets	(2.21)	(1.25)
Actuarial (Losses) / Gain	0.36	(0.54)
Total Expenses to be recognized in the Profit and Loss Account	19.92	4.74

III. Other long term benefits

Leave Encashment

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

Particulars	(In Rs. Million)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Leave Encashment	11.75	15.75

IV. Contribution for Post Employee Benefits for subsidiaries

In accordance with PSAK 24 (Revised 2004) and Labour Law no. 13/2003, PT OnMobile Indonesia has provided for post employment benefits for its qualifying employees. The actuarial valuation was done based on the following assumptions:

Particulars	(In Rs. Million)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Discount Rate	9% p.a.	10% p.a.
Expected Rate of Return on Plan Assets	-	8% p.a.
Salary Escalation Rate	7% p.a.	10% p.a.

Expenses recognized in the Profit and Loss Account:

Particulars	(In Rs. Million)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Current Service Cost	0.25	0.10
Interest Cost	0.02	0.01
Underprovision in prior year	-	-
Foreign Exchange Difference	-	-
Total Expenses to be recognized in the Profit and Loss Account	0.27	0.11

Amount recognized in the Balance Sheet:

Particulars	(In Rs. Million)	
	As at March 31, 2011	As at March 31, 2010
Present value of obligations	0.37	0.16
Unrecognised actuarial loss	0.06	-
Liability Recognised in the Balance Sheet	0.43	0.16

V. Other long term benefits for subsidiaries

Leave Encashment/Holiday pay

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

Particulars	(In Rs. Million)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Holiday pay	16.82	18.60

Schedules to the Consolidated Financial Statements

12. 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, 2011 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, 2011	For the year ended March 31, 2010	For the year ended March 31, 2011	For the year ended March 31, 2010	For the year ended March 31, 2011	For the year ended March 31, 2010
Amount repayable not later than 1 year	31.23	39.66	9.27	6.65	40.50	46.31
Amount repayable later than 1 year and not later than 5 years	14.28	45.10	5.27	14.42	19.55	59.52
Total	45.51	84.76	14.54	21.07	60.05	105.83

13. 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, 2011	For the year ended March 31, 2010
Rental expense charged to Profit and Loss account	188.71	163.01
Future lease payments		
Not later than 1 year	9.00	62.15
Later than 1 year and not later than 5 years	-	25.36

b. During the year the Company has sub let office space under non-cancellable operating lease.

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

Particulars	(In Rs. Million)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Rental Income recognized in Profit and Loss account	10.96	5.59
Future lease income		
Not later than 1 year	-	8.14
Later than 1 year and not later than 5 years	-	0.28

14. 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	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	

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

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Options granted outstanding at the beginning of the year	613,476	1,196,247
Exercised during the year	318,850	518,070
Forfeited during the year	9,243	64,701
Options granted outstanding at the end of the year	285,383	613,476
Grants outstanding which are vested as at Balance Sheet date including increase due to issuance of bonus shares	274,879	514,663

Schedules to the Consolidated Financial Statements

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

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

Schedules to 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, 2011	For the year ended March 31, 2010
Options granted outstanding at the beginning of the year	1,617,929	1,644,319
Granted during the year	1,753,285	287,182
Exercised during the year	75,478	89,541
Forfeited during the year	301,209	224,031
Options granted outstanding at the end of the year	2,994,527	1,617,929
Weighted average remaining contractual life (years) at the year end	4.8	3.6
Weighted average exercise price per option (after adjusting for Bonus issue)	Rs. 306	Rs 322
Range of exercise price (after adjusting for bonus issue)	Rs 216 to Rs 680	Rs 216 to Rs 680

The Company accounted the above options using the intrinsic value method and thus, the difference between the fair value of the underlying shares in the year of grant and the options exercise value was charged to the profit and loss account. Accordingly, the compensation charge thereon in the current year is Rs. 0.04 Million (Previous year Rs.0.11 Million).

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, 2011 would have been lower by Rs.95.65 Million (Previous year Rs.21.05 Million) and Basic and diluted EPS would have been revised to Rs.13.6/- (Previous year Rs 7.0/-) and Rs.13.2/- (Previous year Rs 6.8/-) respectively as compared to Rs.15.2/- (Previous year Rs 7.4/-) and Rs.14.8/- (Previous year Rs 7.2/-) without such impact.

The fair value of stock based awards to employees is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options have been calculated using Black-Scholes option pricing model, considering the expected weighted average term of the options to be 3.9 years (Previous year 3.6 years), a "Nil%" (Previous year Nil %) expected dividend rate on the underlying equity shares, weighted average volatility in the share price of 53.17% (Previous year range of 41%-53%) and a risk free rate of 8.25% p.a. (Previous year 7.4% 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.

15. 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:

Particulars	(In Rs. Million)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
I Revenue (by location of customer)		
In India	3,902.80	3,395.30
Outside India	1,469.27	1,148.73
II Total carrying amount of Segmental Assets, by geographical location		
In India	2,845.39	2,380.37
Outside India	4,238.72	3,311.81
III Cost incurred for purchase of tangible & intangible assets, by geographical location		
In India	437.61	279.16
Outside India	663.49	2,511.31

Schedules to the Consolidated Financial Statements

16. Transactions with related parties

I. List of Related parties and relationship:

Sl. No.	Relationship	Related parties
	Related parties with whom the Company had transactions	
(i)	Key Management Personnel	Arvind Rao Chandramouli Janakiraman Virendra Kumar Gupta Shailendra Kumar Sharma
(ii)	Associate	Ver se Innovation Private Limited (w.e.f September 29, 2009 till February 7, 2011)
(iii)	Enterprises owned or significantly influenced by key management personnel/Directors or their relatives	OnMobile Systems Inc., USA Mobile Traffik Private Limited (Till January 18, 2010) Riff Mobile Private Limited

II. Transactions with Related Parties:

(In Rs. Million)

Sl No	Nature of transactions	Associate Company		Key Management Personnel		Enterprises owned or significantly influenced by Key Management Personnel/ Directors or their relatives		Total	
		March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
1	Content Cost								
	Ver se Innovation Private Ltd	2.92	3.37	-	-	-	-	2.92	3.37
	Riff Mobile Private Limited	-	-	-	-	0.50	24.74	0.50	24.74
	Total	2.92	3.37	-	-	0.50	24.74	3.42	28.11
2	Remuneration (including other benefits)								
	Arvind Rao	-	-	9.64	9.52	-	-	9.64	9.52
	Chandramouli Janakiraman	-	-	4.90	3.50	-	-	4.90	3.50
	Virendra Kumar Gupta	-	-	4.58	1.54	-	-	4.58	1.54
	Shailendra Kumar Sharma	-	-	2.08	0.88	-	-	2.08	0.88
	Total	-	-	21.20	15.44	-	-	21.20	15.44
3	Reimbursement of Expenses to								
	OnMobile Systems Inc.	-	-	-	-	-	11.25	-	11.25
	Total	-	-	-	-	-	11.25	-	11.25

Schedules to the Consolidated Financial Statements

III. Balances with Related Parties:

In Rs. Million

Sl No	Nature of transactions	Associate Company		Key Management Personnel		Enterprises owned or significantly influenced by key management personnel / Directors or their relatives		Total	
		March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
1	Amount Payable								
	Ver se Innovation Private Limited	0.08	4.55	-	-	-	-	0.08	4.55
	Riff Mobile Private Limited	-	-	-	-	2.00	8.38	2.00	8.38
	Mobile Traffik Private Limited	-	-	-	-	-	0.10	-	0.10
	Total	0.08	4.55	-	-	2.00	8.48	2.08	13.03
2	Amount Receivable								
	Other Advances								
	Arvind Rao	-	-	0.04	-	-	-	0.04	-
	Mobile Traffik Private Limited	-	-	-	-	-	0.10	-	0.10
	Total	-	-	0.04	-	-	0.10	0.04	0.10

Notes:

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

17. 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, 2011	For the year ended March 31, 2010
Profit after tax as per the Profit and Loss Account (In Rs. Million)	892.00	427.98
Weighted Average number of Shares for Basic EPS	58,746,101	58,157,795
Add: Effect of Convertible Preference Shares and Stock Options outstanding	1,571,647	1,292,071
Weighted Average Number of equity shares for Diluted EPS	60,317,748	59,449,866
	Rs.	Rs.
Nominal value of equity shares	10.0	10.0
Earnings Per Share		
Basic	15.2	7.4
Diluted	14.8	7.2

Schedules to the Consolidated Financial Statements

18. Accounting For Taxes On Income

- a. During the year, the Company has provided for Minimum Alternative Tax (MAT) under section 115JB of the Income tax Act, 1961 since the tax liability as per regular provisions of the Act is lower. Correspondingly, the Company has also claimed credit of Rs.92.72 Million under section 115JAA of the said Act, which is disclosed as 'MAT credit availed' in the Profit and Loss Account.
- b. 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.15.51 Million for the current year, which has been credited to the Profit and Loss account. Details of Deferred Tax Asset and Liabilities are:

(In Rs. Million)

Particulars	Deferred Tax (Assets)/ Liabilities as on April 1, 2010	Current year (credit)/ charge	Adjustments	Deferred Tax (Assets)/ Liabilities as on March 31, 2011
Difference between book and tax depreciation	93.57	6.42	-	99.99
Others (Provision for gratuity, leave encashment etc.)	0.12	(21.85)	0.15	(21.58)
	93.69	(15.43)	0.15	78.41

(In Rs. Million)

Particulars	Deferred Tax (Assets)/ Liabilities as on April 1, 2010	Current year (credit)/ charge	Adjustments	Deferred Tax (Assets)/ Liabilities as on March 31, 2011
Others (Provision for gratuity, leave encashment etc.)	(0.23)	(0.08)	-	(0.31)
	(0.23)	(0.08)	-	(0.31)

19. 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, 2010	Provision made during the year	Provision utilized during the year	Provision reversed during the year	Provision outstanding as at March 31, 2011
Other provisions- customer credits	3 years	105.99	124.32	26.48	36.05	167.78

20. Additional details as required By Govt. Of India, Ministry Of Corporate Affairs Vide Letter No. 47/197/2011 dated February 9, 2011

(In Rs. Million)

Subsidiaries	OnMobile Singapore Pte. Ltd.	PT. OnMobile Indonesia	Vox mobili S.A.	Vox mobili Inc.	Phonetize Solution Pvt. Ltd.	Telisma S.A.	OnMobile Europe BV	OnMobile Brazil	OnMobile Argentina	OnMobile Egypt	OnMobile Venezuela	OnMobile USA LLC	Servicios De Telefonía OnMobile Sa De Cv
	31-Mar-11	31-Mar-11	31-Mar-11	31-Mar-11	31-Mar-11	31-Mar-11	31-Mar-11	31-Mar-11	31-Mar-11	31-Mar-11	31-Mar-11	31-Mar-11	31-Mar-11
Financial Year ended	161.37	4.62	20.56	0.04	0.10	1,691.80	816.36	48.42	24.89	0.08	1.59	89.75	6.96
Equity capital	5.75	4.68	316.09	13.77	0.01	(33.17)	1,493.80	0.93	0.40	0.52	0.24	4.29	0.26
Reserves	330.70	28.47	543.51	0.44	0.12	1,803.44	2,311.49	82.82	44.56	138.19	23.19	189.77	26.46
Total assets	330.70	28.47	543.51	0.44	0.12	1,803.44	2,311.49	82.82	44.56	138.19	23.19	189.77	26.46
Total Liabilities	-	-	39.36	-	-	-	-	-	-	-	-	-	-
Investments	253.43	39.07	622.18	8.46	-	248.88	-	21.16	11.34	92.11	4.46	227.18	29.70
Turnover	40.06	2.56	(43.07)	(0.17)	0.02	(21.69)	(2.07)	1.22	0.59	1.34	0.24	11.49	1.51
Profit/(Loss) Before Tax	24.88	0.70	-	-	-	11.70	-	0.29	0.20	0.82	-	6.18	0.45
Provision for Taxation	15.18	1.86	(43.07)	(0.17)	0.02	(33.39)	(2.07)	0.93	0.40	0.52	0.24	5.31	1.06
Profit/(Loss) After Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
Proposed dividend	-	-	-	-	-	-	-	-	-	-	-	-	-

Note:

Total Assets = Fixed Assets + Investments + Current Assets

Total Liabilities = Equity + Loan Funds + Current Liabilities

Exchange rate considered as on March 31, 2011

Investment excludes investment in Subsidiaries

Schedules to the Consolidated Financial Statements

21. 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, 2011 Nominal value (In Rs. Million)	As at March 31, 2010 Nominal value (In Rs. Million)	Currency	As at March 31, 2011 (Foreign Currency in Million)	As at March 31, 2010 (Foreign Currency in Million)
Foreign Currency Forward Contract -(BUY)	328.85	1,463.99	EUR/ INR	5.20	22.33
Foreign Currency Forward Contract -(BUY)	94.15	-	USD/ INR	2.11	-

- b. Unhedged Foreign currency exposure is as follows:

Particulars	As at March 31, 2011 (In Rs. Million)	As at March 31, 2010 (In Rs. Million)	Nature of Currency	As at March 31, 2011 (Foreign Currency in Million)	As at March 31, 2010 (Foreign Currency in Million)
Due from:					
Debtors against export of services/goods	3.47	10.28	AUD	0.07	0.25
	63.15	26.42	BDT	99.20	39.84
	5.43	-	COP	224.54	-
	0.65	0.62	EUR	0.01	0.01
	1.67	3.91	RON	0.11	0.26
	0.45	2.94	SGD	0.01	0.09
	303.13	94.66	USD	6.71	2.10
	2.63	2.47	ZAR	0.40	0.40
Against advances	0.53	0.61	AED	0.04	0.05
	9.66	5.65	AUD	0.21	0.14
	8.66	2.71	BDT	13.61	4.08
	0.11	-	COP	4.37	-
	0.34	3.96	EUR	0.00	0.07
	6.14	0.02	GBP	0.09	0.00
	-	1.53	IDR	-	307.53
	-	0.03	MXN	-	0.01
	0.29	0.15	MYR	0.02	0.01
	0.82	-	RMB	0.12	-
	0.25	0.01	RON	0.02	0.00
	-	2.69	SGD	-	0.12
	5.15	12.52	USD	0.11	0.28
	0.10	-	XOF	1.00	-
	0.24	0.11	ZAR	0.04	0.02

Schedules to the Consolidated Financial Statements

Particulars	As at March 31, 2011 (In Rs. Million)	As at March 31, 2010 (In Rs. Million)	Nature of Currency	As at March 31, 2011 (Foreign Currency in Million)	As at March 31, 2010 (Foreign Currency in Million)
Due to:					
Creditors against import of goods and services	1.47	0.30	AED	0.12	0.02
	2.86	6.56	AUD	0.06	0.16
	62.96	28.25	BDT	98.90	42.60
	0.53	-	COP	22.04	-
	15.64	0.90	EUR	0.24	0.01
	5.15	3.29	GBP	0.07	0.05
	0.27	-	LKR	0.63	-
	22.91	-	MXN	6.02	-
	1.19	0.76	MYR	0.08	0.06
	3.25	-	RMB	0.47	-
	0.04	0.88	RON	0.00	0.06
	0.34	1.16	SGD	0.01	0.04
	42.12	33.27	USD	0.93	0.74
	1.68	0.19	ZAR	0.25	0.03
Deferred Payment Liability	139.44	367.90	EUR	2.21	6.08
	35.09	-	BRL	1.27	-
Secured Loans	175.73	-	USD	3.94	-

22. Research tax rebate accrued as other income for Vox mobili S.A. and Telisma S.A., during the year amounted to Rs. 33.82 Million (Previous year: Rs. 40.56 Million) and total tax receivable outstanding at March 31, 2011 amounted to Rs. 81.50 Million (Previous year: Rs. 66.43 Million).
23. Cash and cash equivalents include deposits of Rs.301.74 Million (March 31, 2010: Rs 11.30 Million) the use of which was restricted and also includes unrealised foreign exchange gain of Rs. 4.86 Million (March 31, 2010- gain of Rs.3.67 Million).
24. Previous year's figures have been regrouped/reclassified wherever necessary.

Arvind Rao
Chief Executive Officer
and Managing Director

Chandramouli J
Director

Sanjay Uppal
President and Chief
Operating Officer

Rajesh Moorti
Chief Financial Officer

P V Varaprasad
Company Secretary

Place: Bangalore
Date: April 30, 2011

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

Subsidiaries	OnMobile Singapore Pte. Ltd.	PT. OnMobile Indonesia	Vox mobili S.A.	Vox mobili Inc.	Phonetize Solution Pvt. Ltd.	Telisma S.A.	OnMobile Europe BV	OnMobile Brazil	OnMobile Argentina	OnMobile Egypt	OnMobile Venezuela	OnMobile USA LLC	Servicios De Telefonía OnMobile Sa De Cv
Financial Period	31-Mar-11	31-Mar-11	31-Mar-11	31-Mar-11	31-Mar-11	31-Mar-11	31-Mar-11	31-Mar-11	31-Mar-11	31-Mar-11	31-Mar-11	31-Mar-11	31-Mar-11
Holding Company's Interest	100% in equity shares	100% in equity shares	100% in equity shares (held through Telisma S.A.)	100% in equity shares	99.99% in equity shares	100% in equity shares (held through OnMobile Europe BV)	100% in equity shares	100% in equity shares	100% in equity shares	100% in equity shares	100% in equity shares (held through OnMobile USA LLC)	100% in equity shares	100% in equity shares
Stock held by holding company in the subsidiary	4,485,000 Ordinary shares of SGD 1/- each	1,000 shares of USD 100/- each	6,501,705 equity shares of 0.05 Euros each	1,000 equity shares of 1 USD each	9,999 equity shares of Rs. 10/- each	2,675,197,934 equity shares of 0.01 Euros each	12,908,844 equity shares of 1 Euro each	352,000 shares of BRL 1/- each	2,183,000 shares of ARS 1/- each	100 equity shares of EGP 100/- each	150,000 equity shares of BSF 1/- each	20,100 common stock of 100 USD each	1,829,877 share of 1 Mexican peso each
(a) Dealt with in the accounts of the Company for the year ended 31-03-2011	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(b) Not dealt with in the accounts of the Company for the year ended 31-03-2011	Profit of SGD 421,806/-	Profit of IDR 35,45,13,466	Loss of EURO 681,055/-	Loss of USD 3,740/-	Profit of Rs. 20,543/-	Loss of EURO 527,982/-	Loss of EURO 32,659/-	Profit of BRL 33,666	Profit of ARS 35,382	Profit of EGP 68,151	Profit of BSF 222,38	Profit of USD 118,830/-	Profit of Mexican Pesos 277,624
(a) Dealt with in the accounts of the Company for previous financial years	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(b) Not dealt with in the accounts of the Company for previous financial years	Loss of SGD 261,992/-	Profit of IDR 538,933,299	Profit of EUR 4,561,235	Loss of USD 39,930/-	Loss of Rs 13,884/-	Loss of EURO 11,333,62	Loss of EURO 76,201/-	NIL	NIL	NIL	NIL	Loss of USD 22,832	Loss of Mexican Pesos 208,079

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

Arvind Rao
Chief Executive Officer
and Managing Director

Sanjay Uppal
President and Chief
Operating Officer

Place: Bangalore
Date: April 30, 2011

Chandramouli J
Director

Rajesh Moorti
Chief Financial Officer

P V Varaprasad
Company Secretary

ADDITIONAL DETAILS AS REQUIRED BY GOVT. OF INDIA, MINISTRY OF CORPORATE AFFAIRS VIDE LETTER NO. 47/97/2011
DATED FEBRUARY 9, 2011

(In Rs. Million)

Subsidiaries	OnMobile Singapore Pte. Ltd.	PT. OnMobile Indonesia	Vox mobili S A	Vox mobili Inc.	Phonetize Solution Pvt. Ltd.	Telisma SA	OnMobile Europe BV	OnMobile Brazil	OnMobile Argentina	OnMobile Egypt	OnMobile Venezuela	OnMobile USA LLC	Servicios De Telefonía OnMobile Sa De Cv
Financial Year ended	31- Mar-11	31-Mar-11	31-Dec-10	31-Dec-10	31-Mar-11	31-Dec-10	31-Mar-11	31-Mar-11	31-Mar-11	31-Mar-11	31-Mar-11	31-Mar-11	31-Mar-11
Equity capital	161.37	4.62	453.17	0.04	0.10	3,476.77	816.36	48.42	24.89	0.08	1.59	89.75	6.96
Reserves	5.75	4.68	(15.11)	(13.67)	0.01	(1828.40)	1,493.80	0.93	0.40	0.52	0.24	4.29	0.26
Total assets	330.70	28.47	640.79	2.08	0.12	1,798.78	2,311.49	82.82	44.56	138.19	23.19	189.77	26.46
Total Liabilities	330.70	28.47	640.79	2.08	0.12	1,798.78	2,311.49	82.82	44.56	138.19	23.19	189.77	26.46
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Turnover	253.43	39.07	725.05	9.35	-	262.69	-	21.16	11.34	92.11	4.46	227.18	29.70
Profit/(Loss) Before Tax	40.06	2.56	(50.89)	(0.30)	0.02	(46.32)	(2.07)	1.22	0.59	1.34	0.24	11.49	1.51
Provision for Taxation	24.88	0.70	-	-	-	-	-	0.29	0.20	0.82	-	6.18	0.45
Profit/(Loss) After Tax	15.18	1.86	(50.89)	(0.30)	0.02	(46.32)	(2.07)	0.93	0.40	0.52	0.24	5.31	1.06
Proposed dividend	-	-	-	-	-	-	-	-	-	-	-	-	-

Note:

Total Assets = Fixed Assets + Investments + Current Assets

Total Liabilities = Equity + Loan Funds + Current Liabilities

Exchange rate considered as on March 31, 2011

Investment excludes investment in Subsidiaries

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

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

Notice

Notice is hereby given that the Eleventh Annual General Meeting (AGM) of the Members of OnMobile Global Limited will be held on Thursday, August 4, 2011, at 10.00 A.M. at Hotel Royal Orchid, adjoining KGA Golf course, Airport Road, Bangalore – 560 008, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at March 31, 2011, and 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 appoint a Director in place of Mr. Naresh Malhotra who retires by rotation and, being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sridar Iyengar who retires by rotation and, being eligible offers himself for re-appointment.
4. To reappoint M/s. Deloitte Haskins & Sells, Chartered Accountants, as statutory auditors of the Company 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, be and are hereby re-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. EMPLOYEE STOCK OPTION PLAN – I, 2011

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 2011” (the “OnMobile ESOP - 2011” or “Plan”) the salient features of which are detailed in the Explanatory Statement relevant to this resolution, options exercisable into not more than 11,50,000 (Eleven Lakh Fifty Thousand) Equity Shares of face value Rs.10/- each of the Company, in one or more tranches, 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.”

6. EMPLOYEE STOCK OPTION PLAN – I, 2011 FOR SUBSIDIARY COMPANY EMPLOYEES PARTICIPATION

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 - 2011” (the “OnMobile ESOP – 2011” or “Plan”) as proposed in the resolution No. 5 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, 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, 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. RE-APPOINTMENT OF MR. ARVIND RAO AS MANAGING DIRECTOR OF THE COMPANY

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 Sections 198, 269, 309, 310, 311, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof), and subject to the approval of Central Government, if required and / or such other approvals as may be necessary, approval of the members of the Company be and is

hereby accorded for re-appointment of Mr. Arvind Rao, as Managing Director of the Company for a period of five years with effect from April 30, 2011 with a remuneration as set out in the Explanatory statement with discretion to the Board of Directors to alter vary, modify and / or to re-fix such remuneration on the recommendation of the Compensation Committee of the Board from time to time in such manner as the Board may deem fit in the best interest of the Company within the limits specified under Section 198 and Schedule XIII of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and deal with all such matters and take all such steps as may be necessary for giving effect to the above resolution.”

8. RE-APPOINTMENT OF MR. CHANDRAMOULI JANAKIRAMAN AS WHOLE TIME DIRECTOR OF THE COMPANY DESIGNATED AS EXECUTIVE DIRECTOR

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 Sections 198, 269, 309, 310, 311, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof), and subject to the approval of Central Government, if required and / or such other approvals as may be necessary, approval of the members of the Company be and is hereby accorded for re-appointment of Mr. Chandramouli Janakiraman, as Whole time Director of the Company designated as Executive Director for a period of five years with effect from April 30, 2011 with a remuneration as set out in the Explanatory statement with discretion to the Board of Directors to alter vary, modify and / or to re-fix such remuneration on the recommendation of the Compensation Committee of the Board from time to time in such manner as the Board may deem fit in the best interest of the Company within the limits specified under Section 198 and Schedule XIII of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and deal with all such

matters and take all such steps as may be necessary for giving effect to the above resolution.”

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

Date: May 23, 2011

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 Thursday, July 28, 2011 to Thursday, August 04, 2011 (both days inclusive).

Pursuant to Clause 49 of the listing agreement with stock exchanges, following information is furnished about the Directors proposed to be appointed / re-appointed.

ITEM 2

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

Mr. Naresh Malhotra graduated with a Bachelor of Commerce degree from St. Xavier's College, Calcutta University. He is a qualified Chartered Accountant. He has over 40 years of experience in India and overseas in various companies including Imperial Chemical Industries, Unilever, Colgate Palmolive, Bukhatir Investments, the U B 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. He is currently a senior advisor at Sequoia Capital India. He has been re-appointed

as an independent Director by the shareholders of our Company at the AGM held on August 01, 2009. Mr. Malhotra retires by rotation and being eligible offers himself for re-appointment at the forthcoming AGM to be held on August 04, 2011. Mr. Malhotra is on the Board of the following other Companies:

1. AB Holdings Private Limited
2. Balan Natural Foods Private Limited
3. Cotton County Retail Limited
4. NM Properties and Consulting Private Limited
5. Tarang Software Technologies Private Limited
6. Printo Document Services Private Limited
7. Genesis Colors Private Limited
8. Royal Orchid Hotels Limited
9. Deriv IT Solutions Private Limited
10. Deriv IT Solutions PTE Limited
11. Blue Star Infotech Limited
12. Modern Family Doctor Private Limited
13. Strand Life Sciences Private Limited

Mr. Naresh Malhotra does not hold any shares in the Company, but he has been granted a total of 34,000 stock options and as on date he has not exercised any of these stock options.

The Board considers it in the interest of the Company to appoint Mr. Naresh Malhotra as a Director.

The Board of Directors of your Company recommends this resolution to be passed as an Ordinary Resolution, for your approval.

None of the Directors, except Mr. Naresh Malhotra, is interested or concerned in these Resolutions.

ITEM 3

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

Mr. Sridar Iyengar is a fellow of the Institute of Chartered Accountants, England and Wales. He has over 39 years of experience in corporate finance and accounting. He has previously served as Chairman and Chief Executive Officer at KPMG, India operations. He is associated with Bessemer Venture Partners and is an independent director of various companies including Infosys Technologies Limited, ICICI Bank Limited and Rediff.com. He has been re-appointed as an independent Director by the shareholders of our Company at the AGM held on August 01, 2009. Mr. Iyengar retires by rotation and being eligible offers himself for re-appointment

at the forthcoming AGM to be held on August 4, 2011. Mr. Iyengar is on the Board of the following other Companies:

1. Infosys Technologies Limited
2. Infosys BPO Limited
3. ICICI Bank Limited
4. Rediff.com India Limited
5. Mahindra Holidays and Resorts India Limited
6. ICICI Prudential Life Insurance Company Limited
7. Cleartrip Travel Services Private Limited
8. AverQ Inc
9. Kovair Software Inc
10. Rediff Holdings Inc.
11. American India Foundation Inc
12. Cleartrip Inc
13. CL Educate Limited

Mr. Sridar Iyengar does not hold any shares in the Company, but he has been granted a total of 34,000 stock options and as on date he has not exercised any of these stock options.

The Board considers it in the interest of the Company to appoint Mr. Sridar Iyengar as a Director.

The Board of Directors of your Company recommends this resolution to be passed as an Ordinary Resolution, for your approval.

None of the Directors, except Mr. Sridar Iyengar, is interested or concerned in these Resolutions.

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

ITEM 5 and 6

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 - 2011" which was approved by the Board of Directors at their meeting held on April 30, 2011.

"OnMobile ESOP – 2011" 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 - 2011) as required under the Guidelines are as follows:

Sl. No.	Particulars	Description
1.	Plan	OnMobile ESOP - 2011
2.	Total number of options to be granted	Employee Stock Options exercisable into not more than 11,50,000 (eleven lakh fifty thousand) 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 Plan. 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 whether working in India or abroad, 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	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 11,50,000 (eleven lakh fifty thousand) Equity Shares of the Company. Maximum no. of options to be granted to non-executive directors (including independent directors) in any financial year and in aggregate. 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 11,50,000.
7.	Exercise price	The options will be granted at an exercise price equal to prevailing Market Price per Equity Share, being latest available closing price, prior to the date of the meeting of the Compensation Committee, in which options are granted, on the stock exchange on which the shares of the Company are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered.
8.	Exercise period and process of exercise	The Exercise period would commence from the date of vesting and will expire not later than 5 years from the date of vesting of options. The options will be exercisable by the Employees by a written application to the Company/Trust to exercise the options in such manner, and on execution of such documents, as may be prescribed by the Compensation Committee from time to time. The options will lapse if not exercised within the specified exercise period.
9.	Appraisal process for determining the eligibility of employees	The Company has formal appraisal system established where in the performance of the employees is assessed each year on the basis of various functional and managerial parameters including years of service, experience, qualifications and contribution towards the growth of the Company, level in the Company hierarchy. The eligibility of employees shall also be determined and reviewed from time to time by the Compensation Committee.
10.	Disclosure and Accounting Policies.	The Company shall comply with the disclosure and accounting policies prescribed as per the Guidelines and other concerned Authorities.
11.	Method of option valuation	To calculate the employee 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 its subsidiaries).

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.5 and item No.6 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 recommend the passing of the proposed resolutions stated at item No.5 and item No.6 as Special Resolutions and requests your approval for the same. A copy of the "OnMobile ESOP – 2011" 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 their eligibility in the Plan.

ITEM 7

The Board of Directors in their meeting held on April 30, 2011 re-appointed Mr. Arvind Rao as Managing Director for a period of five years with effect from April 30, 2011. Subsequently, the Compensation committee of the Board at their meeting held on May 23, 2011 recommended for payment of remuneration of Rs. 1,25,00,000 per annum as fixed pay and a variable pay of 100% as per the top management variable parameters to Mr. Arvind Rao as Managing Director with effect from April 30, 2011. The Board of Directors at their meeting held on May 23, 2011 approved for the payment of remuneration to the Managing Director as per the above recommendation of the Compensation Committee.

Mr. Arvind Rao graduated with a Bachelor of Technology degree from the Indian Institute of Technology, Mumbai, Master of Science degree from the University of Wisconsin, Madison and a Master of Business Administration degree from the Wharton School, the University of Pennsylvania. He has been with OnMobile Systems Inc, our promoter, since its inception in 2000. Prior to joining our Company, he was Field Engineer at Schlumberger Wireline Services in Thailand, China and Malaysia, Senior Engagement Manager at McKinsey & Company in New York and India, Private Equity Investment Manager at the Chatterjee Group in New York and India between 1987 and 1999 and Managing Director Technology investments at Gilbert Global Equity Partners in New York. He has over two decades of experience in financial services, IT and the telecom industry. Mr. Rao is on the Board of the following other Companies:

1. Ver Se Innovation Private Limited
2. RiffMobile Private Limited
3. Oskar Habitat Private Limited

4. Aakar Investment Private Limited
5. Vox mobili SA
6. Vox mobili Inc
7. Phonetize Solutions Private Limited
8. Telisma SA
9. OnMobile Europe BV

The Board of Directors will be authorised to alter, vary, modify and / or to re-fix the above remuneration of the Managing Director on the recommendation of the Compensation Committee of the Board from time to time within the limits specified under Section 198 and Schedule XIII of the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof.

The Board of Directors of the Company commends the resolution for approval of the shareholders as Special Resolution for his appointment with effect from April 30, 2011 in terms of Section 269 of the Companies Act, 1956 read with Schedule XIII and other applicable provisions of the Companies Act, 1956.

The above may be treated as an abstract of the terms of appointment of Mr. Arvind Rao under section 302 of the Companies Act, 1956.

None of the other Directors, except Mr. Arvind Rao is concerned or interested in any way in the above resolution.

ITEM 8

The Board of Directors in their meeting held on April 30, 2011 re-appointed Mr. Chandramouli Janakiraman as Whole Time Director designated as Executive Director for a period of five years with effect from April 30, 2011. Subsequently, the Compensation committee of the Board at their meeting held on May 23, 2011 recommended for payment of remuneration of Rs. 75,00,000 per annum as fixed pay and a variable pay of 100% as per the top management variable parameters to Mr. Chandramouli Janakiraman as Executive Director with effect from April 30, 2011. The Board of the Director at their meeting held on May 23, 2011 approved for the payment of remuneration to the Executive Director as per the above recommendation of the Compensation Committee.

Mr. Chandramouli Janakiraman graduated with a Bachelor of Technology degree from the National Institute of Technology, Allahabad. He has over 20 years of experience in the software industry. He has previously served as Associate Vice President and Head of the Internet Products Group in Infosys Technologies Limited. In 2000, he left Infosys and co-founded OnMobile Systems Inc. He was appointed as a director by the shareholders at the AGM held on May 12, 2003.

Mr. Chandramouli Janakiraman is on the Board of the following other Companies:

1. PT OnMobile Indonesia
2. Phonetize Solutions Private Limited
3. Servicios De Telefonía OnMobile SA De CV
4. OnMobile Global for Telecommunication Services

The Board of Directors will be authorised to alter, vary, modify and / or to re-fix the above remuneration of the Executive Director on the recommendation of the Compensation Committee of the Board from time to time within the limits specified under Section 198 and Schedule XIII of the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof.

The Board of Directors of the Company commends the resolution for approval of the shareholders as Special

Resolution for his appointment with effect from April 30, 2011 in terms of Section 269 of the Companies Act, 1956 read with Schedule XIII and other applicable provisions of the Companies Act, 1956.

The above may be treated as an abstract of the terms of appointment of Mr. Chandramouli Janakiraman under section 302 of the Companies Act, 1956.

None of the other Directors, except Mr. Chandramouli Janakiraman is concerned or interested in any way in the above resolution.

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

Date: May 23, 2011

Place: Bangalore



ONMOBILE GLOBAL LIMITED

Registered Office: No. 26, Bannerghatta Road, JP Nagar 3rd Phase, Bangalore – 560076, Karnataka, India

Proxy Form

Eleventh Annual General Meeting – August 4, 2011

Regd. Folio No./DP Client ID

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

I/We..... of being a member of OnMobile Global Limited hereby appointof or failing him/her..... of as my/our proxy to vote for me/us on my/our behalf at the ELEVENTH ANNUAL GENERAL MEETING of the Company to be held at Hotel Royal Orchid, Adjoining KGA Golf course, old Airport Road, Bangalore – 560 008, Karnataka, India, at 10.00 AM IST on Thursday, August 4, 2011 and at any adjournment(s) thereof.

Signed this..... day of2011

.....
Signature of the member

Note: This form, in order to be effective, should be stamped, signed and deposited at the Registered office of the company, not less than 48 hours before the meeting.

.....please tear here



ONMOBILE GLOBAL LIMITED

Registered Office: No. 26, Bannerghatta Road, JP Nagar 3rd Phase, Bangalore – 560076, Karnataka, India

Attendance Slip

Eleventh Annual General Meeting – August 4, 2011

Regd. Folio No./DP Client ID

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

No. of shares held

--	--	--	--	--	--	--	--

I/we hereby record my/our presence at the Eleventh Annual General Meeting held at Hotel Royal Orchid, Adjoining KGA Golf course, old Airport Road, Bangalore – 560 008, Karnataka, India at 10.00 AM IST on Thursday, August 4, 2011

.....
Name of the member/proxy
(in BLOCK letters)

.....
Signature of the member/proxy

Disclaimer,

In this Annual Report, we have disclosed forward- looking information to enable to 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 and 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 my mind. We undertake no obligation to publicly update any forward- looking statements, whether as a result of new information, future events or otherwise.



OnMobile Global Limited

#26, Bannerghatta Road, J.P. Nagar 3rd Phase, Bangalore 560076. Karnataka. India
Phone: +91 80 41802500 Fax: +91 80 41802810
Email: investors@onmobile.com Website: www.onmobile.com