

September 15, 2016

To,  
The Listing Manager,  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400001  
**BSE Symbol: 532944**

The Listing Dept.  
National Stock Exchange of India Ltd.  
Bandra-Kurla Complex  
Bandra (E)  
Mumbai - 400 051  
**NSE Symbol: ONMOBILE**

Dear Sir,

**Sub: Submission of Annual Report for F.Y 2015-16**

Ref: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

With reference to the above subject, we enclose herewith the Annual Report for the Financial Year 2015-16 as required under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 duly approved and adopted by the members at the Annual General Meeting as per the provisions of Companies Act, 2013.

This is for your kind information and records.

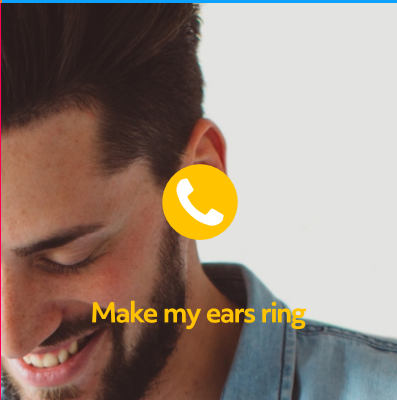
Thanking you,

Yours sincerely,  
For OnMobile Global Limited

*P. V. Varaprasad*

P.V. Varaprasad  
Company Secretary





Make my ears ring

210  
Billion

Music Plays in a year

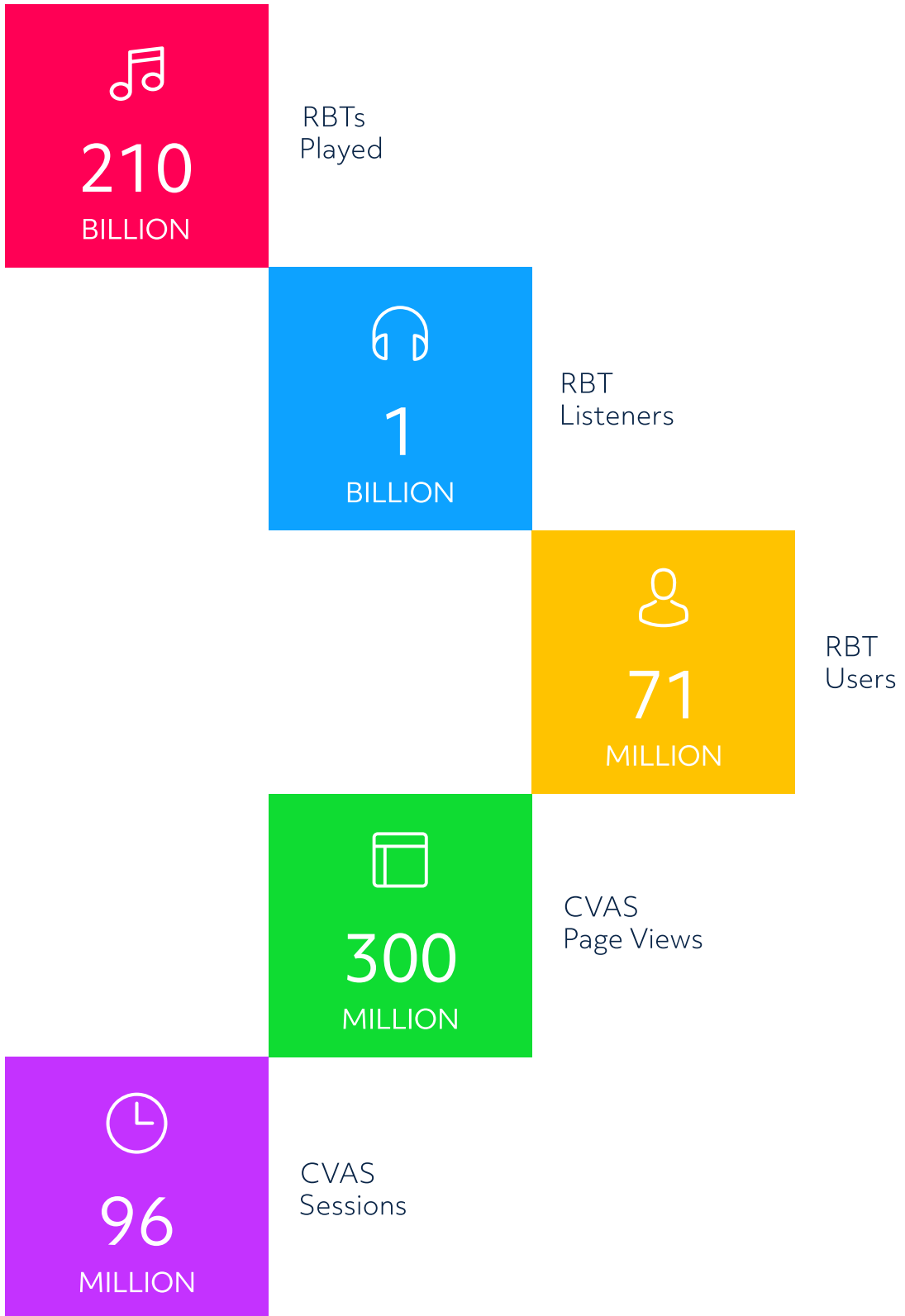


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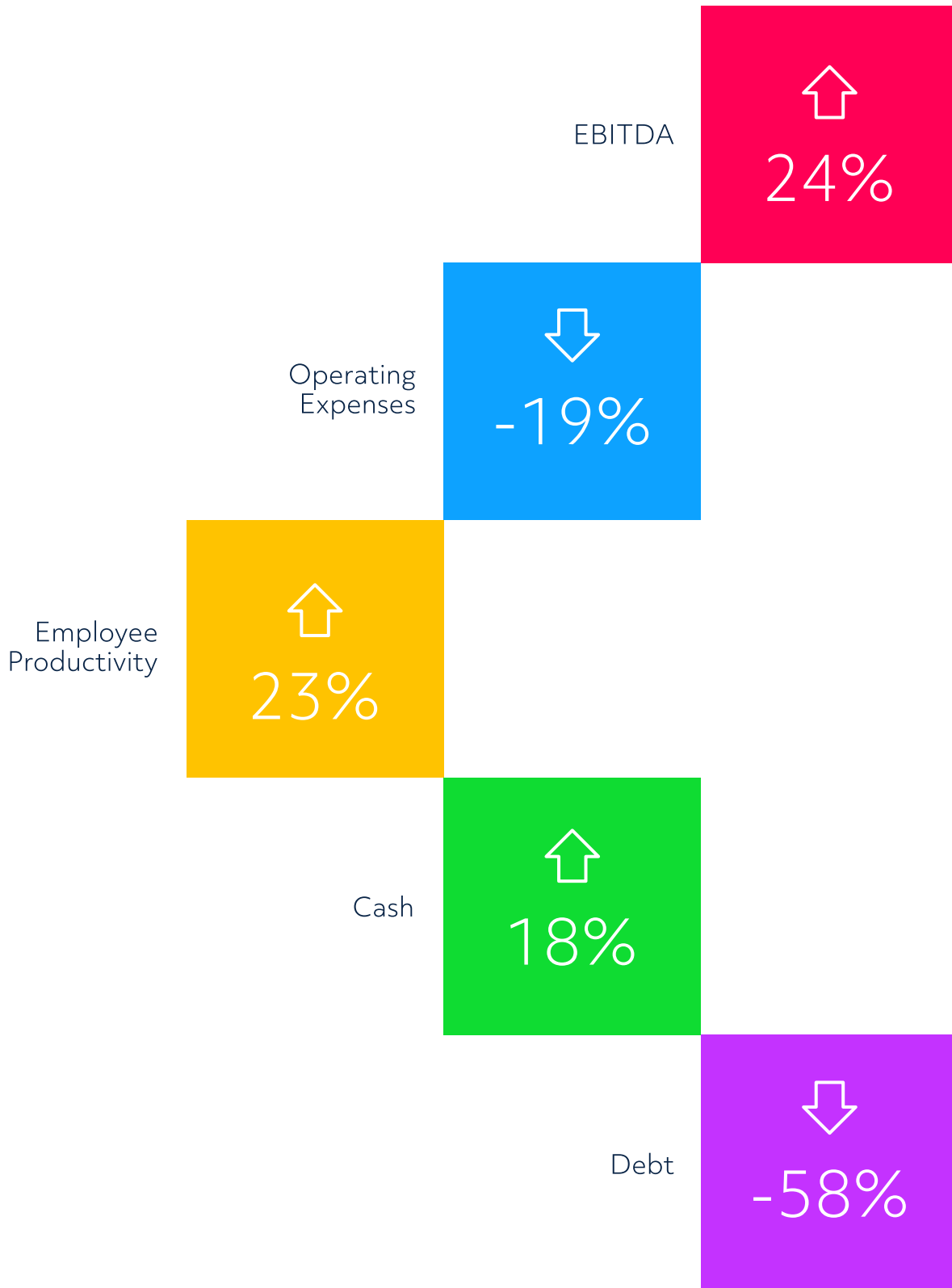
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# Year 2015-16



# Year 2015-16



# Chairman's Message

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Dear Shareholders,

In 2015-16, we established the best strategic combination for the long term, maintaining solid financial results while finalizing our own branded mobile applications. Although the new product line will be delivered in 2017, most of the work was perfectly executed by the team during the course of the past year. Having witnessed what has happened behind the scenes, I am very proud of the accomplishments especially on our new brand, our new mobile apps, and our new partnership with mobile operators. Developing new strategies while maintaining the current business is never an easy task. This year again, focus on operating fundamentals resulted in strong free cash flow, and a healthy cash position of ₹ 3,209 Mn, which is sufficient to deliver our promise.

## **The future sounds good**

Our new brand and mobile apps are based on three key elements: sound, identity and discovery. We aim to be the sound of connection for billions of people interacting via mobile devices every day, around the world.

## **Partnership with mobile operators**

Currently providing value added services, our relationship with mobile operators will migrate to a true partnership with less financial risk, more synergies and an enhanced customer journey. Taking responsibility for many internal tasks, less work will be required by operators while ensuring a uniform and superlative product experience for the end user.

## **A global leader in India**

As an international player we must be strong at home. We plan to launch in the coming year our new product strategy in India, with important investments in branding and customer acquisition across the country. Other select markets will also be part of the game plan, leveraging our strengths in major international markets, allowing us to share the winning formula worldwide.

It is with great anticipation that I look forward to the next chapter in the history of OnMobile.

**François-Charles Sirois**  
Executive Chairman

# CEO's Message

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Dear Shareholders,

As we started the year 2015-16, we laid out some important goals for ourselves.

These were

- To consolidate gains from the financial re-structuring carried out in the previous year
- To grow our business and customer base
- To crystallize our strategy for the future
- Lay the foundation for the future

By the end of the year we had made great progress on each of these objectives.

Our worldwide paid customer base on RBT grew from 61 million to over 71 million. In Bangladesh alone, we saw our subscriber base climb above 10 million.

OnMobile's stature as a global leader in our business segment was reinforced by significant growth in market share in Airtel's Indian and Nigerian networks. We also added Reliance Telecom to our list of well-known customers.

Our CVAS business continued to climb, principally in the European market, achieving a 51% year-over-year growth.

The EBITDA margin increased 24% year over year, and our cash flow improved by ₹ 495 Mn, while our small amount of debt was further reduced by 57%.

We used our strong cash position to boost shareholder value in two ways. A dividend of 15% was approved by the Board for disbursement to our shareholders, and a share buyback that led to the extinguishing of 5.6 million shares.

We divested a non-core asset, our erstwhile Speech Processing Unit called Telisma, for a total consideration of 650,000 Euros.

Managing financial performance is only one facet of our preoccupation. Being a technology company, we also need to actively manage and nurture our technology base.

In 2015-16, we did this in two ways. We launched an extensive modernization plan for our platforms, which has helped us achieve both operational and financial efficiencies over the previous versions.

On the product front, two of our lead offerings were prototyped, user tested, and readied for market introduction.

OnMobile introduced an aggressive employee skill development program, which won accolades in the form of an award from the National Human Resource Development Network. During the course of the year, almost 30% of our employee base participated and benefited from these initiatives.

And lastly, we developed, in concert with the renowned agency Brand Union, a new consumer brand which will be the face of our new offerings.

I am pleased to report that we fully met our objectives, and are now poised to unleash our new offerings in the market.

As I look back at the year gone by, I feel immensely proud of all my colleagues worldwide, who have consistently demonstrated passion and tenacity in the pursuit of our objectives.

I remain equally confident that with the talent we have, and the new talent we are adding to OnMobile, we are well positioned for the road ahead.

**Rajiv Pancholy**  
**Managing Director & CEO**

# Corporate Information and Board of Directors

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## Board of Directors

François-Charles Sirois	Executive Chairman
Rajiv Pancholy	Managing Director and CEO
Rajiv Khaitan	Independent Director
Nancy Cruickshank	Independent Director
Sanjay Baweja	Independent Director
Nehchal Sandhu	Independent Director
Pascal Tremblay	Independent Director

## Board Committees

### Audit Committee

Sanjay Baweja	Chair
Rajiv Khaitan	Member
Pascal Tremblay	Member

### Nomination and Compensation Committee

Nancy Cruickshank	Chair
Pascal Tremblay	Member
Nehchal Sandhu	Member

### Stakeholders Relationship Committee

Rajiv Khaitan	Chair
Sanjay Baweja	Member
Nehchal Sandhu	Member

### Corporate Social Responsibility Committee

Pascal Tremblay	Chair
Rajiv Pancholy	Member
Nancy Cruickshank	Member

### Risk Management Committee

Nehchal Sandhu	Chair
Rajiv Khaitan	Member
Nancy Cruickshank	Member
Sanjay Baweja	Member

## Company Secretary

P V Varaprasad

## Statutory Auditors

Deloitte Haskins & Sells

## Internal Auditors

Grant Thornton India LLP

## Bankers

Kotak Mahindra Bank Limited  
HSBC  
Citibank N A  
ICICI Bank Limited  
State Bank of India  
IDBI Bank Limited  
Punjab National Bank  
Axis Bank Limited  
HDFC Bank Limited  
Banco Santander, S.A  
BBVA Banco Continental, Peru  
Bank of Cyprus  
Banco de Chile  
Banca Popolare Di Milano  
Eco Bank  
Banco De America Central  
Banco De La Produccion Produbanco SA

## Registered Office

E City, Tower 1, #94/1C & 94/2, Veerasandra,  
Attibele Hobli, Anekal Taluk, Electronic City Phase 1,  
Bangalore 560 100,  
Karnataka, India.  
T +91 80 4009 6000; F + 91 80 4009 6009  
*E investors@onmobile.com*  
*www.onmobile.com*  
CIN: L64202KA2000PLC027860

## Registrar and Share Transfer Agent

Karvy Computershare Private Limited  
Karvy Selenium Tower B, Plot No. 31 & 32,  
Gachibowli Financial District,  
Nanakramguda, Serilingampally Mandal,  
Hyderabad – 500 032  
T +91 40 6716 1500; F +91 40 2342 0814  
*E einward.ris@karvy.com*



# Subsidiaries and Branches of the Company

## I. List of Subsidiaries of the Company

OnMobile Global Limited has the following Subsidiary Companies as on March 31, 2016:

Sl.No.	Name of the Subsidiary Company	Country
1	OnMobile Singapore Pte. Ltd.	Singapore
2	PT OnMobile Indonesia	Indonesia
3	OnMobile SA (Erstwhile Telisma SA)	France
4	OnMobile Europe BV	Netherlands
5	OnMobile USA LLC	USA
6	Servicios De Telefonía OnMobile SA De CV	Mexico
7	OnMobile Servicios Corporativos De Telefonía SA De CV	Mexico
8	OnMobile Global SA	Argentina
9	OnMobile De Venezuela CA	Venezuela
10	OnMobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis Ltda.	Brazil
11	OnMobile Global for Telecommunication Services	Egypt
12	OnMobile Uruguay SA	Uruguay
13	OnMobile Senegal SARL	Senegal
14	OnMobile Mali SARL	Mali
15	OnMobile Bangladesh Private Limited	Bangladesh
16	OnMobile Kenya Telecom Limited	Kenya
17	OnMobile Telecom Limited	Malawi
18	OnMobile Costa Rica OBCR, SA	Costa Rica
19	OnMobile Global Spain, SL	Spain
20	OnMobile Tanzania Telecom Limited	Tanzania
21	OnMobile Zambia Telecom Limited	Zambia
22	OnMobile Uganda Limited	Uganda

Sl.No.	Name of the Subsidiary Company	Country
23	OnMobile Madagascar Telecom Limited	Madagascar
24	OnMobile Rwanda Telecom Limited	Rwanda
25	OnMobile Nigeria Telecom Limited	Nigeria
26	OnMobile Ghana Telecom Limited	Ghana
27	OnMobile Global Solutions Canada Limited	Canada
28	OnMobile Telecom (SL) Limited	Sierra Leone
29	OnMobile Global Italy SRL	Italy
30	OnMobile Turkey Telekomunikasyon Sistemleri Limited Şirketi	Turkey
31	OnMobile Portugal SGPS, Unipessoal LDA	Portugal
32	OnMobile Telecom Burkina Faso, SARL	Burkina Faso
33	OnMobile Live Inc.	USA
34	OnMobile Global Czech Republic SRO	Czech Republic
35	FoneStarz Media Group Limited	UK
36	2DayUK Limited	UK
37	FoneStarz Limited	UK
38	FoneStarz Media Limited	UK
39	FoneStarz Media (Licensing) Limited	UK
40	Daius Limited	UK
41	Livewire Mobile (Australia) Pty Limited	Australia
42	OnMobile Global Limited Colombia SAS	Colombia
43	OnMobile Global South Africa (PTY) Ltd.	South Africa
44	OnMobile Latam Holdings, SL	Spain

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

Along with the above said subsidiary companies, OnMobile Global Limited has the following Branches/Representative offices as on March 31, 2016:

Sl. No.	Branch Locations
1	Mumbai, India
2	Gurgaon, India
3	Dhaka, Bangladesh
4	Kuala Lumpur, Malaysia
5	St. Ives, UK
6	Sydney, Australia
7	Rosebank, South Africa
8	Dubai, UAE
9	Colombo, Sri Lanka
10	Bucharest, Romania
11	Madrid, Spain
12	Nicosia, Cyprus
13	Guatemala City, Guatemala
14	Kathmandu, Nepal

Sl. No.	Branch Locations
15	Milan, Italy
16	Dar Es Salam, Tanzania
17	Santiago, Chile
18	Panama City, Panama
19	Guyaquil, Ecuador
20	Managua, Nicaragua
21	San Salvador, EL Salvador
22	Lima, Peru
23	Bangalore (SEZ), India
24	Noida (SEZ), India
25	Niamey, Niger
26	Democratic Republic of Congo
27	Doha, Qatar
28	Conkary, Guniea Republic

# Contact Information

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## ASIA-PACIFIC

### INDIA

#### BANGALORE

OnMobile Global Limited –Corporate Registered Office  
E City, Tower 1, #94/1 C & 94/2, Veerasandra, Attibele Hobli,  
Anekal Taluk, Electronic City Phase 1, Bangalore - 560100,  
Karnataka, India

OnMobile Global Limited (Branch)  
RMZ Eco world, Building # 1, 4th Floor, SEZ – Varthur Hobli,  
Devarabeesanahalli Village, Outer Ring Road,  
Bangalore – 560103

#### MUMBAI

OnMobile Global Limited (Branch)  
I Think Techno Campus, Office no 809, Supremus - E  
Wing-Kanjurmarg (East), Mumbai - 400042

#### GURGAON

OnMobile Global Limited (Branch)  
Time Tower, #003, Ground Floor, M G Road (Opp. Gurgaon  
Central Mall), Gurgaon- 122002

#### BANGLADESH

OnMobile Bangladesh Private Limited  
Baliaaree (4<sup>th</sup> floor), Plot # 30, Road # 130, South Avenue,  
Gulshan-1, Dhaka-1212, Bangladesh

OnMobile Global Limited (Branch)  
Baliaaree (4<sup>th</sup> floor), Plot # 30, Road # 130, South Avenue,  
Gulshan-1, Dhaka-1212, Bangladesh

#### SRI LANKA (Branch)

OnMobile Global Limited (Branch)  
Level 5, No. 02, Castle Lane, Colombo 04, Sri Lanka

#### AUSTRALIA

OnMobile Global Limited (Branch)  
Level 11, 1 Margaret Street, Sydney, NSW –2000 , Australia  
Livewire Mobile (Australia) Pty Limited  
St. Martins Tower, Level 9, 31 Market Street, Sydney, NSW  
2000

#### MALAYSIA (Branch)

OnMobile Global Limited (Branch)  
802, 8<sup>th</sup> Floor, Block C, Kelana Square, 17, Jalan SS7/26,  
47301 Petaling Jaya, Selangor Darul Ehsan

#### INDONESIA

PT OnMobile Indonesia  
GD. Mayapada Tower, 11 Suit 01B, J1.Jend, Sudirman Kav 28,  
Karet , Setiabudi, Jakarta Seletan 12920, Indonesia

## SINGAPORE

OnMobile Singapore Pte. Ltd.  
78 Shenton Way #26-02A, Singapore 079120

## MIDDLE EAST AND AFRICA

### DUBAI (Branch)

OnMobile Global Limited (Branch)  
#1803, 18<sup>th</sup> Floor, Al Shatha Tower, Dubai Media City, Dubai

### TANZANIA

OnMobile Global Limited (Branch)  
10<sup>th</sup> Floor, PPF Tower, Corner of Ohio Street/Garden Avenue,  
P O Box 1559, Dar Es Salaam, Tanzania

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

### EGYPT

OnMobile Global for Telecommunication Services  
Regus Cairo Nile City Towers, 22<sup>nd</sup> Floor, North Tower, Nile  
City Towers, Cornich El Nil Ramiet Boulak, Cairo, Egypt. P.O.  
11624

### MALAWI

OnMobile Telecom Limited  
C/o BDO Tax & Advisory Services Pvt. Ltd., 6<sup>th</sup> floor Unit  
House, Victoria Avenue, P.O Box 3038, Blantyre, Malawi

### MALI

OnMobile Mali SARL  
Badalabougou Est - Rue 25 - Porte 271 BP 3013, Bamako-Mali

### ZAMBIA

OnMobile Zambia Telecom Limited  
3<sup>rd</sup> floor, 74 Independence Avenue, Longacres, Lusaka,  
Zambia, P.O Box 31198, Lusaka

### UGANDA

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

### RWANDA

OnMobile Rwanda Telecom Limited  
C/o, PKF Rwanda Ltd , Plot 9901, Off Nyarutarama Road, P.O  
Box 341, Kigali, Rwanda

### GHANA

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

## BURKINA FASO

OnMobile Telecom Burkina Faso, SARL  
Secteur 15 Section 475 Lot 21 Parcelle 14 Ouagadougou  
PO Box : 10 BP 13675 Ouagadougou 13

## SOUTH AFRICA

OnMobile Global South Africa (PTY) Limited  
4<sup>th</sup> Floor, The Firs, Cradock Avenue, Rosebank,  
Johannesburg, Gauteng, 2196, South Africa

OnMobile Global Limited (Branch)  
4<sup>th</sup> Floor, The Firs, Cradock Avenue, Rosebank, Johannesburg,  
Gauteng, 2196, South Africa

## SENEGAL

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

## KENYA

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

## MADAGASCAR

OnMobile Madagascar Telecom Limited  
Immeuble ARO Ampefiloha I Esc A Porte A 402 Antananarivo  
101 Madagascar

## NIGERIA

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

## SIERRA LEONE

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

## NIGER (Branch)

OnMobile Global Limited S A (Branch)  
BVD Mali Béro, rue YN 125 BP 11160 Niamey, Niger

## DEMOCRATIC REPUBLIC OF CONGO (Branch)

OnMobile Telecom Democratic Republic of Congo SARL  
(Branch)  
19B, Avenue Maniema, Commune ET Ville De Lubumbashi,  
Province Du Katanga En République Democratique Du Congo

## QATAR (Branch)

OnMobile Global Limited (Branch)  
P. O. Box 164

## CONKARY, GUINEA REPUBLIC - (Branch)

Societe OnMobile Telecom Guinee (Branch)  
4<sup>th</sup> Floor Immeuble Chérif DIALLO, Boulevard Telly DIALLO,  
Kouléwondy section, Kaloum district

## EUROPE

### FRANCE

OnMobile SA (Erstwhile Telisma SA)  
6 rue Duret, 75116 Paris – France

### ITALY

OnMobile Global Limited (Branch)  
Milano (MI) Corso Plebisciti 8 cap 20129

OnMobile Global Italy SRL  
Via Felice Casati 20 - 20124 Milan (Italy)

### NETHERLANDS

OnMobile Europe BV  
Prins Bernhardplein 200, 1097JB Amsterdam

### ROMANIA (Branch)

OnMobile Global Limited-India Sucursala Bucuresti (Branch)  
Bucharest, District 1, 15-17 Helesteului Street, Semi-  
basement within Room 2, Office 1

### PORTUGAL

OnMobile Portugal SGPS, Unipessoal LDA  
Rua dos Ilhéus numero 6, freguesia de S. Pedro, 9000-176  
Funchal

### CZECH REPUBLIC

OnMobile Global Czech Republic SRO  
Jugoslávská 620/29, Vinohrady, Postal Code 120 00,  
Prague 2

### UNITED KINGDOM

OnMobile Global Limited (Branch)  
Ground Floor Suite 2, Clare Hall, Parsons Green, St. Ives,  
Cambridgeshire, PE 27 4WY

2DayUK Limited  
505 Pinner Road, Harrow, Middlesex , HA2 6EH

FoneStarz Media Limited  
505 Pinner Road, Harrow, Middlesex , HA2 6EH

Daius Limited  
505 Pinner Road, Harrow, Middlesex , HA2 6EH

FoneStarz Media Group Limited  
505 Pinner Road, Harrow, Middlesex , HA2 6EH

FoneStarz Limited  
505 Pinner Road, Harrow, Middlesex , HA2 6EH

FoneStarz Media (Licensing) Limited  
505 Pinner Road, Harrow, Middlesex , HA2 6EH

### TURKEY

OnMobile Turkey Telekomunikasyon Sistemleri Limited Şirketi  
Veko Giz Plaza Meydan Sk. N. 3/45 K.14 Oda.1407 Maslak  
Sarıyer, Istanbul

### **CYPRUS (Branch)**

OnMobile Global Limited (Branch)  
Lampousas, 1, P.C. 1095, Nicosia, Cyprus

### **SPAIN**

OnMobile Global Spain, SL  
Avenida de Europa numero 24, Edificio Torona, Planta 1,  
Modulo A, Letra C, del Parque Empresarial La Moraleja,  
codigo postal 28108 de Alcobendas, Madrid (Espana)

OnMobile Latam Holdings, SL  
Avenida de Europa numero 24, Edificio Torona, Planta 1,  
Modulo A, Letra C, del Parque Empresarial La Moraleja,  
codigo postal 28108 de Alcobendas, Madrid (Espana)

OnMobile Global Limited Sucursal En Espana (Branch)  
Avenida de Europa numero 24, Edificio Torona, Planta 1,  
Modulo A, Letra C, del Parque Empresarial La Moraleja,  
codigo postal 28108 de Alcobendas, Madrid (Espana)

### **NORTH AMERICA**

#### **USA**

OnMobile USA LLC  
55, Merrick Way, Suite 220, Coral Gables, Florida 33134

OnMobile Live Inc.  
55, Merrick Way, Suite 220, Coral Gables, Florida 33134

#### **MEXICO**

OnMobile Servicios Corporativos De Telefonía SA De CV  
Paseo de la Reforma No. 505 P-31, Col. Cuauhtemoc, Del.  
Cuauhtemoc, CP. 06500, México, D.F.

Servicios De Telefonía OnMobile SA De CV  
Paseo de la Reforma No. 505 P-31, Col. Cuauhtemoc, Del.  
Cuauhtemoc, CP. 06500, México, D.F.

#### **CANADA**

OnMobile Global Solutions Canada Limited  
630 Boulevard René-Levesque, West, Suite 2780, Montreal  
Quebec, H3B-1S6

### **CENTRAL AMERICA**

#### **COSTA RICA**

OnMobile Costa Rica OBCR, SA  
San Jose, Santa Ana Pozos, Centro Empresarial Forum Uno  
Torre G Segundo Piso

#### **NICARAGUA (Branch)**

OnMobile Global Limited Sucursal Nicargua (Branch)  
Edificio CAR III, 5to Piso. Modulo, M.5-4, Managua, Nicaragua,  
Central America

#### **EL SALVADOR (Branch)**

OnMobile Global Limited Sucursal El Salvador (Branch)  
Calle La Mascota, Col San Benito, Casa 533, San Salvador

### **GUATEMALA (Branch)**

Servicios De Telefonía OnMobile, Sociedad Anonima De  
Capital Variable (Branch)  
14 Calle Edificio Murano Center Nivel 8 of 803 3-51 Zona 10  
Guatemala

### **PANAMA (Branch)**

OnMobile Global Limited (Branch)  
CA Legal Services, Global Bank Tower, Calle 50, Floor 24th,  
Office 2401, Panama, Republic of Panama

### **LATIN AMERICA**

#### **VENEZUELA**

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

#### **CHILE (Branch)**

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

#### **ECUADOR (Branch)**

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

#### **COLOMBIA**

OnMobile Global Limited Colombia SAS  
Carrera 16 No. 93-92 Bogotá, Colombia

#### **BRAZIL**

OnMobile Brasil Sistemas De Valor Agregado Para  
Comunicacoes Móveis Ltda.  
City of São Paulo, State of São Paulo, Brazil, at Rua Arizona,  
1.422, 10º andar, Conjuntos 1 a 3, Cidade Monções, CEP  
04567-003

#### **ARGENTINA**

OnMobile Global SA  
Ortiz de Ocampo 3302, Módulo 1, Oficina 24, de esta Ciudad  
Autonoma de Buenos Aires

#### **URUGUAY**

OnMobile Uruguay SA  
Bulevar Artigas 1100  
CP 11300 - Montevideo – Uruguay

#### **PERU (Branch)**

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

# 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 maximize long-term value to the share owners 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 and finance. The Company does not have any nominee director. The Board consisted of 7 Directors as on March 31, 2016 of which the Chairman of the Board is an Executive Director.

The composition of the Board is in conformity with Regulation 17 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "Listing Regulations").

S.No	Name	Designation
1	François-Charles Sirois	Executive Chairman
2	Rajiv Pancholy	Managing Director and CEO
3	Rajiv Khaitan	Independent Director
4	Nancy Cruickshank	Independent Director
5	Sanjay Baweja	Independent Director
6	Nehchal Sandhu	Independent Director
7	Pascal Tremblay	Independent Director

None of the Directors are related to each other

## MEETINGS OF THE BOARD

The Board meets at least four times in a year with the intervening period between two Board meetings of not more than one hundred and twenty days. The annual calendar of meetings is tentatively determined at the beginning of each year. During the year ended March 31, 2016, the Board met four times as given below:

### Details of Board meetings held during the year

Sl. No.	Date of Board Meeting	Board Strength	Directors present*
1	May 28, 2015	7	6
2	July 30, 2015	8	6
3	October 28, 2015	7	6
4	February 4, 2016	7	6

\* excluding the participation either through video or audio conference and not counted for quorum.

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. The Notice, Agenda and attached notes on agenda, setting out the business to be transacted at the meeting is given to the Directors seven days before the date of the Board meeting. All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board under Part A of Schedule II of Regulation 17(7) of the Listing Regulations.

## DETAILS OF DIRECTORS AND THEIR ATTENDANCE

Name of Director	Position	Category	Attendance in Board Meetings		Attendance in last AGM	Other Board			
			Held	Attended # #		Directorships in Indian public companies+	Directorships all around world++	Committee Chairmanships#	Committee Memberships# (including Chairmanships)
Rajiv Pancholy	Managing Director & CEO	Executive Director	4	4	Yes	Nil	7	Nil	Nil
François-Charles Sirois	Executive Chairman	Executive Director	4	4	Yes	Nil	9	Nil	Nil
Rajiv Khaitan	Director	Independent	4	4	Yes	3	8	2	4
Nancy Cruickshank	Director	Independent	4	4	Yes	Nil	3	Nil	1
Harit Nagpal <sup>1</sup>	Director	Independent	4	1	NA	2	6	1	3
Naresh Malhotra <sup>2</sup>	Director	Independent	4	2	NA	1	15	2	3
Bruno Ducharme <sup>3</sup>	Director	Independent	4	Nil	NA	Nil	8	Nil	Nil
Sanjay Baweja <sup>4</sup>	Director	Independent	4	2	Yes	Nil	3	1	2
Nehchal Sandhu <sup>5</sup>	Director	Independent	4	2	Yes	Nil	1	Nil	1
Pascal Tremblay <sup>6</sup>	Director	Independent	4	1	No	Nil	23	Nil	2

+ Excluding directorships in OnMobile Global Limited and its subsidiaries.

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

# Memberships/Chairmanships of only Audit Committee and Stakeholders Relationship Committee in public companies (listed and unlisted) including OnMobile Global Limited.

## Excluding the participation through either video or audio conferencing, not counted for quorum.

NA - Not applicable

1 Harit Nagpal resigned from the Directorship of the Company w.e.f July 30, 2015

2 Naresh Malhotra resigned from the Directorship of the Company w.e.f July 30, 2015

3 Bruno Ducharme resigned from the Directorship of the Company w.e.f July 30, 2015

4 Sanjay Baweja was appointed as an Additional Director w.e.f May 28, 2015 and thereafter appointed as an Independent Director at the AGM held on September 8, 2015

5 Nehchal Sandhu was appointed as an Additional Director w.e.f Aug 1, 2015 and thereafter appointed as an Independent Director at the AGM held on September 8, 2015

6 Pascal Tremblay was appointed as an Additional Director w.e.f Aug 1, 2015 and thereafter appointed as an Independent Director at the AGM held on September 8, 2015

The Details of the Board of Directors as on date are as below:

**Rajiv Pancholy** holds a Master's degree in Electrical Engineering and Physics from McGill University, Montréal, Canada, and the Indian Institute of Technology, New Delhi, respectively. He is a veteran in the telecommunications industry possessing over three decades of experience in a variety of roles. He has a track record of successfully transforming organisations, conceptualizing innovative products, international business development, and regulatory policy formulation. He co-founded a radio broadcasting company known as TTP Media where he served as President for the past several years. Prior to TTP Media, Rajiv was the Chairman and CEO of TenXc Wireless Inc. Before joining TenXc, Rajiv was the President and CEO of Mitec Telecom Inc., a publicly listed manufacturer of wireless network products. Rajiv was also the President and Chief Operating Officer of Canada's fourth largest national wireless operator, Microcell Connexions Inc. During his tenure at Microcell,

he revitalized the business to new levels of customer and business performance and presided over Microcell becoming the first Canadian carrier to nationally launch commercial high speed wireless data services. He was engaged as an Advisor to the Telecom Policy Review Panel launched by the Government of Canada to make recommendations on Canadian Telecom Policy. Rajiv also serves as an advisor to many venture funds in North America and is on the Board of Directors of various technology companies. Rajiv Pancholy was appointed as the CEO on June 2, 2014 and as the Additional Director on June 26, 2014. Further, he was appointed as the 'Managing Director and CEO' for a period of five years with effect from June 26, 2014.

As on March 31, 2016, Rajiv Pancholy is on the Board/interested in following other companies:

1. TenXc Wireless India Pvt. Ltd
2. TTP Media (Shareholder)
3. Gen24 Capital (Shareholder)

4. OnMobile Costa Rica OBCR, SA
5. OnMobile USA LLC
6. OnMobile Live Inc.

**François-Charles Sirois** is the President and CEO of Telesystem, a global media and technology holding company. He is also the President and Chief Executive Officer of OnMobile Systems Inc., the largest shareholder of OnMobile. François-Charles has more than 15 years of experience in corporate mergers, acquisitions and financing. His entrepreneurship expertise and talent for developing successful joint ventures with innovative partners have enabled Telesystem to leverage the momentum in the media and technology industry. Before joining Telesystem, François-Charles founded and helmed up2 technologies, Microcell i5 and Masq. He was appointed as the Additional Director on the Board of the Company on June 26, 2014 and his appointment was approved by the shareholders as a Non-Executive Director at the meeting held on September 10, 2014. François-Charles was later appointed as the Executive Chairman of the Company for a period of five years effective from November 1, 2014. As on March 31, 2016, François-Charles Sirois is on the Board of following other companies:

1. OnMobile Systems, Inc.
2. Telesystem Ltd.
3. Stingray Digital Group Inc.
4. Zone3 Inc.
5. Telesystem Media Inc.
6. iPerceptions Inc.
7. Telesystem Energy Ltd.
8. CVTCORP Transmission Inc.

**Rajiv Khaitan** is the Senior Partner of Khaitan & Co. Rajiv has over 30 years of experience in general legal practice with focus on business laws and currently leads the corporate and commercial laws practice at Bangalore. He advises on all aspects of Business including business laws and regulations, corporate governance and finance, structuring, taxation, negotiation of commercial contracts, securities laws and takeover and listing regulations, mergers and acquisitions both in India and overseas, foreign exchange regulations, foreign investment regulations, investment and transaction structuring, business combinations, strategic alliances, competition laws, trade laws, foreign collaborations, India entry strategies, private equity investments, promoter, investment and shareholder agreements, intellectual property laws, protection and licensing, technology licensing and transfer, retailing, franchising, consumer protection laws, packaging laws, labour laws, real estate and dispute resolution. Rajiv holds a Bachelor of Commerce degree and an LLB from the Calcutta University. As per the provisions of Companies

Act, 2013, Rajiv was appointed as an Independent Director at the Annual General Meeting of the shareholders held on September 10, 2014 to hold office for a period of three years up to the date of the AGM to be held during the calendar year 2017. As on March 31, 2016, Rajiv Khaitan is on the Board of the following other companies:

1. EFD Induction Private Limited
2. Himatsingka Seide Limited
3. Khaitan Consultants Limited
4. ABC Consolidated Private Limited
5. Bharat Fritz Werner limited
6. Himatsingka Wovens Private Limited
7. Himatsingka Holdings NA Inc.

**Nancy Cruickshank** is the Founder & CEO of MyShowcase Ltd, a new kind of online & direct Beauty retailer that champions female entrepreneurialism. She is actively involved in building a new distribution channel for innovative beauty brands via a growing base of female Stylists or entrepreneurs. Nancy Cruickshank is a serial entrepreneur herself and has an advisory role in a number of companies. Having graduated from Leeds University with History Honors degree, she started life working for Condé Nast in marketing and advertising on titles such as Vogue and World of Interiors, becoming commercial director of Condé Nast online in 1995 – the start of a career with the digital world at its core. In 2001, she launched Handbag.com - the pioneering fashion and beauty portal which she sold to Hearst in 2006. She stayed on after the buy-out to oversee their portfolio of web properties including cosmopolitan.co.uk, netdoctor.co.uk, menshealth and Handbag.com, which under her leadership grew its audience to over 1.3 million women per month. In 2008 she joined VideoJug, the market-leading How To website, as Global CEO and in May 2009 moved to the Telegraph Media Group (TMG) as Executive Director, Digital Development where her focus was on growing TMG's digital proposition and revenues. From April 2012 to March 2013, she was the Launch CEO of Weve, leading a team that secured clearance from the EC for the UK's leading mobile operators (EE, Vodafone and Telefonica) to launch a media & mCommerce JV in the UK. Nancy Cruickshank was appointed as an Additional Director on the Board of the Company effective July 31, 2014. As per the provisions of Companies Act, 2013, approval of the shareholders was taken for appointment of Nancy Cruickshank as an Independent Director at the Annual General Meeting held on September 10, 2014 to hold office for a period of three years up to the date of the AGM to be held during the calendar year 2017. As on March 31, 2016, Nancy Cruickshank is on the Board of the following other companies:

1. TelecityGroup PLC
2. MyShowcase Ltd

**Sanjay Baweja** is currently the Chief Financial Officer (CFO) of Flipkart Online Services, India's leading e-commerce marketplace. At Flipkart, he is part of the leadership team that defines the strategic roadmap for growth and increased profitability and for overall organizational development. Prior to Flipkart, Sanjay Baweja was the Global CFO for Tata Communications. He was responsible for the strategic financial management of the company including financial reporting and compliance, treasury and fund management, financial planning and analysis, management assurance, taxation and procurement. With over three decades of experience across diverse industries, Sanjay Baweja has worked with several iconic brands including Emaar MGF Land Limited as Executive President for Corporate Affairs and Chief Risk Officer, Bharti Airtel, Xerox Modicorp, Digital Equipment and Ballarpur Industries. He holds a Bachelor's degree in Commerce from Delhi University. He is a Fellow member of the Institute of Chartered Accountants of India and Associate member of the Institute of Cost and Works Accountant of India. Sanjay Baweja was appointed as an Additional Director on the Board of the Company effective May 28, 2015. As per the provisions of Companies Act, 2013, approval of the shareholders was taken for appointment of Sanjay Baweja as an Independent Director at the Annual General Meeting held on September 8, 2015 to hold office for a period of three years up to the date of the AGM to be held during the calendar year 2018. As on March 31, 2016, Sanjay Baweja is on the Board of the following other companies:

1. FX Mart Private Limited
2. Flipkart Internet Private Limited

**Nehchal Sandhu** is a security professional with over 40 years of experience in a variety of roles. In his most recent role as Dy. National Security Adviser, he contributed towards briefings of the highest levels of Government, led efforts towards instituting a national cyber security framework and built international relationships towards ensuring a more robust response to international terrorism and curbing terror financing, cross border drug flows, and money laundering. He contributed in large measure to the formulation of India's approach to Internet governance. Prior to that, he had a 34 year career in the National Security Service, during the last two years of which he headed the Service. As head of the Service and thus as a member of the highest echelon of Government, contributed to modification of National Crisis Management Plans, shepherded processes for strengthening of national security structures and promoted seamless cooperation between provincial security structures that report to political dispensations of different hues. In the latter half of his career in the Service, he led implementation of innovative approaches to resource management, overhauled and modernised the internal communication infrastructure, set up a system for sharing and analysing information located in geospatially

dispersed databases running on legacy systems, made seminal contributions towards the creation of a new regulatory environment, and created abiding relationships with telecom service providers. In the mid 1990s, he served for more than 3 years in India's High Commission in Ottawa servicing liaison arrangements with the Canadian Foreign Office and the Royal Canadian Mounted Police. In his early career in the mid 1970s, as a covenanted officer responsible for prevention and detection of crime, introduced neighbourhood watch schemes in rural areas, set in place refined trans-jurisdictional patrolling plans, and implemented concepts of scientific Police investigation leading to a higher detection and prosecution success rate. Nehchal Sandhu holds an Honors degree at the Bachelor's level in Chemistry from St Stephen's College, Delhi University. Nehchal Sandhu was appointed as an Additional Director on the Board of the Company effective August 01, 2015. As per the provisions of Companies Act, 2013, approval of the shareholders was taken for appointment of Nehchal Sandhu as an Independent Director at the Annual General Meeting held on September 8, 2015 to hold office for a period of three years up to the date of the AGM to be held during the calendar year 2018. As on March 31, 2016, Nehchal Sandhu is a member of Saket Hospital Committee and Advisor on the Financial Services Vulnerability Committee of HSBC Global.

**Pascal Tremblay** is currently President, Managing Partner of Novacap. He holds a Bachelor degree in Business Administration from the University of Sherbrooke and an MBA from McGill University. He has been involved in funding, managing and developing technology companies for over 18 years. Prior to joining Novacap, Pascal Tremblay was a Partner at Argo Global Capital, a venture capital firm where he participated in numerous investments in technology and telecommunications companies in North America, Europe and Asia. His prior experience also includes working in the private equity division at CDP Capital (Caisse de Dépôt et Placement du Québec), one of Canada's largest fund managers and private equity investors. Prior to entering the private equity field, Pascal Tremblay was Founder and CEO of Laserpro, an award winning manufacturing and distribution company of printing and computer equipment. Pascal Tremblay was appointed as an Additional Director on the Board of the Company effective August 01, 2015. As per the provisions of Companies Act, 2013, approval of the shareholders was taken for appointment of Pascal Tremblay as an Independent Director at the Annual General Meeting held on September 8, 2015 to hold office for a period of three years up to the date of the AGM to be held during the calendar year 2018. As on March 31, 2016, Pascal Tremblay is on the Board of the following other companies:

1. Stingray Digital
2. Chemical Computing Group



3. PKW Holdings Inc.
4. PKWARE, Inc.
5. Onstream Holdings Inc.
6. Onstream Pipeline Inspection Services Inc.
7. Intelrad Holdings Inc.
8. Intelrad Medical Systems Incorporated
9. Novacap IP Inc.
10. Novacap Administration Technologies III Inc.
11. Novacap Management Technologies III Inc.
12. Novacap Services Inc.
13. Novacap Management Inc.
14. NVC Capital TMT IV Inc.
15. NVC Performance TMT IV Inc.
16. Novacap Fund Management Inc.
17. Novacap TMT IV Inc.
18. Novacap Industries IV Inc.
19. Novacap Assurance Inc.
20. NVC Capital Industries IV Inc.
21. NVC Performance Industries IV Inc.
22. Novacap IP Industries IV Inc.

## COMMITTEES OF THE BOARD

For the year ended March 31, 2016, the Board has five Committees – the Audit Committee, the Nomination & Compensation Committee, the Stakeholders Relationship Committee, the Corporate Social Responsibility Committee and the Risk Management Committee. The constitution and 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/Chairperson. The role and composition of these committees, including the number of meetings held during the financial year and the related attendance are as follows:

### 1. Audit Committee

#### Composition

The audit committee consists of the following three (3) directors of whom all the members including the chairman are independent directors. As on March 31, 2016, the Committee consisted of:

1. Sanjay Baweja - Chair
2. Rajiv Khaitan
3. Pascal Tremblay

All the members of the Audit Committee including its Chairman have accounting and financial expertise. The Company Secretary acts as secretary to the committee.

## Terms of Reference

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

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor auditor's independence and performance and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the company, wherever it is necessary.

11. Evaluation of internal financial controls and risk management systems.
12. Reviewing with management, performance of statutory and internal auditors, adequacy of internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors of any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower mechanism.
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc., of the candidate.
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

## Meetings

During the financial year ended March 31, 2016, four meetings of the audit committee were held. The details of the same are as follows:

Sl. No.	Name of Director	Meetings/Attendance			
		28-May-2015	30-July-2015	28-Oct-2015	4-Feb-2016
1	Harit Nagpal - Chair	Present	Absent	NA	NA
2	Naresh Malhotra-Member	Present	Present	NA	NA
3	Rajiv Khaitan-Member	Present	Present	Present	Present
4	Sanjay Baweja-Chair	NA	Present	Present	AC*
5	Pascal Tremblay-Member	NA	NA	AC*	Present

\*AC- Audio Conference

The Audit Committee was re-constituted w.e.f August 1, 2015 and Sanjay Baweja was elected as the Chair of the Committee.

## 2. Nomination and Compensation Committee Composition

As on March 31, 2016, this committee consisted of the following three (3) directors:

1. Nancy Cruickshank - Chair
2. Nehchal Sandhu
3. Pascal Tremblay

All the three members including the chairperson are Independent directors.

## Terms of Reference

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

1. Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
2. The Committee will make recommendations to the Board regarding the size and composition of the Board and develop and recommend to the Board the criteria (such as independence, experience relevant to the needs of the company, leadership qualities, diversity and ability to represent the shareholders) for the selection of the individuals to be considered as candidates for election to the Board.
3. The Committee will establish, monitor and recommend the purpose, structure and operations of the various Committees of the Board, and qualifications and criteria on membership on each Committee of the Board, and, as circumstances dictate, make any recommendations regarding periodic rotation of directors among the Committees.
4. Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees (referred as 'Nomination and Remuneration Policy').
5. Committee shall, while formulating the 'Nomination and Remuneration Policy, ensure that—
  - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
  - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

- c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
  - d. Nomination and remuneration policy shall be disclosed in the Board's report.
6. Annual review of the salary, bonus and other compensation plans of the CEO, CFO and Senior Management team of the Company.
  7. Review and approve the salary, bonus and compensation plans for all the executive directors of the Company.
  8. 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:
    - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or
    - b. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities market) Regulations, 2003.
  9. Administer the implementation and award of stock options under the stock option plans of the Company.
  10. Perform such functions as are required to be performed by the Compensation Committee under Clause 5 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
  11. Recommend to the Board of Directors of the Company on any other employment incentives as the committee deems it appropriate in the best interests of the Company.
  12. Chairperson of the Committee or, in his/her absence, any other member of the committee authorized by him/her in this behalf shall attend the general meetings of the Company.
  13. The Committee will also undertake such additional activities as the Committee may from time to time determine or as may otherwise be required by law, the company's articles of association, or directive of the Board.
  14. The Committee will make regular reports to the Board and will recommend any proposed actions to the Board for approval as necessary. The Committee will review and reassess the adequacy of these terms of reference at least annually and recommend any proposed changes to the Board for approval.
  15. The Committee will at least annually evaluate its own performance to determine whether it is functioning effectively.

### Meetings

During the financial year ended March 31, 2016, four meetings of the Nomination and Compensation Committee were held. The details of the same are as follows:

Sl. No	Name of Director	Meetings/Attendance			
		28-May-15	30-Jul-15	28-Oct-15	4-Feb-16
1	Nancy Cruickshank - Chair	Present	Present	Present	Present
2	Harit Nagpal - Member <sup>1</sup>	Present	Absent	NA	NA
3	Rajiv Khaitan - Member <sup>2</sup>	NA	Present	NA	NA
4	Bruno Ducharme - Member <sup>1</sup>	Absent	Absent	NA	NA
5	Nehchal Sandhu - Member	NA	NA	Present	Present
6	Pascal Tremblay - Member	NA	NA	AC*	Present

\* Audio Conference (AC)

<sup>1</sup> Harit Nagpal and Bruno Ducharme resigned from the Board w.e.f July 30, 2015.

<sup>2</sup> Rajiv Khaitan was appointed as a member in the Committee on July 25, 2015.

Not applicable (NA)

The Nomination and Compensation Committee was re-constituted w.e.f. August 1, 2015 by retaining Nancy Cruickshank as the Chair of the Committee and electing Nehchal Sandhu and Pascal Tremblay as members of the Committee.

### Remuneration Policy

The Nomination and Remuneration policy devised in accordance with Section 178(3) and (4) of the Companies Act, 2013 forms part of the Directors report. 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/ Whole time

Directors. Annual increments are decided by the Nomination and Compensation Committee/Board of Directors. The shareholders at the Annual General Meeting held on September 8, 2015 approved the payment of remuneration to the non-executive directors, in addition to the sitting fees to be paid for attending the meetings of the Board or Committees thereof, in aggregate not exceeding an amount equal to 5% of the net profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 2013 or ₹ 11 million, whichever is higher for each financial year commencing on or after April 1, 2015 and the said remuneration be paid in such amount, proportion and manner as may be decided by the Board of Directors of the company from time to time. Apart from the said remuneration the non-executive directors are also entitled to a sitting fee of ₹ 100,000/- per meeting for attending the Board and Committee meetings.

**Details of Remuneration paid to Executive Directors / Non-Executive Directors during the financial year 2015-16**

These details are provided in (Annexure V) the extract of the Annual Return, annexed to the Directors Report in Form MGT-9 as required under the provisions of Section 92 of the Companies Act, 2013.

The following applications (in Form MR-2) made to the Central Government pursuant to Section 196, 197 and Schedule V of Companies Act, 2013 are pending disposal by the Central Government:

- Form MR-2 filed vide SRN C40975765 dated 24/01/2015 for appointment and remuneration of

François - Charles Sirois- Executive Chairman w.e.f 01/11/2014.

- Form MR-2 filed vide SRN C41095175 dated 26/01/2015 for payment of revised remuneration (exceeding the limits specified under Section 197 read with schedule V of the Companies Act 2013) to Rajiv Pancholy- CEO & Managing Director w. e. f. 30/10/2014.
- Form MR-2 filed vide SRN C54143441 dated 27/05/2015 for remuneration paid (exceeding the limits specified under Section 197 read with schedule V of the Companies Act 2013) for the period from 01/04/2014 to 18/07/2014 to Chandramouli Janakiraman, the then Managing Director.

**Service contracts, notice period, severance fees:**

The tenure of office of the Managing Director and Executive Chairman is for five years from their respective dates of appointment, and can be terminated by either party by giving 90 days prior written notice of such termination. There is no separate provision for payment of severance fees.

**Non-Executive/Independent Directors' Compensation and Disclosures**

The Company has laid down the criteria for making payments to the Non-Executive Directors. The details of such criteria are available in the Remuneration Policy disseminated on the website of the Company at the below link:

[http://www.onmobile.com/sites/default/files/cg\\_policy/Nomination\\_and\\_Remuneration\\_Policy.pdf](http://www.onmobile.com/sites/default/files/cg_policy/Nomination_and_Remuneration_Policy.pdf)

**Stock Options to the Directors**

As on March 31, 2016, the details of stock options held by the directors are given below:

Sl. No	Name of Director	Category	ESOP Plan	Grant date	No. of options	Grant Price (₹)	Outstanding options	No. of shares held	Remarks
1	Rajiv Pancholy	Executive Director	Plan 2, 2010	30-Oct-14	80,000	33.08	80,000	Nil	-
			Plan 1, 2012	30-Oct-14	920,000	33.08	920,000		
2	Rajiv Khaitan	Independent Director	Plan 3, 2008	15-May-13	25,000	40.05	25,000	Nil	Stock options granted much before notification of Companies Act, 2013

No stock options were granted to any other Director.

**3. Stakeholders Relationship Committee**

**Composition**

As on March 31, 2016, the Committee consisted of the following three (3) directors:

1. Rajiv Khaitan- Chair
2. Nehchal Sandhu
3. Sanjay Baweja

All the three members including the chairman are independent directors.

The main objective of the Committee is to specifically look into the redressal of grievances of security holders and issues pertaining to allotment or transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

## Terms of Reference

The terms of reference of the Stakeholders Relationship Committee include the following:

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.

## Meetings

During the financial year ended March 31, 2016, three meetings of the Stakeholders Relationship Committee were held. The details of the same are as follows:

Sl No.	Name of Director	Meetings/Attendance			
		28-May-2015	30-July-2015	28-Oct-2015	4-Feb-2016
1	Naresh Malhotra - Chair*	Present	Present	NA	NA
2	Nancy Cruickshank - Member	Present	Present	NA	NA
3	Harit Nagpal - Member*	Present	Absent	NA	NA
4	Rajiv Khaitan - Chair	NA	NA	Present	Present
5	Nehchal Sandhu - Member#	NA	NA	Present	Present
6	Sanjay Baweja - Member#	NA	NA	Present	Absent

\* Naresh Malhotra and Harit Nagpal resigned from the board w.e.f July 30, 2015

# Nehchal Sandhu and Sanjay Baweja were elected as members of the Committee w.e.f Aug 1, 2015

The Stakeholders and Relationship Committee of the Board was re-constituted w.e.f. August 1, 2015 by appointing Rajiv Khaitan as the Chair of the Committee and electing Nehchal Sandhu and Sanjay Baweja as the members of the Committee.

The particulars of shareholder's complaints received and disposed off during the financial year 2015-16 are as follows:

Name of non-executive director heading the Committee	Rajiv Khaitan-Independent Director
Name and Designation of Compliance Officer	P V Varaprasad, Company Secretary
Number of shareholder complaints received during the year	54
Number of shareholder complaints resolved during the year	54
Number of shareholder complaints pending	Nil
Number of pending share transfers	Nil

## Reconciliation of Share Capital Audit

The Company conducts a share capital audit on a quarterly basis in accordance with requirements of Securities and Exchange Board of India (Depositories and Participants) Regulations 1996 and SEBI Circular No. D&CC/FITTC/CIR- 16/2002 dated December 31, 2002 and SEBI Circular No. CIR/MRD/DP/30/2010 dated September 6, 2010. The Reconciliation of Share Capital Audit Report obtained from M/s Hegde & Hegde, Company Secretaries, which has been

submitted to the Stock Exchanges within the stipulated period, certifies that the equity shares of the Company held in the dematerialized form and in the physical form confirms to the issued and paid up equity share capital of the Company.

## Secretarial Compliance Certificate

As per the provisions of the erstwhile Clause 47(c) of the Listing Agreement and Regulation 40(9) of the Listing Regulations, the Company has obtained the Secretarial Compliance Certificate on half yearly basis from Parameshwar .G. Hegde of Hegde & Hegde, Practicing Company Secretaries to the effect that all transfers of shares held in physical form are effected within stipulated time. The certificate has been submitted to the Stock Exchanges within the prescribed time.

## 4. Corporate Social Responsibility Committee:

As on March 31, 2016, the Corporate Social Responsibility Committee consisted of three (3) directors of whom two directors were independent directors including the Chairman.

## Composition

The members of the Committee are:

1. Pascal Tremblay-Chair
2. Nancy Cruickshank
- 3 Rajiv Pancholy

## Terms of Reference

The CSR committee shall decide the focus areas of the Company's CSR policy from the list of activities given in Schedule VII of the Companies Act, 2013.

The terms of reference of the Corporate Social Responsibility Committee include the following:

1. The Committee shall formulate and recommend to the Board, a 'Corporate Social Responsibility Policy' ('CSR Policy') which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013.
2. The Committee shall recommend the amount of expenditure to be incurred on the activities referred in the CSR Policy.
3. The Committee shall monitor the CSR Policy of the company from time to time.
4. The Committee will be responsible for reviewing and overseeing CSR Policy and political and environmental trends and public policy issues that affect or could affect the company's business activities, performance, public image and responsibilities under Indian Law.
5. The Committee will provide overview of and make recommendations to the Board regarding the company's response to shareholder proposals that relate to corporate social responsibility issues.
6. The Committee will assist the Board in determining how the company can anticipate and adjust to corporate social responsibility and public policy trends in order to more effectively achieve its goals.
7. The Committee will provide overview of and make recommendations to the Board regarding the company's response to shareholder proposals that relate to corporate social responsibility issues.
8. The Committee will offer advice and counsel to management regarding the effectiveness of the company's corporate social responsibility programs and corporate citizenship.
9. The Committee will also undertake such additional activities as the Committee may from time to time determine or as may otherwise be required by law, the company's articles of association, or directive of the Board.
10. The Committee will make regular reports to the Board and will recommend any proposed actions to the Board for approval as necessary. The Committee will review and reassess the adequacy of these terms of reference at least annually and recommend any proposed changes to the Board for approval.
11. The Committee will at least annually evaluate its own performance to determine whether it is functioning effectively.

The CSR committee charter and the CSR policy of the Company is available on our website at the below link:

[http://www.onmobile.com/sites/default/files/cg\\_policy/Corporate\\_Social\\_Responsibility\\_Policy.pdf](http://www.onmobile.com/sites/default/files/cg_policy/Corporate_Social_Responsibility_Policy.pdf)

## Meetings

During the financial year ended March 31, 2016, the Committee met four times. The details of the same are as follows:

Sl. No	Name of Director	Meeting/Attendance			
		28-May-2015	30-Jul-2015	28-Oct-2015	4-Feb-2016
1	Bruno Ducharme-Chair <sup>^</sup>	Absent	Absent	NA	NA
2	Nancy Cruickshank - Member	Present	Present	Present	Present
3	Rajiv Pancholy - Member	Present	Present	Present	Present
4	Pascal Tremblay-Chair	NA	NA	AC*	Present

\* AC- Audio Conference

<sup>^</sup> Bruno Ducharme resigned from the Board w.e.f July 30, 2015

The Corporate Social Responsibility Committee was re-constituted w.e.f. August 1, 2015 and Pascal Tremblay was elected as the Chair of the Committee.

## 5. Risk Management Committee

As on March 31, 2016, the committee consisted of (4) four directors. All the members including the Chairman are independent directors.

### Composition

The members of the Committee are:

1. Nehchal Sandhu - Chair
2. Sanjay Baweja
3. Nancy Cruickshank
4. Rajiv Khaitan

The main objective of the Risk Management Committee is to assist the Board with regard to the identification, evaluation and mitigation of operational, strategic and external environment risks. The Committee has overall responsibility for monitoring and approving the risk policies and associated practices of the Company. The risk management committee is also responsible for reviewing and approving risk disclosure statements in any public documents or disclosures.

### Terms of Reference

The terms of reference of the Risk Management Committee include the following:

1. The risk management committee shall annually review and approve the Risk Management Policy and associated frameworks, processes and practices of the Company.
2. The risk management committee shall ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.

3. The risk management committee shall evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner (including one-off initiatives, and ongoing activities such as business continuity planning and disaster recovery planning & testing).
4. The risk management committee will coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities (e.g. internal or external audit issue relating to risk management policy or practice).
5. The risk management committee shall make regular reports/ recommendations to the Board.
6. The risk management committee shall review and reassess the adequacy of its Charter annually and recommend any proposed changes to the Board for approval.

### Meetings

During the financial year ended March 31, 2016, the Committee met four times. The details of the same are as follows:

Sl. No	Name of Director	Meeting/Attendance			
		28-May-2015	30-Jul-2015	28-Oct-2015	4-Feb-2016
1	Bruno Ducharme – Chair*	Absent	Absent	NA	NA
2	Nancy Cruickshank-Member	Present	Present	Present	Present
3	Rajiv Pancholy-Member	Present	Present	NA	NA
4	Nehchal Sandhu-Chair	NA	NA	Present	Present
5	Rajiv Khaitan-Member	NA	NA	Present	Present
6	Sanjay Baweja-Member	NA	NA	Present	Absent

\*Bruno Ducharme resigned from the Board w.e.f July 30, 2015

The Risk Management Committee was re-constituted w.e.f. August 1, 2015 by electing Nehchal Sandhu as the Chair of the Committee and appointing Rajiv Khaitan and Sanjay Baweja as the members of the Committee.

### Independent Directors

The Board consists of five Independent Directors, out of them one is woman Director. The Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel to discuss matters pertaining to Company's affairs, evaluation of performance of the Board and their own performance and place their views regarding governance of the Company at the Board. During the year, separate meeting of the Independent Directors was held on February 4, 2016, without the presence

of any other director/management personnel. Independent Directors at their meeting, deliberated and compiled data points/criteria for review of performance of non-independent directors and the Board as a whole, indicators to review the performance of the Chairperson of the Company, review the performance of the Board Committees in comparison to the Charter objectives and assessed the quality, quantity and timeliness of flow of information between the management and the Board of Directors.

### Role, duties and responsibilities

The Independent Directors, along with other Directors are also responsible for meeting the following objectives of the Board:

1. Compliance with the requirements of Companies Act, 2013,
2. Discharge of "Responsibilities of the Board" as outlined in the Corporate Governance requirements as prescribed by Stock Exchanges under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,
3. Accountability under the Director's Responsibility Statement,
4. Overseeing the enforcement of high standards of values and ethical conduct of business,
5. Overseeing the Company's contribution to enhancing the quality of life of communities,
6. Abide by the 'Code for Independent Directors' under Schedule IV of Companies Act, 2013 and the duties of directors provided under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The letters of appointment have been issued to all the Independent Directors of the Company on their appointment and the terms and conditions of appointment is disclosed on the website of the Company.

### Familiarization programme for Independent Directors

Company has in place a familiarization programme for Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of industry in which the Company operates and business model of the Company. A copy of the familiarization programme for Independent Directors and the details of familiarization programme imparted to independent directors during 2016 is available on the website at the below link:

[http://www.onmobile.com/sites/default/files/cg\\_policy/Familiarization\\_programme\\_for\\_Independent\\_Directors.pdf](http://www.onmobile.com/sites/default/files/cg_policy/Familiarization_programme_for_Independent_Directors.pdf)

### Subsidiary Companies

The financials of the subsidiary companies have been duly reviewed by the audit committee and the Board of the holding

company. The board minutes of the unlisted subsidiary companies have been placed before the Board of the holding company. The holding company's Board is also periodically informed about all significant transactions and arrangements entered into by the subsidiary companies.

The Company has also formulated a policy for determining the Material Subsidiary which stipulates inter-alia:

1. Disposal of Material Subsidiary: The Company, without the prior approval of the members by Special Resolution, shall not:
  - a. dispose shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%; or
  - b. cease the exercise of control over the Subsidiary; or
  - c. sell, dispose or lease the assets amounting to more than twenty percent of the assets of the material subsidiary
2. One Independent Director of the Company shall be a director on the Board of the Material Non-Listed Indian Subsidiary Company.

3. The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Company on an annual basis.
4. The minutes of the Board Meetings of the unlisted subsidiary companies shall be placed before the Board of the Company on a periodical basis.
5. The management shall periodically bring to the attention of the Board of Directors of the Company, a statement of all Significant Transactions and Arrangements entered into by the unlisted subsidiary company.
6. The management shall present to the Audit Committee annually the list of such subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board including recommendation for appointment of Independent Director in the Material Non-Listed Indian Subsidiary.

This policy has been put up on the website of the Company and available at the below link:

[http://www.onmobile.com/sites/default/files/cg\\_policy/Policy\\_on\\_determining\\_Material\\_Subsidiaries.pdf](http://www.onmobile.com/sites/default/files/cg_policy/Policy_on_determining_Material_Subsidiaries.pdf)

## General Body Meetings

The details of the Annual General Meetings held in the last three years are as follows:

Financial Year	Venue	Date and Time	Special Resolutions passed
2012-13	Hotel Royal Orchid, 01 Golf Avenue, adjoining KGA Golf course, HAL Airport Road, Bangalore – 560 008	July 30, 2013 at 11.00 a.m	<ol style="list-style-type: none"> <li>1. Employee Stock Option Plan – I, 2013</li> <li>2. Employee Stock Option Plan – I, 2013 for subsidiary company employees participation</li> </ol>
2013-14	Hotel Royal Orchid, 01 Golf Avenue, adjoining KGA Golf course, HAL Airport Road, Bangalore – 560 008	September 10, 2014 at 10.00 a.m	<ol style="list-style-type: none"> <li>1. Appointment of Rajiv Pancholy as Managing Director.</li> <li>2. Payment of revised remuneration to Chandramouli Janakiraman</li> </ol>
2014-15	Hotel Royal Orchid, 01 Golf Avenue, adjoining KGA Golf course, HAL Airport Road, Bangalore – 560 008	September 8, 2015 at 10.00 a.m	<ol style="list-style-type: none"> <li>1. Appointment of François-Charles Sirois as Executive Chairman of the Company</li> <li>2. Revision of remuneration to Rajiv Pancholy, Managing Director and CEO of the Company</li> <li>3. Payment of remuneration to non-executive directors of the Company</li> </ol>

During the year ended March 31, 2016, no special resolutions were passed through postal ballot

## DISCLOSURES

### (1) Related Party Transactions

There are no materially significant related party transactions with the promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the Company at large. Transaction with the related parties is disclosed in the financial statements

in Note No. 29 for the year ended March 31, 2016. The detailed information on materially significant related party transactions is in AOC-2 attached to the Board's Report. The Company formulated a policy on dealing with Related Party Transactions. The same is available on the website at the below link:

[http://www.onmobile.com/sites/default/files/cg\\_policy/Policy\\_for\\_dealing\\_with\\_Related\\_Party\\_Transactions.pdf](http://www.onmobile.com/sites/default/files/cg_policy/Policy_for_dealing_with_Related_Party_Transactions.pdf)



## (2) Non-compliances

There has been no instance of non-compliance by the Company on any matter related to Capital Market during last three financial years and no penalties or strictures were imposed by SEBI, Stock Exchanges or any other concerned authorities. The Company has complied with applicable rules and regulations prescribed by Stock Exchanges, SEBI or any other statutory authority relating to the capital markets. All Returns/ Reports were filed within the prescribed time with Stock Exchanges/other authorities.

## (3) Whistle Blower Policy

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Part C of Schedule V of Regulation 34(3) of the Listing Regulations, the Company has adopted a Whistle Blower Policy and has established the necessary mechanism for employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee. The said mechanism has provided protection to whistleblower from adverse personnel action. The details of establishment of such mechanism are disclosed on the below link:

[http://www.onmobile.com/sites/default/files/policy/OnMobile\\_Whistle\\_Blower\\_Policy.pdf](http://www.onmobile.com/sites/default/files/policy/OnMobile_Whistle_Blower_Policy.pdf)

(4) The Company has complied with all the mandatory requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(5) The Company has also complied with the following discretionary requirements specified in Part E of Schedule II in terms of Regulation 27(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

- ♦ Modified opinion(s) in Audit Report: Company's financial statements have unmodified audit opinions.
- ♦ Separate posts of Chairman and CEO: The Company has appointed separate persons to the position of (i) Executive Chairman and (ii) Managing Director and CEO.
- ♦ Reporting of Internal Auditor: The Internal Auditors of the Company directly report to the Audit Committee.

## (6) Accounting Treatment in preparation of Financial Statements

The guidelines/ accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) and prescribed under Section 133 of the Companies Act, 2013 have been followed in preparation of the financial statements of the Company in all material respects.

## (7) Code of Conduct

The Company has adopted 'Code of Business Conduct and Ethics' (Code). This code is applicable to all the employees of the Company, Board of Directors of the Company and its subsidiaries. The Code incorporates the duties of the independent directors. A copy of the said Code of Conduct is available at the below link:

[http://www.onmobile.com/sites/default/files/Code\\_of\\_Conduct.pdf](http://www.onmobile.com/sites/default/files/Code_of_Conduct.pdf)

All Board Members and senior management personnel have confirmed compliance with the Code of Conduct for the financial year 2015-16. A declaration to this effect signed by the Managing Director and CEO of the Company is attached.

## (8) Compliance of Prohibition of Inside Trading Regulations

Your Company has comprehensive guidelines on prohibiting insider trading and the Company has adopted (i) the Code of conduct to regulate, monitor and report trading by insiders and (ii) the Code of practices & procedures for fair disclosures of unpublished price sensitive information as notified by SEBI.

## MANAGEMENT DISCUSSION AND ANALYSIS

As required under Regulation 34(2) of the Listing Regulations, a detailed report on the Management's discussion and analysis is attached and forms part of this Annual report.

## CEO AND CFO CERTIFICATION

Compliance Certificate by Chief Executive Officer (CEO) and Chief Financial Officer (CFO) in terms of Regulation 17(8) of the Listing Regulations is attached in the Annual Report.

## AUDITORS' CERTIFICATION ON CORPORATE GOVERNANCE

In terms of Part E of Schedule V of Regulation 34(3) of the Listing Regulations, the auditor's certificate on compliance of conditions of Corporate Governance is attached.

In addition to the auditor's certificate, a certificate of compliance from Independent Practising Company Secretary as stipulated under the Regulations, is also obtained and attached to the Annual Report.

## MEANS OF COMMUNICATION

**Quarterly results:** The Company's quarterly results are published in the newspapers namely The Financial Express (English) and Hosadigantha (Kannada) and are further posted on the Company's website ([www.onmobile.com](http://www.onmobile.com)), BSE website ([www.bseindia.com](http://www.bseindia.com)) and NSE website ([www.nseindia.com](http://www.nseindia.com)).

**News releases:** Official news releases and official media releases are sent to Stock Exchanges.

**Presentations to institutional investors/analysts:**

Presentations made to the institutional investors and analysts after the declaration of the quarterly, half yearly and annual results are displayed on the Company's website ([www.onmobile.com](http://www.onmobile.com)).

**Website:** The Company's website ([www.onmobile.com](http://www.onmobile.com)) contains a separate dedicated section 'Investor Relations' where shareholders' information is available. The Company's Annual Report is also available on the website in a user-friendly and downloadable form.

**Annual Report:** The Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to the members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Annual Report and is displayed on the Company's website ([www.onmobile.com](http://www.onmobile.com)).

**NSE Electronic Application Processing System (NEAPS):**

The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, financial results, media releases, among others are filed electronically on NEAPS.

**BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):**

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, financial results, media releases, among others are also filed electronically on the Listing Centre.

**SEBI Complaints Redress System (SCORES):**

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status. The Company has registered itself on SCORES and adequate steps are taken for expeditious redressal of investor complaints received through SCORES or otherwise. During the year, the Company received one investor complaint through SCORES, which was responded to and resolved.

**GENERAL SHAREHOLDER INFORMATION****Registrar and Share Transfer Agents**

Karvy Computershare Private Limited, having its registered office at Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032, India are the Registrars for the Demat segment and also the share transfer agents of the company, to whom communications regarding share transfer

and dematerialization/rematerialisation requests must be addressed. All matters connected with share transfer, transmission, dividend payment are handled by the share transfer agent. Share transfers are processed within 15 days of lodgment.

**Information in respect of remittance into Investor Education and Protection Fund**

**IPO Application money:** In terms of Section 205C of Companies Act, 1956, the application money received by companies for allotment of any securities and due for refund are required to be transferred to Investor Education and Protection Fund (IEPF) after a period of seven years. The application money received by the Company at the time of IPO in the financial year 2007-2008 due for refund amounting to ₹ 232,845/- that was lying in the unpaid account, was transferred to IEPF in the Financial year 2014-15 and the necessary returns/disclosures was filed with the Ministry of Corporate Affairs.

**Unpaid dividend:** In terms of Section 205A of Companies Act, 1956, dividends that are not encashed or claimed, within seven years from the date of its transfer to the unpaid dividend account, be transferred to the Investor Education and Protection Fund (IEPF) established by the Government. The Company has been paying dividend for the past four years i.e. 2011-12, 2012-13, 2013-14 and 2014-15. Accordingly, the transfer of unpaid dividend amount to IEPF will arise in FY 2019.

**CONTACT INFORMATION****Registered and Corporate Office:****OnMobile Global Limited**

E City, Tower 1, #94/1C & 94/2, Veerasandra, Attibele Hobli, Anekal Taluk, Electronic City Phase 1, Bangalore - 560 100, Karnataka, India

T + 91 80 40096000 F + 91 80 4009 6009

CIN: L64202KA2000PLC027860

<http://www.onmobile.com>

**Other Locations**

**MUMBAI:** iThink Techno Campus, Office No 809, Supremus-E Wing, Kanjurmarg (East), Mumbai, Maharashtra 400042  
Phone: 022 2578 9555

**DELHI:** Time Tower 003 Ground Floor, (Opp. Gurgaon Central Mall), M.G.Road, Gurgaon-122002, Haryana, India.  
Phone: 0124-4130000, 0124-4130099(Fax)

**SEZ Office- BANGALORE**

RMZ Eco world, Building # 1, 4th Floor, SEZ – Varthur Hobli, Devarabeesanahalli Village, Outer Ring Road, Bangalore – 560103.

## 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 4009 6000  
F: + 91 80 4009 6009  
E: [investors@onmobile.com](mailto:investors@onmobile.com)

### Investor Relations – Institutional

Radhika Venugopal - Director, Finance  
T: + 91 80 4009 6000  
F: + 91 80 4009 6009  
E: [investors@onmobile.com](mailto:investors@onmobile.com)

### Public Relations

Madhusudan N - Vice President, Marketing  
T: + 91 80 4009 6000  
F: + 91 80 4009 6009  
E: [madhusudan.narayanan@onmobile.com](mailto:madhusudan.narayanan@onmobile.com)

<b>Listing details</b>	<p>The shares of the Company are listed on: BSE Limited Phiroze Jheejheebhouy Towers, Dalal Street, Fort, Mumbai – 400 001</p> <p>National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051</p> <p>The Company has paid the listing fees at both the exchanges for the FY 2016-17 and complied with the listing requirements.</p>											
<b>Stock code</b>	<p>National Stock Exchange of India Limited (NSE) –ONMOBILE Bombay Stock Exchange Limited (BSE) – 532944 Reuters – ONMO.NS/ONMO.BO Bloomberg – ONMB:IN</p>											
<b>Forthcoming Annual General Meeting (AGM)</b>	<p>The Sixteenth Annual General Meeting (AGM) of the Members of OnMobile Global Limited will be held on Wednesday, September 14, 2016 at The Ritz-Carlton Hotel, 99, Residency Road, Ashok Nagar, Bengaluru, Karnataka-560 025 at 3.00 p.m.</p>											
<b>Financial Calendar (tentative and subject to change)</b>	<table border="1"> <thead> <tr> <th>Event</th> <th>Likely Board Meeting Schedule</th> </tr> </thead> <tbody> <tr> <td>Financial reporting for the quarter ending June 30, 2016</td> <td>End of July 2016/Beginning of August 2016</td> </tr> <tr> <td>Financial reporting for the quarter ending September 30, 2016</td> <td>End of October 2016/ Beginning of November 2016</td> </tr> <tr> <td>Financial reporting for the quarter ending December 31, 2016</td> <td>End of January 2017/ Beginning of February 2017</td> </tr> <tr> <td>Financial reporting for the quarter/year ending March 31, 2017</td> <td>End of May 2017</td> </tr> </tbody> </table>		Event	Likely Board Meeting Schedule	Financial reporting for the quarter ending June 30, 2016	End of July 2016/Beginning of August 2016	Financial reporting for the quarter ending September 30, 2016	End of October 2016/ Beginning of November 2016	Financial reporting for the quarter ending December 31, 2016	End of January 2017/ Beginning of February 2017	Financial reporting for the quarter/year ending March 31, 2017	End of May 2017
Event	Likely Board Meeting Schedule											
Financial reporting for the quarter ending June 30, 2016	End of July 2016/Beginning of August 2016											
Financial reporting for the quarter ending September 30, 2016	End of October 2016/ Beginning of November 2016											
Financial reporting for the quarter ending December 31, 2016	End of January 2017/ Beginning of February 2017											
Financial reporting for the quarter/year ending March 31, 2017	End of May 2017											
<b>Book Closure Date(s)</b>	<p>From September 7, 2016 to September 14, 2016 (both days inclusive)</p>											
<b>Dividend Payment Date</b>	<p>within 30 days from the date of AGM</p>											
<b>Registrars And Share Transfer Agents</b>	<p>Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No. 31-32, Gachibowli Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032 T +91 40 6716 1500 F +91 40 2342 0814 Email id: <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a></p>											
<b>Depository System</b>	<p>Currently 99.86% of the Company's share capital is held in dematerialised form. For any assistance in conversion of the physical shares to demat form or vice versa, the investors may approach Karvy Computershare Private Limited at the addresses mentioned above.</p>											
<b>Email ID of Grievance Redressal Division</b>	<p><a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a> <a href="mailto:investors@onmobile.com">investors@onmobile.com</a></p>											

## Distribution Schedule

Distribution of Shareholding as on 31/03/2016 (TOTAL)						
Sl no	Category (Amount)	No.of Holders	% To Holders	No.of shares held	Amount (₹)	% To Equity
1	1 - 5,000	28,803	86.11	3,624,704	36,247,040	3.35
2	5,001 - 10,000	1,948	5.82	1,578,719	15,787,190	1.46
3	10,001 - 20,000	1,055	3.15	1,602,740	16,027,400	1.48
4	20,001 - 30,000	459	1.37	1,197,417	11,974,170	1.11
5	30,001 - 40,000	219	0.65	803,623	8,036,230	0.74
6	40,001 - 50,000	200	0.60	954,866	9,548,660	0.88
7	50,001 - 100,000	319	0.95	2,462,222	24,622,220	2.28
8	100,001 and above	446	1.33	9,588,711	958,871,110	88.69
	<b>TOTAL:</b>	<b>33,449</b>	<b>100.00</b>	<b>108,111,402</b>	<b>1,081,114,020</b>	<b>100.00</b>

## Shareholding Pattern as on March 31, 2016

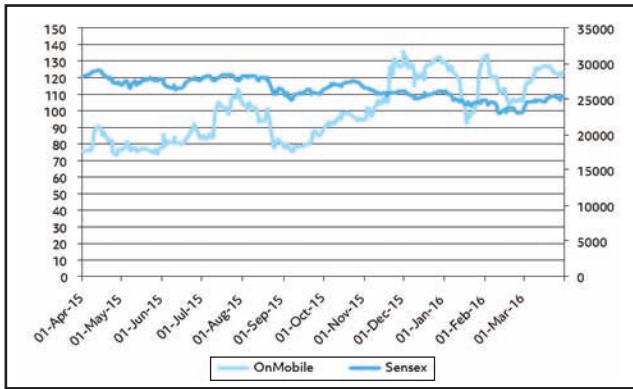
Description	No. of shareholders	Total shares	% to equity
Promoter and Promoter group	1	50,923,703	47.10
Mutual Funds /UTI	1	35,000	0.03
Financial Institutions /Banks	3	546,182	0.51
Foreign Portfolio Investors	50	11,493,042	10.63
Bodies Corporate	592	11,563,834	10.70
Individuals	32,244	32,774,306	30.32
Foreign Nationals	16	38,138	0.04
Clearing Members	104	175,894	0.16
Non Resident Indians	436	558,103	0.52
Trusts	2	3,200	0.00
<b>TOTAL</b>	<b>33,449</b>	<b>108,111,402</b>	<b>100</b>

## Stock Market Data

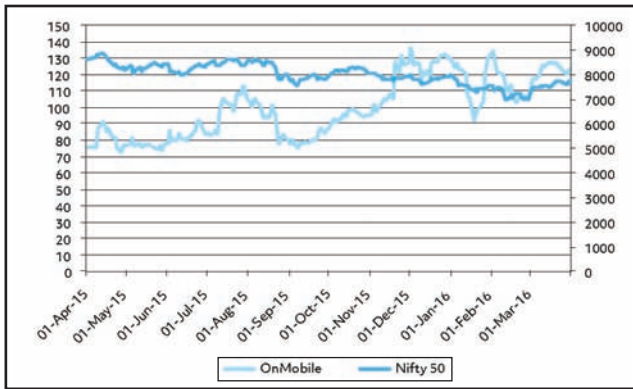
Monthly high and low quotes during each month in the financial year 2015-16 as well as the volume of shares traded on NSE and BSE are as below:

Financial Year 2015-16	BSE			NSE		
	Month	High (₹)	Low (₹)	Total Traded Quantity	High (₹)	Low (₹)
April	94.3	70.3	4,838,361	94.2	70.5	15,640,274
May	86.35	67.6	6,483,706	86	67.8	9,881,015
June	96.6	76	6,864,353	96.5	75.5	23,050,288
July	116.35	80.3	11,222,950	116.3	80.5	39,686,377
August	108.3	68.8	4,707,321	108.45	68.3	16,326,455
September	89.15	72.75	2,892,000	89.25	72.9	9,459,763
October	102.25	86.4	4,646,012	102.2	86.45	14,345,599
November	137.45	91.5	6,090,687	137.4	90.1	23,042,592
December	140.8	112.7	5,936,174	140.8	112.1	25,028,322
January	134.2	89.8	5,050,418	134.4	90	21,376,699
February	139.9	100.4	6,315,120	140.55	100.25	23,996,746
March	130.9	105.8	1,678,328	130.95	105.7	11,265,737

### OnMobile Global Limited vs BSE (Sensex)



### OnMobile Global Limited vs NSE (Nifty)



### Investor Grievance and Share Transfer

The Company has a Stakeholders Relationship Committee of the Board to examine and redress shareholders' and investor complaints. The status on share transfers is reported to the Board by the Company Secretary. Details of complaints received and their nature is provided below. 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

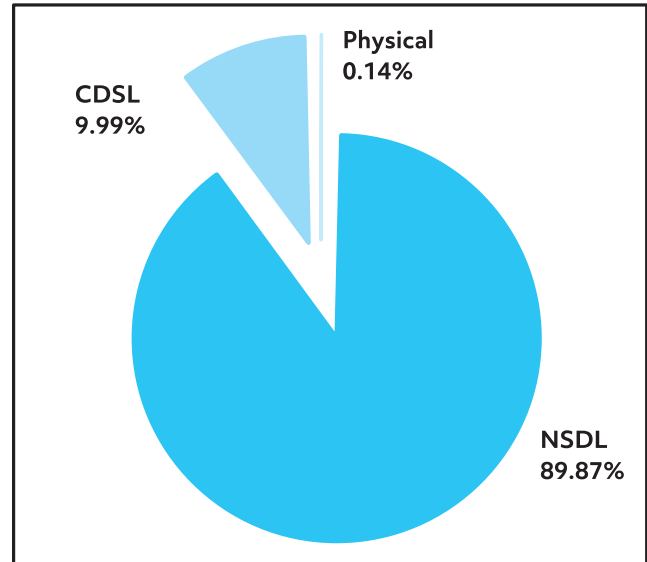
the transaction. The depository participant will immediately arrange to complete the transaction by updating the account. There is no need for separate communication to register the share transfer.

For the year under review, the summary of the stakeholders/ investors grievances/requests are as below:

Sl. No.	Description	Received	Resolved	Pending
1.	Non receipt of electronic credits	0	0	0
2.	Non receipt of annual reports	35	35	0
3.	Non receipt of dividend warrants	15	15	0
4.	Non receipt of Refund orders	1	1	0
5.	Non receipt of securities	2	2	0
6.	SEBI (stock option's related)	1	1	0
	<b>TOTAL</b>	<b>54</b>	<b>54</b>	<b>0</b>

### Dematerialization of Shares

The Company's shares are admitted into both the depositories viz., National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2016, 99.86% of the Company's shares are held in electronic form.



**CERTIFICATE OF COMPLIANCE FROM AUDITORS AND/OR INDEPENDENT COMPANY SECRETARY AS STIPULATED UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**INDEPENDENT AUDITOR'S CERTIFICATE**

TO THE MEMBERS OF  
ONMOBILE GLOBAL LIMITED

1. We have examined the compliance of conditions of Corporate Governance by **ONMOBILE GLOBAL LIMITED** ("the Company"), for the year ended on March 31, 2016, as stipulated in:

- Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchange(s) for the period from April 01, 2015 to November 30, 2015.
- Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 01, 2015 to September 01, 2015.
- Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016 and
- Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.

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

3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.

4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.

5. We 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  
(Firms' Registration No. 008072S)

Bangalore  
July 5, 2016

**V.Balaji**  
Partner  
(Membership No. 203685)

**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

To,  
The Board of Directors  
OnMobile Global Limited,  
Electronic City,  
Bangalore.

We have examined all relevant records of OnMobile Global Limited, Bangalore (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 (up to November 30, 2015) and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 during the Financial year ended March 31, 2016.

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/Regulations. 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 and/or SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 during the Financial year ended March 31, 2016.

**P.G. HEGDE**  
**Hegde & Hegde**

Place: Bangalore  
Date: May 09, 2016

Company Secretaries  
C.P.No.640

## Declaration by the Managing Director and CEO under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding compliance with Code of Conduct

In accordance with Regulation 34(3) and Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that the Company has in respect of the year ended March 31, 2016, received from its Board members as well as senior management personnel affirmation as to compliance with the Code of Conduct.

Place: Montreal

Date: May 30, 2016

**Rajiv Pancholy**

Managing Director and CEO

### CEO and CFO Certification

In pursuance of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we, Rajiv Pancholy, Managing Director and Chief Executive Officer and Praveen Kumar, 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.

**Rajiv Pancholy**

Managing Director and CEO

**Praveen Kumar KJ**

Chief Financial Officer

Date: May 30, 2016

Place: Montreal

# Directors' Report

Dear Shareholders,

The Directors take pleasure in presenting the 16<sup>th</sup> Annual Report on the business and operations of the Company together with the audited financial statements for the year ended March 31, 2016.

## RESULTS OF OPERATIONS FOR THE YEAR 2015-16

Summary of the operations of the Company on standalone basis for the financial year 2015-16 is as follows:

(In ₹ Million)

PARTICULARS	2015-16	2014-15
Revenue from operations	3,331.55	3,460.40
Earnings before other income, depreciation and amortization, finance charges, Exceptional item and tax	394.16	282.27
Exceptional item	2.46	-
Profit before other income, depreciation and amortization, finance charges and tax	391.70	282.27
Profit before tax	237.58	198.90
Profit for the year	57.35	92.09
Equity Share Capital	1,081.11	1,092.20
Reserves and Surplus	5,888.55	6,177.08
Networth	6,969.66	7,269.28
Net Block	279.65	1,152.12
Net Current Assets	3,485.82	3,268.77
Cash and Cash Equivalents	840.92	890.27
Earnings per share (Diluted) (In ₹)	0.51	0.80

## BUSINESS PERFORMANCE/FINANCIAL OVERVIEW

### Standalone Financials

During 2015-16, the Company recorded net revenue of ₹ 3,331.55 million, as compared to ₹ 3,460.40 million in 2014-15. The Profit after tax of the Company is ₹ 57.35 million in 2015-16 as compared to ₹ 92.09 million in 2014-15. The diluted earnings per share (EPS) is ₹ 0.51 per share as compared to ₹ 0.80 per share in 2014-15.

### Consolidated Financials

During 2015-16, the Company recorded consolidated net revenue of ₹ 8,157.43 million, as compared to ₹ 8,470.50 million in 2014-15. The consolidated Profit/ (Loss) after tax of the Company for the year 2015-16 is (126.36) million as compared to (323.18) million in 2014-15. The consolidated diluted earnings/ (Loss) per share (EPS) for the year 2015-16 is (1.16) as compared to (2.86) per share in 2014-15.

## Appropriations

### Dividend

Your Directors are pleased to recommend the following dividend for the financial year ended March 31, 2016 which is payable on obtaining the shareholders' approval in the 16<sup>th</sup> Annual General Meeting scheduled for September 14, 2016:

Particulars of dividend	Par value (₹)	Per-centage	Dividend amount per equity share (In ₹)	Date of recommendation	Book Closure Date
Final Dividend	10.00	15%	1.50	May 30, 2016	September 7, 2016 to September 14, 2016 (both days inclusive)

The total dividend payout amount for the year inclusive of dividend distribution tax will be ₹ 195.18 million.

In view of the improved operations of the Company, the Board intends to maintain similar or better levels of dividend payout over the next few years. However, the actual dividend payout in each year will be subject to the investment requirements and any other strategic priorities identified by the Company.

After providing for the dividend, the Company proposes to retain ₹2,957.24 million in the Statement of Profit and Loss. The Company is not proposing to transfer any amount to reserves from the profits of the financial year 2015-16.

### Liquidity

As on March 31, 2016 the Company had liquid assets including investments in fixed deposits and mutual funds of ₹ 1,573.22 million.

## CHANGES TO THE SHARE CAPITAL

During the year under review, the Company allotted 423,660 equity shares (including bonus shares) on the exercise of stock options under its various Employee Stock Option Plans and accordingly the paid up equity share capital of the Company as on March 31, 2016 stands at 108,111,402 equity shares of face value of ₹ 10/- each. (i.e. ₹ 1,081,114,020).

### BUY BACK

During the year under review, the Board of Directors at their meeting held on February 4, 2016, have approved buy back of equity shares of the Company from the Open Market through the Stock Exchange Mechanism up to an aggregate amount of ₹ 70 crore i.e. 9.76% of aggregate paid up equity capital and free reserves as on March 31, 2015 (subject to a maximum



of 5,600,000 equity shares) for a price not exceeding ₹ 150/- per share. The buyback offer opened on February 22, 2016 and is ongoing. A Public Announcement dated February 11, 2016 for the said buyback was published in Financial Express (All editions), Janasatha (All editions) and Hosadigantha (Bangalore Edition) while the same was also filed with SEBI, NSE and BSE. As on March 31, 2016, the Company has bought back and extinguished 1,532,594 equity shares.

## SIGNIFICANT EVENTS: 2015-16

### Awards and Recognitions

#### **OnMobile won “HR Best Practice” award at HR Showcase 2015 organized by National Human Resource Development Network**

OnMobile Global Limited (NSE: OnMobile) won the prestigious HR Best Practice award for its “Developing capability from within - OnMobile Learning Academy” initiative, at the HR Showcase 2015 organized by National Human Resource Development Network, Bangalore.

The Human Resources team at OnMobile works on a mission “To make motivated talent available for the organization”. In order to fulfill this mission, the company launched a unique initiative called OnMobile Learning Academy (OLA), which addresses the need for organizational productivity as well as people’s professional development and employability. OLA has created an internal network of employees who play the crucial role of trainers and mentors. These internal trainers facilitate and provide highly tailored training to ensure increase in employee productivity, as well to increase their future employability and growth potential.

The salient feature of OLA is that it synergizes the growth ambitions of the organization and an individual employee. Adoption of this new approach has already started paying dividends for OnMobile. Over the last year employee productivity as defined by ratio of revenue to manpower cost, has gone up by 23%, along with a 16% increase in employee satisfaction scores.

Winning the prestigious HR Best Practice award for OnMobile Learning Academy is further testimony that this new approach of coupling the growth of the company with the growth of employees is a more rewarding and effective way.

The HR Showcase is a signature event of the National Human Resource Development Network. The 2015 HR Showcase event had 160 nominations out of which 33 practices of 23 companies got shortlisted in the first round and 6 practices were selected for the award in the final round. Criteria for the award were strength of business drivers & rationale, quality of the conceptual framework, practice creativity, rigor of implementation, strength of the business impact and quality of the application and presentation.

## Market wins and Expansion

1. OnMobile’s signature Ringback Tone product has witnessed significant growth over the last year. The customer base for Ringback Tone now exceeds 65 million worldwide. OnMobile’s Ringback Tone delivers more than 500 million music plays every day.
2. OnMobile launched Ringback Tone Services with one of the biggest operators in Italy.
3. OnMobile has secured a 3 years renewal for its Ringback Tone offering with Bharat Sanchar Nigam Limited in South & East Zone with an option to extend for the 4th year as well. As per this agreement OnMobile will continue to provide Ringback Tone to customers of Bharat Sanchar Nigam Limited (A Govt. of India Undertaking) in South & East Zones with innovative ways to customize their calling experience for the next 3 years with an option to extend for the 4th year as well.
4. OnMobile crossed a significant Milestone of reaching 3 million subscribers and a penetration of 11.5% for the Ringback Tone services with one of the large mobile operators in Bangladesh.
5. OnMobile has renewed its existing partnership with Telefónica’s Movistar operators in Latin American Spanish speaking countries. As per the agreement, OnMobile will continue to power its flagship Ringback Tone (RBT) service to Movistar’s 132 million plus subscribers across 13 countries in Latin America for the next four years.
6. OnMobile secured a deal for Ring Back Tones services with a leading operator in Lesotho, making it the first music service in the market.
7. OnMobile deployed Ring Back Tones service in Malaysia. This marks the entry of OnMobile Ringback Tone services in the country.
8. OnMobile crossed a remarkable milestone of 10Mn ringback tone service with a leading mobile operator in Bangladesh.

## NEW PRODUCTS

### 1. High Definition Audio Ringback Tone

OnMobile launched High-Definition (HD) Ringback Tones for 4G Voice (Voice over LTE) customers and a new application called Identity for Vodafone Spain.

OnMobile has helped Vodafone Spain leverage Ringback Tones to increase the awareness and adoption rate of Voice over LTE (VoLTE). Committed towards providing improved quality in both voice and calling experience, OnMobile has encoded High-Definition Ringback Tones

in AMR – WB (Adaptive Multi Rate - Wide Band) format. The OnMobile solution enables Vodafone's Voice over LTE (VoLTE) service users to experience high audio quality, thereby improving consumer experience and stickiness.

OnMobile's Identity application provides the user with an attractive design and excellent user experience. With its unique features, Identity offers Vodafone Spain customers the possibility to personalize their Ringback Tones through a smartphone interface that allows easy identification of each audio track, plus an option to preview it before selection. Offered under a flat rate model, this application provides users the freedom to change songs assigned to their contacts as frequently as they wish, and the ability to choose their favorite music from an extensive catalog. In addition, users can customize their expression of identity by creating playlists with multiple songs.

## 2. Wifi User Identification and Billing

Today on most digital stores marketed by the telecom operators there is no way to effectively identify or charge Wifi users in digital stores without complicated user interactions.

OnMobile created a cloud based solution for seamless identification and secure billing of WiFi users on digital stores. This is a unique proposition in the market as currently there is no way to effectively identify or charge Wifi users in digital stores without complicated user interactions. The registered stores become part of an OnMobile managed network, which help identify WiFi users. OnMobile's proprietary algorithm manages the network, interworking between stores and user identification. This product has been launched successfully in a large Telecom operator in Europe.

## INFORMATION ABOUT SUBSIDIARY/ JOINT VENTURE/ ASSOCIATE COMPANIES

As on March 31, 2016, the Company has 44 subsidiaries.

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared consolidated financial statement of the Company and all its subsidiary companies, which forms part of the Annual Report. A statement containing salient features of the financial statements of the subsidiaries of the Company in Form AOC-1 is given in **Annexure I**.

In accordance with third proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone and the consolidated financial statements has been placed on the website of the Company, [www.onmobile.com](http://www.onmobile.com). Further, as per fourth proviso of the said Section, audited annual accounts of each of the

subsidiary companies have also been placed on the website of the Company, [www.onmobile.com](http://www.onmobile.com). These documents will also be available for inspection during business hours at the registered office of the Company at Bangalore, India.

## NEW LOCATIONS

During the year under review, the branches of the Company located in Romania, Nicaragua and Panama shifted to new addresses within the same city. Similarly, there has been a change in the registered office address of the subsidiaries of the Company based out of Madagascar, Canada and Argentina.

## 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 2015-16 and the date of this report affecting the financial position of the Company.

## OPERATIONAL EFFICIENCY

OnMobile operations team continues its efforts to improve the efficiencies. The team strives to improve the systems and processes to enable faster Turn Around Times (TATs) to customer issues. The teams are also working to bring in uniformity between Operating System Versions and OnMobile platform versions as a part of standardization. The benefit being faster learning curve for new hires, faster resolution of issues and hence better monetization of services. The Delivery, Operations and Engineering teams jointly drove the following efforts:

### ISO Certification

OnMobile has received ISO 27001:2013 certification from UKAS. This is recertification and is valid for 3 years. The Client Delivery units, platforms, products and support functions were audited extensively under the ISO 27001:2013 standards framework by DNV. This is an endorsement of the efforts that have gone into continued improvement of processes.

### Automation & Optimization

We continue our efforts towards automation of repetitive tasks. Processes have been mapped to systems to make them measurable in terms of quantity and time. Data points were used to create dashboards and track team / system performances and drive improvements.

### Operations team

The Operations team under the Global Network Operations Centre (GNOC) setup continues to be the backbone of the optimized operations team. We have been able to reduce on repetitive work across multiple regions. This consolidation has helped in improving issue resolution time due to cross learning.

## INFRASTRUCTURE

OnMobile is going strong with more than 40 offices across the globe and 2.25 lakh square feet of office space. The offices are categorized as virtual office, business centers and owned/leased offices. The largest facility is the Electronic City office in Bangalore with 1.30 lakh square feet of office space. All the OnMobile facilities are well equipped with good Infrastructure & working atmosphere and high level of security and safety. Regular and planned preventive measures are in place to avoid downtime and to ensure business continuity. We operate the facilities in a manner that complies with local laws and regulations.

OnMobile services to customers across 150 cities and towns in India. It has 9 regional warehouses catering to internal hardware movement and supporting operations of more than 2,500 internal IT servers across India. OnMobile is a truly global company which is spread across 53 countries and enjoys long-term partnerships with global telecom operators.

## CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) refers to business practices involving initiatives that benefit society. CSR strategies encourage the company to make a positive impact on the society, environment and stakeholders including consumers, employees, investors, communities, and others.

In line with the CSR activities listed in Schedule VII of the Companies Act, 2013, the Company has identified promoting health care including preventive health care as its primary focus area for the upcoming period. As per WHO estimates in India, there are approximately 63 million people, who are suffering from Significant Auditory Impairment. This places the estimated prevalence of hearing impairment at 6.3% in India. Given that the Company's core offering is to enable people to express themselves through sound, this CSR initiative aligns the Company's future identity with a relevant cause.

Accordingly, the Company is planning to fund for free hearing aids for the needy by equipping approximately 1,000 people with such devices, ending their social and vocational isolation.

During the year 2015-16, the Company made a contribution of ₹ 1,000,000 to Prime Minister's National Relief Fund (PMNRF).

Apart from the said contribution to PMNRF, in the year 2015-16, OnMobile continued its support towards "Education" as a social cause through Give India's "Payroll Giving Program". The Company had tie-ups with few NGOs during Indian festivals.

The Company constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013. The CSR Committee charter and the

CSR Policy of the Company are available in the website at the below link:

[http://www.onmobile.com/sites/default/files/cg\\_policy/Corporate\\_Social\\_Responsibility\\_Policy.pdf](http://www.onmobile.com/sites/default/files/cg_policy/Corporate_Social_Responsibility_Policy.pdf)

Particulars required to be disclosed pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in **Annexure VII** to the Director's report.

## RESEARCH AND DEVELOPMENT

During the fiscal year ending March 31, 2016, OnMobile has strengthened its mobile development team and continued to focus its R&D workforce on the development of a new RBT platform called SPARK.

### Strengthening our mobile development team

As OnMobile is developing new mobile applications, the mobile development team has been strengthened with the arrival of key hires on Android and iOS. The mobile development team is now based in 2 locations: Paris and Bangalore, with each location focussing on developing a particular set of apps. This ensures faster delivery and better quality. Each location functions as a start-up leveraging the capabilities of the SPARK platform.

### A focused back-end development team

The development team in Bangalore has been structured to work on the new SPARK platform, which is not only highly scalable enabling support of billions of calls per day but also more flexible allowing new features heretofore unseen on the service. Those new and innovative features will be delivered this year.

### Excellence in user experience

This year, the work on the user experience has continued with extensive customer research and market insights forming the foundation. The user experience team has been continually strengthened to deliver user-friendly and innovative apps.

### Audio expertise – transform, enhance and edit

As OnMobile is looking for new ways to use sound as a means of communication, we have invested in strengthening our audio expertise and made research on audio transformation, editing and enhancement to provide the end-user with new capabilities and possibilities.

## 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 as stipulated under Securities and Exchange Board

of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report. Certificate(s) from the Auditors of the Company, Deloitte Haskins & Sells, Chartered Accountants and Hegde & Hegde, Practicing Company Secretaries, confirming compliance of conditions of Corporate Governance as stipulated under the aforesaid Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed to the Corporate Governance Report.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In accordance with Part B of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Management Discussion and Analysis Report is presented in a separate Section forming part of the Annual Report.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sanjay Baweja was appointed as an Additional Director of the Company by the Board with effect from May 28, 2015. Further, Nehchal Sandhu and Pascal Tremblay were appointed as Additional Directors of the Company with effect from August 1, 2015. The appointment of the said directors was regularized at the 15<sup>th</sup> AGM of the Company held on September 8, 2015.

Harit Nagpal, Naresh Malhotra and Bruno Ducharme have resigned from the Directorship of the Company w.e.f July 30, 2015.

## AUDITORS' APPOINTMENT

Deloitte Haskins & Sells, Chartered Accountants, were appointed as Auditors of the Company by the shareholders at the 14<sup>th</sup> AGM held on September 10, 2014 to hold office until the conclusion of the 17<sup>th</sup> AGM of the Company to be held during the year 2017. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of Auditors shall be placed for ratification at every AGM. Accordingly, the appointment of Deloitte Haskins & Sells, Chartered Accountants as Auditors of the Company is placed for ratification of the shareholders at the ensuing Annual General Meeting. The Company has received a Certificate from the Auditors to the effect that their appointment will be in accordance with the provisions of Section 141 of the Companies Act, 2013.

## SECRETARIAL AUDIT

The Board of Directors of the Company had appointed Parameshwar G Hegde, Hegde & Hegde, Practicing Company Secretaries to conduct the Secretarial Audit pursuant to the provisions of Section 204 of the Companies Act, 2013 for the financial year ended March 31, 2016 and the Secretarial Audit Report is appended as **Annexure IX**.

## COMMENTS ON AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by Statutory Auditors of the Company in the Audit Report and by the Secretarial Auditor in the Secretarial Audit Report for the financial year ended March 31, 2016.

Details on the MR-2 applications made to Central Government seeking approval for managerial remuneration are given in the Corporate Governance Report.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, 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 such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company 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 Act 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.
- v. Internal financial controls have been laid down and they were adequate and were operating effectively.
- vi. Proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and were operating effectively.

## NUMBER OF MEETINGS OF THE BOARD

The Board met four times during the financial year 2015-16 viz., May 28, 2015, July 30, 2015, October 28, 2015 and February 4, 2016. The maximum interval between any two meetings did not exceed 120 days.

## COMMITTEES OF THE BOARD

During the year, in accordance with the Companies Act, 2013, five Committees of the Board were functional as follows:

1. Audit Committee
2. Nomination and Compensation Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee

Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the "Report on Corporate Governance" as part of this Annual Report.

## BOARD INDEPENDENCE

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet the criteria of independence laid down in Section 149(6). Our definition of 'Independence' of Directors is derived from Regulation 16(b) of Listing Regulations and Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms of the aforesaid

Listing Regulations and Section 149(6) of the Companies Act, 2013:

- Rajiv Khaitan
- Nancy Cruickshank
- Sanjay Baweja
- Nehchal Sandhu
- Pascal Tremblay

## COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Nomination and Remuneration Policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Sub-section (3) of Section 178, is appended as **Annexure II** to this Report.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The details of the loans and guarantees given and the investments made pursuant to Section 186 of the Companies Act, 2013 are given below:

Sl. No	Name of the entity	Relation	Amount ₹ (in Million)	Particulars of loans, guarantees and investments	Purpose for which the loan, guarantee and investment are proposed to be utilised
1.	OnMobile Global South Africa (PTY) LTD	Subsidiary	0.0004	Investment in share capital	For working capital
2.	OnMobile USA LLC.	Subsidiary	57.2	Loans provided	For working capital of its subsidiary
3.	OnMobile USA LLC.	Subsidiary	74.9	Loans provided	For working capital of its subsidiary
4.	OnMobile USA LLC.	Subsidiary	26.5	Loans provided	For working capital of its subsidiary
5.	OnMobile USA LLC.	Subsidiary	73.4	Loans provided	For working capital of its subsidiary

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1)

The particulars of contracts or arrangements with related parties referred to in Section 188(1), as prescribed in Form AOC - 2 of the rules prescribed under Chapter IX relating to Accounts of Companies under the Companies Act, 2013, is appended in **Annexure III** to this report.

## CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The Company, being a service provider organization, most of the information as required under Section 134(3)(m) read with Companies (Accounts) Rules, 2014 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.

## FOREIGN EXCHANGE EARNINGS AND OUTGO

(In ₹ Million)

Description	Year ended	
	March 31, 2016	March 31, 2015
Foreign exchange earnings	2,138.68	1,972.46
Foreign exchange outgo	980.47	886.19

## SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future. Details of pending litigations and tax matters are disclosed in the financial statements.

## RISK MANAGEMENT POLICY

The Board of Directors at their meeting held on October 30, 2014 constituted a Risk Management Committee in accordance with the provisions of the erstwhile Clause 49 of the Listing Agreement. The Company has formulated a risk management policy to facilitate setting up a framework for risk assessment and minimization procedures. A copy of the risk management policy is appended in this report as **Annexure IV** and is placed on the website of the Company at the below link: [http://www.onmoblie.com/sites/default/files/cg\\_policy/Risk\\_Management\\_Policy.pdf](http://www.onmoblie.com/sites/default/files/cg_policy/Risk_Management_Policy.pdf)

## VIGIL MECHANISM

The Company has established a Whistle Blower Policy for Directors and employees to report their concerns. The details of the same are explained in the Corporate Governance Report.

## DISCLOSURE AS REQUIRED UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder. No complaints requiring any enquiry or action under the said Act and Rules have been received during the year under review.

## EVALUATION OF PERFORMANCE OF BOARD/DIRECTORS

Pursuant to the provisions of the Act and Listing Regulations, the Board has carried out an annual evaluation of its performance and the Directors individually. In addition to the above, the Board has carried the evaluation of the working of its Audit Committee, Nomination and Compensation Committee and Stakeholders Relationship Committee.

## EXTRACT OF ANNUAL RETURN

As required pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 forms part of this Annual Report in **Annexure V**.

## PARTICULARS OF EMPLOYEES

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as **Annexure VI (A)** to the Directors report.

A statement showing details of every employee employed throughout the financial year and in receipt of remuneration of ₹ 60 lakh or more per annum or employed for part of the year and in receipt of ₹ 5 lakh or more per month under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is enclosed as **Annexure VI (B)** to Directors report.

## FIXED DEPOSITS

The Company has not accepted fixed deposits during the year under review falling within the purview of Section 73 of the Companies Act, 2013 and the Rules thereunder.

## EMPLOYEE STOCK OPTION SCHEMES

Pursuant to the provisions of Section 62(1)(b) read with Rule 12(9) of the Companies (Share Capital and Debentures)

Rules, 2014, the Company 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, 2008, Employee Stock Option Plan-III, 2008, Employee Stock Option Plan-IV, 2008, Employee Stock Option Plan-I, 2010, Employee Stock Option Plan-II, 2010 ; Employee Stock Option Plan I, 2011, Employee Stock Option Plan I, 2012 and Employee Stock Option Plan I, 2013 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 Companies (Share Capital and Debentures) Rules, 2014 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014, forms part of this report as **Annexure VIII** and the complete details have been disclosed under Notes to the financial statements which form part of the Annual Report. During the year under review, there has been no variation in the terms of ESOP schemes.

## ACKNOWLEDGEMENTS

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/co-operation extended by the various departments of the Government of India, particularly the Special Economic Zone, 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 Corporate Affairs, Securities and Exchange Board of India, Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd, National Securities Depository Limited and Central Depository Services (India) Limited and look forward to their support in all future endeavors.

For and on behalf of the Board of Directors

**François-Charles Sirois**  
Executive Chairman

Place: Montreal  
Date: May 30, 2016

# Annexures to the Board's Report

## Annexure I

### Statement containing the salient features of the financial statements of subsidiaries/ associate companies/joint ventures

#### FORM AOC-1

Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary companies											
Part "A": Subsidiaries											Amt in ₹ Millions
Entity Name	Reporting Currency & Exchange Rate as on 31st March 2016	Share Capital (2)	Reserves & Surplus (2)	Total Assets (2)	Total Liabilities (Excl Share Capital & Reserves and Surplus) (2)	Turnover (1)	Investments	Profit / (Loss) before taxation (1)	Provision for taxation (1)	Profit / (Loss) after taxation (1)	% of Share-holding
OnMobile Singapore Pte. Ltd.	1 SGD = INR 49.025	219.88	91.06	441.01	130.08	140.78	-	35.69	-	35.69	100%
PT OnMobile Indonesia	1 IDR = INR 0.005	4.41	5.25	11.82	2.15	2.05	-	(5.33)	(0.03)	(5.30)	100%
Servicios De Telefonía OnMobile Sa De Cv	1 MXN = INR 3.838	7.02	(70.36)	264.70	328.03	341.51	-	20.20	11.54	8.66	100%
OnMobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis Ltda.	1 BRL = INR 18.286	43.25	287.00	428.15	97.90	435.14	-	33.37	21.22	12.15	100%
OnMobile Global for Telecommunication Services	1 EGP = INR 7.487	0.07	(67.59)	261.07	328.58	223.93	-	(79.99)	(11.03)	(68.96)	100%
OnMobile Telecom Burkina Faso, SARL	1 XOF = INR 0.114	0.11	(21.26)	21.04	42.19	5.31	-	(5.86)	-	(5.86)	100%
OnMobile Turkey Telekomunikasyon Sistemleri Limited Şirketi	1 TRY = INR 23.366	0.23	(28.11)	16.27	44.14	6.20	-	(6.12)	-	(6.12)	100%
OnMobile Global Czech Republic SRO	1 CZK = INR 2.773	0.55	(14.63)	6.14	20.22	4.75	-	(3.59)	-	(3.59)	100%
OnMobile Live Inc.	1 USD = INR 66.333	66.33	(1,172.30)	498.19	1,604.16	242.13	-	(317.75)	-	(317.75)	100%
Fonestarz Media Group Limited	1 GBP = INR 95.088	0.00	100.75	336.23	235.49	658.31	-	32.81	1.50	31.30	100%
OnMobile Kenya Telecom Limited	1 KES = INR 0.666	41.38	(45.84)	98.30	102.76	12.31	-	(25.41)	(9.39)	(16.02)	100%

Part "A": Subsidiaries											Amt in INR Millions	
Entity Name	Reporting Currency & Exchange Rate as on 31st March 2016	Share Capital (2)	Reserves & Surplus (2)	Total Assets (2)	Total Liabilities (Excl Share Capital & Reserves and Surplus) (2)	Turnover (1)	Investments	Profit / (Loss) before taxation (1)	Provision for taxation (1)	Profit / (Loss) after taxation (1)	% of Shareholding	
OnMobile Telecom Limited	1 MWK = INR 0.1	0.58	(7.44)	22.23	29.09	14.01	-	(5.08)	(1.17)	(3.92)	100%	
OnMobile Mali SARL	1 XOF = INR 0.114	-	(9.69)	6.49	16.18	-	-	(0.95)	-	(0.95)	100%	
OnMobile Senegal SARL	1 XOF = INR 0.114	-	(14.59)	13.58	28.16	-	-	(0.96)	-	(0.96)	100%	
OnMobile Servicios Corporativos De Telefonía SA De CV	1 MXN = INR 3.838	-	2.82	6.73	3.91	36.96	-	1.33	1.14	0.19	100%	
OnMobile Costa Rica OBCR, SA	1 CRC = INR 0.127	-	2.16	16.39	14.23	26.73	-	1.14	0.49	0.65	100%	
OnMobile Ghana Telecom Limited	1 GHS = INR 17.34	1.76	(16.85)	17.52	32.61	7.99	-	(1.10)	(1.08)	(0.02)	100%	
OnMobile Madagascar Telecom Limited	1 MGA = INR 0.021	0.93	(4.99)	9.34	13.40	2.16	-	1.11	0.56	0.55	100%	
OnMobile Nigeria Telecom Limited	1 NGN = INR 0.337	0.84	(6.79)	110.05	116.00	72.07	-	4.53	(1.48)	6.00	100%	
OnMobile Rwanda Telecom Limited	1 RWF = INR 0.09	0.04	(11.19)	15.86	27.01	5.26	-	(2.71)	0.17	(2.89)	100%	
OnMobile Uganda Limited	1 UGX = INR 0.02	12.82	(20.89)	35.59	43.67	19.09	-	(8.02)	(7.47)	(0.55)	100%	
OnMobile Zambia Telecom Limited	1 ZMW = INR 5.905	4.61	(9.79)	22.07	27.25	22.97	-	(16.09)	(1.01)	(15.09)	100%	
OnMobile Telecom Sierra Leone Limited	1 SLL = INR 0.017	1.09	(12.53)	13.24	24.69	5.54	-	(1.10)	0.59	(1.69)	100%	
OnMobile Uruguay SA	1 UYU = INR 2.102	-	(5.43)	8.73	14.16	14.02	-	(1.86)	0.71	(2.57)	100%	
OnMobile Global Solutions Canada Limited	1 CAD = INR 50.91	0.51	1.66	18.69	16.53	22.81	-	1.84	(0.17)	2.01	100%	
OnMobile Global SA	1 ARS = INR 4.534	9.90	(138.34)	183.11	311.55	149.46	-	(91.05)	4.25	(95.30)	100%	
OnMobile Portugal SGPS, Unipessoal LDA (Zona Franca Da Madeira)	1 EUR = INR 75.096	0.75	(4.92)	0.16	4.33	-	-	(0.98)	-	(0.98)	100%	
OnMobile Europe BV	1 EUR = INR 75.096	490.28	926.44	1,417.41	0.70	-	-	(75.24)	-	(75.24)	100%	
OnMobile SA (erstwhile Telisma SA)	1 EUR = INR 75.096	3.75	239.68	357.12	113.69	185.10	-	746.74	(3.91)	750.65	100%	



Part "A": Subsidiaries											Amt in INR Millions	
Entity Name	Reporting Currency & Exchange Rate as on 31st March 2016	Share Capital (2)	Reserves & Surplus (2)	Total Assets (2)	Total Liabilities (Excl Share Capital & Reserves and Surplus) (2)	Turnover (1)	Investments	Profit / (Loss) before taxation (1)	Provision for taxation (1)	Profit / (Loss) after taxation (1)	% of Share-holding	
OnMobile USA LLC	1 USD = INR 66.333	133.33	(74.36)	1,711.03	1,652.06	368.94	-	30.99	(3.16)	34.16	100%	
OnMobile De Venezuela CA	1 VEF = INR 0.244	0.04	(252.99)	23.68	276.63	16.90	-	(15.21)	-	(15.21)	100%	
OnMobile Bangladesh Private Limited	1 BDT = INR 0.864	6.22	233.48	585.26	345.57	534.54	-	224.23	81.12	143.12	100%	
OnMobile Global Spain SLU	1 EUR = INR 75.096	72.17	254.80	1,474.27	1,147.30	2,418.82	-	166.81	55.94	110.87	100%	
OnMobile Global Italy SRL	1 EUR = INR 75.096	0.75	(1.11)	0.22	0.58	-	-	0.44	0.01	0.43	100%	
OnMobile Tanzania Telecom Limited	1 TZS = INR 0.031	-	(2.93)	3.05	5.98	-	-	(1.17)	0.02	(1.19)	100%	
OnMobile Latam Holdings, SL	1 EUR = INR 75.096	0.75	(0.22)	0.53	-	-	-	(0.15)	-	(0.15)	100%	
OnMobile Global South Africa (PTY) LTD	1 ZAR = INR 4.41	0.00	(6.50)	48.47	54.97	41.53	-	(0.02)	0.86	(0.87)	100%	
OnMobile Global Limited Colombia SAS	1 COP = INR 0.022	11.97	(21.59)	17.67	27.28	23.90	-	(19.93)	0.01	(19.94)	100%	

**Notes:**

- (1) Converted at monthly average exchange rates.
- (2) Converted based on the exchange rates as on March 31, 2016.
- (3) Proposed dividend from any of the subsidiaries was nil during the year.
- (4) Investments exclude investments in subsidiaries.
- (5) The following companies are yet to commence operation:
  - (a) OnMobile Global Italy SRL
  - (b) OnMobile Latam Holdings, SL
- (6) Above financials are prepared as per the Generally Accepted Accounting Principles (GAAP) of the respective countries.
- (7) The reporting period for all the subsidiaries was March 31, 2016.

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

<b>Name of Associates</b>	<b>Mobile Voice Konnect Private Limited</b>
1. Latest audited Balance Sheet Date	31st March 2016
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	5,000
Amount of Investment in Associates/Joint Venture	INR 50,000
Extend of Holding %	50%
3. Description of how there is significant influence	Shareholding greater than 20%
4. Reason why the associate/joint venture is not consolidated	Not Applicable
5. Networth attributable to Shareholding as per latest audited Balance Sheet	INR 1,436
6. Profit / (Loss) for the year	INR (48,564)
i. Considered in Consolidation	INR (48,564)
ii. Not Considered in Consolidation	-

**Note:** The company had no Joint Ventures during the FY15-16.

## Annexure II

### Nomination & Remuneration Policy

#### 1. Introduction

The Board of Directors of OnMobile Global Limited (“the Company”) renamed and reconstituted the ‘Compensation committee’ to “Nomination and Compensation Committee” w.e.f May 22, 2014. The main purpose of the Nomination and Compensation Committee is to evaluate and approve the compensation plans, policies and programmes of the executive directors and senior management and to administer various stock option plans of our Company.

#### 2. Objective

The Nomination and Compensation Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Listing Regulations. The key objectives of the Committee would be:

- i. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- ii. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation by the Board.
- iii. To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- iv. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance and achievement relating to the Company's operations.
- v. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial personnel and create competitive advantage.
- vi. To devise a policy on Board diversity.

#### 3. Definitions

“**Listing Regulations**” means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“**Act**” means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

“**Board**” means Board of Directors of the Company.

“**Directors**” means Directors of the Company.

“**Key Managerial Personnel**” means

- i. Managing Director or Chief Executive Officer or Manager and in their absence Whole-time director;

- ii. Chief Financial Officer;
- iii. Company Secretary; and

“**Senior Management**” means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

#### 4. Role of Committee

##### 4.1 Matters to be dealt with, perused and recommended to the Board by the Nomination and Compensation Committee

The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- ii. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- iii. Recommend to the Board, appointment and removal of Director, Key Managerial Personnel (KMP) and Senior Management Personnel.

##### 4.2 Policy for appointment and removal of Director, KMP and Senior Management

###### i. Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person

holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

## ii. Term / Tenure

### a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

### b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- At the time of appointment of Independent Director, it should be ensured that number of Boards on which such person serves is restricted to seven listed companies as an Independent Director; and in case such person is serving as a Whole-time Director in any listed company the number of boards on which such person serves as Independent Director is restricted to three listed companies.

## iii. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

## iv. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

## v. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## 4.3 Policy relating to the Remuneration for the Whole time Director, KMP and Senior Management Personnel

### i. General:

- a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Nomination and Compensation Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Nomination and Compensation Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
- d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees

for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

## ii. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

### a) Fixed pay:

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to Provident Fund, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

### b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Directors in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

### c) Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

## iii. Remuneration to Non- Executive / Independent Director:

### a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in

the Articles of Association of the Company and the Act.

### b) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Currently, the maximum amount prescribed by the Central Government is ₹ 100,000 per meeting of the Board or Committee thereof.

### c) Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

### d) Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

## Notes:

*The total managerial remuneration payable by a public company to its directors, including managing director and whole time director in respect of any financial year shall not exceed 11% of the net profits of the company. Any payment exceeding 11% would require Central Government approval.*

*The remuneration payable to any one managing director; or whole time director shall not exceed 5% of the net profits of the company and if there is more than one such director remuneration shall not exceed 10% of the net profits to all such directors taken together. Any payment exceeding the said 5% or 10% limits would require the approval of the shareholders.*

*The remuneration payable to all the non-executive directors shall not exceed 1% of the net profits of the Company, if there is a managing or whole time Director. As there is a Managing Director and an Executive Chairman in the Company, the applicable limit is 1% of the net profit. Any payment exceeding 1%, would require the approval of the shareholders subject to the overall limit of 11%.*

*However, the Company in general meeting may, with the approval of the Central Government, authorise the payment of remuneration exceeding 11% of the net profits of the company, subject to the provisions of Schedule V.*

## 5. Charter of the Nomination and Compensation Committee:

### 5.1 Composition:

Three or more non-executive directors out of which not less than one-half shall be independent directors.

Chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Nomination and Compensation Committee but shall not chair the Committee.

### 5.2 Meetings:

The Committee will meet periodically as necessary to act upon any matter within its jurisdiction. All Committee members are expected to attend each meeting, in person or via tele or video-conference. A majority of the Committee will comprise a quorum when all Committee members are unable to attend a meeting. The Committee may request that other Board members, or officers, or other employees of the company, or any other persons whose advice and counsel are sought by the Committee, to attend any meeting of the Committee to provide pertinent information. Periodically, the Committee may meet in executive session separately without management and with its chosen independent consultants. Minutes will be kept of each meeting of the Committee.

### 5.3 Authority:

The Committee will have the authority:

1. To retain search firms to be used to identify appropriate director candidates or to retain other advisers, as deemed necessary and appropriate, to discharge the Committees duties and obligations.
2. To approve appropriate compensation at the company's expense for any search firms or other advisors engaged by the Committee for the purpose of carrying out its duties, and ordinary administrative expense of the Committee.

### 5.4 Terms of Reference:

1. Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

2. The Committee will make recommendations to the Board regarding the size and composition of the Board and develop and recommend to the Board the Criteria (such as independence, experience relevant to the needs of the company, leadership qualities, diversity and ability to represent the shareholders) for the selection of the individuals to be considered as candidates for election to the Board.
3. The Committee will establish, monitor and recommend the purpose, structure and operations of the various Committees of the Board, and qualifications and criteria on membership on each Committee of the Board, and, as circumstances dictate, make any recommendations regarding periodic rotation of directors among the Committees.
4. Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees (referred as 'Nomination and Remuneration Policy').
5. Committee shall, while formulating the 'Nomination and Remuneration Policy, ensure that—
  - a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
  - d) Nomination and remuneration policy shall be disclosed in the Board's report.
6. Annual review of the salary, bonus and other compensation plans of the CEO, CFO and Senior Management team of the Company.

7. Review and approve the salary, bonus and compensation plans for all the executive directors of the Company.
8. 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 (Prohibition of Insider Trading) Regulations, 2015 ; or
  - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities market) Regulations, 2003.
9. Administer the implementation and award of stock options under the stock option plans of the Company.
10. Perform such functions as are required to be performed by the Compensation Committee under Clause 5 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
11. Recommend to the Board of Directors of the Company on any other employment incentives as the committee deems it appropriate in the best interests of the Company.
12. Chairperson of the Committee or, in his/her absence, any other member of the committee authorized by him/her in this behalf shall attend the general meetings of the Company.
13. The Committee will also undertake such additional activities as the Committee may from time to time determine or as may otherwise be required by law, the company's articles of association, or directive of the Board.
14. The Committee will make regular reports to the Board and will recommend any proposed actions to the Board for approval as necessary. The Committee will review and reassess the adequacy of these terms of reference at least annually and recommend any proposed changes to the Board for approval.
15. The Committee will at least annually evaluate its own performance to determine whether it is functioning effectively.

This Policy is placed on the website of the Company at [www.onmobile.com](http://www.onmobile.com).

**Annexure III**  
**Particulars of contracts/arrangements made with related parties**  
**FORM AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014-AOC-2)

**1. Details of contracts or arrangements or transactions not at arm's length basis**

There were no contracts or arrangements or transactions entered in the year ended March 31, 2016 which were not at arm's length basis.

**2. Details of material contracts or arrangement or transactions at arm's length basis**

The details of material contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2016 are as given in the table below

Sl No	Name of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances
	(a)	(b)	(c)	(d)	(e)	(f)
1	OnMobile Live Inc.	On Actual cost basis	Ongoing	SBLC amortization cost	At quarterly meetings	Nil
2	OnMobile Portugal SGPS	As per Loan Agreement	Ongoing	Interest on Loan to Subsidiary	At quarterly meetings	Nil
3	OnMobile Rwanda Telecom Limited	As per Loan Agreement	Ongoing	Interest on Loan to Subsidiary	At quarterly meetings	Nil
4	OnMobile USA LLC	As per Loan Agreement	Ongoing	Interest on Loan to Subsidiary	At quarterly meetings	Nil
5	Onmobile Turkey Telekomunikasyon Sistemleri Limited Şirketi	As per Loan Agreement	Ongoing	Interest on Loan to Subsidiary	At quarterly meetings	Nil
6	OnMobile Global Czech Republic SRO	As per Loan Agreement	Ongoing	Interest on Loan to Subsidiary	At quarterly meetings	Nil
7	OnMobile Singapore Pte. Ltd.	As per allocation	Ongoing	Corporate cost cross charged	At quarterly meetings	Nil
8	Onmobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis Ltda.	As per allocation	Ongoing	Corporate cost cross charged	At quarterly meetings	Nil
9	OnMobile Costa Rica OBCR, SA	As per allocation	Ongoing	Corporate cost cross charged	At quarterly meetings	Nil
10	OnMobile Global for Telecommunication Services	As per allocation	Ongoing	Corporate cost cross charged	At quarterly meetings	Nil
11	OnMobile Global Spain, SL	As per allocation	Ongoing	Corporate cost cross charged	At quarterly meetings	Nil



SI No	Name of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances
	(a)	(b)	(c)	(d)	(e)	(f)
12	OnMobile Zambia Telecom Limited	As per allocation	Ongoing	Corporate cost cross charged	At quarterly meetings	Nil
13	Servicios De Telefonía OnMobile SA De CV*	As per allocation	Ongoing	UFF amortisation cost cross charged	At quarterly meetings	Nil
14	OnMobile Uruguay SA	As per allocation	Ongoing	UFF amortisation cost cross charged	At quarterly meetings	Nil
15	OnMobile Global SA*	As per allocation	Ongoing	UFF amortisation cost cross charged	At quarterly meetings	Nil
16	OnMobile De Venezuela CA*	As per allocation	Ongoing	UFF amortisation cost cross charged	At quarterly meetings	Nil
17	Onmobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis Ltda.	As per allocation	Ongoing	UFF amortisation cost cross charged	At quarterly meetings	Nil
18	OnMobile Global Limited Colombia SAS	As per allocation	Ongoing	UFF amortisation cost cross charged	At quarterly meetings	Nil
19	OnMobile Global Spain, SL	As per allocation	Ongoing	UFF amortisation cost cross charged	At quarterly meetings	Nil
20	OnMobile Singapore Pte. Ltd.	Transfer Pricing with Subsidiary	Ongoing	Transfer Pricing revenue	At quarterly meetings	Nil
21	OnMobile Bangladesh Private Limited	Transfer Pricing with Subsidiary	Ongoing	Transfer Pricing revenue	At quarterly meetings	Nil
22	OnMobile Global for Telecommunication Services	Transfer Pricing with Subsidiary	Ongoing	Transfer Pricing revenue	At quarterly meetings	Nil
23	OnMobile Global South Africa (PTY) LTD	Transfer Pricing with Subsidiary	Ongoing	Transfer Pricing revenue	At quarterly meetings	Nil
24	OnMobile Ghana Telecom Limited	Transfer Pricing with Subsidiary	Ongoing	Transfer Pricing revenue	At quarterly meetings	Nil
25	OnMobile Zambia Telecom Limited	Transfer Pricing with Subsidiary	Ongoing	Transfer Pricing revenue	At quarterly meetings	Nil
26	OnMobile Costa Rica OBCR, SA	Transfer Pricing with Subsidiary	Ongoing	Transfer Pricing revenue	At quarterly meetings	Nil
27	OnMobile Global Spain, SL	Transfer Pricing with Subsidiary	Ongoing	Transfer Pricing revenue	At quarterly meetings	Nil

SI No	Name of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances
	(a)	(b)	(c)	(d)	(e)	(f)
28	OnMobile Nigeria Telecom Limited	Transfer Pricing with Subsidiary	Ongoing	Transfer Pricing revenue	At quarterly meetings	Nil
29	OnMobile Telecom Limited	Transfer Pricing with Subsidiary	Ongoing	Transfer Pricing revenue	At quarterly meetings	Nil
30	OnMobile Brasil Sistemas de Valor Agregado Para Comunicacoes Moveis Ltda	Transfer Pricing with Subsidiary	Ongoing	Transfer Pricing revenue	At quarterly meetings	Nil
31	OnMobile Telecom (SL) Limited	Transfer Pricing with Subsidiary	Ongoing	Transfer Pricing revenue	At quarterly meetings	Nil
32	OnMobile SA	Transfer Pricing with Subsidiary	Ongoing	Software Development expenses	At quarterly meetings	Nil
33	OnMobile SA	On Actual cost basis	Ongoing	AMC - Expenses on Ports	At quarterly meetings	Nil
34	OnMobile USA LLC*	Transfer Pricing with Subsidiary	Ongoing	Data centre costs cross charged	At quarterly meetings	Nil
35	OnMobile Singapore Pte. Ltd.	As per allocation	Ongoing	Manpower Cross Charge	At quarterly meetings	Nil
36	Rajiv Pancholy	Employment Contract	Ongoing	Remuneration (including other benefits)	At quarterly meetings	Nil
37	François - Charles Sirois	Employment Contract	Ongoing	Remuneration (including other benefits)	At quarterly meetings	Nil
38	Praveen Kumar KJ	Employment Contract	Ongoing	Remuneration (including other benefits)	At quarterly meetings	Nil
39	P V Varaprasad	Employment Contract	Ongoing	Remuneration (including other benefits)	At quarterly meetings	Nil
40	PT OnMobile Indonesia	Transfer Pricing with Subsidiary	Ongoing	Yield Support Cost	At quarterly meetings	Nil
41	OnMobile Uganda Limited	Transfer Pricing with Subsidiary	Ongoing	Yield Support Cost	At quarterly meetings	Nil
42	OnMobile Kenya Telecom Limited	Transfer Pricing with Subsidiary	Ongoing	Yield Support Cost	At quarterly meetings	Nil

SI No	Name of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances
	(a)	(b)	(c)	(d)	(e)	(f)
43	OnMobile USA LLC	Transfer Pricing with Subsidiary	Ongoing	Yield Support Cost	At quarterly meetings	Nil
44	OnMobile Global Solutions Canada Limited	Transfer Pricing with Subsidiary	Ongoing	Yield Support Cost	At quarterly meetings	Nil
45	OnMobile Kenya Telecom Limited	As per allocation	Ongoing	Africa cost cross charged	At quarterly meetings	Nil
46	OnMobile SA	As per allocation	Ongoing	Travel - Sales and Marketing	At quarterly meetings	Nil
47	OnMobile Global Spain, SL	As per Group's RPT Policy	Ongoing	Sale of Fixed Assets	At quarterly meetings	Nil
48	OnMobile Singapore Pte. Ltd.	As per Group's RPT Policy	Ongoing	Sale of Fixed Assets	At quarterly meetings	Nil
49	OnMobile Global South Africa (PTY) Ltd.	As per Group's RPT Policy	Ongoing	Purchase of Fixed Assets	At quarterly meetings	Nil
50	OnMobile USA LLC	As per Group's RPT Policy	Ongoing	Sale of Office Supplies	At quarterly meetings	Nil
51	OnMobile Global South Africa (PTY) Ltd.	As per Group's RPT Policy	Ongoing	Sale of Fixed Assets	At quarterly meetings	Nil
52	Onmobile Telecom Burkina Faso, SARL	As per Group's RPT Policy	Ongoing	Sale of Fixed Assets	At quarterly meetings	Nil
53	OnMobile Kenya Telecom Limited	As per Group's RPT Policy	Ongoing	Purchase of Fixed Assets	At quarterly meetings	Nil
54	Onmobile Telecom Burkina Faso, SARL	As per Group's RPT Policy	Ongoing	Purchase of Fixed Assets	At quarterly meetings	Nil

\*(1) Contract for allocation of UFF Amortization cost with the following subsidiaries has been ceased during the year w.e.f April 01, 2015:

- OnMobile Global SA, Argentina
- Servicios De Telefonía OnMobile SA De CV, Mexico
- OnMobile De Venezuela CA

(2) Transfer Pricing contract for Data Centre cost cross charge has been ceased during the year w.e.f April 01, 2015 between OnMobile USA LLC and branches of the Company in:

- Chile
- Ecuador

## Annexure IV

### Risk Management Policy

#### 1. Introduction

The Board of Directors of OnMobile Global Limited ('the Company') has constituted a Risk Management Committee and adopted the following policy and procedures with regard to risk management as defined below.

#### 2. Objective

This policy is framed based on the Listing Regulations and to facilitate setting up a framework for risk assessment and minimization procedures.

#### 3. Definitions

**"Listing Regulations"** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**"Audit Committee"** means Committee of Board of Directors of the Company constituted under the provisions of the Companies Act, 2013 and the Listing Regulations.

**"Board of Directors" or "Board"** in relation to a Company, means the collective body of Directors of the Company. [Section 2(10) of the Companies Act, 2013]

**"Policy"** means Risk Management Policy.

#### 4. Regulatory framework/ requirement

Risk Management Policy is framed as per the following regulatory requirements:

##### 4.1 Listing Regulations

Key functions of the Board

The Board should fulfil certain key functions, including:

1. Reviewing and guiding corporate strategy, major plans of action, **risk policy**, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.
7. Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for **risk management**, financial and operational control, and compliance with the law and relevant standards.

Role of Audit Committee (ref: Regulation 18(3) and Part C of Schedule II of Listing Regulations)

The role of the Audit Committee shall include the following:

11. Evaluation of internal financial controls and risk management systems;

Risk Management (ref: Regulation 17 and 21 of the Listing Regulations)

1. The company shall lay down procedures to inform Board members about the risk assessment and minimization procedures.
2. The Board shall be responsible for framing, implementing and monitoring the risk management plan for the company.
3. The company shall constitute a Risk Management Committee. The Board shall define the roles and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit.

Information to be placed before the Board of Directors (ref: Part A of Schedule II of the Listing Regulations):

N. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

##### 4.2 Companies Act, 2013

1. Provisions of the Section 134(3)

There shall be attached to financial statements laid before a company in general meeting, a report by its Board of Directors, which shall include—

(n) a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company.

2. Provisions of the Section 177(4)

Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include—

(vii) evaluation of internal financial controls and risk management systems.

3. Schedule IV [Section 149(8)] - Code for Independent Directors

II. Role and functions:

The independent directors shall:

- (1) help in bringing an independent judgement to bear on the Board's deliberations especially on issues of strategy, performance, **risk management**, resources, key appointments and standards of conduct;
- (4) satisfy themselves on the integrity of financial information and that financial control and **the systems of risk management** are robust and defensible;

OnMobile Global Limited being a listed company is required to adhere to the regulations made both by the Companies Act, 2013 and Listing Regulations governed by the Securities and Exchange Board of India (SEBI). Where any stipulation is common between the regulations, more stringent of the two shall be complied with.

## 5. Charter of the Risk Management Committee

Charter of the Risk management Committee shall be as follows:

### 5.1 Purpose

The purpose of the risk management committee of the Board of Directors of OnMobile Global Limited (the "Company") shall be to assist the Board with regard to the identification, evaluation and mitigation of operational, strategic and external environment risks. The Committee has overall responsibility for monitoring and approving the risk policies and associated practices of the Company.

The risk management committee is also responsible for reviewing and approving risk disclosure statements in any public documents or disclosures.

### 5.2 Composition

The majority of Committee shall consist of members of the Board of Directors. Senior executives of the company may be members

of the said Committee but the Chairman of the Committee shall be a member of the Board of Directors.

### 5.3 Meetings and Quorum

The quorum necessary for transacting business at a meeting of the Committee shall be two members.

### 5.4 Authority

The Committee shall have free access to management and management information. The Committee, at its sole authority, may seek the advice of outside experts or consultants where judged necessary.

### 5.5 Terms of reference

- ◆ The risk management committee shall annually review and approve the Risk Management Policy and associated frameworks, processes and practices of the Company.
- ◆ The risk management committee shall ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.
- ◆ The risk management committee shall evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner (including one-off initiatives, and ongoing activities such as business continuity planning and disaster recovery planning & testing).
- ◆ The risk management committee will coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities (e.g. internal or external audit issue relating to risk management policy or practice).
- ◆ The risk management committee shall make regular reports/ recommendations to the Board.
- ◆ The risk management committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

**Annexure V**  
**Extract of Annual Return**

**Form No. MGT-9**

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014].

**Registration and Other Details**

**Corporate Identity Number (CIN)  
of the Company**

L	6	4	2	0	2	K	A	2	0	0	0	P	L	C	0	2	7	8	6	0
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**Registration Date**

September 27, 2000

**Name of the Company**

OnMobile Global Limited

**Category / Sub-Category of the Company**

Public limited

**Address of the Registered office and  
contact details**

E City, Tower-1, No. 94/1C & 94/2 Veerasandra, Attibele Hobli,  
Anekal Taluk, Electronic city Phase-1, Bangalore – 560 100,  
Karnataka, India.  
Tel: 080 41806000 Fax: 080 41806009

**Listed company (Yes/No)**

Yes

**Name Address and Contact details of  
Registrar and Transfer Agent,**

Karvy Computershare Private Limited  
Karvy Selenium Tower B, Plot No. 31-32, Gachibowli  
Financial District, Nanakramguda, Serilingampally Mandal,  
Hyderabad – 500 032  
T +91 40 6716 1500  
F +91 40 2342 0814

**Principal Business Activities of the Company**

Sl.No.	Name and Description of Main products/ services*	NIC Code of the Product/ service	% to total turnover of the company
1	Telecommunication- Value Added Services	61900	100%

**Particulars of holding, subsidiary and associate companies**

Sl. No.	Name of the Company	Country	Certificate of Incorporation No.	Holding/ Subsidiary/ Associate	% of holding as at March 31, 2016	Applicable Section
1	OnMobile Singapore Pte. Ltd.	Singapore	N/A	Subsidiary	100%	2(87)(ii)
2	PT OnMobile Indonesia	Indonesia	N/A	Subsidiary	100%	2(87)(ii)
3	OnMobile SA*	France	N/A	Subsidiary	100%	2(87)(ii)
4	OnMobile Europe BV	Netherlands	N/A	Subsidiary	100%	2(87)(ii)

Sl. No.	Name of the Company	Country	Certificate of Incorporation No.	Holding/ Subsidiary/ Associate	% of holding as at March 31, 2016	Applicable Section
5	OnMobile USA LLC	USA	N/A	Subsidiary	100%	2(87)(ii)
6	Servicios De Telefonía OnMobile SA De CV	Mexico	N/A	Subsidiary	100%	2(87)(ii)
7	OnMobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis Ltda.	Brazil	N/A	Subsidiary	100%	2(87)(ii)
8	OnMobile De Venezuela CA*	Venezuela	N/A	Subsidiary	100%	2(87)(ii)
9	OnMobile Global SA	Argentina	N/A	Subsidiary	100%	2(87)(ii)
10	OnMobile Uruguay SA	Uruguay	N/A	Subsidiary	100%	2(87)(ii)
11	OnMobile Senegal SARL	Senegal	N/A	Subsidiary	100%	2(87)(ii)
12	OnMobile Global for Telecommunication Services	Egypt	N/A	Subsidiary	100%	2(87)(ii)
13	OnMobile Mali SARL	Mali	N/A	Subsidiary	100%	2(87)(ii)
14	OnMobile Bangladesh Private Limited	Bangladesh	N/A	Subsidiary	100%	2(87)(ii)
15	OnMobile Servicios Corporativos De Telefonía SA De CV	Mexico	N/A	Subsidiary	100%	2(87)(ii)
16	OnMobile Kenya Telecom Limited	Kenya	N/A	Subsidiary	100%	2(87)(ii)
17	OnMobile Costa Rica OBCR, SA	Costa Rica	N/A	Subsidiary	100%	2(87)(ii)
18	OnMobile Telecom Limited	Malawi	N/A	Subsidiary	100%	2(87)(ii)
19	OnMobile Global Spain, SL	Spain	N/A	Subsidiary	100%	2(87)(ii)
20	OnMobile Uganda Limited	Uganda	N/A	Subsidiary	100%	2(87)(ii)
21	OnMobile Zambia Telecom Limited	Zambia	N/A	Subsidiary	100%	2(87)(ii)
22	OnMobile Madagascar Telecom Limited	Madagascar	N/A	Subsidiary	100%	2(87)(ii)
23	OnMobile Rwanda Telecom Limited	Rwanda	N/A	Subsidiary	100%	2(87)(ii)
24	OnMobile Nigeria Telecom Limited	Nigeria	N/A	Subsidiary	100%	2(87)(ii)
25	OnMobile Tanzania Telecom Limited	Tanzania	N/A	Subsidiary	100%	2(87)(ii)
26	OnMobile Ghana Telecom Limited	Ghana	N/A	Subsidiary	100%	2(87)(ii)
27	OnMobile Telecom Sierra Leone Limited	Seirra Leone	N/A	Subsidiary	100%	2(87)(ii)
28	OnMobile Global Solutions Canada Limited	Canada	N/A	Subsidiary	100%	2(87)(ii)
29	OnMobile Global Italy SRL	Italy	N/A	Subsidiary	100%	2(87)(ii)
30	OnMobile Turkey Telekomunikasyon Sistemleri Limited Şirketi	Turkey	N/A	Subsidiary	100%	2(87)(ii)
31	OnMobile Portugal SGPS, Unipessoal LDA (Zona Franca Da Madeira)	Portugal	N/A	Subsidiary	100%	2(87)(ii)
32	OnMobile Telecom Burkina Faso, SARL	Burkina Faso	N/A	Subsidiary	100%	2(87)(ii)
33	OnMobile Global South Africa (PTY) Ltd.	South Africa	N/A	Subsidiary	100%	2(87)(ii)
34	OnMobile Global Czech Republic SRO	Czech Republic	N/A	Subsidiary	100%	2(87)(ii)
35	OnMobile Live Inc.*	USA	N/A	Subsidiary	100%	2(87)(ii)
36	Fonestarz Media Group Limited*	UK	N/A	Subsidiary	100%	2(87)(ii)
37	2dayUK Limited*	UK	N/A	Subsidiary	100%	2(87)(ii)
38	Fonestarz Media (Licensing) Limited*	UK	N/A	Subsidiary	100%	2(87)(ii)

Sl. No.	Name of the Company	Country	Certificate of Incorporation No.	Holding/ Subsidiary/ Associate	% of holding as at March 31, 2016	Applicable Section
39	Daius Limited*	UK	N/A	Subsidiary	100%	2(87)(ii)
40	Fonestarz Limited*	UK	N/A	Subsidiary	100%	2(87)(ii)
41	Fonestarz Media (Australia) Pty. Limited*	Australia	N/A	Subsidiary	100%	2(87)(ii)
42	Fonestarz Media Limited*	UK	N/A	Subsidiary	100%	2(87)(ii)
43	OnMobile Global Limited Colombia SAS	Colombia	N/A	Subsidiary	100%	2(87)(ii)
44	OnMobile Latam Holdings, SL*	Spain	N/A	Subsidiary	100%	2(87)(ii)
45	Mobile Voice Konnect Private Limited	India	U72200KA2012PTC065880	Associate	50%	2(87)(ii)

\* holding through step down subsidiary

## SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### i) Category-wise Share Holding

Category Of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the ending of the year			
	Demat	Physical	Total Shares	% of total shares	Demat	Physical	Total Shares	% of total shares
<b>(A) Promoter and Promoter Group</b>								
<b>(1) Indian</b>								
a) Individual /HUF	0	0	0	0	0	0	0	0
b) Central Government	0	0	0	0	0	0	0	0
c) State Government(s)	0	0	0	0	0	0		0
d) Bodies Corporate	0	0	0	0	0	0	0	0
e) Financial Institutions / Banks	0	0	0	0	0	0	0	0
f) Others	0	0	0		0	0	0	0
<b>Sub-Total A(1) :</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(2) Foreign</b>								
a) NRIs Individuals	0	0	0	0.00	0	0	0	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00
c) Bodies Corporate	50,923,703	0	50,923,703	46.62	50,923,703	0	50,923,703	47.10
d) Institutions	0	0	0	0.00	0	0	0	0.00
e) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00
f) Others	0	0	0	0	0	0	0	0
<b>Sub-Total A(2) :</b>	<b>50,923,703</b>	<b>0</b>	<b>50,923,703</b>	<b>46.62</b>	<b>50,923,703</b>	<b>0</b>	<b>50,923,703</b>	<b>47.10</b>
<b>Total Shareholding of Promoters A=A(1)+A(2)</b>	<b>50,923,703</b>	<b>0</b>	<b>50,923,703</b>	<b>46.62</b>	<b>50,923,703</b>	<b>0</b>	<b>50,923,703</b>	<b>47.10</b>
<b>(B) Public Shareholding</b>								
<b>(1) Institutions</b>								
a) Mutual Funds /UTI	430,898	0	430,898	0.39	35,000	0	35,000	0.03
b) Financial Institutions /Banks	172,425	0	172,425	0.16	546,182	0	546,182	0.51
c) Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00



Category Of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the ending of the year			
	Demat	Physical	Total Shares	% of total shares	Demat	Physical	Total Shares	% of total shares
d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00
e) Insurance Companies	0	0	0	0.00	0	0	0	0.00
f) Foreign Institutional Investors	7,874,705	0	7,874,705	7.21	11,493,042	0	11,493,042	10.63
g) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00
h) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00
i) Others	0	0	0	0.00	0	0	0	0.00
<b>Sub-Total B(1) :</b>	<b>8,478,028</b>	<b>0</b>	<b>8,478,028</b>	<b>7.76</b>	<b>12,074,224</b>	<b>0</b>	<b>12,074,224</b>	<b>11.17</b>
<b>(2) Non-Institutions</b>								
a) Bodies Corporate	11,668,946	0	11,668,946	10.68	11,514,008	0	11,514,008	10.65
b) Individuals								
(i) Individuals holding nominal share capital up to ₹2 lakh	12,974,520	48,284	13,022,804	11.92	10,413,902	41,306	10,455,208	9.67
(ii) Individuals holding nominal share capital in excess of ₹2 lakh	22,164,220	107,198	22,271,418	20.39	20,698,872	107,198	20,806,070	19.25
c) Others								
(i) Foreign Nationals	41,106	0	41,106	0.04	38,138	0	38,138	0.04
(ii) HUF	1,687,372	0	1,687,372	1.54	1,513,028	0	1,513,028	1.40
(iii) Clearing Members	385,370	0	385,370	0.35	175,894	0	175,894	0.16
(iv) Non Resident Indians	734,189	0	734,189	0.67	558,103	0	558,103	0.52
(v) Trusts	7,400	0	7,400	0.01	3,200	0	3,200	0.00
(vi) NBFC	0	0	0	0.00	49,826	0	49,826	0.05
d) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00
<b>Sub-Total B(2) :</b>	<b>49,663,123</b>	<b>155,482</b>	<b>49,818,605</b>	<b>45.61</b>	<b>44,964,971</b>	<b>148,504</b>	<b>45,113,475</b>	<b>41.73</b>
<b>Total Public Share holdings B=B(1)+B(2) :</b>	<b>58,141,151</b>	<b>155,482</b>	<b>58,296,633</b>	<b>53.38</b>	<b>57,039,195</b>	<b>148,504</b>	<b>57,187,699</b>	<b>52.90</b>
<b>Total (A+B) :</b>	<b>109,064,854</b>	<b>155,482</b>	<b>109,220,336</b>	<b>100</b>	<b>107,962,898</b>	<b>148,504</b>	<b>108,111,402</b>	<b>100</b>
<b>(C) Shares held by Custodian for GDRs &amp; ADRs</b>								
<b>Grand Total (A+B+C) :</b>	<b>109,064,854</b>	<b>155,482</b>	<b>109,220,336 #</b>	<b>100</b>	<b>107,962,898</b>	<b>148,504</b>	<b>108,111,402 #</b>	<b>100</b>

Note: # the change in total shares is due to the Buyback activity during the year.

## (ii) Shareholding of Promoters

Sl. No	Name of the Shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year		
		No. of Shares held	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares held	% of total Shares of the company	% of Shares Pledged / encumbered to total shares
1	OnMobile Systems Inc.	50,923,703	46.62*	0	50,923,703	47.10*	0

Note: \* the increase in % holding is due to the Buyback activity during the year

**(iii) Change in promoters' shareholding**

Name of the Share Holder	Shareholding at the beginning of the Year (As on 01-04-2015)		Cumulative Shareholding during the Year (01-04-2015 to 31-03-2016)	
	No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
OnMobile Systems Inc.				
At the beginning of the year	50,923,703	46.62*	50,923,703	46.62
At the end of the year			50,923,703	47.10*

**Note:** \* the increase in % holding is due to the Buyback activity during the year

**(iv) Shareholding pattern of top ten shareholders (other than directors, promoters and holders of GDRs and ADRs)**

Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01-04-15 to 31-03-16)	
	No.of Shares at the beginning (01-04-15 /end of the year(31-03-16)	% of total shares of the company				No of Shares	% of total shares of the company
Chandramouli J	4,090,080	3.74	1/4/2015		Opening balance	4,090,080	3.74
			10/04/2015	-100,000	Sale	3,990,080	3.65
			26/06/2015	-26,397	Sale	3,963,683	3.63
			04/12/2015	-150,000	Sale	3,813,683	3.48
	3,813,683	3.53	31/03/2016		Closing balance	3,813,683	3.53
CLSA (Mauritius) Limited	3,468,248	3.18	1/4/2015		Opening balance	3,468,248	3.18
			29/05/2015	-3,468,248	Sale	0	0
	0	0	31/03/2016		Closing balance	0	0
CLSA Global Markets PTE. Ltd.	0	0	1/4/2015		Opening balance	0	0
			29/05/2015	3,468,248	Purchase	3,468,248	3.17
			27/11/2015	-266,887	Sale	3,201,361	2.92
			04/12/2015	-133,113	Sale	3,068,248	2.80
			18/12/2015	-500,000	Sale	2,568,248	2.35
	2,568,248	2.38	31/03/2016		Closing balance	2,568,248	2.38
Acadian Emerging Markets Small Cap Equity Fund LLC	190,213	0.17	1/4/2015		Opening balance	190,213	0.17
			19/06/2015	69,106	Purchase	259,319	0.24
			24/07/2015	78,782	Purchase	338,101	0.31
			04/09/2015	86,690	Purchase	424,791	0.39
			09/10/2015	77,212	Purchase	502,003	0.46
			16/10/2015	76,787	Purchase	578,790	0.53
			30/10/2015	99,013	Purchase	677,803	0.62
			06/11/2015	56,772	Purchase	734,575	0.67
			20/11/2015	63,560	Purchase	798,135	0.73
			18/12/2015	98,867	Purchase	897,002	0.82
			08/01/2016	94,391	Purchase	991,393	0.91
			29/01/2016	153,738	Purchase	1,145,131	1.04
			31/03/2016	55,334	Purchase	1,200,465	1.11
	1,200,465	1.11	31/03/2016		Closing balance	1,200,465	1.11

Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01-04-15 to 31-03-16)	
	No.of Shares at the beginning (01-04-15 /end of the year(31-03-16)	% of total shares of the company				No of Shares	% of total shares of the company
Citigroup Global Markets Mauritius Private Limited	1,197,671	1.10	1/4/2015		Opening balance	1,197,671	1.10
			03/07/2015	169,907	Purchase	1,367,578	1.25
	1,367,578	1.26	31/03/2016		Closing balance	1,367,578	1.26
Altruist Technologies Private Limited	1,172,800	1.07	1/4/2015		Opening balance	1,172,800	1.07
			04/12/2015	-5,000	Sale	1,167,800	1.07
	1,167,800	1.08	31/03/2016		Closing balance	1,167,800	1.08
Allianz Bric Stars Fund	1,105,024	1.01	1/4/2015		Opening balance	1,105,024	1.01
			11/12/2015	-17,834	Sale	1,087,190	0.99
			26/02/2016	-381,178	Sale	706,012	0.64
	706,012	0.65	31/03/2016		Closing balance	706,012	0.65
JV and Associates LLP	0	0	1/4/2015		Opening Balance	0	0
			05/06/2015	68,262	Purchase	68,262	0.06
			12/06/2015	27,000	Purchase	95,262	0.09
			03/07/2015	4,500	Purchase	99,762	0.09
			10/07/2015	8,500	Purchase	108,262	0.10
			17/07/2015	2,000	Purchase	110,262	0.10
			24/07/2015	104,536	Purchase	214,798	0.20
			31/07/2015	35,237	Purchase	250,035	0.23
			07/08/2015	16,000	Purchase	266,035	0.24
			28/08/2015	34,000	Purchase	300,035	0.27
			04/09/2015	11,000	Purchase	311,035	0.28
			11/09/2015	7,000	Purchase	318,035	0.29
			25/09/2015	4,000	Purchase	322,035	0.29
			09/10/2015	3,000	Purchase	325,035	0.30
			06/11/2015	86,646	Purchase	411,681	0.38
			13/11/2015	73,902	Purchase	485,583	0.44
			20/11/2015	216,394	Purchase	701,977	0.64
			27/11/2015	30,317	Purchase	732,294	0.67
			04/12/2015	28,004	Purchase	760,298	0.69
			18/12/2015	2,000	Purchase	762,298	0.70
			25/12/2015	200,000	Purchase	962,298	0.88
		31/12/2015	50,000	Purchase	1,012,298	0.92	
		08/01/2016	66,000	Purchase	1,078,298	0.99	
	1,078,298	1.00	31/03/2016		Closing Balance	1,078,298	1.00

Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01-04-15 to 31-03-16)	
	No. of Shares at the beginning (01-04-15 /end of the year(31-03-16)	% of total shares of the company				No of Shares	% of total shares of the company
Unique Stockbro Pvt. Ltd (Beneficiary A/C)	1,060,000	0.97	1/4/2015		Opening Balance	1,060,000	0.97
			15/05/2015	2,000	Purchase	1,062,000	0.97
			22/05/2015	-2,000	Sale	1,060,000	0.97
			29/05/2015	3,000	Purchase	1,063,000	0.97
			05/06/2015	3,346	Purchase	1,066,346	0.98
			05/06/2015	-3,000	Sale	1,063,346	0.97
			12/06/2015	-3,346	Sale	1,060,000	0.97
			30/06/2015	-193,000	Sale	867,000	0.79
			03/07/2015	-353,900	Sale	513,100	0.47
			10/07/2015	2,250	Purchase	515,350	0.47
			10/07/2015	-511,701	Sale	3,649	0.00
			17/07/2015	552	Purchase	4,201	0.00
			17/07/2015	-1,950	Sale	2,251	0.00
			24/07/2015	3,314	Purchase	5,565	0.01
			24/07/2015	-1,951	Sale	3,614	0.00
			31/07/2015	-3,514	Sale	100	0.00
			07/08/2015	950	Purchase	1,050	0.00
			14/08/2015	-725	Sale	325	0.00
			21/08/2015	1,972	Purchase	2,297	0.00
			28/08/2015	40	Purchase	2,337	0.00
			28/08/2015	-2,297	Sale	40	0.00
			18/09/2015	-40	Sale	0	0.00
			16/10/2015	150	Purchase	150	0.00
			23/10/2015	7,850	Purchase	8,000	0.01
			30/10/2015	-8,000	Sale	0	0.00
			06/11/2015	4,999	Purchase	4,999	0.00
			13/11/2015	-4,999	Sale	0	0.00
			20/11/2015	4,050	Purchase	4,050	0.00
		27/11/2015	-4,050	Sale	0	0.00	
		04/12/2015	2,000	Purchase	2,000	0.00	
		11/12/2015	-1,900	Sale	100	0.00	
		18/12/2015	1,200	Purchase	1,300	0.00	

Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01-04-15 to 31-03-16)	
	No. of Shares at the beginning (01-04-15 /end of the year(31-03-16)	% of total shares of the company				No of Shares	% of total shares of the company
			25/12/2015	-1,269	Sale	31	0.00
			31/12/2015	-31	Sale	0	0.00
			15/01/2016	2,000	Purchase	2,000	0.00
			22/01/2016	-1,900	Sale	100	0.00
			05/02/2016	-100	Sale	0	0.00
			18/03/2016	100	Purchase	100	0.00
			25/03/2016	-100	Sale	0	0.00
			31/03/2016	100	Purchase	100	0.00
	100	0.00	31/03/2016		Closing Balance	100	0.00
Morgan Stanley Asia (Singapore) PTE.	53,253	0.05	1/4/2015		Opening Balance	53,253	0.05
			10/04/2015	-33,529	Sale	19,724	0.02
			17/04/2015	-19,724	Sale	0	0.00
			21/08/2015	23,613	Purchase	23,613	0.02
			28/08/2015	22,347	Purchase	45,960	0.04
			04/09/2015	3,336	Purchase	49,296	0.05
			23/10/2015	-942	Sale	48,354	0.04
			06/11/2015	2,168	Purchase	50,522	0.05
			27/11/2015	16,989	Purchase	67,511	0.06
			08/01/2016	2,670	Purchase	70,181	0.06
			22/01/2016	218,264	Purchase	288,445	0.26
			29/01/2016	555,083	Purchase	843,528	0.77
			05/02/2016	352,511	Purchase	1,196,039	1.09
			12/02/2016	354,699	Purchase	1,550,738	1.41
			19/02/2016	-53,913	Sale	1,496,825	1.37
			26/02/2016	-206,719	Sale	1,290,106	1.18
			04/03/2016	-90,579	Sale	1,199,527	1.09
			11/03/2016	-12,803	Sale	1,186,724	1.08
			18/03/2016	17,396	Purchase	1,204,120	1.11
			25/03/2016	-142,328	Sale	1,061,792	0.98
			31/03/2016	-12,258	Sale	1,049,534	0.97
	1,049,534	0.97	31/03/2016		Closing Balance	1,049,534	0.97

v) Shareholding of Directors and Key Managerial Personnel

Name of the director/ key managerial personnel (KMP)	Shareholders at the beginning of the year		Date	Increase/ Decrease in share holding	Reason	Cumulative shareholding during the year (01-04-15 to 31- 03-16)	
	No. of shares at the beginning of the year (01-04-2015)/end of the year (31-03- 2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
<b>A. Directors</b>							
Naresh Malhotra (resigned w.e.f July 30, 2015)	15,158	0.01	1/4/2015		Opening balance	15,158	0.01
			25/9/2015	33,158	ESOP Allotment	48,316	0.04
			30/9/2015	1,684	Purchase	50,000	0.05
	50,000	0.05	31/03/2016		Closing balance	50,000	0.05
Harit Nagpal (resigned w.e.f July 30, 2015)	Nil	0	1/4/2015		Opening balance	Nil	0
			25/9/2015	18,750	ESOP Allotment	18,750	0.02
	18,750	0.02	31/03/2016		Closing balance	18,750	0.02
Rajiv Pancholy	0	0	1/4/2015		Opening balance	0	0
	0	0	31/03/2016		Closing balance	0	0
François-Charles Sirois	0	0	1/4/2015		Opening balance	0	0
	0	0	31/03/2016		Closing balance	0	0
Rajiv Khaitan	0	0	1/4/2015		Opening balance	0	0
	0	0	31/03/2016		Closing balance	0	0
Nancy Cruickshank	0	0	1/4/2015		Opening balance	0	0
	0	0	31/03/2016		Closing balance	0	0
Pascal Tremblay	0	0	1/4/2015		Opening balance	0	0
	0	0	31/03/2016		Closing balance	0	0
Sanjay Baweja	0	0	1/4/2015		Opening balance	0	0
	0	0	31/03/2016		Closing balance	0	0
Nehchal Sandhu	0	0	1/4/2015		Opening balance	0	0
	0	0	31/03/2016		Closing balance	0	0
<b>B. Key Managerial Personnel</b>							
Praveen Kumar K J Chief Financial Officer	9,264	0.01	1/4/2015	0	Opening balance	9,264	0.01
			11/9/2015	-6,350	Sale	2,914	0.00
	2,914	0.00	31/03/2016		Closing balance	2,914	0.00
P V Varaprasad Company Secretary	0	0	1/4/2015	0	Opening balance	0	0
	0	0	31/03/2016		Closing balance	0	0

**(vi) Indebtedness**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(In ₹)

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the year	-	-	-	-
(i) Principal amount	-	-	-	-
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
Change in indebtedness during the financial year	-	-	-	-
(i) Addition	-	-	-	-
(ii) Reduction	-	-	-	-
Net change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
(i) Principal amount	-	-	-	-
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

**(vii) Remuneration of Directors and Key Managerial Personnel****A. Remuneration of Managing Director, Whole-time directors and/or Manager:**

(In ₹)

Sl No	Particulars of remuneration	Rajiv Pancholy	François-Charles Sirois	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961	23,316,120	8,236,608	31,552,728
	(b) Value of perquisites u/s 17(2) of Income tax Act, 1961	269,300	-	269,300
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-	-	-
2	Stock Option held as on March 31, 2016 (In Numbers)	1,000,000	-	1,000,000
3	Sweat equity	-	-	-
4	Commission	-	-	-
	As % of profit	-	-	-
	Other (bonus)	-	-	-
5	Others (Retiral benefits)	-	988,392	988,392
	Total (A) excluding stock options	<b>23,585,420</b>	<b>9,225,000</b>	<b>32,810,420</b>
	Overall Ceiling as per the Act	23,962,829 (10% of net profit as per Section 197)		

## B. Remuneration to other Directors

(In ₹)

SI No	Particulars of remuneration	Naresh Malhotra*	Harit Nagpal*	Rajiv Khaitan	Nancy Cruickshank	Bruno Ducharme*	Sanjay Baweja#	Nehchal Sandhu#	Pascal Tremblay#	Total Amount
1	Independent Directors									
	Fee for attending Board/committee meetings	600,000	400,000	1,300,000	1,800,000	-	600,000	800,000	400,000	5,900,000
	Commission	-	-	1,950,000	2,821,008	-	2,143,856	1,366,665	1,802,438	10,083,967
	Others, please specify	-	-	-	-	-	-	-	-	-
	<b>Total (1)</b>	600,000	400,000	3,250,000	4,621,008	-	2,743,856	2,166,665	2,202,438	15,983,967
2	Other Non-Executive Directors									
	Fee for attending Board/committee meetings	-	-	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-	-	-	-	-
	Total B (1+2)	600,000	400,000	3,250,000	4,621,008	-	2,743,856	2,166,665	2,202,438	15,983,967
	Total Managerial remuneration (A+B)									48,794,387
	Overall ceiling as per the Act	2,396,283 (1% of the net profit)								

\* Naresh Malhotra, Harit Nagpal and Bruno Ducharme have resigned during the year w.e.f July 30, 2015.

# Sanjay Baweja, Nehchal Sandhu and Pascal Tremblay were appointed during the year.

## C. Remuneration to Key Managerial Personnel (other than MD/Manager/WTD)

(In ₹)

SI No	Particulars of remuneration	Key managerial personnel		Total
		Company Secretary	CFO	
1	Gross salary (in ₹)			
	(a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961	3,260,393	9,171,233	12,431,626
	(b) Value of perquisites u/s 17(2) of Income tax Act, 1961			
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-	-	-
2	Stock Options held as on March 31, 2016 (in numbers)	28,830	283,902	312,732
3	Sweat equity (in ₹)	-	-	-
4	Commission	-	-	-
	As % of profit (in ₹)	-	-	-
	Other (bonus)	-	-	-
5	Others (Retiral benefits)	-	-	-
	<b>Total *</b>	<b>3,260,393</b>	<b>9,171,233</b>	<b>12,431,626</b>

\* excluding the stock options

## (viii) Penalties/Punishment/Compounding of offences

There were no penalties/punishment/compounding of offences for the year ending March 31, 2016.



**Annexure VI**  
**Particulars of Employees**

**(A) Details / Disclosures of Ratio of Remuneration to each Director and KMP (Pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014):**

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	<b>Name of the Director</b>	<b>Ratio to the Median</b>
	Rajiv Pancholy	43.78
	François-Charles Sirois	25.35
	Naresh Malhotra*	-
	Harit Nagpal*	-
	Bruno Ducharme*	-
	Rajiv Khaitan	2.93
	Nancy Cruickshank	4.24
	Sanjay Baweja	3.22
	Nehchal Sandhu	2.05
	Pascal Tremblay	2.71
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	<b>Name of the Director/KMP</b>	<b>% increase</b>
	Rajiv Pancholy	19%
	François-Charles Sirois#	120%
	Naresh Malhotra	-
	Harit Nagpal	-
	Bruno Ducharme	-
	Rajiv Khaitan^	388%
	Nancy Cruickshank^	605%
	Sanjay Baweja	-
	Nehchal Sandhu	-
	Pascal Tremblay	-
(iii) the percentage increase in the median remuneration of employees in the financial year;	13.08%	
(iv) the number of permanent employees on the rolls of Company;	890 (as on 31st March 2016)	
(v) the explanation on the relationship between average increase in remuneration and company performance;	Comparative remuneration benchmark survey was conducted through Hewitt Associates and individual performance was assessed against the employee's Key Performance Indicators. Further the employee's contribution to the overall company's performance was also considered in arriving at the salary revision from time to time.	
(vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;	The remuneration of KMP was 1.36 % of revenue and 16.88 % of profits	

(vii) variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	<b>Particulars</b>	<b>2008*</b>	<b>2015</b>	<b>2016</b>														
	Share price as at March 31	440	72.95	123.4														
	No. of equity shares	57,406,139	109,220,336	108,111,402														
	PE ratio	54.41	91.19	246.80														
	Market capitalization (in ₹ million)	31,234.68	7,967.62	13,340.95														
	* The Company's last public offer was on February 19, 2008																	
(viii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average salary increase of the employees excluding KMP's is 13.08% over the previous year mainly due to annual salary increments and market corrections. The average salary increase of the KMPs was 16.51% over the previous year. The salary increase for KMPs was due to annual salary increment and as per industry benchmarking.																	
(ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;	The comparison of remuneration of the each of the Key Managerial personnel against the company's Revenue and Profit for the FY 15-16 is as follows:																	
	<table border="1"> <thead> <tr> <th>Name of the Director</th> <th>% of revenue</th> <th>% of profit</th> </tr> </thead> <tbody> <tr> <td>Rajiv Pancholy</td> <td>0.71</td> <td>8.80</td> </tr> <tr> <td>François-Charles Sirois</td> <td>0.28</td> <td>3.44</td> </tr> <tr> <td>Praveen Kumar KJ</td> <td>0.27</td> <td>3.42</td> </tr> <tr> <td>P V Varaprasad</td> <td>0.10</td> <td>1.22</td> </tr> </tbody> </table>			Name of the Director	% of revenue	% of profit	Rajiv Pancholy	0.71	8.80	François-Charles Sirois	0.28	3.44	Praveen Kumar KJ	0.27	3.42	P V Varaprasad	0.10	1.22
Name of the Director	% of revenue	% of profit																
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Praveen Kumar KJ	0.27	3.42																
P V Varaprasad	0.10	1.22																
(x) the key parameters for any variable component of remuneration availed by the directors;	Variable payout for the directors were made based on the annual company performance declared at the end of the financial year.																	
(xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	None of the employees were paid more than the highest paid director during the current financial year.																	
(xii) Affirmation that the remuneration is as per the remuneration policy of the company.	Salaries paid are in line with the company's remuneration policy based on industry benchmark.																	

**Notes:**

\* Naresh Malhotra, Harit Nagpal and Bruno Ducharme resigned from the Board of Directors w.e.f July 30, 2015

# Remuneration was paid to François - Charles Sirois for 5 months only in FY 2014-15 from his effective date of appointment as Executive Chairman effective November 01, 2014.

^ Remuneration to Non-Executive Directors is in pursuance of shareholders approval dated September 8, 2015

**(B) Statement showing Details of Employees of the Company as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year ended March 31, 2016:**

Employee name	Designation	Remuneration received (₹)	Nature of employment	Qualification	Experience (in years)	Date of joining	Age	Previous employment
Christy George	Senior Vice President - Engineering	10,254,141	Permanent	B.Tech	24	11-Oct-00	45	IT Solutions (Europe) Ltd
Parag Agarwal	Associate Vice President - Delivery & Presales Enablement	6,194,088	Permanent	BE	20.1	1-Aug-02	41	Infosys Technologies Ltd
Bikram S. Sherawat	Vice President - India & Asia	7,788,398	Permanent	PGDCA	15.1	24-Nov-03	39	Hughes Escorts Communication Ltd
Himanshu Asrani	Director - Account Management	6,637,391	Permanent	B.Com	19.2	11-Aug-05	38	Affarsstrategerna Think Tech Technologies Limited
Praveen Kumar KJ	Global Group CFO	9,171,233	Permanent	B.Com, ACA	15.5	20-Jul-06	37	Hewlett - Packard
Madhusudan N.	Vice President - Marketing	6,222,549	Permanent	M.Sc	19.10	10-Mar-08	44	Meritus Analytics Pvt Ltd
Venkatesan P. T.	Associate Vice President - Products	8,251,946	Permanent	MBA	18.8	21-Oct-09	44	Tech Mahindra Ltd
Gupta Amit	Director - Account Management	6,527,934	Permanent	PGDBA	23.11	3-Oct-11	46	Emerson Network Power (India) Private Limited
Prashanth Shenoy	Associate Vice President - Operations Enablement & GNOC	7,756,823	Permanent	BE	20.7	8-Nov-11	45	Reliance Communications Ltd
Sanjay Bhambri	Chief Commercial Officer	19,572,923	Permanent	MBA	22.2	6-Aug-12	46	Enzen Global Solutions Pvt Ltd
Rajesh Pandey	Global Head - Human Resources	11,014,098	Permanent	MA	23.8	1-Sep-13	52	People Factor Pvt Ltd
Mrinmoy Chakraborty	Associate Vice President - Products	7,296,935	Permanent	MS	15.10	1-Mar-14	41	Xchanging Solutions Limited
Rajiv Pancholy	Managing Director & Chief Executive Officer	23,585,420	Permanent	ME	36.1	2-Jun-14	59	TTP Media
François - Charles Sirois	Executive Chairman	9,225,000	Permanent	BAA, Finance and Marketing	18.8	1-Nov-14	41	Microcell i5

Employed for part of the year with an average salary of above ₹ 5 lakhs per month:

Employee name	Designation	Remuneration received (₹)	Nature of employment	Qualification	Experience	Date of joining	Age	Previous employment
Vijay Pratap Sai	Director - Business Development	3,433,646	Permanent	MBA	12.3	21-Mar-05	37	Crompton Greaves Ltd

## Annexure VII

### Annual Report on Corporate Social Responsibility (CSR) Activities

(Pursuant to Rule 8 (1) of Companies (Corporate Social Responsibility Policy) Rules, 2014)

**1. OnMobile CSR Policy intends to:**

- a. Strive for economic development that positively impacts the society at large with a minimal resource footprint.
- b. Embrace responsibility for the Company's actions and encourage a positive impact through its activities on hunger, poverty, malnutrition, environment, communities, stakeholders and the society.

The CSR policy of the Company is stated in the following link:

[http://www.onmobile.com/sites/default/files/cg\\_policy/Corporate\\_Social\\_Responsibility\\_Policy.pdf](http://www.onmobile.com/sites/default/files/cg_policy/Corporate_Social_Responsibility_Policy.pdf)

**2. Composition of the CSR Committee:**

The members of the CSR committee of the Board as on March 31, 2016 are as under:

- a. Pascal Tremblay - Chair
- b. Nancy Cruickshank - Member
- c. Rajiv Pancholy – Member

**3. Average Net Profit of the Company for the last three financial years: ₹ 280.11 million**

**4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 5.60 million**

**5. Details of CSR spent during the financial year:**

- a. Total amount spent for the financial year: ₹ 1 million
- b. Amount unspent, if any: ₹ 4.60 million

c. Manner in which the amount spent during the financial year is detailed below:

(In ₹)

SI No	CSR project/ activity identified	Sector in which the project is covered	Projects/Programs (1) Local area or others (2) Specify the state and district where project or programs were undertaken	Amount of outlay budget project or program wise	Amount spent on the project or programs <u>Subheads:</u> (i) Direct expenditure on projects or programs (2)Over-heads	Cumulative expenditure up to the reporting period	Amount spent direct or through implementing agency
	Contribution to Prime Minister's National Relief Fund (PMNRF)	PMNRF set up by Central Government for socio-economic development and relief and welfare of the Scheduled Casts, Scheduled Tribes, other backward classes, minorities and women	Activities as may be taken up by PMNRF	1,000,000	1,000,000	1,000,000	Amount spent directly by the Company
	<b>Total</b>					<b>1,000,000</b>	

**6. Reason for not spending the prescribed CSR expenditure:**

The Company has constituted a CSR committee and formulated CSR policy as required under Section 135 of Companies Act, 2013 and the Rules made thereunder. CSR initiatives and the methodology for spending the same to ensure appropriate end use of funds proposed to be spent is being deliberated in the Company.

The Company was in process of identifying the focus area having a relevance to the Company's core offering, enabling people to express themselves through sound. Accordingly, the company could not spend the required 2% of the average net profit of the Company for the last three financial years. However, the Company made a contribution of ₹ 1,000,000 to Prime Minister's National Relief Fund (PMNRF) by the end of the financial year 2015-16. Apart from the said contribution to PMNRF, the Company had taken initiatives to involve the employees of the Company in the CSR activities through 'GiveIndia – Payroll Giving Program'. For the financial year 2015-16, employees of the Company had contributed ₹176,693/-

The focused spending on the identified philanthropic activities in a systematic manner will happen from next financial year. In line with the CSR activities listed in Schedule VII of the Companies Act, 2013, the Company has identified health care including preventive health care as its primary focus area and planning to fund free hearing aids for the needy in the upcoming period.

**7. CSR Responsibility Statement:**

Implementation and monitoring of the CSR policy is in compliance with CSR objectives and policy of the Company.

Rajiv Pancholy  
Managing Director and CEO

Pascal Tremblay  
Chair - CSR Committee

Place: Montreal  
Date: May 30, 2016

**Annexure VIII**  
**Particulars of Employee Stock Option Schemes**

As required under Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014

Particulars	Plan I 2003	Plan II 2003	Plan III 2006	Plan I 2007	Plan II 2007	Plan I 2008	Plan II 2008	Plan III 2008	Plan IV 2008	Plan I 2010	Plan II 2010	Plan I 2011	Plan I 2012	Plan I 2013
<b>Pricing formula</b>														
Options Outstanding on April 01, 2015	2,054	-	22,852	142,326	-	-	31,040	1,180,310	123,526	35,000	614,218	809,714	2,336,890	836,872
Options Granted During the Year	-	-	-	-	-	-	-	30,000	-	-	353,406	-	-	-
Options vested*	-	-	3,380	83,512	-	-	6,948	411,791	2,600	35,000	311,418	242,759	695,577	248,192
Options Time extended During the Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Options Exercised During the Year	1,716	-	7,254	47,970	-	-	2,314	157,140	36,400	-	75,662	27,118	49,980	-
Total number of shares arising as a result of exercise of Options	1,716	-	7,254	47,970	-	-	2,314	157,140	36,400	-	75,662	27,118	49,980	-
Money realised by exercise of options (In ₹ Million)	0.00	-	0.26	1.75	-	-	0.08	5.34	1.33	-	2.74	0.90	1.65	-
Options Forfeited/Lapsed During the Year	338	-	12,218	10,844	-	-	21,778	99,704	84,526	-	92,138	-	100,000	111,717
Total number of options in force at the end of the year	-	-	3,380	83,512	-	-	6,948	953,466	2,600	35,000	799,824	782,596	2,186,910	725,155
Diluted earnings per share pursuant to issue of shares on exercise of options calculated in accordance with AS 20 'Earnings per share' (₹)	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51
Weighted average exercise price per option (after adjusting for Bonus issue, if applicable) of the options whose														
a) Exercise price equals market price	0.39	-	36.43	36.43	-	-	36.43	48.90	36.43	36.43	67.25	33.08	33.08	87.25
b) Exercise price is greater than market price	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c) Exercise price is less than market price	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Method of calculating fair value of options	Fair valuation guidance note not applicable													

**Significant assumptions used for estimate of fair value:**

Particulars	Plan III 2008	Plan III 2008	Plan III 2008	Plan II 2010
Stock price (₹)	75.08	94.78	128.50	110.73
Volatility	58.04%	58.69%	60.06%	58.32%
Risk free rate	7.90%	7.90%	7.90%	7.90%
Exercise price (₹)	75.08	94.78	128.50	110.73
Time to maturity (years)	4.37 years	4.37 years	4.37 years	4.37 years
Dividend yeild (₹ Per option)	1.5	1.5	1.5	1.5

**Notes:**

- 1) There was no variation of the terms of options granted
- 2) Employee wise details of options granted to;-
  - (i) Key managerial personnel:

SI No.	Name of the Key Managerial personnel	No. of options held as on March 31, 2016
1.	Rajiv Pancholy	1,000,000
2.	Praveen Kumar KJ	283,902
3.	P V Varaprasad	28,830

- (ii) any other employee who receives a grant of options in any one year of options amounting to 5% or more of options granted during the year (total options granted 383,406)

Sr. No	Name of the employee	Scheme Name	Grant Date	Options granted	% of total options granted during the year
1.	Parag Agrawal	ESOP 2, 2010	July 30, 2015	51,976	13.56
2.	Prashanth Shenoy	ESOP 2, 2010	July 30, 2015	85,000	22.17
3.	Amit Gupta	ESOP 2, 2010	July 30, 2015	74,960	19.55
4.	Himanshu Asrani	ESOP 2, 2010	July 30, 2015	46,146	12.04
5.	Geo Rajan	ESOP 2, 2010	July 30, 2015	24,000	6.26
6.	Srihari Gopu	ESOP 2, 2010	July 30, 2015	25,000	6.52

- (iii) None of the employees were granted options, during the year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.
- 3) Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings per Share'.

**Earnings Per share: Nominal value of ₹ 10 per share**

Details	Consolidated		Standalone	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Basic (₹)	-1.16	-2.86	0.52	0.81
Diluted (₹)	-1.16	-2.86	0.51	0.80

## Annexure IX

### Secretarial Audit Report for the financial year ended March 31, 2016

*(Pursuant to section 204 (1) of Companies Act 2013 and the rules made thereunder)*

To,  
The Members,  
**OnMobile Global Limited,**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ONMOBILE GLOBAL LIMITED**, (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **March 31, 2016** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on **March 31, 2016** and made available to me, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- d) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998
  - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
  - f) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- vi. Other laws applicable specifically to the company namely:
- a) Information Technology Act, 2000 and the rules made thereunder
  - b) Special Economic Zones Act, 2005 and the rules made thereunder
  - c) Software Technology Parks of India rules and regulations
  - d) The Indian Copy Rights Act 1957
  - e) The Patents Act, 1970
  - f) The Trade Marks Act, 1999.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges in India.

**I report that**, during the year under review, the Company has complied with the provisions of the Acts, rules, regulations and guidelines mentioned above.

**I further report that** the following applications (in Form MR-2) made by the Company to the Central Government pursuant to Section 196, 197 and Schedule V of the Companies Act, 2013 are pending disposal by the Central Government:

1. Form MR-2 filed vide SRN C40975765 dated 24/01/2015 for appointment and remuneration of François - Charles Sirois - Executive Chairman w.e.f 01/11/2014.
2. Form MR-2 filed vide SRN C41095175 dated 26/01/2015 for payment of revised remuneration (exceeding the limits specified under Section 197 read with schedule V of the Companies Act 2013) to Rajiv Pancholy- CEO & Managing Director w. e. f. 30/10/2014.

Pending approval of the Central Government, the Company has paid the proposed remuneration which was



in excess of the limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013.

3. Form MR-2 filed vide SRN C54143441 dated 27/05/2015 for remuneration paid (exceeding the limits specified under Section 197 read with schedule V of the Companies Act 2013) for the period from 01/04/2014 to 18/07/2014 to Chandramouli Janakiraman, the then Managing Director.
4. Form MR-2 filed vide SRN C81504623 dated 14/03/2016 for payment of remuneration to non-executive directors in the event of aggregate managerial remuneration exceeding the overall limit specified under Section 197 of the Companies Act, 2013 for the financial year ending March 31, 2016.

**I further report that**, there were no events/actions in pursuance of:

- α) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- β) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and requiring compliance thereof by the company during the financial year.

**I further report that**, based on the information provided and the representation made by the company and also on the review of the compliance reports of Company Secretary/Chief Executive Officer/Chief Finance Officer taken on record by the Board of Directors of the company, in my opinion, adequate systems and processes exist in the company to monitor and ensure compliance with provisions of applicable general laws like labour laws and environmental laws.

**I further report that**, the compliance by the company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

**I further report that**, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all Directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman the decisions of the Board were unanimous and no dissenting views have been recorded.

**I further report that**, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I report further that**, during the audit period,

#### **Buy back of shares**

By a resolution passed in their meeting held on February 04, 2016, pursuant to Section 68, 69, 70 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, the Board of Directors have approved buy back of equity shares of the company up to an aggregate amount of ₹ 70 crore i. e. 9.76% of aggregate paid up equity capital and free reserves as on March 31, 2015 (subject to a maximum of 5,600,000 equity shares) for a price not exceeding ₹ 150/- per share and the Company has bought back and extinguished 1,532,594 equity shares through an open market route till March 31, 2016 and the offer is open till August 19, 2016.

**P.G.HEGDE  
Hegde & Hegde**

Place : Bangalore  
Date : May 30, 2016

Company Secretaries  
FCS: 1325 / C.P.No:640

## Addendum to the Directors' Report

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### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1)**

#### **Appointment to an office or place of profit:**

Pursuant to the provision of Section 188(1)(f) of the Companies Act, 2013 read with Rule 15(3) of the Companies (Meeting of Board and its Powers) Rules, 2014, consent of the shareholders is, inter alia, required by passing a Special Resolution, where a Director holds an office or place of profit in any subsidiary of the Company. Rajiv Pancholy, Managing Director and CEO and François-Charles Sirois, Executive Chairman of the Company are related parties as per Section 2(76)(i) of the Companies Act, 2013. With a view to ensure effective Board guidance to the management of affairs of the subsidiary, Rajiv Pancholy and François-Charles Sirois are proposed to be appointed as Director / Manager / Consultant / Employee in OnMobile Global Solutions Canada Limited, wholly owned subsidiary of the Company for a period of three years with effect from October 1, 2016 to oversee the overall operations of the geography and would be entitled to remuneration from the said entity for devoting substantial time and assuming additional responsibility.

For and on behalf of the Board of Directors

**François-Charles Sirois**  
Executive Chairman

Place : New Delhi

Date : July 30, 2016

# Management Discussion & Analysis

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## OnMobile Global Limited ('OnMobile')

### 1. INDUSTRY TRENDS

The global smartphone sales have declined for the first time this year, due to major countries like China finally reaching maturity. The number of mobile subscribers has nevertheless continued to increase and the growth of mobile data consumption shows no sign of slowing down. This seems to indicate that the penetration of mobile phones is reaching a saturation point and data usage keeps getting stronger as people find new ways to enjoy and use their mobile devices.

From a smartphone operating system perspective, the market share of Android and iOS seems to have reached a stable stage. Some countries are massively dominated by Android, like India, the Latin American and African countries and some other countries have a more balanced share of Android and iOS like in the United States, Canada or the United Kingdom. In every part of the world, iOS users continue to be more profitable and spend more on apps than their Android peers. The other mobile operating systems have become irrelevant in the mind of consumers and developers. In the 90s and 2000s, Microsoft Windows was enjoying a monopoly and Apple MacOs was the distant second. Today, on smartphones, the situation is quite different with a duopoly consisting of Android and iOS. Android leads in market share but iOS leads in mindshare of highest spenders, the media and third party developers.

The Android ecosystem is increasingly complicated with in one hand, a fragmentation of the Android smartphone experience led by variants such as the Xiaomi version and Cyanogen Mod and on the other hand, the extension of Android on completely new kind of devices (Android TV, Android Auto, Android Wear).

From an app market perspective, this year also saw a change in the growth trajectory. According to an IDC report, the global app install has globally declined 8% in 2015. There have been many discussions about "peak app" and some experts are even predicting that chat bots or new mobile web apps will replace apps. However, according to the same report, the app revenue was up 36% in 2015. It seems that users are becoming more and more selective with what they download but they are increasingly consuming services and monetization is improving.

From those 3 perspectives, we can conclude that the mobile industry has reached maturity and that after years of disruption, the different players now have a clear place. The

novelty factor from apps is behind us: we are moving from a period of "trying" to an era of "using". Mobile is part of everybody's life and this persuasive platform is the one upon which the new experiences are being built.

### 2. OPPORTUNITIES

Last year, we presented 6 main opportunities for the mobile industry as a whole: Mobile-first services, Live video services, innovation on the content side, the Internet growth in India and an improvement in mobile monetization. While most of those opportunities are still present, it is interesting to notice that in the case of live video services, the service that started the trend - Meerkat - was not able to compete against Facebook and twitter and eventually gave up. The 2 leading services now are Periscope from twitter and Facebook which has integrated a live streaming directly in their iOS and Android apps. It is going to be close to impossible for a new comer to compete in this space.

Among all the opportunities, messaging is the most striking one. Messaging is the main thing people do on their mobile. By combining the usage of every messaging apps that people have installed on their device: WhatsApp, Snapchat, Facebook Messenger, Google Hangout, Apple iMessage and of course, good old SMS, the number of interactions of messaging surpasses any other activities that people do on their phone. Messaging is bigger than calls, bigger than music, bigger than videos and even bigger than social networking.

Messaging takes a number of forms; it is no longer limited to sending text. Messaging can be about sending ephemeral pictures visible only for a couple of seconds like Snapchat or it can be about sending voice messages or short video recordings. The quick, easy and hyper interactive experience is what defines modern mobile messaging.

Messaging is no longer limited to communicating with one single person. There is a number of experiments conducted by various players in the industry to make people communicate with third party services (like Uber) or with chat bots (powered by Artificial Intelligence).

Messaging is clearly a space which continues to evolve with new use cases and disrupted new technologies.

The opportunity for OnMobile is about transforming Ringback tone from a personalization service to a communication service. Ringback tones are audio messages that can be listened to by anyone calling the subscriber. These audio messages can be used to express and inform. With this new take on Ringback tone, the service is moving from a solo experience to a social experience.

### 3. CHALLENGES

The mobile industry continues to be extremely competitive and several challenges are affecting the entire industry and more specifically selected players within this industry.

**Regulation and policies:** Regulation and policies are still posing a challenge to the industry. While the impact of the most constraining policy, double confirmation is now well absorbed, new policies can make it more difficult to operate for service providers operating in the telecommunication space.

**Mobile messaging services:** The impact of mobile messaging apps keeps increasing. WhatsApp is now the most popular way to communicate in multiple countries, including India. The impact on SMS is well understood and with the introduction of WhatsApp calls, the impact on phone calls should increase in the years to come. In mature markets, mobile operators have reacted by offering unlimited national phone calls at a very competitive price.

### 4. RISKS AND CONCERNS

OnMobile operates in a very competitive market with competition from both legacy VAS companies and over-the-top services.

Most of the business-to-business contracts follow a revenue share model in which the revenue is shared between the mobile operator, the content owners and OnMobile. As a consequence, the revenue accrues to the company only if customers' end-user subscribers use or subscribe to the services offered by them. As a result, the Company's revenue is subject to uncertainties that are beyond its control, such as customer acceptance of its application services along with the subscription rate, that is largely dependent on the pricing of the services, product placement, and promotional activities conducted by the Company's customers, either jointly with the Company or solely.

As customers' attention is moving more and more towards mobile messaging services, the way people consume content and media is also reshaped. This can represent a competitive risk to OnMobile's ability to continue growing its customer base and operate profitably in its markets.

The Ringback tone business has also specific risk such as the decline of traditional telephony, replaced by VoIP telephony and mobile messaging. While this decline has been relatively limited in the past few years, it could accelerate as new forms of communications are emerging.

### 5. OUTLOOK 2016-17

OnMobile has spent more than a year building a new Ringback tone platform, SPARK, and developing a set of beautiful new applications. OnMobile is going to launch this year the

new applications and expect to play an important role in the creation, transformation, monetization and distribution of new kind of audio content.

### 6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

We believe that internal control and risk management are necessary prerequisites of Corporate governance. The Corporate Governance Policy guides the conduct of affairs of the Company and clearly delineates the roles, responsibilities and authorities at each level with adequate system of internal controls. This ensures that all transactions are authorised, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorized use or disposition. Properly documented policies, guidelines and procedures laid down for this purpose, stand widely communicated across the enterprise to provide the foundation for Internal Financial Controls with reference to the Company's operations and financial statements. Such Financial Statements are prepared on the basis of the Significant Accounting Policies, in line with the applicable Accounting Standards, that are reviewed by management and approved by the Audit Committee and the Board. These, in turn are supported by a set of Standard Operating Procedures (SOPs) that have been established for individual processes. In addition to this, the company has identified and documented the risks and control for each process that has a relationship to the operations and financial reporting.

The Company uses SAP and other internally developed ERP Systems as a business enabler and also to maintain its Books of Account. The SOPs in tandem with transactional controls built into the ERP Systems ensure appropriate segregation of duties, approval mechanisms and maintenance of supporting records. The Information Management Policy reinforces the control environment. The systems, SOPs and controls are reviewed by the management and audited by Internal Auditors whose findings and recommendations are reviewed by the Audit Committee and tracked through to implementation. The Company has in place adequate internal financial controls with reference to the Financial Statements. Such controls have been assessed during the year taking into consideration the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India. Based on the results of such assessment carried out by management, no reportable material weakness or significant deficiencies in the design or operation of internal financial controls was observed. Nonetheless, the Company recognizes that any internal control framework, no matter how well designed, has inherent limitations and accordingly, regular audit and review processes ensure that such systems are reinforced on an ongoing basis.

## 7. DISCUSSION ON CONSOLIDATED FINANCIAL PERFORMANCE FOR THE YEAR ENDED 2015-16

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

The consolidated financials for the previous year includes figures of Voxmobili S.A. divested during the previous year.

### A Snapshot of Performance

(In ₹ Million except EPS)

	FY 2015-16	% of total revenue	FY 2014-15	% of total revenue	Growth %
<b>Results from operations</b>					
Telecom Value Added Services	8,157.43	-	8,470.50	-	-4
Other Income	284.77	-	213.67	-	33
<b>Total Revenue</b>	<b>8,442.20</b>	-	<b>8,684.17</b>	-	<b>-3</b>
Cost of Sales and Services	3,125.06	37	2,892.40	33	8
Employee Benefits expense	2,172.00	26	2,784.91	32	-22
Finance costs	17.77	0	26.57	0	-33
Depreciation and amortization expense	1,494.33	18	1,437.29	17	4
Other expenses	1,333.30	16	1,566.44	18	-15
<b>Total Expenses</b>	<b>8,142.46</b>	<b>96</b>	<b>8,707.61</b>	<b>100</b>	<b>-6</b>
<b>Profit before exceptional items and tax</b>	<b>299.74</b>	<b>4</b>	<b>(23.44)</b>	<b>(0)</b>	<b>-1,379</b>
Exceptional items	105.59	1	32.83	0	222
<b>Profit before tax</b>	<b>194.15</b>	<b>2</b>	<b>-56.27</b>	<b>-1</b>	<b>-445</b>
Provision for taxation	320.46	4	266.91	3	20
<b>Profit for the year</b>	<b>-126.31</b>	<b>-1</b>	<b>-323.18</b>	<b>-4</b>	<b>61</b>
Profit attributable to Consolidated group	-126.36	-1	-323.18	-4	61
EPS-Basic	(1.2)	-	(2.9)	-	60
EPS-Diluted	(1.2)	-	(2.9)	-	58

### Revenue

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

The revenue for the FY 2015-16 was ₹ 8,157.43 million as against ₹ 8,470.50 million for FY 2014-15, thus recorded a decline of 4%. FY 2014-15 included revenues of ₹ 152 million from Voxmobili S.A., which was divested in Q1 of FY 2014-15. Excluding this, revenue is flat with a marginal de-growth of 2%. Revenue from Europe, contributing to 38% of the overall revenues, registered a growth of 24%. Rest of Asia saw a significant improvement of 48% while Middle East and

Africa region remained flat. Latam region witnessed decline in revenues by 28% mainly driven by contractual revenue share reduction in the countries combined with devaluation of currencies in these countries. Domestic revenues were down by 13% mainly influenced by the general downturn in the telecom industry.

India and International revenue segmentation is as follows:

(In ₹. Million)

	FY 2015-16	% of total revenue	FY 2014-15	% of total revenue	Growth %
India	1,803.15	22	2,072.16	24	(13)
Outside India	6,354.25	78	6,398.34	76	(1)
Total Revenue	8,157.40		8,470.50		(4)

### Other Income

Other income was ₹ 284.77 million in FY 2015-16 as compared to ₹ 213.67 million in FY 2014-15. The Other Income in FY

2015-16 primarily consists of Exchange gain of ₹ 106.56 Mn and dividend and interest income of ₹ 90.10 million. Other income for FY 2014-15 had profit on sale of Vox Mobili unit ₹ 66.87 million apart from the dividend and interest income of ₹ 99.37 million.

The surplus funds of the group were invested in fixed deposits and various debt schemes of the money market securities to ensure optimal returns within the investment policy parameters.

### Cost of Sales and Services

Cost of Sales and Services consists of amount incurred towards content fee and cost of software development and

other charges. Content fee is paid to content providers such as music label companies, royalty agencies, sports licensing authorities and other content licensors, from whom the group sources and aggregates content, pursuant to licensing agreements with them. Cost of software development and other charges primarily represents cost of licenses and maintenance contracts of servers and other assets. During FY 2015-16, the cost of sales and services was ₹ 3,125.06 million as against ₹ 2,892.40 million incurred in FY 2014-15. Change in revenue mix favouring high content revenues mainly in Europe, has impacted the Cost of Sales thereby increasing this by 8% and consequently dipping the Gross Margin by 4 percentage points.

(In ₹ Million)

	FY 2015-16	% of total revenue	FY 2014-15	% of total revenue	Growth %
Content fee	2,727.27	33	2,295.34	27	19
Cost of Software development and other charges	397.79	5	597.06	7	(33)
Cost of sales and Services	3,125.06	38	2,892.40	34	8

### Employee Benefits Expense

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

During the FY 2015-16, the group incurred a cost of ₹ 2,172.00 million as against ₹ 2,784.91 million in the FY 2014-15 thus representing a decrease of 22% over the previous year. Operationally, optimal utilization of manpower resources in conjunction with rationalization of headcount in international geographies continued to accumulate savings this year too.

March'16 headcount closed at 1,067 as compared to 1,147 as on March'15.

### Finance Charges

The Finance Charges represent primarily interest paid/payable towards the finance lease entered into by the Company for procurement of computer and electronic equipment and interest paid/payable towards loan to meet working capital requirements, acquisition of Livewire Mobile business and capital expenditure.

During FY 2015-16, the Company incurred Finance Charges of ₹ 17.77 million as compared to ₹ 26.57 million in FY 2014-15.

### Depreciation and Amortization

Depreciation and Amortization 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. Expenditure incurred on research and development is not being capitalized.

The group provided a sum of ₹ 1,494.33 million and ₹ 1,437.29 million towards Depreciation and Amortization for the FY 2015-16 and FY 2014-15, respectively, registering an increase of 4% over the previous year. This is mainly due to higher amortization of market development and deployment rights in the FY 2015-16 as compared to the previous year.

The Depreciation and Amortization as a percentage of average gross block is 17% and 16% for the years ended March 31, 2016 and 2015, respectively.

### Other Expenses

In the FY 2015-16, Other Expenses decreased by 15% to ₹ 1,333.30 million as against ₹ 1,566.40 million incurred in FY 2014-15. The break-up of the expenses is as follows:

(In ₹ Million)

	FY 2015-16	% of total revenue	FY 2014-15	% of total revenue	Increase %
Travelling and Conveyance	161.60	2	220.40	3	-27
Rent and other facilities cost	214.73	3	264.85	3	-19
Legal, professional & consultancy charges	204.66	2	276.22	3	-26
Rates and taxes	139.41	2	185.82	2	-25
Communication charges	85.71	1	110.02	1	-22
Marketing Expenses	255.63	3	68.99	1	271
Others	271.56	3	440.14	5	-38
<b>Total</b>	<b>1,333.30</b>	<b>16</b>	<b>1,566.44</b>	<b>19</b>	<b>-15</b>

We had undertaken various operational and cost efficiency improvement initiatives during the year which resulted in cost reduction across the board. The only exception to this is higher marketing cost which ensued mainly from promotional spending on new revenue streams in Europe and India. Further to this, additional marketing expenses were also incurred in our endeavor to create a unique Brand Identity for OnMobile.

### Exceptional Items

Exceptional items for FY 2015-16 comprise of foreign exchange loss on translation of assets and liabilities of operations in Argentina, Venezuela and Egypt on account of devaluation of currencies of these countries. For FY 2014-15, it comprised impact of foreign exchange loss on translation of assets and liabilities of operations in Venezuela on account of devaluation of its currency.

### Profit before Tax

The Profit/(Loss) before Tax of ₹ 194.15 million in the current FY 2015-16, as compared to ₹ (56.27) million during the previous year, increased by ₹ 250.42 Mn over the previous year.

### Provision for Taxation

The amount provided for taxation in the current year is ₹ 320.46 million as against ₹ 266.91 million provided in FY 2014-15, thus represents a 20% increase in tax expense over the previous year.

### Profit for the year

The Profit / (Loss) after Tax of ₹ (126.36) million in the current FY 2015-16, as compared to ₹ (323.18) million during the previous year, represents a 61% improved profitability over the previous year.

## FINANCIAL CONDITION

### Share Capital

The Authorized Share Capital of the group is ₹ 1,500 million, comprising of 149,500,000 equity shares of ₹10/-each and 500,000 preference shares of ₹ 10/- each.

As at March 31, 2016, the group has 108,111,402 equity shares of ₹ 10/- each as Issued, Subscribed and Paid-up Capital which decreased from 109,220,336 equity shares of ₹ 10/- each as at March 31, 2015. The decrease was on account of buyback of 1,532,594 shares pursuant to the public announcement made by the Company on February 11, 2016 and partly offset by an increase due to the options exercised by employees during the year for 423,660 equity shares.

### Reserves and Surplus

A summary of the Reserves and Surplus is given below:

(In ₹ Million)

	As at March 31, 2016	As at March 31, 2015
Capital Redemption Reserve	113.33	98.00
Securities premium	2,804.34	2,970.24
Stock Option outstanding	0.44	0.44
General Reserve	13.20	13.20
Foreign Currency Translation Reserve	-67.58	-20.35
Surplus in Statement of Profit and Loss	2,093.35	2,415.02
<b>Total</b>	<b>4,957.08</b>	<b>5,476.55</b>

The decrease in securities premium account of ₹ 165.90 million during the year was mainly on account of utilization for share buyback and transfer to Capital Redemption Reserve during the year.

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

The surplus retained in the Statement of Profit and Loss as at March 31, 2016 is ₹ 2,093.35 million. The Board of Directors have recommended, subject to approval of shareholders, a dividend of ₹ 1.50 per equity share of ₹ 10 each and dividend distribution tax thereon aggregating to ₹ 195.18 million.

The total Net Worth of the group as at March 31, 2016 is ₹ 6,038.19 million with the book value of each share being ₹ 56 (Face value of ₹ 10 each). The corresponding numbers for the previous FY are ₹ 6,568.75 million and ₹ 60 respectively.

### Long-term borrowings

The decrease in Long-term borrowings during the year was on account of repayment of long term portion of term loan availed for acquisition of Livewire Mobile business.

### 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 judgement that realization is virtually certain. The Deferred Tax Liability represents the deferred tax liability of the Group and as on March 31, 2016 is ₹ 1.17 million as compared to ₹ 1.43 million as on March 31, 2015. The Deferred Tax Asset represents the deferred tax assets of the Group and as on March 31, 2016 is ₹ 228.81 million as compared to ₹ 210.60 million as on March 31, 2015.

### Long-term provisions

The Long-term Provisions outstanding as on March 31, 2016 are ₹ 43.93 million as compared to ₹ 34.67 million as on March 31, 2015, thus representing an increase of ₹ 9.26 million. The increase is primarily on account of increase in provision for compensated absences based on accumulated leave credits of the employees.

### Non-Current Liabilities

The Non-Current Liabilities outstanding as on March 31, 2016 are ₹ 45.10 million as compared to ₹ 220.65 million as on March 31, 2015, thus representing a decrease of ₹ 175.55 million which was mainly on account of repayment of term loan (repayable beyond 12 months) relating to acquisition of Livewire Mobile business.

### Current Liabilities

The Current Liabilities outstanding as on March 31, 2016 are ₹ 3,511.29 million as compared to ₹ 3,608.82 million as on March 31, 2015, thus representing a decrease of ₹ 97.53 million mainly resulting from repayment of borrowings, unearned revenue, statutory remittances due and is partially offset by increase in trade payables.

### Goodwill on consolidation

Goodwill on Consolidation represents the excess of cost to the Company of its investments in the subsidiaries over its share of the equity of the subsidiaries, at the date on which the investments in the subsidiary Company were made.

The Goodwill as on March 31, 2016 was ₹ Nil as compared to ₹ 25.52 Million as of March 31, 2015, subsequent to an adjustment of Goodwill against the profit on sale of speech business of OnMobile SA during the year.

### Fixed Assets

The Company incurred an amount of ₹ 165.12 million (₹ 161.66 million in the previous year) as capital expenditure in the FY 2015-16. Addition to the gross block mainly comprises of additions to computers and electronic equipment, software consequent to expanding operations.

### Non-current Investments

There is no movement in non-current Investment of ₹ 0.02 million as at March 31, 2016 from March 31, 2015.

### Long-term loans and advances

The Long-term Loans and Advances recoverable as on March 31, 2016 are ₹ 1,449.77 million as compared to ₹ 1,354.43 million as on March 31, 2015, thus representing an increase of ₹ 95.34 million. The increase is primarily on account of Advance Income Tax, Tax deducted at source, withholding taxes during the year. Withholding and other tax receivables represent transaction taxes paid in various domestic and overseas jurisdictions which are recoverable.

### Current Investments

The Increase in short-term investment to ₹ 927.34 million as at March 31, 2016 from ₹ 717.87 million as at March 31, 2015, was due to increased investment in money market securities.

### Trade receivables

The Trade Receivables (net of Provision for Doubtful Trade Receivables) amount to ₹ 1,983.41 million as on March 31, 2016 as against ₹ 2,146.72 million as on March 31, 2015. These debts are considered good and realizable.

Below is the ageing of Trade receivables:

	(In ₹ Million)	
	As at March 31, 2016	As at March 31, 2015
Less than 6 months	1,626.10	1,726.82
More than 6 months	357.31	419.90

### Cash and cash equivalents

The Cash and Cash Equivalents as on March 31, 2016 were ₹ 2,281.34 million as against a balance of ₹ 1,995.58 million as on March 31, 2015. The balance of cash and cash equivalents include balance maintained in current account and deposit with bank and balance in Escrow account. The Group generated net cash of ₹ 1,084.46 million from operating activities which was partly utilized towards buyback of equity shares amounting to ₹ 176.37 million and other financing activities like payment of dividend and repayment of borrowings.



### Short-term loans and advances

The short-term loans and advances outstanding as on March 31, 2016 is ₹ 680.10 million as compared to ₹ 605.32 million outstanding as on March 31, 2015, thus representing an increase of ₹ 74.78 million mainly on account of increase in Balances with Statutory Authorities and Advance to Vendors.

### Other current assets

The Other current assets as on March 31, 2016 are ₹ 889.29 million as compared to ₹ 844.51 million as on March 31, 2015, thus representing an increase of ₹ 44.78 million. The increase was on account of increase in unbilled revenue.

## 8. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

### Our Focus on People

Our focus for the year 2015-2016 was to create an experience for our employees during their journey at OnMobile. We took every possible step to ensure that employees feel happy and satisfied in the areas of talent acquisition, development and engagement.

### Talent acquisition and engagement

In the year 2015-2016, OnMobile introduced a technology platform especially for hiring technical talent across the globe. This has resulted in improved sourcing to hire ratio and quality of talent.

Our people count as on March 2016 was 1,067.

From the employee engagement perspective, various interventions were implemented in the areas of health and wellness, recreation and work life balance.

### Learning and Skill Development

The year 2015-16 has been extremely successful for us from the skill development perspective. One of our missions was

“To make motivated talent available for the organization”. In order to fulfill this mission, we have launched a unique initiative called OnMobile Learning Academy (OLA), which addresses the need for organizational productivity as well as people’s professional development and employability.

OLA (OnMobile Learning Academy) has created an internal network of employees who play the crucial role of trainers and mentors. These internal trainers facilitate and provide highly tailored training to ensure increase in employee productivity, as well to increase their future employability and growth potential.

One of our proud moments in 2015 was when OLA (OnMobile Learning Academy) initiative won the ‘HR Best Practice’ award at HR Showcase 2015 organized by National Human Resource Development Network.

Apart from OLA (OnMobile Learning Academy), we continued making effective utilization of online learning tool to impart relevant technical, soft-skill as well as business-skill programs.

## 9. CAUTIONARY STATEMENT

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

# INDEPENDENT AUDITOR'S REPORT

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## TO THE MEMBERS OF ONMOBILE GLOBAL LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **ONMOBILE GLOBAL LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
  - e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**FOR DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 008072S)

**V. Balaji**  
Partner  
Membership No. 203685

BENGALURU, 30 May, 2016

# ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

## Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **ONMOBILE GLOBAL LIMITED** (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company as of and for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that

the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

**FOR DELOITTE HASKINS & SELLS**

Chartered Accountants  
(Firm's Registration No. 008072S)

**V. Balaji**

Partner

Membership No. 203685

BENGALURU, 30 May, 2016

## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

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(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some of the fixed assets were physically verified during the year 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.
- (c) According to the information and explanations given to us, the Company has lost the title deed with regard to free hold building and the Company is in the process of obtaining the true copy from the Registrar. Based on the certified copy of the registered deed of transfer provided to us by the Company the title to the aforesaid free hold building is held in the name of the Company. In respect of immovable properties of buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) The Company does not has any inventory and hence reporting under clause (ii) of the Order is not applicable.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
  - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company’s interest.
  - (b) The principal and interest are repayable on demand and there were no demand for repayments during the year.
  - (c) There is no overdue amount remaining outstanding as at the balance sheet date.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
  - (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount Involved (₹ in Million)	Amount Unpaid (₹ in Million)
Income Tax Ordinance, 1984, Bangladesh	Income Tax	High Court of Bangladesh	AY 2010-11	6.68	3.25
Income Tax Ordinance, 1984, Bangladesh	Income Tax	Income Tax Appellate Tribunal	AY 2011-12	38.56	6.10
Income Tax Act, 2004, Tanzania	Income Tax	Commissioner, Tanzania Revenue Authority	FY Dec 2011	3.61	2.71
Income-tax Act, 1961	Income Tax	High Court of Karnataka	AY 2008-2009	1.16	1.16
Income-tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	AY 2010-11	42.79	-
Income-tax Act, 1961	Income Tax	High Court of Karnataka	AY 2009-10	15.21	-
Income-tax Act, 1961	Income Tax	High Court of Karnataka	AY 2008-09	38.30	-
The Finance Act, 1994	Service Tax	Customs Excise & Service Tax Appellate Tribunal (CESTAT)	2006-07 to 2008-09	14.17	5.52

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of the Order is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in excess of the limits and approvals prescribed under section 197 read with Schedule V to the Companies Act, 2013 to the following managerial personnel

Managerial Position	Amount paid / provided in excess of limits (₹ in million)	Treatment of the amount paid in excess of the limits	Steps taken by the Company for securing refund
Managing Director	8.15	Included as part of Short-term Loans and Advances under Assets	The Company has applied for approval to the Central Government for the excess remuneration paid. The amount is being held by the Managing Director in trust for the Company

- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

**FOR DELOITTE HASKINS & SELLS**

Chartered Accountants  
(Firm's Registration No. 008072S)

**V. Balaji**

Partner

Membership No. 203685

BENGALURU, 30 May, 2016



# BALANCE SHEET

(In ₹ Million)			
	Note No.	As at March 31, 2016	As at March 31, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	2	1,081.11	1,092.20
Reserves and surplus	3	5,888.55	6,177.08
		<b>6,969.66</b>	<b>7,269.28</b>
<b>Non-Current Liabilities</b>			
Long-term provisions	4	40.70	31.80
		<b>40.70</b>	<b>31.80</b>
<b>Current Liabilities</b>			
Trade payables	5	-	-
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,015.56	1,421.39
Other current liabilities	6	372.64	416.10
Short-term provisions	7	222.86	213.13
		<b>1,611.06</b>	<b>2,050.62</b>
<b>TOTAL</b>		<b>8,621.42</b>	<b>9,351.70</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed assets</b>			
Tangible Assets	8A	269.89	315.26
Intangible Assets	8B	9.76	836.86
Capital work-in-progress		34.59	20.90
		<b>314.24</b>	<b>1,173.02</b>
Non-current investments	9	1,011.86	1,011.86
Deferred tax assets (net)	31	90.89	87.82
Long-term loans and advances	10	2,107.55	1,759.61
<b>Current Assets</b>			
Current investments	11	927.34	717.87
Trade receivables	12	1,087.11	1,118.41
Cash and Bank Balances	13	840.92	890.27
Short-term loans and advances	14	467.24	388.27
Other current assets	15	1,774.27	2,204.57
		<b>5,096.88</b>	<b>5,319.39</b>
<b>TOTAL</b>		<b>8,621.42</b>	<b>9,351.70</b>
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

1 to 42

In terms of our report attached

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells**

Chartered Accountants

**V. Balaji**

Partner

**Rajiv Pancholy**

Chief Executive Officer and Managing Director

**Francois Charles Sirois**

Executive Chairman

**Praveen Kumar K J**

Chief Financial Officer

**P V Varaprasad**

Company Secretary

Place: Bangalore

Date: May 30, 2016

Place: Montreal

Date: May 30, 2016

# STATEMENT OF PROFIT AND LOSS

(In ₹ Million except per share data)

	Note No.	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>REVENUE FROM OPERATIONS</b>			
Telecom Value Added Services		3,331.55	3,460.40
Other Operating revenue			
- Reimbursement of expenses	38	542.16	685.39
Other Income	16	278.87	157.54
<b>Total Revenue (A)</b>		<b>4,152.58</b>	<b>4,303.33</b>
<b>EXPENSES</b>			
Cost of Sales and Services	17	729.38	844.24
Employee benefits expense	18	1,318.13	1,482.56
Finance costs	19	-	3.14
Depreciation and amortisation expense	8	975.15	923.16
Other expenses	20	889.88	851.33
<b>Total Expenses (B)</b>		<b>3,912.54</b>	<b>4,104.43</b>
<b>Profit before exceptional item and tax</b>		<b>240.04</b>	<b>198.90</b>
Exceptional item	40	2.46	-
<b>Profit before tax (C) = (A-B)</b>		<b>237.58</b>	<b>198.90</b>
<b>TAX EXPENSE / (BENEFIT)</b>			
Current Tax expense		174.63	144.99
Minimum Alternate Tax (MAT) credit entitlement		-	(14.48)
Current Tax expense relating to prior years		8.67	-
Deferred tax	31	(3.07)	(23.70)
<b>Net tax expense (D)</b>		<b>180.23</b>	<b>106.81</b>
<b>Profit for the year (E) = (C-D)</b>		<b>57.35</b>	<b>92.09</b>
<b>EARNINGS PER SHARE</b>			
1. Basic (Face value of equity share of ₹ 10/- each)	30	0.52	0.81
2. Diluted (Face value of equity share of ₹ 10/- each)		0.51	0.80
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

1 to 42

In terms of our report attached

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells**

Chartered Accountants

**V. Balaji**

Partner

**Rajiv Pancholy**

Chief Executive Officer and Managing Director

**Francois Charles Sirois**

Executive Chairman

**Praveen Kumar K J**

Chief Financial Officer

**P V Varaprasad**

Company Secretary

Place: Bangalore

Date: May 30, 2016

Place: Montreal

Date: May 30, 2016

# CASH FLOW STATEMENT

	(In ₹ Million)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	237.58	198.90
Depreciation and amortisation expense	975.15	923.16
Unrealised Foreign Exchange Loss/(Gain)	(261.34)	(59.42)
Loss/(Gain) on Sale of Fixed Assets (Net)	(1.07)	(11.89)
Loss/(Gain) on sale/ redemption of Investment (Net)	-	(43.23)
Provision for Doubtful trade receivables (Net)	25.06	59.64
Dividend Income	(43.27)	(23.96)
Finance cost	-	2.39
Interest Income	(61.42)	(77.25)
	633.11	769.44
<b>Operating profit before working capital changes</b>	870.69	968.34
Changes in Working Capital:		
(Increase)/decrease in operating assets:		
Trade receivables	13.60	(3.67)
Short-term loans and advances and other current assets	488.56	(231.15)
Long-term loans and advances	(281.42)	(104.58)
<b>Increase/(decrease) in operating liabilities:</b>		
Current liabilities and provisions	(353.79)	(167.73)
Non-Current liabilities and provisions	8.89	(3.98)
	(124.16)	(511.11)
<b>Cash generated from operations</b>	746.53	457.23
Direct taxes paid (including refunds)	(251.90)	(63.40)
<b>Net cash generated from operating activities</b>	494.63	393.83
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on purchase of fixed assets including capital advances	(159.96)	(77.86)
Proceeds from sale of fixed assets	2.86	37.76
Sale, Redemption/ (Purchase) of short term investments (net)	(209.47)	(361.77)
(Purchase) / Sale of Investment in Subsidiaries (net)	-	1,187.94
(Increase)/decrease in earmarked bank balances	(176.12)	(0.23)
Dividend Income	43.27	23.96
Interest received	59.93	75.57
<b>Net cash (used in) / generated from investing activities</b>	(439.49)	885.37
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of Share Capital (net of refund of share application money)	14.13	27.77
Buyback of Equity Share Capital	(176.37)	(442.79)
Repayment of Finance Lease	-	(3.08)
Proceeds from/ (Repayment of) Short Term Borrowings	-	(167.86)
Finance cost	-	(2.73)
Dividend Paid including tax	(197.31)	(200.50)
<b>Net cash (used in) from financing activities</b>	(359.55)	(789.19)
<b>Net increase/(decrease) in cash and cash equivalents</b>	(304.41)	490.01
<b>Cash and cash equivalents as at March 31, 2015 (Opening Balance)</b>	871.35	295.06
<b>Effect of exchange differences on translation of foreign currency cash and cash equivalents</b>	(78.94)	(86.28)
<b>Cash and cash equivalents as at March 31, 2016 (Closing Balance)</b>	645.88	871.35
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet (Refer Note 13)	840.92	890.27
Less: Bank balances not considered as Cash and cash equivalents as defined in AS-3	195.04	18.92
<b>Cash and cash equivalents at the end of the year</b>	645.88	871.35

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

For and on behalf of the Board of Directors

**V. Balaji**  
Partner

**Rajiv Pancholy**  
Chief Executive Officer and Managing Director

**Francois Charles Sirois**  
Executive Chairman

**Praveen Kumar K J**  
Chief Financial Officer

**P V Varaprasad**  
Company Secretary

Place: Bangalore  
Date: May 30, 2016

Place: Montreal  
Date: May 30, 2016

# Notes forming part of the Financial Statements

## 1. SIGNIFICANT ACCOUNTING POLICIES

### a. Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

### b. Use of Estimates

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

### c. Cash flow Statement

Cash Flow Statement has been prepared in accordance with the Indirect method. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### d. Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of 3 months or less, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### e. Depreciation/Amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life

prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice on commercial lives of these assets as estimated by the Management.

The useful/commercial lives are as follows:

Category of Asset	No. of years
Leasehold Improvements	Primary lease period of 3 years -5 years
Office equipments	3 years
Computers & Electronic equipments	3 years-5 years
Finance Lease Assets	Primary lease period of 3 years -5 years
Furniture and Fixtures	3 years
Motor Cars	3 years

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Category of Asset	No. of years
Softwares	3 years
Intellectual Property Rights	3 years
Market development and deployment rights	Over the term of the agreement

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Individual assets costing less than ₹5,000/- are depreciated in full in the year of purchase.

### f. Revenue Recognition

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

Revenue from sale of user licences for software application 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 investments is recognized on an accrual basis when the right to receive it is established. Profit on sale of investments is recorded on transfer of title from the Company and is determined as the difference between the sale price and the carrying value

## Notes forming part of the Financial Statements

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of the investment. Rental Income is recognised on an accrual basis.

Interest Income is recognised on an accrual basis.

### g. Fixed assets (Tangible/ Intangible)

Fixed assets are stated at cost of acquisition including taxes, duties, freight directly attributable to make the asset ready for its intended use and other incidental expenses relating to acquisition and installation. Subsequent expenditure on fixed assets after its purchase is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Fixed assets retired from active use and held for sale are stated at the lower of their net book value and realisable value and disclosed separately.

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

### h. Foreign currency transactions

Initial recognition: Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Integral foreign operations: Transactions in foreign currencies entered into by the Company's integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the Balance Sheet date: Company: Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the Balance Sheet date are restated at the year-end rates. Non monetary items of the Company are carried at historical cost.

Integral foreign operations: Foreign currency monetary items (other than derivative contracts) of the Company's integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of the Company's integral foreign operations are carried at historical cost.

Treatment of exchange differences: Company: Exchange differences arising on settlement/ restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Integral foreign operations: Exchange differences arising on settlement/ restatement of Short-term foreign currency monetary assets & liabilities of the Company's

integral foreign operations are recognised as income or expense in the Statement of Profit and Loss.

Premium or discount on forward exchange contract, which are not intended for trading or speculation purposes is amortised over the life of such contract and is recognised as income or expense.

Any profit or loss arising on cancellation, renewal or restatement of forward contract is recognised in the Statement of Profit and Loss as income or expense in the period in which such cancellation or renewal is made.

### i. Investments

Current investments are carried individually at lower of cost and fair value.

Long-term investments are stated at cost less provision for diminution. Provision is made for any diminution in value of long-term investment which is other than temporary in nature. Cost of investments include acquisition charges such as brokerage, fees and duties.

### j. Employee Benefits

Employee benefits include provident fund, superannuation fund, ESIC, gratuity fund, compensated absences etc.

a) Short-term employee benefits includes 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) etc, for current employees are estimated and measured on an undiscounted basis.

b) Defined Contribution Plan: The Company's contribution to provident fund, employee state insurance scheme, social security etc are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.

c) Defined Benefit Plan: Post employment benefit plans other than Defined Contribution Plans includes liabilities for gratuity funded in terms of a scheme administered by the Life Insurance Corporation of India, is determined by using Projected Unit Credit method with 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 recognised in the

## Notes forming part of the Financial Statements

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Statement of Profit and Loss as income or expense in the period in which they occur. 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. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, reduced by the fair value of the scheme assets. Any asset resulting from this calculation is limited to past service cost plus the present value of available refunds and reductions in future contributions to the scheme.

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

### k. Employee Stock Option Plan

The Company has formulated 14 Employee Stock Option Plans ("ESOP") - OnMobile Employees Stock Option Plan - I 2003, OnMobile Employees Stock Option Plan - II 2003, OnMobile Employees Stock Option Plan - III 2006, OnMobile Employees Stock Option Plan - I 2007, OnMobile Employees Stock Option Plan - II 2007, OnMobile Employees Stock Option Plan - I 2008, OnMobile Employees Stock Option Plan - II 2008, OnMobile Employees Stock Option Plan - III 2008, OnMobile Employees Stock Option Plan - IV 2008, OnMobile Employees Stock Option Plan - I 2010, OnMobile Employees Stock Option Plan - II 2010, OnMobile Employees Stock Option Plan 2011, OnMobile Employees Stock Option Plan 1, 2012 and OnMobile Employees Stock Option Plan 1, 2013.

The Company has obtained legal opinion that the Guidance Note on Accounting for Employee Share Based Payments are not applicable to OnMobile Employee Stock Option Plan - I 2003 and II 2003. Options granted in terms of OnMobile Employee Stock Option Plan - III 2006, OnMobile Employees Stock Option Plan - I 2007, OnMobile Employees Stock Option Plan - II 2007, OnMobile Employees Stock Option Plan - I 2008, OnMobile Employees Stock Option Plan - II 2008, OnMobile Employees Stock Option Plan - III 2008, OnMobile Employees Stock Option Plan - IV 2008,

OnMobile Employees Stock Option Plan - I 2010, OnMobile Employees Stock Option Plan - II 2010, OnMobile Employees Stock Option Plan 2011, OnMobile Employees Stock Option Plan 1, 2012 and OnMobile Employees Stock Option Plan 1, 2013 to which the said Guidance Note is applicable, are accounted under intrinsic value method and accordingly, the difference between the fair value of the underlying shares and the exercise price, if any, is expensed to Statement of Profit and Loss over the period of vesting.

### l. Leases

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

### m. Earnings per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive

## Notes forming part of the Financial Statements

equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

### n. Income Tax

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

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

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

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

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

### o. Impairment of Assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment if

any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and  
(b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

### p. Provisions and Contingencies

Provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect current best estimates.

Contingent Liabilities are disclosed in the Notes to the financial statements. Contingent assets are not recognised in the financial statements.

### q. Operating Cycle

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

# Notes forming part of the Financial Statements

(In ₹ Million)

	As at March 31, 2016	As at March 31, 2015
<b>2. SHARE CAPITAL</b>		
<b>Authorised</b>		
149,500,000 Equity Shares of ₹10 each with voting rights (as at March 31, 2015 - 149,500,000 Equity Shares of ₹10 each)	1,495.00	1,495.00
500,000 Preference Shares of ₹10 each (as at March 31, 2015 - 500,000 Preference Shares of ₹10 each)	5.00	5.00
	<b>1,500.00</b>	<b>1,500.00</b>
<b>Issued, Subscribed and Fully Paid up</b>		
108,111,402 Equity Shares of ₹10 each fully paid up with voting rights (as at March 31, 2015 - 109,220,336 Equity Shares of ₹10 each)	1,081.11	1,092.20
	<b>1,081.11</b>	<b>1,092.20</b>

## Notes:

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

	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	Amount	Number of Shares	Amount
<b>Equity Shares with voting rights</b>				
Opening balance	109,220,336	1,092.20	114,235,502	1,142.35
Add: Exercise of Employee Stock Option Plan	423,660	4.24	784,834	7.85
Less: Buy back	1,532,594	15.33	5,800,000	58.00
<b>Closing balance</b>	<b>108,111,402</b>	<b>1,081.11</b>	<b>109,220,336</b>	<b>1,092.20</b>

### B) Details of shareholders holding more than 5% of the shares of the Company

	Number of Shares	%	Number of Shares	%
<b>Equity Shares with voting rights</b>				
OnMobile Systems Inc	50,923,703	47.10	50,923,703	46.62

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

- a) (i) During the year ended March 31, 2012, the Company made a bonus issue of 58,954,543 shares in the ratio of 1 : 1 to the shareholders by capitalisation of Securities Premium account.
- (ii) During the year the Company has issued 102,540 bonus equity shares (Previous year: 361,805 bonus equity shares) on exercise of eligible options.
- b) (i) During the year ended March 31, 2012 after obtaining approval of the shareholders and completion of the formalities prescribed for buy-back of equity shares u/s. 77A of the Companies Act, 1956, the Company bought back 2,936,000 Equity Shares of ₹10 each by utilising the Securities Premium Account. Capital Redemption Reserve has been created out of Security Premium Account for ₹ 29.36 Million being the nominal value of equity shares bought back in terms of Sec.77AA of the Companies Act, 1956.
- (ii) During the year ended March 31, 2013, the Company completed the above referred buy-back of equity shares and bought back 1,064,000 Equity Shares of ₹ 10 each by utilising the Securities Premium Account. Capital Redemption Reserve has been created out of Security Premium Account for ₹ 10.64 Million being the nominal value of equity shares bought back in terms of Sec.77AA of the Companies Act, 1956.
- c) During the year ended March 31, 2015 after obtaining approval of the shareholders and completion of the formalities prescribed for buy-back of equity shares u/s 68 of the Companies Act, 2013, the Company bought back 5,800,000 Equity Shares for ₹ 442.79 Million by utilising the Securities Premium Account. Capital Redemption Reserve has been created out of Security Premium Account for ₹ 58.00 Million being the nominal value of equity shares bought back in terms of Sec.68 of the Companies Act, 2013.



## Notes forming part of the Financial Statements

d) The Company had made a public announcement on February 11, 2016 for buy back of maximum 5,600,000 equity shares of ₹ 10 each for an amount not exceeding ₹ 700 Million. As on March 31, 2016, the buy back of 1,532,594 equity shares for ₹ 176.37 Million was finalised and executed by utilising the Securities Premium Account. Capital Redemption Reserve has been created out of Security Premium Account for ₹ 15.33 Million being the nominal value of equity shares bought back in terms of Sec.68 of the Companies Act, 2013.

D) Total number of Options outstanding under various employee stock option plans, that are convertible into equity shares, as on March 31, 2016 are 5,579,391 (at March 31, 2015: 6,134,802) (Refer Note 28)

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

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

	(In ₹ Million)	
	As at March 31, 2016	As at March 31, 2015
<b>3. RESERVES AND SURPLUS</b>		
<b>Capital Redemption Reserve</b>		
Opening Balance	98.00	40.00
Add: Transfer from Securities Premium Account	15.33	58.00
Closing Balance	113.33	98.00
<b>Securities Premium Account</b>		
Opening Balance	2,970.24	3,393.43
Add : Received during the year	10.49	19.86
Less: Utilised during the year for:		
Transfer to Capital Redemption Reserve	15.33	58.00
Shares buy back	161.04	384.79
Discount on exercise of eligible stock options	0.02	0.26
Closing Balance	2,804.34	2,970.24
<b>Stock Options Outstanding</b>	0.44	0.44
<b>General Reserve</b>		
Opening Balance	13.20	13.20
Add: Transfer from Surplus in Statement of Profit and Loss	-	-
Closing Balance	13.20	13.20
<b>Surplus in Statement of Profit and Loss</b>		
Opening Balance	3,095.20	3,200.32
Add : Profit for the year	57.35	92.09
Add/(Less): Proposed dividend for earlier year (including tax)	(0.13)	(0.03)
Less: Appropriations		
Proposed equity dividend (amount per share ₹1.50 (as at March 31, 2015: ₹ 1.50))	162.17	163.83
Tax on proposed equity dividend	33.01	33.35
Closing Balance	2,957.24	3,095.20
	<b>5,888.55</b>	<b>6,177.08</b>

## Notes forming part of the Financial Statements

(In ₹ Million)

	As at March 31, 2016		As at March 31, 2015	
<b>4. LONG - TERM BORROWINGS</b>				
Provision for employee benefits:				
Provision for Compensated Absences		40.70		31.80
		<b>40.70</b>		<b>31.80</b>

(In ₹ Million)

	As at March 31, 2016		As at March 31, 2015	
<b>5. TRADE PAYABLES</b>				
Total outstanding dues of micro enterprises and small enterprises (Refer Note 33)		-		-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,015.56		1,421.39
		<b>1,015.56</b>		<b>1,421.39</b>

(In ₹ Million)

	As at March 31, 2016		As at March 31, 2015	
<b>6. OTHER CURRENT LIABILITIES</b>				
Deferred payment Liability (Refer Note 24)		23.22		24.52
Income received in advance/ Unearned revenue		66.84		89.44
Share Application Money (Refer Note 21)		-		0.58
<b>Other Payables</b>				
Statutory remittances		173.03		153.19
Payables on purchase of Fixed Assets		103.27		147.16
Others		6.28		1.21
		<b>372.64</b>		<b>416.10</b>

(In ₹ Million)

	As at March 31, 2016		As at March 31, 2015	
<b>7. SHORT- TERM PROVISIONS</b>				
Provision for employee benefits (Refer Note 25)				
Provision for Compensated Absences		5.20		1.98
Provision for Gratuity		22.48		13.97
<b>Provision - Others</b>				
Proposed equity dividend		162.17		163.83
Provision for tax on proposed equity dividend		33.01		33.35
		<b>222.86</b>		<b>213.13</b>

# Notes forming part of the Financial Statements

	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK			
	As At April 1, 2015	Additions	Deletions	As At March 31, 2016	As At April 1, 2015	For the year	Deletions	As at March 31, 2016	As at March 31, 2015	
<b>8. FIXED ASSETS</b>										
<b>A. Tangible Assets (Owned, unless otherwise stated)</b>										
Leasehold Improvements	124.26 (119.90)	- (4.36)	9.77 (-)	114.49 (124.26)	61.54 (38.44)	22.90 (23.10)	9.77 (-)	74.67 (61.54)	39.82 (62.72)	62.72 (81.46)
Building	106.75 (106.75)	- (-)	- (-)	106.75 (106.75)	13.40 (11.65)	1.75 (1.75)	- (-)	15.15 (13.40)	91.60 (93.35)	93.35 (95.10)
Office Equipments	33.42 (32.83)	0.32 (2.24)	0.09 (1.65)	33.65 (33.42)	21.22 (12.19)	10.47 (10.68)	0.09 (1.65)	31.60 (21.22)	2.05 (12.20)	12.20 (20.64)
Computer and Electronic Equipments	2,424.62 (2,429.61)	98.34 (64.16)	321.96 (69.15)	2,201.00 (2,424.62)	2,296.65 (2,187.53)	93.81 (152.40)	320.21 (43.28)	2,070.25 (2,296.65)	130.75 (127.97)	127.97 (242.08)
Furniture and Fixtures	36.10 (35.07)	0.41 (1.39)	0.10 (0.36)	36.41 (36.10)	25.67 (16.37)	9.71 (9.66)	0.06 (0.36)	35.32 (25.67)	1.09 (10.43)	10.43 (18.70)
Motor Cars	12.03 (6.45)	- (6.85)	- (1.27)	12.03 (12.03)	3.44 (2.41)	4.01 (2.30)	- (1.27)	7.45 (3.44)	4.58 (8.59)	8.59 (4.04)
<b>Total Tangible assets</b>	<b>2,737.18</b>	<b>99.07</b>	<b>331.92</b>	<b>2,504.33</b>	<b>2,421.92</b>	<b>142.65</b>	<b>330.13</b>	<b>2,234.44</b>	<b>269.89</b>	<b>315.26</b>
Previous year	(2,730.61)	(79.00)	(72.43)	(2,737.18)	(2,268.59)	(199.89)	(46.56)	(2,421.92)	(315.26)	
<b>B. Intangible Assets (Owned) - Others</b>										
Softwares	741.97 (733.77)	5.40 (8.20)	- (-)	747.37 (741.97)	731.20 (701.23)	6.47 (29.97)	- (-)	737.67 (731.20)	9.70 (10.77)	10.77 (32.54)
Intellectual Property Rights	181.90 (181.90)	- (-)	- (-)	181.90 (181.90)	181.86 (181.86)	- (-)	- (-)	181.86 (181.86)	0.04 (0.04)	0.04 (0.04)
Market Development and Deployment Rights	2,717.09 (2,717.09)	- (-)	- (-)	2,717.09 (2,717.09)	1,891.04 (1,197.74)	826.03 (693.30)	- (-)	2,717.07 (1,891.04)	0.02 (826.05)	826.05 (1,519.35)
<b>Total Intangible Assets</b>	<b>3,640.96</b>	<b>5.40</b>	<b>-</b>	<b>3,646.36</b>	<b>2,804.10</b>	<b>832.50</b>	<b>-</b>	<b>3,636.60</b>	<b>9.76</b>	<b>836.86</b>
Previous year	(3,632.76)	(8.20)	(-)	(3,640.96)	(2,080.83)	(723.27)	(-)	(2,804.10)	(836.86)	
<b>Grand Total (A+B)</b>	<b>6,378.14</b>	<b>104.47</b>	<b>331.92</b>	<b>6,150.69</b>	<b>5,226.02</b>	<b>975.15</b>	<b>330.13</b>	<b>5,871.04</b>	<b>279.65</b>	<b>1,152.12</b>
Previous year	(6,363.37)	(87.20)	(72.43)	(6,378.14)	(4,349.42)	(923.16)	(46.56)	(5,226.02)	(1,152.12)	

Note: Figures in brackets relate to the previous year.

# Notes forming part of the Financial Statements

(In ₹ Million)

	As at March 31, 2016	As at March 31, 2015
<b>9. NON- CURRENT INVESTMENTS</b>		
<b>Investments (At Cost)</b>		
<b>Trade Investments (Unquoted) In Equity Shares of:</b>		
<b>Wholly owned subsidiaries:</b>		
OnMobile Singapore Pte. Ltd., Singapore 4,485,000 (at March 31, 2015: 4,485,000) equity shares of Singapore \$1 each, fully paid	154.49	154.49
PT OnMobile, Indonesia 1,000 (at March 31, 2015: 1,000) equity shares of USD 100 each, fully paid	4.06	4.06
Onmobile Europe B.V., Netherlands 3,817,935 (at March 31, 2015: 3,817,935) equity shares of Euro 1 each, fully paid	1,046.90	1,046.90
OnMobile USA LLC, USA 20,100 (at March 31, 2015: 20,100) units of Common Stock of USD 100 each fully paid	91.51	91.51
Servicios De Telefonía Onmobile Sa De Cv, Mexico 1,829,877 (at March 31, 2015: 1,829,877) equity shares of 1 peso each fully paid	6.86	6.86
OnMobile Global S A, Argentina 2,073,850 (at March 31, 2015: 2,073,850) equity shares of 1 ARS each fully paid	25.63	25.63
OnMobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis Ltda, Brazil 2,365,109 (at March 31, 2015: 2,365,109) equity shares of 1 BRL each fully paid	65.64	65.64
OnMobile Global for Telecommunications Services, Egypt 100(at March 31,2015:100) equity shares of 100 EGP each fully paid	0.08	0.08
OnMobile Bangladesh Private Limited 720,000 (at March 31, 2015: 720,000) equity shares of TK 10 each fully paid	5.09	5.09
Onmobile Global Spain, S.L.U. 961,000 (at March 31, 2015: 961,000) equity shares of Euro 1 each fully paid	81.90	81.90
OnMobile Kenya Telecom Limited 500,000 (at March 31, 2015: 500,000) equity shares of KES 20 each fully paid	41.50	41.50
OnMobile Zambia Telecom Limited 5,000 (at March 31, 2015: 5,000) equity shares of ZMW 1 each fully paid	0.06	0.06

## Notes forming part of the Financial Statements

(In ₹ Million)

	As at March 31, 2016		As at March 31, 2015	
Share application money pending allotment-		8.18		8.18
OnMobile Zambia Telecom Limited				
OnMobile Madagascar Telecom Limited		1.08		1.08
10,000 (at March 31, 2015: 10,000) equity shares of MGA 100 each fully paid				
OnMobile Telecom Limited, Malawi		0.81		0.81
10,000 (at March 31, 2015: 10,000) equity shares of MWK 1 each fully paid				
OnMobile Uganda Limited		13.51		13.51
10,000 (at March 31, 2015: 10,000) equity shares of UGX 100 each fully paid				
OnMobile Global Italy S.R.L.		0.71		0.71
10,000 (at March 31, 2015: 10,000) equity shares of Euro 1 each fully paid				
OnMobile Turkey Telekomunikasyon Sistemleri Limited Sirketi		0.27		0.27
100 (at March 31, 2015: 100) equity shares of TRY 100 each fully paid				
OnMobile Portugal SGPS, Unipessoal LDA (Zona Franca Da Madeira)		0.79		0.79
5,000 (at March 31, 2015: 5,000) equity shares of Euro 1 each fully paid				
OnMobile Ghana Telecom Limited		2.94		2.94
95,000 (at March 31, 2015: 95,000) equity shares of GHC 1 each fully paid				
OnMobile Telecom Sierra Leone Limited		1.01		1.01
1,000,000 (at March 31, 2015: 1,000,000) equity shares of Le 1,000 each fully paid				
OnMobile Rwanda Telecom Limited		0.05		0.05
500 (at March 31, 2015: 500) equity shares of Rwf 1,000 each fully paid				
OnMobile Global Czech Republic S.R.O		0.65		0.65
200,000 (at March 31, 2015: 200,000) equity shares of CZK 1 each fully paid				
OnMobile Nigeria Telecom Limited		0.98		0.98
2,500,000 (at March 31, 2015: 2,500,000) equity shares of NGN 1 each fully paid				
OnMobile Telecom Burkina Faso, S.A.R.L.		0.13		0.13
100 (at March 31, 2015: 100) equity shares of FCFA 10,000 each fully paid				

## Notes forming part of the Financial Statements

(In ₹ Million)

	As at March 31, 2016		As at March 31, 2015	
OnMobile Global Solutions Canada Limited 10,000 (at March 31, 2015: 10,000) equity shares of CAD 1 each fully paid		0.54		0.54
OnMobile Global Limited Colombia S.A.S. 544,073,765 (at March 31, 2015: 544,073,765) equity shares of COP 1 each fully paid		15.90		15.90
OnMobile Global South Africa (Pty) Ltd. 100 (at March 31, 2015: Nil) equity shares of Zar 1 each fully paid		0.00		-
<b>Associate:</b> Mobile Voice Konnect Private Limited 5,000 (at March 31, 2015: 5,000) equity shares of ₹ 10 each fully paid		0.05		0.05
<b>Other entity:</b> Turaco Mobile Private Limited 1,600 (at March 31, 2015: 1,600) equity shares of ₹ 10 each fully paid		0.02		0.02
		<b>1,571.34</b>		<b>1,571.34</b>
Less: Provision for Impairment of Investment in Onmobile Europe B.V.		559.48		559.48
		<b>1,011.86</b>		<b>1,011.86</b>
Aggregate amount of unquoted investment ₹ 1,571.34 Million (at March 31, 2015 ₹ 1,571.34 Million)				

(In ₹ Million)

	As at March 31, 2016		As at March 31, 2015	
<b>10. LONG - TERM LOANS AND ADVANCES</b> (Unsecured, Considered good)				
Capital Advances		0.07		2.16
Security Deposits		46.08		52.33
Prepaid expenses		-		6.98
Loans to Subsidiaries (Refer Note 23)		882.71		589.22
Advances to Employees		2.51		1.35
Advance Income tax (net of provisions of ₹1616.97 Million (at March 31, 2015: ₹1,443.07 Million))		1,113.17		965.06
MAT Credit Entitlement		62.31		141.81
Fringe Benefit Tax (net of provisions of Rs 70 Million (at March 31, 2015 ₹ 70 Million))		0.70		0.70
		<b>2,107.55</b>		<b>1,759.61</b>

(In ₹ Million)

	As at March 31, 2016		As at March 31, 2015	
<b>11. CURRENT INVESTMENTS</b> Investments in Mutual Funds (Unquoted) at lower of cost and fair value				
Birla Sun life Cash Plus-Instl-Daily Dividend -Reinvestment 2,245,082 (at March 31, 2015 -2,129,166) units, Net Asset Value ₹224.95 Million (at March 31, 2015 -₹213.33 Million)		224.95		213.33

## Notes forming part of the Financial Statements

(In ₹ Million)

	As at March 31, 2016		As at March 31, 2015	
HDFC Liquid Fund -Dividend-Daily Reinvest Option 10,516,182 (at March 31, 2015 – 9,846,144) units, Net Asset Value ₹106.01 Million (at March 31, 2015 – ₹100.41 Million)		106.01		100.41
Kotak Liquid Scheme Plan A- Daily Dividend Nil (at March 31, 2015 - 74,079) units, Net Asset Value Nil (at March 31, 2015 – ₹90.58 Million)		-		90.58
Reliance liquidity Fund Cash plan-Daily Dividend Reinvestment 45,007 (at March 31, 2015 – 99,324) units, Net Asset Value ₹50.14 Million (at March 31, 2015 – ₹110.66 Million)		50.14		110.66
Reliance Liquidity Fund-Treasury Plan-Institutional Option-Daily Div Option Nil (at March 31, 2015 – 26,524) units, Net Asset Value Nil (at March 31, 2015 – ₹40.55 Million)		-		40.55
Reliance Medium Term Fund. Daily Dividend 12,310,774 (at March 31, 2015 – Nil) units, Net Asset Value ₹ 210.46 million (at March 31, 2015 – Nil)		210.46		-
UTI-Treasury Advantage Fund-Institutional Plan-Daily Dividend Reinvest 173,433 (at March 31, 2015 – Nil) units, Net Asset Value ₹173.84 Million (at March 31, 2015 – Nil)		173.84		-
IDFC Cash Fund- Daily Dividend Nil (at March 31, 2015 – 105,309) units, Net Asset Value Nil (at March 31, 2015 – ₹105.37 Million)		-		105.37
IDFC Super Saver Income Fund-Short Term Plan-Monthly Dividend 9,795,579 (at March 31, 2015 – Nil) units, Net Asset Value ₹101.83 Million (at March 31, 2015 – Nil)		101.83		-
ICICI Prudential Liquid Plan- Daily Dividend 600,586 (at March 31, 2015 – 569,319) units, Net Asset Value ₹60.11 Million (at March 31, 2014 – ₹56.97 Million)		60.11		56.97
		<b>927.34</b>		<b>717.87</b>

Aggregate amount of unquoted investment ₹ 927.34 Million  
(at March 31, 2015 ₹ 717.87 Million)

(In ₹ Million)

	As at March 31, 2016		As at March 31, 2015	
<b>12. TRADE RECEIVABLES</b>				
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	320.35		355.43	
Unsecured, considered doubtful	105.77		163.28	
	426.12		518.71	
Less: Provision for doubtful Trade receivables*	105.77	320.35	163.28	355.43
<b>Other Trade Receivables</b>				
Unsecured, considered good	766.76		762.98	
Unsecured, considered doubtful	23.39		-	
	790.15		762.98	
Less: Provision for doubtful Trade receivables*	23.39	766.76	-	762.98
		<b>1,087.11</b>		<b>1,118.41</b>

\* Includes foreign exchange fluctuations

## Notes forming part of the Financial Statements

(In ₹ Million)

	As at March 31, 2016		As at March 31, 2015	
<b>13. CASH AND BANK BALANCES</b>				
<b>A. Cash and Cash equivalents</b>				
Cash on hand		0.01		0.07
Balances with bank :				
- In Current Accounts		412.52		346.84
- In Deposit Accounts		233.35		524.44
<b>B. Other Bank Balances</b>				
<b>Earmarked Balances</b>				
- Balance in Escrow account for buyback of shares		175.00		-
- Margin money on Bank Guarantees (Includes remaining maturity of more than 12 months)		20.04		18.92
		<b>840.92</b>		<b>890.27</b>

**Notes:**

- The balances that meet the definition of Cash and Cash equivalents as per AS-3 Cash Flow Statement is ₹645.88 Million (at March 31, 2015: ₹871.35 Million)

(In ₹ Million)

	As at March 31, 2016		As at March 31, 2015	
<b>14. SHORT - TERM LOANS AND ADVANCES</b>				
<b>(Unsecured, Considered good)</b>				
Security Deposits		21.78		23.28
Prepaid Expenses		42.04		48.39
Balances with Statutory authorities (Refer Note 1 below)		308.00		269.92
Loans and Advances to Employees (Refer Note 2 below)		25.83		20.59
Advances to Vendors		54.35		25.75
Others		15.24		0.34
		<b>467.24</b>		<b>388.27</b>

**Notes:**

- Balances with statutory authorities include ₹26.16 Million (at March 31, 2015: ₹26.16 Million) paid to VAT authorities under direction of the Honorable High Court of Karnataka.
- Advances to employees include ₹9.45 Million (at March 31, 2015 ₹1.30 Million) as advance to a director.

(In ₹ Million)

	As at March 31, 2016		As at March 31, 2015	
<b>15. OTHER CURRENT ASSETS</b>				
Unbilled Revenue		340.43		300.56
Accrued Interest on deposits		4.89		3.40
<b>Others</b>				
- Receivables from subsidiaries		1428.95		1900.61
		<b>1,774.27</b>		<b>2,204.57</b>



## Notes forming part of the Financial Statements

(In ₹ Million)

	As at March 31, 2016		As at March 31, 2015	
<b>16. OTHER INCOME</b>				
Interest				
- From Banks on deposits		35.63		23.32
- From Subsidiaries on long- term loans		25.79		16.42
- On Income Tax refund		-		37.52
Dividend income from current investments		43.27		23.96
Profit on sale of Long- term investments (Net)		-		43.23
Net gain on foreign currency transactions and translations		165.95		-
Other Non- Operating Income:				
- Profit on Sale of Fixed Assets (Net)		1.07		11.89
- Rental Income from Operating leases		6.20		-
- Miscellaneous Income		0.96		1.20
		<b>278.87</b>		<b>157.54</b>

(In ₹ Million)

	As at March 31, 2016		As at March 31, 2015	
<b>17. COST OF SALES AND SERVICES</b>				
Content fees		353.17		350.95
Cost of software development and other charges		376.21		493.29
		<b>729.38</b>		<b>844.24</b>

(In ₹ Million)

	For the year ended March 31, 2016		For the year ended March 31, 2015	
<b>18. EMPLOYEE BENEFITS EXPENSE</b>				
Salaries and wages		1,193.30		1,341.20
Contractors Expenses		11.27		22.04
Contribution to provident fund and other funds (Refer Note 25)		74.44		83.19
Staff welfare expenses		39.12		36.13
		<b>1,318.13</b>		<b>1,482.56</b>

(In ₹ Million)

	For the year ended March 31, 2016		For the year ended March 31, 2015	
<b>19. FINANCE COSTS</b>				
Interest on Finance leases		-		1.25
Interest on Short- term Borrowings		-		1.14
Other borrowing costs		-		0.75
		<b>-</b>		<b>3.14</b>

## Notes forming part of the Financial Statements

(In ₹ Million)

	For the year ended March 31, 2016		For the year ended March 31, 2015	
<b>20. OTHER EXPENSES</b>				
Power and Fuel		24.96		27.74
Rent [Refer Note 27]		72.89		71.98
Insurance		5.17		6.48
<b>Repairs and Maintenance</b>				
- Machinery		45.64		31.95
- Others		19.13		22.34
Office maintenance		41.01		31.36
Rates and taxes		13.57		24.40
Printing and stationery		3.10		2.69
Postage, courier and octroi		6.98		6.25
Communication charges		65.08		75.61
Training and Recruitment expenses		11.09		15.61
Travelling and conveyance		149.01		174.35
Legal, professional & consultancy charges		68.85		73.29
Commission to Non-whole time directors		10.08		2.00
Remuneration to auditors (Refer Note 26)		9.32		9.44
Marketing expenses		76.89		45.30
Business development expenses (Net)		232.36		64.49
Bad Trade Receivables written off	63.85		51.38	
Less: Provision for doubtful trade receivables released	63.85	-	51.38	-
Provision for Doubtful Trade Receivables		25.06		59.64
Brokerage and Commission		1.93		0.92
Bank charges		4.54		4.31
Net loss on foreign currency transactions and translations		-		98.36
Miscellaneous expenses		3.22		2.82
		<b>889.88</b>		<b>851.33</b>

21. Share application money represents amounts received from the employees against employee stock options, pending allotment.

### 22. A. Contingent liabilities

- The Company has been named as one of the 3 defendants in a civil dispute for injunction pending adjudication. However in the opinion of the management no liability would arise in this regard.
- Disputed Service tax ₹ 5.52 Million (Previous year: ₹ 5.52 Million) and disputed Income Tax ₹ 146.31 Million (Previous year: ₹ 271.03 Million)
- Bank Guarantees given for loans availed by subsidiary (OnMobile Live Inc) ₹ 800 Million (Previous year: ₹ 800 Million). The outstanding against the same as on March 31, 2016 ₹ 195.59 Million (Previous year: ₹ 461.38 Million).

### B. Capital Commitments

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for is ₹ 15.32 Million (Previous year: ₹ 5.70 Million).

# Notes forming part of the Financial Statements

## 23. Loans to Subsidiaries

The Company has given loan to its subsidiaries for working capital requirement purpose, the details of which are given below and which in the opinion of the Management is realisable in full.

Particulars	(In ₹ Million)			
	As at March 31, 2016	As at March 31, 2015	Maximum amount due at any time during the year 2015-16	Maximum amount due at any time during the year 2014-15
<b>Subsidiaries</b>				
- OnMobile Global Czech Republic S.R.O	6.65	6.55	7.41	6.55
- Pt. OnMobile Indonesia	-	-	-	11.97
- OnMobile Portugal SGPS, Unipessoal LDA (Zona Franca Da Madeira)	4.03	3.50	4.03	4.14
- OnMobile Rwanda Telecom Limited	3.22	2.94	3.33	2.94
- OnMobile Global Spain, S.L.U.	-	-	-	61.72
- OnMobile Turkey Telekomunikasyon Sistemleri Limited Sirketi	20.55	18.43	20.99	18.43
- OnMobile USA LLC	848.26	557.69	877.53	557.69
- OnMobile Zambia Telecom Limited	-	0.11	0.12	4.92
<b>Total</b>	<b>882.71</b>	<b>589.22</b>	<b>913.41</b>	<b>668.36</b>

24. Deferred Payment liability includes ₹ 23.22 Million (BRL 1.27 Million) (previous year: ₹ 24.52 Million (BRL 1.27 Million) payable to a customer in Brazil towards deploying value added services on an exclusive basis in the region.

## 25. Employee Benefits:

### I Defined Contribution Plans

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

Particulars *	For the year ended March 31, 2016 (In ₹ Million)	For the year ended March 31, 2015 (In ₹ Million)
Employer's Contribution to Provident Fund	47.27	55.08
Contribution for Foreign Branches	6.73	8.52
Employee State Insurance Contribution	-	0.04

\* Included in Note 18

### II Defined Benefit Plans

**Gratuity:** In accordance with Accounting Standard 15 (Revised 2005) - "Employee Benefits", actuarial valuation as on March 31, 2016 was done in respect of the aforesaid defined benefit plan of Gratuity based on the following assumptions:

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Discount Rate	7.90% p.a	7.81% p.a
Expected Rate of Return on Plan Assets	8% p.a	8% p.a
Salary Escalation Rate	12% p.a. for first 6 years and 7.0% p.a thereafter	13% p.a. for first 6 years and 7.0% p.a thereafter

## Notes forming part of the Financial Statements

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

### Change in Present Value of Obligation:

Particulars	As at March 31, 2016 (In ₹ Million)	As at March 31, 2015 (In ₹ Million)
Present Value of Obligation (Opening)	76.73	77.95
Current Service Cost	11.39	10.76
Interest on Defined Benefit Obligation	6.01	5.25
Benefits Paid	(13.23)	(21.46)
Net Actuarial Losses / (Gains) Recognized in Year	2.26	4.23
Closing Present Value of Obligations	<b>83.16</b>	<b>76.73</b>

### Change in the Fair Value of Assets:

Particulars	As at March 31, 2016 (In ₹ Million)	As at March 31, 2015 (In ₹ Million)
Opening Fair Value of Plan Assets	62.76	74.24
Expected Return on Plan Assets	5.04	5.24
Actuarial Gains / (Losses)	(0.82)	0.72
Contributions by Employer (net of risk premium etc)	6.93	4.02
Benefits Paid	(13.23)	(21.46)
Closing Fair Value of Plan Assets	<b>60.68</b>	<b>62.76</b>

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

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

Particulars	As at March 31, 2016 (In ₹ Million)	As at March 31, 2015 (In ₹ Million)
Closing Present Value of Funded Obligations	83.16	76.73
Closing Fair Value of Plan Assets	60.68	62.76
Unfunded Net Asset / (Liability) recognised in Balance Sheet	<b>22.48</b>	<b>13.97</b>

### Experience Adjustments:

Particulars	As at March 31, 2016 (In ₹ Million)	As at March 31, 2015 (In ₹ Million)	As at March 31, 2014 (In ₹ Million)	As at March 31, 2013 (In ₹ Million)	As at March 31, 2012 (In ₹ Million)
Defined Benefit Obligations	83.16	76.73	77.95	58.99	52.47
Plan Assets	60.68	62.76	74.24	57.24	44.87
Surplus/ (Deficit)	(22.48)	(13.97)	(3.71)	(1.75)	(7.60)
Experience adjustments on Plan Liabilities	2.76	4.23	(0.16)	1.26	(1.74)
Experience adjustments on Plan Assets	(0.82)	0.72	0.46	0.67	0.66

## Notes forming part of the Financial Statements

Amount recognized in the Balance Sheet:

Particulars	As at March 31, 2016 (In ₹ Million)	As at March 31, 2015 (In ₹ Million)
Closing Present value of obligations	83.16	76.73
Closing Fair Value of Plan Assets	(60.68)	(62.76)
Liability Recognised in the Balance Sheet	22.48	13.97

Estimate of amount of contribution in the immediately next year ₹ 22.48 Million.

Expenses recognised in the Statement of Profit and Loss:

Particulars	For the year ended March 31, 2016 (In ₹ Million)	For the year ended March 31, 2015 (In ₹ Million)
Current Service Cost	11.39	10.76
Interest Cost	6.01	5.25
Expected Return on Plan Assets	(5.04)	(5.24)
Actuarial Losses / (Gain)	3.08	3.51
Total Expense recognized in the Statement of Profit and Loss	15.44	14.28

### III Other long-term benefits

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

Particulars*	For the year ended March 31, 2016 (In ₹ Million)	For the year ended March 31, 2015 (In ₹ Million)
Compensated absences	22.65	11.05

\* Included in Note 18

Actuarial assumptions for Compensated absences are same as disclosed above for Gratuity.

### 26. Auditors Remuneration

Particulars	For the year ended March 31, 2016 (In ₹ Million)	For the year ended March 31, 2015 (In ₹ Million)
For Audit	2.85	2.85
For Taxation matters	1.30	1.30
For other attest services	3.95	3.95
Reimbursement of expenses	1.22	1.34
<b>Total</b>	<b>9.32</b>	<b>9.44</b>

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

### 27. Operating Lease:

The Company is obligated under non-cancellable operating lease for office space.

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

Particulars	(In ₹ Million)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Total Rental expense charged to Statement of Profit and Loss	72.89	71.98
<b>Future lease payments under non-cancellable leases:</b>		
Not later than 1 year	10.59	3.77
Later than 1 year and not later than 5 years	12.38	-

## Notes forming part of the Financial Statements

### 28. Employee Stock Option Plans

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

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

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

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Options granted outstanding at the beginning of the year	2,054	58,383
Exercised during the year	1,716	27,482
Forfeited/Lapsed during the year	338	28,847
Options granted outstanding at the end of the year	-	2,054
Grants outstanding which are vested as at Balance Sheet date including increase due to issuance of bonus shares	-	2,054

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

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

## Notes forming part of the Financial Statements

Plan	Board approval date	Share holder's approval date	Total options appropriated before bonus	Terms of Vesting
OnMobile Employees Stock Option Plan – I 2008	18-Mar-08	18-Apr-08	26,000	100% of the Options would vest over a period of four years.
OnMobile Employees Stock Option Plan II 2008	31-Oct-08	1-Aug-08	100,000	100% of the options granted would vest at the end of two years.
OnMobile Employees Stock Option Plan III 2008	31-Oct-08	1-Aug-08	748,240	For 297,170 Options 50% of the options granted would vest at the end of one year and 25% of the options would vest on a monthly basis at the end of each of second and third years from the grant date respectively and for the balance 451,070 Options granted under the Plan the vesting would be 25% of the Options would vest at the end of one year and the rest of the options shall vest at the rate of 1/36th of the options shall vest every month for the next three years.
OnMobile Employees Stock Option Plan III 2008	29-Apr-09	1-Aug-08	113,150	25% of such Options granted would vest at the end of twelve (12) months from the date the Optionee becomes an employee of the Company and the remaining 75% would vest at a rate of 1/36th per month for the next thirty six (36) months from the first Vesting.
OnMobile Employees Stock Option Plan III 2008	31-Jul-09	1-Aug-08	26,680	25% of such Options granted would vest at the end of twelve (12) months from the date the Optionee becomes an employee of the Company and the remaining 75% would vest at a rate of 1/36th per month for the next thirty six (36) months from the first Vesting.
OnMobile Employees Stock Option Plan III 2008	26-Oct-09	1-Aug-08	75,000	25% of such Options granted would vest at the end of each year over a period of four years.
OnMobile Employees Stock Option Plan III 2008	28-Jan-10	1-Aug-08	68,500	25% of such Options granted would vest at the end of each year over a period of four years.
OnMobile Employees Stock Option Plan IV 2008	26-Sep-08	31-Oct-08	173,953	100% of such Options granted would vest at the end of one year.
OnMobile Employees Stock Option Plan I 2010	30-Apr-10	24-Jul-10	325,000	Vesting period shall be for a minimum of one (1) year and a maximum of four (4) years from the date of the Grant of stock option
OnMobile Employees Stock Option Plan II 2010	30-Apr-10	24-Jul-10	875,000	Vesting period shall be for a minimum of one (1) year and a maximum of four (4) years from the date of the Grant of stock option

## Notes forming part of the Financial Statements

Plan	Board approval date	Share holder's approval date	Total options appropriated before bonus	Terms of Vesting
OnMobile Employees Stock Option Plan 2011	30-Apr-11	4-Aug-11	1,150,000	Vesting period shall be for a minimum of one (1) year and a maximum of four (4) years from the date of the Grant of stock option
OnMobile Employees Stock Option Plan 1, 2012	7-May-12	29-Aug-12	3,000,000	Vesting period shall be for a minimum of one (1) year and a maximum of four (4) years from the date of the Grant of stock option
OnMobile Employees Stock Option Plan 1, 2013	15-May-13	30-Jul-13	1,500,000	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, 2016	For the year ended March 31, 2015
Options granted outstanding at the beginning of the year	6,132,748	3,792,766
Granted during the year	383,406	4,893,476
Exercised during the year	403,838	757,352
Forfeited/ Lapsed during the year	532,925	1,796,142
Options granted outstanding at the end of the year	5,579,391	6,132,748
Weighted average remaining contractual life (years) at the year end	5.3	5.9
Weighted average exercise price per option (after adjusting for Bonus issue)	₹ 48	₹ 43
Range of exercise price (after adjusting for bonus issue)	₹ 22.28 to ₹ 128.50	₹ 22.28 to ₹ 87.25

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, 2016 would have been lower by ₹ 55.92 Million (Previous year ₹ 22.99 Million) and Basic and diluted EPS would have been revised to ₹ 0.01 (Previous year ₹ 0.61) and ₹ 0.01 (Previous year ₹ 0.60) respectively as compared to ₹ 0.52 (Previous year ₹ 0.81) and ₹ 0.51 (Previous year ₹ 0.80) without such impact. Basic and Diluted Earnings Per Share (EPS) have been restated for all the corresponding period to give effect of the Bonus shares, in accordance with Accounting Standard (AS) 20 "Earnings Per Share".

The fair value of stock based award to employees is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options have been calculated using Black-Scholes option pricing model, considering the expected weighted average term of the options to be 4.4 years (Previous year 4.4 years), a 2% (Previous year 3%) expected dividend yield on the underlying equity shares, weighted average volatility in the share price of 58.38% (Previous year 53.61%) and a risk free rate of 7.90% p.a. (Previous year 7.81% 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 after eliminating the abnormal price fluctuations.



# Notes forming part of the Financial Statements

## 29. Transactions with related parties:

### I List of Related parties and relationship:

SI No.	Relationship	Related parties
(i)	Subsidiaries	<p>OnMobile Singapore Pte. Ltd.</p> <p>PT. OnMobile Indonesia .</p> <p>Vox Mobili S.A. (subsidiary of OnMobile S.A. till July 11, 2014)</p> <p>OnMobile SA.</p> <p>OnMobile Europe B.V.</p> <p>OnMobile Servicios Corporativos De Telefonía S.A. DE C.V.</p> <p>Servicios De Telefonía OnMobile, SA DE CV</p> <p>OnMobile USA LLC.</p> <p>OnMobile Global S A</p> <p>OnMobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis Ltda</p> <p>OnMoible Global for Telecommunication Services</p> <p>OnMobile Senegal SARL</p> <p>OnMobile De Venezuela C.A. (subsidiary of OnMobile USA LLC)</p> <p>OnMobile Latam holdings SL (subsidiary of OnMobile USA LLC)</p> <p>OnMobile Mali SARL</p> <p>OnMobile Bangladesh Private Limited</p> <p>OnMobile Kenya Telecom Limited</p> <p>OnMobile Costa Rica OBCR, SA</p> <p>OnMobile Ghana Telecom Limited</p> <p>OnMobile Madagascar Telecom Limited</p> <p>OnMobile Nigeria Telecom Limited</p> <p>OnMobile Zambia Telecom Limited</p> <p>OnMobile Telecom Sierra Leone Limited</p> <p>OnMobile Tanzania Telecom Limited</p> <p>OnMobile Global Spain S.L.U</p> <p>OnMobile Uruguay S.A</p> <p>OnMobile Uganda Limited</p> <p>OnMobile Rwanda Telecom Limited</p> <p>OnMobile Global Italy S.R.L.</p> <p>OnMobile Telecom Limited</p> <p>Onmobile Turkey Telekomunikasyon Sistemleri Limited Şirketi</p> <p>Onmobile Telecom Burkina Faso, SARL</p> <p>OnMobile Portugal SGPS, Unipessoal LDA (Zona Franca Da Madeira)</p> <p>OnMobile Live Inc (subsidiary of OnMobile USA LLC)</p> <p>Fonestarz Media Group Limited (subsidiary of OnMobile Live Inc)</p> <p>2dayUK Limited (subsidiary of OnMobile Live Inc)</p> <p>Fonestarz Media (licensing) Limited (subsidiary of OnMobile Live Inc)</p> <p>Daius Limited (subsidiary of OnMobile Live Inc)</p> <p>Fonestarz Limited (subsidiary of OnMobile Live Inc)</p> <p>Fonestarz Media (Australia) PTY Limited (subsidiary of OnMobile Live Inc)</p> <p>Fonestarz Media Limited (subsidiary of OnMobile Live Inc)</p> <p>OnMobile Global Czech Republic s.r.o.</p>

## Notes forming part of the Financial Statements

SI No.	Relationship	Related parties
(ii)	Other related parties with whom the Company had transactions Key Management Personnel	OnMobile Global Limited Colombia S.A.S. OnMobile Global Solutions Canada Limited OnMobile Global South Africa (PTY) Limited
		Rajiv Pancholy Francois Charles Sirois Chandramouli Janakiraman
(iii)	Associate	Mobile Voice Konnect Private Limited
(iv)	Enterprises owned or significantly influenced by key management personnel/Directors or their relatives	OnMobile Systems Inc., USA

### II Transactions with Related Parties:

(In ₹ Million)

SI No	Nature of transactions	Subsidiary Companies		Key Management Personnel		Total	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<b>1</b>	<b>Income from services</b>						
	OnMobile Singapore Pte. Ltd.	88.24	73.59	-	-	88.24	73.59
	OnMobile Global for Telecommunication Services	175.86	135.28	-	-	175.86	135.28
	Voxmobili S.A.	-	34.52	-	-	-	34.52
	OnMobile Brasil Sistemas de Valor Agregado Para Comunicacoes Moveis Ltda	12.82	45.97	-	-	12.82	45.97
	OnMobile Nigeria Telecom Limited	34.94	-	-	-	34.94	-
	OnMobile Global South Africa (PTY) Limited	19.68	-	-	-	19.68	-
	OnMobile Ghana Telecom Limited	2.51	-	-	-	2.51	-
	OnMobile Telecom Sierra Leone Limited	0.63	-	-	-	0.63	-
	OnMobile Telecom Limited.	5.40	-	-	-	5.40	-
	OnMobile Costa Rica OBCR SA	17.39	10.50	-	-	17.39	10.50
	OnMobile Zambia Telecom Limited	0.05	18.63	-	-	0.05	18.63
	OnMobile Global Spain S.L.U	314.49	20.13	-	-	314.49	20.13
	OnMobile Bangladesh Private Limited	6.48	19.86	-	-	6.48	19.86
	<b>Total</b>	<b>678.49</b>	<b>358.48</b>	<b>-</b>	<b>-</b>	<b>678.49</b>	<b>358.48</b>
<b>2</b>	<b>Business Development expenses / (Reversals)</b>						
	PT OnMobile Indonesia	2.04	12.52	-	-	2.04	12.52
	OnMobile USA LLC	229.47	39.02	-	-	229.47	39.02
	OnMobile Kenya Telecom Limited	(7.54)	-	-	-	(7.54)	-
	OnMobile Uruguay S.A	-	1.75	-	-	-	1.75
	OnMobile Uganda Limited	(4.58)	-	-	-	(4.58)	-
	OnMobile Global Solutions Canada Limited	12.97	11.20	-	-	12.97	11.20
	<b>Total</b>	<b>232.36</b>	<b>64.49</b>	<b>-</b>	<b>-</b>	<b>232.36</b>	<b>64.49</b>

## Notes forming part of the Financial Statements

(In ₹ Million)

SI No	Nature of transactions	Subsidiary Companies		Key Management Personnel		Total	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<b>3</b>	<b>Transfer of Corporate Costs</b>						
	OnMobile Global SA	-	7.67	-	-	-	7.67
	OnMobile Brasil Sistemas de Valor Agregado Para Comunicacoes Moveis Ltda	32.52	48.43	-	-	32.52	48.43
	OnMobile Global for Telecommunication Services	21.16	16.31	-	-	21.16	16.31
	OnMobile Kenya Telecom Limited	-	0.62	-	-	-	0.62
	OnMobile Madagascar Telecom Limited	-	0.30	-	-	-	0.30
	OnMobile Telecom Limited.	-	1.12	-	-	-	1.12
	Servicios De Telefonía OnMobile SA DE CV	-	12.84	-	-	-	12.84
	OnMobile Singapore Pte. Ltd.	13.29	9.49	-	-	13.29	9.49
	OnMobile Telecom Sierra Leone Limited	-	0.33	-	-	-	0.33
	OnMobile Ghana Telecom Limited	-	0.25	-	-	-	0.25
	OnMobile Nigeria Telecom Limited	-	1.64	-	-	-	1.64
	OnMobile Uganda Limited	-	1.70	-	-	-	1.70
	OnMobile De Venezuela C A	-	0.98	-	-	-	0.98
	OnMobile Zambia Telecom Limited	1.58	5.95	-	-	1.58	5.95
	OnMobile Global Spain S.L.U	179.94	111.00	-	-	179.94	111.00
	OnMobile Uruguay S.A	-	0.44	-	-	-	0.44
	OnMobile Rwanda Telecom Limited	-	0.11	-	-	-	0.11
	Onmobile Turkey Telekomunikasyon Sistemleri Limited sirketi	-	0.70	-	-	-	0.70
	OnMobile Bangladesh Private Limited	-	(8.56)	-	-	-	(8.56)
	Onmobile Telecom Burkina Faso, SARL	-	0.25	-	-	-	0.25
	OnMobile Global Czech Republic s.r.o.	-	0.16	-	-	-	0.16
	OnMobile Costa Rica OBCR, SA	2.00	1.02	-	-	2.00	1.02
	<b>Total</b>	<b>250.49</b>	<b>212.75</b>	<b>-</b>	<b>-</b>	<b>250.49</b>	<b>212.75</b>
<b>4</b>	<b>Transfer of Marketing rights</b>						
	OnMobile Global SA	-	99.07	-	-	-	99.07
	OnMobile Brasil Sistemas de Valor Agregado Para Comunicacoes Moveis Ltda	98.03	82.34	-	-	98.03	82.34
	Servicios De Telefonía OnMobile SA DE CV	60.72	174.16	-	-	60.72	174.16
	OnMobile De Venezuela C A	-	15.42	-	-	-	15.42
	OnMobile Uruguay S.A	8.95	6.41	-	-	8.95	6.41
	OnMobile Global Limited Colombia S.A.S.	15.53	10.02	-	-	15.53	10.02
	OnMobile Global Spain S.L.U	110.63	92.46	-	-	110.63	92.46
	<b>Total</b>	<b>293.86</b>	<b>479.88</b>	<b>-</b>	<b>-</b>	<b>293.86</b>	<b>479.88</b>

## Notes forming part of the Financial Statements

(In ₹ Million)

SI No	Nature of transactions	Subsidiary Companies		Key Management Personnel		Total	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<b>5</b>	<b>Transfer of Data centre costs absorbed</b>						
	OnMobile USA LLC	35.94	60.66	-	-	35.94	60.66
	<b>Total</b>	<b>35.94</b>	<b>60.66</b>	<b>-</b>	<b>-</b>	<b>35.94</b>	<b>60.66</b>
<b>6</b>	<b>Transfer of cross charge absorbed.</b>						
	OnMobile Kenya Telecom Limited	2.19	7.24	-	-	2.19	7.24
	<b>Total</b>	<b>2.19</b>	<b>7.24</b>	<b>-</b>	<b>-</b>	<b>2.19</b>	<b>7.24</b>
<b>7</b>	<b>Cost of hardware and software development charges</b>						
	OnMobile S.A.	7.72	87.76	-	-	7.72	87.76
	Voxmobili S.A.	-	0.26	-	-	-	0.26
	<b>Total</b>	<b>7.72</b>	<b>88.02</b>	<b>-</b>	<b>-</b>	<b>7.72</b>	<b>88.02</b>
<b>8</b>	<b>Remuneration (including other benefits)</b>						
	Rajiv Pancholy	-	-	23.59	24.52	23.59	24.52
	Francois Charles Sirois	-	-	9.23	7.69	9.23	7.69
	Chandramouli Janakiraman	-	-	-	5.32	-	5.32
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>32.82</b>	<b>37.53</b>	<b>32.82</b>	<b>37.53</b>
<b>9</b>	<b>Interest Income</b>						
	PT OnMobile Indonesia	-	0.44	-	-	-	0.44
	OnMobile Rwanda Telecom Limited	0.11	0.10	-	-	0.11	0.10
	OnMobile Global Spain S.L.U	-	0.08	-	-	-	0.08
	Onmobile Turkey Telekomunikasyon Sistemleri Limited Şirketi	0.73	0.63	-	-	0.73	0.63
	OnMobile USA LLC	24.58	14.80	-	-	24.58	14.80
	OnMobile Portugal SGPS, Unipessoal LDA (Zona Franca Da Madeira)	0.13	0.14	-	-	0.13	0.14
	OnMobile Global Czech Republic s.r.o.	0.24	0.23	-	-	0.24	0.23
	<b>Total</b>	<b>25.79</b>	<b>16.42</b>	<b>-</b>	<b>-</b>	<b>25.79</b>	<b>16.42</b>
<b>10</b>	<b>Purchase of Fixed Assets</b>						
	OnMobile Kenya Telecom Limited	0.28	-	-	-	0.28	-
	Onmobile Telecom Burkina Faso, SARL	2.42	-	-	-	2.42	-
	<b>Total</b>	<b>2.70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.70</b>	<b>-</b>
<b>11</b>	<b>Investments made during the year in</b>						
	OnMobile Global Limited Colombia S.A.S.	-	15.90	-	-	-	15.90
	OnMobile Global South Africa (PTY) Limited (INR 427)	0.00	-	-	-	0.00	-
	Onmobile Turkey Telekomunikasyon Sistemleri Limited Şirketi	-	0.19	-	-	-	0.19
	OnMobile Global Solutions Canada Limited	-	0.54	-	-	-	0.54
	<b>Total</b>	<b>0.00</b>	<b>16.63</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>16.63</b>

## Notes forming part of the Financial Statements

(In ₹ Million)

SI No	Nature of transactions	Subsidiary Companies		Key Management Personnel		Total	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<b>12</b>	<b>Investments sold/Bought-Back during the year</b>						
	OnMobile Europe B.V.	-	1,160.61	-	-	-	1,160.61
	<b>Total</b>	<b>-</b>	<b>1,160.61</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,160.61</b>
<b>13</b>	<b>Recovery of Expenses from</b>						
	OnMobile Singapore Pte. Ltd.	13.10	12.51	-	-	13.10	12.51
	OnMobile Global for Telecommunication Services	-	1.23	-	-	-	1.23
	OnMobile USA LLC.	-	0.40	-	-	-	0.40
	OnMobile Live Inc	10.97	10.00	-	-	10.97	10.00
	<b>Total</b>	<b>24.07</b>	<b>24.14</b>	<b>-</b>	<b>-</b>	<b>24.07</b>	<b>24.14</b>
<b>14</b>	<b>Reimbursement of Expenses to</b>						
	OnMobile S.A.	100.30	123.30	-	-	100.30	123.30
	OnMobile Kenya Telecom Limited	-	0.08	-	-	-	0.08
	Voxmobili S.A.	-	3.81	-	-	-	3.81
	<b>Total</b>	<b>100.30</b>	<b>127.19</b>	<b>-</b>	<b>-</b>	<b>100.30</b>	<b>127.19</b>
<b>15</b>	<b>Transfer of Fixed Assets, AMC, Content Cost, Freight and Insurance</b>						
	OnMobile Singapore Pte. Ltd.	0.15	-	-	-	0.15	-
	OnMobile Ghana Telecom Limited	-	3.25	-	-	-	3.25
	OnMobile Global South Africa (PTY) Limited	-	2.11	-	-	-	2.11
	OnMobile Kenya Telecom Limited	-	3.59	-	-	-	3.59
	OnMobile Madagascar Telecom Limited	-	0.04	-	-	-	0.04
	OnMobile Telecom Limited	-	0.07	-	-	-	0.07
	OnMobile Nigeria Telecom Limited	-	0.02	-	-	-	0.02
	OnMobile Zambia Telecom Limited	-	0.33	-	-	-	0.33
	OnMobile Rwanda Telecom Limited	-	0.03	-	-	-	0.03
	OnMobile Uganda Limited	-	0.59	-	-	-	0.59
	OnMobile Global Spain S.L.U	1.47	1.50	-	-	1.47	1.50
	Onmobile Telecom Burkina Faso, SARL	0.28	5.71	-	-	0.28	5.71
	OnMobile USA LLC.	0.07	-	-	-	0.07	-
	<b>Total</b>	<b>1.97</b>	<b>17.24</b>	<b>-</b>	<b>-</b>	<b>1.97</b>	<b>17.24</b>
<b>16</b>	<b>Refund of Share Application Money</b>						
	OnMobile Tanzania Telecom Limited	-	0.73	-	-	-	0.73
	<b>Total</b>	<b>-</b>	<b>0.73</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.73</b>

# Notes forming part of the Financial Statements

## III Balances with Related Parties:

(In ₹ Million)

SI No	Nature of transactions	Subsidiary Companies		Key Management Personnel		Total	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<b>17</b>	<b>Annual Maintenance Charge (Prepaid)</b>						
	OnMobile S.A.	-	5.80	-	-	-	5.80
	<b>Total</b>	<b>-</b>	<b>5.80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.80</b>
<b>18</b>	<b>Trade Payables</b>						
	OnMobile Singapore Pte. Ltd.	71.93	209.89	-	-	71.93	209.89
	PT OnMobile Indonesia	3.00	25.33	-	-	3.00	25.33
	OnMobile S.A.	17.71	54.12	-	-	17.71	54.12
	Servicios De Telefonía OnMobile Sa De Cv	10.34	179.16	-	-	10.34	179.16
	OnMobile Brasil Sistemas de Valor Agregado Para Comunicacoes Moveis Ltda	27.52	19.39	-	-	27.52	19.39
	OnMobile Live Inc	0.51	0.23	-	-	0.51	0.23
	Onmobile Telecom Burkina Faso, SARL	2.59	-	-	-	2.59	-
	OnMobile Global Italy S.R.L.	-	0.03	-	-	-	0.03
	OnMobile Global SA	4.84	4.57	-	-	4.84	4.57
	OnMobile Kenya Telecom Limited	15.09	41.64	-	-	15.09	41.64
	OnMobile Telecom Limited.	9.31	15.15	-	-	9.31	15.15
	OnMobile Senegal SARL	34.21	31.16	-	-	34.21	31.16
	OnMobile Ghana Telecom Limited	0.10	1.44	-	-	0.10	1.44
	OnMobile Madagascar Telecom Limited	4.75	8.14	-	-	4.75	8.14
	OnMobile Nigeria Telecom Limited	4.88	0.71	-	-	4.88	0.71
	OnMobile Rwanda Telecom Limited	4.05	4.08	-	-	4.05	4.08
	OnMobile Telecom Sierra Leone Limited	4.51	5.93	-	-	4.51	5.93
	OnMobile Uganda Limited	1.31	7.62	-	-	1.31	7.62
	OnMobile Zambia Telecom Limited	14.73	24.13	-	-	14.73	24.13
	OnMobile Uruguay S.A	7.20	14.04	-	-	7.20	14.04
	OnMobile Global Solutions Canada Limited	1.32	5.21	-	-	1.32	5.21
	<b>Total</b>	<b>239.90</b>	<b>651.97</b>	<b>-</b>	<b>-</b>	<b>239.90</b>	<b>651.97</b>
<b>19</b>	<b>Amount Receivables under:</b>						
<b>a</b>	<b>Long term loans and advances</b>						
	OnMobile Rwanda Telecom Limited	2.98	2.82	-	-	2.98	2.82
	Onmobile Turkey Telekomunikasyon Sistemleri Limited sirketi	18.94	17.61	-	-	18.94	17.61
	OnMobile Global Czech Republic s.r.o.	6.63	6.26	-	-	6.63	6.26
	OnMobile Portugal SGPS, Unipessoal LDA (Zona Franca Da Madeira)	3.75	3.38	-	-	3.75	3.38
	OnMobile USA LLC.	800.26	532.57	-	-	800.26	532.57
	OnMobile Zambia Telecom Limited	-	0.35	-	-	-	0.35

## Notes forming part of the Financial Statements

		(In ₹ Million)					
Sl No	Nature of transactions	Subsidiary Companies		Key Management Personnel		Total	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<b>b</b>	<b>Accrued interest</b>						
	OnMobile Rwanda Telecom Limited	0.24	0.13	-	-	0.24	0.13
	Onmobile Turkey Telekomunikasyon Sistemleri Limited sirketi	1.61	0.81	-	-	1.61	0.81
	OnMobile Global Czech Republic s.r.o.	0.02	0.29	-	-	0.02	0.29
	OnMobile Portugal SGPS, Unipessoal LDA (Zona Franca Da Madeira)	0.28	0.13	-	-	0.28	0.13
	OnMobile USA LLC.	48.00	24.76	-	-	48.00	24.76
	OnMobile Zambia Telecom Limited	-	0.11	-	-	-	0.11
<b>c</b>	<b>Short term loans and advances</b>						
	Rajiv Pancholy	-	-	9.45	1.30	9.45	1.30
<b>d</b>	<b>Trade Receivables</b>						
	OnMobile Singapore Pte. Ltd.	28.40	112.32	-	-	28.40	112.32
	Servicios De Telefonía OnMobile Sa De Cv	2.74	4.49	-	-	2.74	4.49
	OnMobile USA LLC.	51.69	48.79	-	-	51.69	48.79
	OnMobile Global SA	67.37	45.42	-	-	67.37	45.42
	OnMobile De Venezuela C A	65.36	61.67	-	-	65.36	61.67
	OnMobile Global for Telecommunication Services	211.75	59.46	-	-	211.75	59.46
	OnMobile Kenya Telecom Limited	0.88	0.85	-	-	0.88	0.85
	OnMobile Telecom Limited.	2.29	2.29	-	-	2.29	2.29
	OnMobile Costa Rica OBCR SA	4.45	4.46	-	-	4.45	4.46
	OnMobile Ghana Telecom Limited	1.47	1.47	-	-	1.47	1.47
	OnMobile Madagascar Telecom Limited	8.81	8.83	-	-	8.81	8.83
	OnMobile Nigeria Telecom Limited	-	0.23	-	-	-	0.23
	OnMobile Rwanda Telecom Limited	5.05	5.07	-	-	5.05	5.07
	OnMobile Uganda Limited	8.02	8.05	-	-	8.02	8.05
	OnMobile Telecom Sierra Leone Limited	-	0.86	-	-	-	0.86
	OnMobile Global Spain S.L.U	126.76	31.81	-	-	126.76	31.81
	Onmobile Turkey Telekomunikasyon Sistemleri Limited sirketi	0.29	0.29	-	-	0.29	0.29
<b>e</b>	<b>Other current assets</b>						
	OnMobile Singapore Pte. Ltd.	24.91	102.30	-	-	24.91	102.30
	PT OnMobile Indonesia	-	4.50	-	-	-	4.50
	OnMobile Global for Telecommunication Services	110.93	87.80	-	-	110.93	87.80
	Servicios De Telefonía OnMobile Sa De Cv	141.31	304.39	-	-	141.31	304.39

## Notes forming part of the Financial Statements

(In ₹ Million)

SI No	Nature of transactions	Subsidiary Companies		Key Management Personnel		Total	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	OnMobile De Venezuela C A	128.18	120.95	-	-	128.18	120.95
	OnMobile Europe B.V.	-	0.03	-	-	-	0.03
	OnMobile USA LLC.	98.26	152.18	-	-	98.26	152.18
	OnMobile Global South Africa (PTY) Limited	25.50	5.84	-	-	25.50	5.84
	OnMobile Global Solutions Canada Limited	0.28	0.26	-	-	0.28	0.26
	OnMobile Brasil Sistemas de Valor Agregado Para Comunicacoes Moveis Ltda	18.47	30.68	-	-	18.47	30.68
	OnMobile Global SA	166.26	181.53	-	-	166.26	181.53
	OnMobile Kenya Telecom Limited	67.25	74.13	-	-	67.25	74.13
	OnMobile Mali SARL	9.27	8.57	-	-	9.27	8.57
	OnMobile Senegal SARL	39.33	35.89	-	-	39.33	35.89
	OnMobile Telecom Limited.	13.07	13.24	-	-	13.07	13.24
	OnMobile Costa Rica OBCR SA	7.55	11.58	-	-	7.55	11.58
	OnMobile Ghana Telecom Limited	17.06	14.32	-	-	17.06	14.32
	OnMobile Madagascar Telecom Limited	1.21	5.45	-	-	1.21	5.45
	OnMobile Nigeria Telecom Limited	58.82	50.43	-	-	58.82	50.43
	OnMobile Rwanda Telecom Limited	10.91	11.24	-	-	10.91	11.24
	OnMobile Uganda Limited	10.74	9.37	-	-	10.74	9.37
	OnMobile Zambia Telecom Limited	24.08	36.72	-	-	24.08	36.72
	OnMobile Telecom Sierra Leone Limited	8.57	12.55	-	-	8.57	12.55
	OnMobile Global Spain S.L.U	233.39	376.73	-	-	233.39	376.73
	OnMobile Uruguay S.A	17.56	16.12	-	-	17.56	16.12
	Onmobile Turkey Telekomunikasyon Sistemleri Limited sirketi	4.98	5.17	-	-	4.98	5.17
	Onmobile Telecom Burkina Faso, SARL	23.79	22.38	-	-	23.79	22.38
	OnMobile Global Limited Colombia S.A.S.	22.17	27.00	-	-	22.17	27.00
	OnMobile Global Czech Republic s.r.o.	2.25	2.01	-	-	2.25	2.01
	OnMobile Bangladesh Private Limited	109.52	155.74	-	-	109.52	155.74
	OnMobile Live Inc	29.52	18.83	-	-	29.52	18.83
	OnMobile Tanzania Telecom Limited	3.81	2.68	-	-	3.81	2.68
	<b>Total</b>	<b>2,896.99</b>	<b>2,886.19</b>	<b>9.45</b>	<b>1.30</b>	<b>2,906.44</b>	<b>2,887.49</b>

### 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.



## Notes forming part of the Financial Statements

### 30. Earnings per Share

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

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Profit/ (Loss) after tax as per the Statement of Profit and Loss (In ₹ Million)	57.35	92.09
Weighted Average number of Shares	109,351,002	113,103,958
Weighted Average number of Shares for Basic EPS	109,351,002	113,103,958
Add: Effect of Stock Options outstanding	2,946,034	1,660,173
Weighted Average Number of equity shares for Diluted EPS	112,297,036	114,764,131
	₹	₹
Nominal value of equity shares	10.0	10.0
Earnings Per Share		
Basic	0.52	0.81
Diluted	0.51	0.80

### 31. Accounting For Taxes On Income

Details of Deferred Tax Asset and Liabilities are as follows

Particulars	Deferred Tax (Assets)/ Liabilities as on April 1, 2015 (In ₹ Million)	Current year (credit)/charge (In ₹ Million)	Deferred Tax (Assets)/ Liabilities as on March 31, 2016 (In ₹ Million)
Difference between book and tax depreciation	(16.09)	(4.61)	(20.70)
Others (Provision for gratuity, compensated absences, doubtful trade receivables etc.)	(71.73)	1.54	(70.19)
	<b>(87.82)</b>	<b>(3.07)</b>	<b>(90.89)</b>

### 32. 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, 2016 Nominal Value (In ₹ Million)	As at March 31, 2015 Nominal Value (In ₹ Million)	Currency	As at March 31, 2016 (Foreign Currency in Million)	As at March 31, 2015 (Foreign Currency in Million)
Foreign Currency Forward Contract -(BUY)	27.50	29.73	USD/MXN	0.41	0.48
Foreign Currency Forward Contract -(SELL)	464.33	31.30	USD/INR	7.00	0.50
Foreign Currency Forward Contract -(SELL) *	-	101.27	EUR/USD	-	1.50
Foreign Currency Forward Contract -(SELL)	600.76	-	EUR/INR	8.00	-

\* The contract has been entered to SELL EURO and BUY USD, the equivalent USD amount for the contract is USD 1.614 Million in previous Year

## Notes forming part of the Financial Statements

b Unhedged Foreign currency exposure is as follows:

Particulars	As at March 31, 2016 Nominal Value (In ₹ Million)	As at March 31, 2015 Nominal Value (In ₹ Million)	Currency	As at March 31, 2016 (Foreign Currency in Million)	As at March 31, 2015 (Foreign Currency in Million)
<b>Due to:</b>					
Non current liabilities					
Long term provisions	3.29	2.85	AED	0.18	0.17
	0.06	0.09	CLP	0.61	0.87
	1.25	3.31	EUR	0.02	0.05
	2.77	1.79	GBP	0.03	0.02
	0.05	0.03	LKR	0.10	0.05
	3.01	2.05	MYR	0.18	0.12
	2.43	2.46	NIO	1.02	1.02
	0.57	0.54	PAB	0.01	0.01
	1.64	3.76	PEN	0.08	0.18
	0.59	0.41	QAR	0.03	0.02
	0.97	0.73	TZS	31.21	20.91
	0.41	0.27	USD	0.01	0.00
	0.57	1.94	ZAR	0.13	0.37
<b>Current Liabilities</b>					
Trade and other liabilities	6.60	3.75	AED	0.37	0.22
	5.72	5.76	AUD	0.11	0.12
	107.06	89.23	BDT	123.94	108.48
	0.35	-	BHD	0.00	-
	1.32	5.21	CAD	0.03	0.11
	1.64	1.04	CLP	16.55	10.42
	0.94	-	CRC	7.35	-
	0.14	-	CZK	0.05	-
	26.19	-	EGP	3.50	-
	106.22	-	EUR	1.41	-
	30.74	29.15	GBP	0.32	0.32
	4.79	-	GHS	0.28	-
	10.25	4.48	GTQ	1.17	0.53
	4.27	11.62	IDR	849.44	2,417.92
	18.05	35.79	KES	27.12	51.66
	4.62	3.89	MGA	220.48	180.88
	11.16	14.91	MWK	111.28	103.13
	28.95	105.18	MXN	7.54	25.56
	50.50	36.44	MYR	3.00	2.16
	36.11	1.42	NGN	107.05	4.46
	0.89	1.02	PAB	0.01	0.02
	7.35	4.33	PEN	0.37	0.21
	1.28	1.36	QAR	0.07	0.08
	0.20	0.58	RMB	0.02	0.06
	0.27	-	RON	0.02	-

## Notes forming part of the Financial Statements

Particulars	As at March 31, 2016 Nominal Value (In ₹ Million)	As at March 31, 2015 Nominal Value (In ₹ Million)	Currency	As at March 31, 2016 (Foreign Currency in Million)	As at March 31, 2015 (Foreign Currency in Million)
	4.21	1.39	RWF	46.67	14.96
	98.38	92.69	SGD	2.01	2.03
	4.66	3.57	SLL	277.13	245.19
	0.62	0.04	TRY	0.03	0.00
	11.79	10.58	TZS	380.79	304.34
	4.52	7.15	UGX	227.15	334.17
	685.27	426.91	USD	10.33	6.82
	44.93	37.44	XOF	394.46	361.07
	-	1.72	ZAR	-	0.33
	0.00	12.73	ZMK	0.01	1,051.05
	11.09	3.10	ZMW	1.88	0.37
Short term Provisions & Other current liabilities	0.35	0.29	AUD	0.01	0.01
	75.48	79.69	BRL	4.13	4.13
	6.98	6.79	CAD	0.14	0.14
	5.58	5.99	CLP	56.33	59.79
	-	46.91	COP	-	1,895.20
	304.91	273.74	EUR	4.06	4.05
	2.65	0.81	GBP	0.03	0.01
	0.24	0.25	KES	0.36	0.36
	0.01	0.01	MGA	0.50	0.50
	0.03	0.05	MWK	0.32	0.32
	-	4.05	NIO	-	1.69
	0.39	0.37	PAB	0.01	0.01
	-	3.32	PEN	-	0.16
	0.12	11.34	QAR	0.01	0.66
	0.09	-	RON	0.01	-
	92.65	86.22	SGD	1.89	1.89
	0.40	1.98	TZS	12.83	56.90
	1.15	1.23	UGX	57.70	57.70
	157.29	177.08	USD	2.37	2.83
	0.09	0.17	XOF	0.80	1.62
	1.45	1.49	ZAR	0.33	0.29
	0.27	0.26	ZMK	21.16	21.16
<b>Due from:</b>					
Long term loans and advances	5.17	8.11	ARS	1.14	1.14
	66.98	48.20	BDT	77.55	58.60
	31.35	33.10	BRL	1.71	1.71
	23.56	26.39	COP	1,066.34	1,066.34
	-	0.42	CRC	-	3.49
	0.02	0.01	CZK	0.01	0.01
	-	32.54	EUR	-	0.48
	-	0.09	GBP	-	0.00
	0.10	0.10	GHS	0.01	0.01
	0.15	0.15	KES	0.22	0.22
	0.08	0.08	MGA	3.86	3.86

## Notes forming part of the Financial Statements

Particulars	As at March 31, 2016 Nominal Value (In ₹ Million)	As at March 31, 2015 Nominal Value (In ₹ Million)	Currency	As at March 31, 2016 (Foreign Currency in Million)	As at March 31, 2015 (Foreign Currency in Million)
	26.76	27.85	MXN	6.97	6.77
	0.29	0.28	NGN	0.87	0.87
	0.13	-	PEN	0.01	-
	0.02	0.01	RWF	0.17	0.16
	4.90	4.56	SGD	0.10	0.10
	0.08	0.08	THB	0.04	0.04
	12.11	11.60	TZS	391.01	333.78
	1.08	1.27	UGX	54.44	59.51
	1,156.10	769.25	USD	17.43	12.29
	1.03	0.92	XOF	9.08	8.84
	1.52	1.43	ZMK	118.38	118.38
	0.79	0.90	ZMW	0.13	0.11
Trade receivables	0.40	0.38	AED	0.02	0.02
	-	45.42	ARS	-	6.39
	0.14	1.07	AUD	0.00	0.02
	18.16	14.92	BDT	21.02	18.14
	2.07	-	BHD	0.01	-
	0.01	5.75	CLP	0.08	57.47
	2.50	2.36	CRC	19.62	19.62
	201.48	49.76	EGP	26.91	6.04
	-	24.80	EUR	-	0.37
	-	0.79	GHS	-	0.05
	2.00	1.95	GBP	0.02	0.02
	0.25	2.35	IDR	49.55	488.23
	12.88	15.51	MXN	3.36	3.77
	29.44	32.18	MYR	1.75	1.90
	15.16	-	PEN	0.76	-
	0.47	0.76	RON	0.03	0.05
	31.09	96.30	SGD	0.63	2.11
	4.11	0.73	TZS	132.70	20.90
	67.11	424.19	USD	1.01	6.78
	0.62	0.48	XOF	5.48	4.64
	9.92	6.29	ZAR	2.25	1.21
Short term advances and Other current assets	1.70	0.86	AED	0.09	0.05
	0.00	129.12	ARS	0.00	18.15
	0.20	0.18	AUD	0.00	0.00
	154.11	173.35	BDT	178.41	210.76
	-	20.01	BRL	-	1.04
	9.41	4.90	CLP	95.05	48.95
	6.70	8.51	CRC	52.63	70.65

## Notes forming part of the Financial Statements

Particulars	As at March 31, 2016 Nominal Value (In ₹ Million)	As at March 31, 2015 Nominal Value (In ₹ Million)	Currency	As at March 31, 2016 (Foreign Currency in Million)	As at March 31, 2015 (Foreign Currency in Million)
	0.28	0.12	CZK	0.10	0.05
	55.98	11.31	EGP	7.48	1.37
	-	349.80	EUR	-	5.18
	20.94	22.21	GBP	0.22	0.24
	8.36	1.51	GHS	0.48	0.09
	18.50	35.37	GTQ	2.11	4.21
	15.24	4.22	IDR	3,031.34	877.81
	9.63	17.82	KES	14.47	25.72
	0.04	1.44	MGA	1.86	67.00
	12.52	12.18	MWK	124.83	84.23
	57.90	158.22	MXN	15.09	38.45
	30.88	17.33	MYR	1.83	1.03
	67.34	6.77	NGN	199.63	21.26
	22.07	17.64	NIO	9.27	7.36
	0.44	1.11	PAB	0.01	0.02
	71.87	38.72	PEN	3.59	1.87
	1.49	1.50	RMB	0.15	0.15
	0.27	1.37	RON	0.02	0.09
	1.17	1.20	RWF	12.95	12.97
	10.57	73.34	SGD	0.22	1.61
	1.23	2.41	SLL	73.28	165.24
	1.85	1.27	TRY	0.08	0.05
	3.06	3.08	TZS	98.73	88.56
	6.19	4.75	UGX	310.98	222.08
	1,422.30	798.26	USD	21.44	12.75
	21.34	16.72	XOF	187.40	161.22
	22.17	4.06	ZAR	5.03	0.78
	-	0.47	ZMK	-	38.84
	13.15	22.61	ZMW	2.23	2.72

33. There are no dues to Micro and Small Enterprises as at March 31, 2016. The information disclosure with regard to Micro and Small enterprises is based on information collected by the Management on enquiries made with the vendors which have been relied upon by the auditors.
34. 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.
35. **Value of imports calculated on CIF basis**

Particulars	For the year ended March 31, 2016 (In ₹ Million)	For the year ended March 31, 2015 (In ₹ Million)
Capital goods (including software downloads and Market development and deployment rights)	93.92	39.75

## Notes forming part of the Financial Statements

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

Particulars	For the year ended March 31, 2016 (In ₹ Million)	For the year ended March 31, 2015 (In ₹ Million)
Business Development Expenses	232.36	64.49
Travelling and conveyance	52.36	70.85
Content fees	196.56	186.86
Software development and other charges	48.13	154.67
Legal, professional & consultancy charges	30.05	24.52
Employee Benefits Expense	261.77	305.86
Others	65.32	39.19
<b>Total</b>	<b>886.55</b>	<b>846.44</b>

### 37. Earnings in Foreign Currency

Particulars	For the year ended March 31, 2016 (In ₹ Million)	For the year ended March 31, 2015 (In ₹ Million)
Telecom value added services and others.	2,138.68	1,972.46

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

Particulars	For the year ended March 31, 2016 (In ₹ Million)	For the year ended March 31, 2015 (In ₹ Million)
Employee benefits expense (Net)	113.60	93.23
Other expenses	134.70	112.28
Depreciation and amortization expense	293.86	479.88
<b>Total</b>	<b>542.16</b>	<b>685.39</b>

39. The Company had made an application to the Central Government for compounding of one of the contracts for a party covered under Section 297 of the Companies Act, 1956, which expired during an earlier year. The total transaction for which compounding application had been filed amounted to ₹ 3.01 Million. The approval from Central Government is awaited.

40. During the year ended March 31, 2016, the Argentina Government devalued its currency Argentine Peso (ARS) and the Egyptian Government devalued its currency Egyptian pound (EGP) respectively. The exceptional item of loss during the year ended March 31, 2016 amounting to ₹ 2.46 Million represents gain of ₹ 27.89 Million on restatement of the amounts payable in ARS to the Company's subsidiary in Argentina and loss of ₹ 30.35 Million on restatement of the amounts receivable in EGP from the Company's subsidiary in Egypt.

41. The Company has working capital lines and Buyers credit facility from banks. Security details of which are as follows:  
 -Buyers credit facility is secured by first pari-passu charge on moable fixed assets and second pari-passu charge on current assets.  
 -Working capital lines is secured by first pari-passu charge on present and future stocks and book debts.

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

# Independent Auditor's Report

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## TO THE MEMBERS OF ONMOBILE GLOBAL LIMITED

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **ONMOBILE GLOBAL LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, comprising the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the entities included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act; for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate, as at March 31, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
  - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its associate company, which is a company incorporated in India, none of the directors of the Holding Company and its associate company is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company's and associate company's internal financial controls over financial reporting on a consolidated basis.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
    - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its associate company incorporated in India.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm's Registration No. 008072S

Sd/-  
**V. Balaji**  
Partner

Membership No. 203685

Bangalore, May 30, 2016



# ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

## **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **ONMOBILE GLOBAL LIMITED** (hereinafter referred to as “the Holding Company”) and its associate company, which is a company incorporated in India, as of March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year then ended.

### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Holding Company and its associate company, which is company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of Holding Company and its associate company, which is a company incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the aforesaid entities

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us the Holding Company and its associate company, which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

Firm's Registration No. 008072S

Sd/-

**V. Balaji**

Partner

Membership No. 203685

Bangalore, May 30, 2016

# CONSOLIDATED BALANCE SHEET

		(In ₹ Million)	
	Notes	As at March 31, 2016	As at March 31, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	2	1,081.11	1,092.20
Reserves and surplus	3	4,957.08	5,476.55
		<b>6,038.19</b>	<b>6,568.75</b>
<b>Non-Current Liabilities</b>			
Long-term borrowings	4	-	184.55
Deferred tax liabilities (net)	33 (a)	1.17	1.43
Long-term provisions	5	43.93	34.67
		<b>45.10</b>	<b>220.65</b>
<b>Current Liabilities</b>			
Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	6	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	6	2,379.75	2,271.53
Other current liabilities	7	727.40	911.15
Short-term provisions	8	404.14	426.14
		<b>3,511.29</b>	<b>3,608.82</b>
		<b>9,594.58</b>	<b>10,398.22</b>
<b>TOTAL ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed assets			
Tangible Assets	9	423.74	575.91
Intangible Assets	9	681.15	1,861.99
Capital work-in-progress		49.61	54.36
		<b>1,154.50</b>	<b>2,492.26</b>
Goodwill on Consolidation		-	25.52
Non-current investments	10	0.02	0.02
Deferred tax Assets (net)	33 (b)	228.81	210.60
Long-term loans and advances	11	1,449.77	1,354.43
<b>Current Assets</b>			
Current investments	12	927.34	717.87
Inventories	13	-	5.39
Trade receivables	14	1,983.41	2,146.72
Cash and bank balances	15	2,281.34	1,995.58
Short-term loans and advances	16	680.10	605.32
Other current assets	17	889.29	844.51
		<b>6,761.48</b>	<b>6,315.39</b>
		<b>9,594.58</b>	<b>10,398.22</b>
<b>TOTAL</b>			
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements 1 to 43

In terms of our report attached

For and on behalf of the Board of Directors

**For Deloitte Haskins & Sells**

Chartered Accountants

**V. Balaji**

Partner

**Rajiv Pancholy**

Chief Executive Officer and Managing Director

**Francois Charles Sirois**

Executive Chairman

**Praveen Kumar K J**

Chief Financial Officer

**P V Varaprasad**

Company Secretary

Place: Bangalore

Date: May 30, 2016

Place: Montreal

Date: May 30, 2016

# STATEMENT OF CONSOLIDATED PROFIT AND LOSS

(In ₹ Million except per share data)

	Notes	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>REVENUE FROM OPERATIONS</b>			
Telecom Value Added Services		8,157.43	8,470.50
Other Income	18	284.77	213.67
<b>Total Revenue (A)</b>		<b>8,442.20</b>	<b>8,684.17</b>
<b>EXPENSES</b>			
Cost of Sales and Services	19	3,125.06	2,892.40
Employee benefits expense	20	2,172.00	2,784.91
Finance costs	21	17.77	26.57
Depreciation and amortisation expense	9	1,494.33	1,437.29
Other expenses	22	1,333.30	1,566.44
<b>Total Expenses (B)</b>		<b>8,142.46</b>	<b>8,707.61</b>
<b>Profit / (Loss) before exceptional items and tax (C) = (A-B)</b>		<b>299.74</b>	<b>(23.44)</b>
<b>Exceptional items (D)</b>	39	<b>105.59</b>	<b>32.83</b>
<b>Profit / (Loss) before tax (E) = (C-D)</b>		<b>194.15</b>	<b>(56.27)</b>
<b>TAX EXPENSE / (BENEFIT)</b>			
Current Tax expense		359.43	380.54
Minimum Alternate Tax (MAT) credit entitlement		-	(14.48)
Current Tax expense relating to prior years		7.06	-
Deferred tax		(46.03)	(99.15)
<b>Net tax expense (F)</b>		<b>320.46</b>	<b>266.91</b>
<b>Profit / (Loss) for the year (G) = (E-F)</b>		<b>(126.31)</b>	<b>(323.18)</b>
Add: Share of profit / (loss) from Associate		(0.05)	-
<b>Profit / (Loss) attributable to the shareholders of the Company</b>		<b>(126.36)</b>	<b>(323.18)</b>
<b>EARNINGS / (LOSS) PER SHARE</b>			
1. Basic (Face value of equity share of Rs 10/- each)	32	(1.16)	(2.86)
2. Diluted (Face value of equity share of Rs 10/- each)		(1.16)	(2.86)
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements 1 to 43

In terms of our report attached

For and on behalf of the Board of Directors

**For Deloitte Haskins & Sells**

Chartered Accountants

**V. Balaji**

Partner

**Rajiv Pancholy**

Chief Executive Officer and Managing Director

**Francois Charles Sirois**

Executive Chairman

**Praveen Kumar K J**

Chief Financial Officer

**P V Varaprasad**

Company Secretary

Place: Bangalore

Date: May 30, 2016

Place: Montreal

Date: May 30, 2016

# CONSOLIDATED CASH FLOW STATEMENT

	(In ₹ Million)	
	For the year ended March 31, 2016 (in ₹ Million)	For the year ended March 31, 2015 (in ₹ Million)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before tax	194.15	(56.27)
Adjustments for :		
Depreciation and amortisation expense	1,494.33	1,437.29
Exceptional items	105.59	32.83
Provision for Doubtful trade receivables (net)	24.13	117.14
Finance Cost	17.77	26.57
Unrealised Foreign Exchange Loss/(Gain)	(151.42)	(191.43)
Loss/(Gain) on Sale of Fixed Assets (Net)	(20.23)	(20.87)
Loss/(Gain) on Sale/Redemption of Investment (Net)	-	(66.87)
Bad Trade receivables	63.85	-
Provisions no longer required written back	(19.40)	-
Dividend Income	(43.27)	(23.96)
Interest Income	(46.83)	(75.39)
	<u>1,424.52</u>	<u>1,235.31</u>
<b>Operating profit before working capital changes</b>	<b>1,618.67</b>	<b>1,179.04</b>
(Increase) / decrease in operating assets:		
Trade receivables	86.57	21.04
Short-term loans and advances and other current assets	(107.91)	298.26
Long-term loans and advances	27.12	36.60
Increase / (decrease) in operating liabilities:		
Current liabilities and provisions	(62.36)	(80.88)
Non-current liabilities and provisions	9.26	(34.80)
	<u>(47.32)</u>	<u>240.22</u>
<b>Cash generated from operations</b>	<b>1,571.35</b>	<b>1,419.26</b>
Direct taxes paid (including refunds)	(486.89)	(272.44)
<b>Net cash generated from operating activities</b>	<u><b>1,084.46</b></u>	<u><b>1,146.82</b></u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on purchase of fixed assets including capital advances	(116.74)	(188.49)
Proceeds from sale of fixed assets	95.87	74.05
Sale, Redemption / (Purchase) of Short term investments (net)	(209.47)	(311.45)
Investment in Subsidiaries	-	1,415.65
(Increase)/decrease in earmarked bank balances	(34.29)	(165.28)
Dividend Income	43.27	23.96
Interest received	45.41	73.66
<b>Net cash (used in) / generated from investing activities</b>	<u><b>(175.95)</b></u>	<u><b>922.10</b></u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of Share Capital	14.13	27.77
Buyback of Equity Share Capital	(176.37)	(442.79)
Repayment of Finance lease	(0.37)	(5.86)
Proceeds from / (Repayment of) short term borrowings	(92.18)	(169.63)
Proceeds from/ (Repayment of) borrowings	(184.55)	(258.47)
Finance costs	(17.84)	(26.66)
Dividend Paid including tax	(197.31)	(200.50)
<b>Net cash (used in) / generated from financing activities</b>	<u><b>(654.49)</b></u>	<u><b>(1,076.14)</b></u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u><b>254.02</b></u>	<u><b>992.78</b></u>
<b>Cash and cash equivalents as at March 31, 2015 (Opening Balance)</b>	<b>1,811.62</b>	<b>815.25</b>
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(2.56)	3.59
<b>Cash and cash equivalents as at March 31, 2016 (Closing Balance)</b>	<u><b>2,063.08</b></u>	<u><b>1,811.62</b></u>
	<u><b>254.02</b></u>	<u><b>992.78</b></u>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet (Refer Note 15)	2,281.34	1,995.58
Less: Bank balances not considered as Cash and cash equivalents as defined in AS-3	218.26	183.96
<b>Cash and cash equivalents at the end of the year</b>	<u><b>2,063.08</b></u>	<u><b>1,811.62</b></u>

The accompanying notes are an integral part of the financial statements 1 to 43

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

For and on behalf of the Board of Directors

**V. Balaji**  
Partner

**Rajiv Pancholy**  
Chief Executive Officer and Managing Director

**Francois Charles Sirois**  
Executive Chairman

**Praveen Kumar K J**  
Chief Financial Officer

**P V Varaprasad**  
Company Secretary

Place: Bangalore  
Date: May 30, 2016

Place: Montreal  
Date: May 30, 2016

# Notes forming part of the Consolidated Financial Statements

## 1. SIGNIFICANT ACCOUNTING POLICIES

### a. Basis of preparation of financial statements

The Consolidated Financial statements relate to OnMobile Global Limited (“the Company”), its subsidiaries and associated enterprise. Together these constitutes a “Group”.

The consolidated financial statements of the Group have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013 (“the Act”) and the relevant provisions of the Act, as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

### b. Principles of consolidation

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

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

The excess of cost to the Company of its investments in the subsidiary companies over its share of the equity of the subsidiary companies, at the date on which the investments in the subsidiary company were made, is recognized as ‘goodwill’ being an asset in the consolidated financial statements and is tested for impairment on annual basis. Goodwill arising on consolidation is not amortised but tested for impairment.

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 financial statements of the subsidiaries and associate used in the consolidation are drawn upto the same reporting date as that of the Company i.e. March 31, 2016.

The following entities (all subsidiaries unless stated otherwise) are considered in the consolidated financial statements.

Sl. No.	Name of entity	Country of Incorporation	% of Ownership held as on March 31, 2016	% of Ownership held as on March 31, 2015
1	OnMobile Singapore Pte. Ltd.	Singapore	100.00	100.00
2	PT OnMobile Indonesia	Indonesia	100.00	100.00
3	Vox mobili S.A. (subsidiary of OnMobile S.A. till July 11, 2014)	France	0.00	0.00
4	OnMobile S.A.	France	100.00	100.00
5	OnMobile Europe B.V.	Netherlands	100.00	100.00
6	OnMobile USA LLC	United States of America	100.00	100.00
7	Servicios De Telefonía OnMobile Sa De Cv	Mexico	100.00	100.00
8	OnMobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis Ltda.	Brazil	100.00	100.00
9	OnMobile De Venezuela C.A. (subsidiary of OnMobile USA LLC)	Venezuela	100.00	100.00
10	OnMobile Global SA	Argentina	100.00	100.00
11	OnMobile Uruguay SA	Uruguay	100.00	100.00
12	OnMobile Senegal SARL	Senegal	100.00	100.00
13	OnMobile Global for Telecommunication Services	Egypt	100.00	100.00
14	OnMobile Mali SARL	Mali	100.00	100.00
15	OnMobile Bangladesh Private Limited	Bangladesh	100.00	100.00

## Notes forming part of the Consolidated Financial Statements

Sl. No.	Name of entity	Country of Incorporation	% of Ownership held as on March 31, 2016	% of Ownership held as on March 31, 2015
16	OnMobile Servicios Corporativos De Telefonía S.A. DE C.V.	Mexico	100.00	100.00
17	OnMobile Kenya Telecom Limited	Kenya	100.00	100.00
18	OnMobile Costa Rica OBCR, S.A.	Costa Rica	100.00	100.00
19	OnMobile Telecom Limited	Malawi	100.00	100.00
20	OnMobile Global Spain S.L.U	Spain	100.00	100.00
21	OnMobile Uganda Limited	Uganda	100.00	100.00
22	OnMobile Zambia Telecom Limited	Zambia	100.00	100.00
23	OnMobile Madagascar Telecom Limited	Madagascar	100.00	100.00
24	OnMobile Rwanda Telecom Limited	Rwanda	100.00	100.00
25	OnMobile Nigeria Telecom Limited	Nigeria	100.00	100.00
26	OnMobile Tanzania Telecom Limited	Tanzania	100.00	100.00
27	OnMobile Ghana Telecom Limited	Ghana	100.00	100.00
28	OnMobile Telecom Sierra Leone Limited	Siera Leone	100.00	100.00
29	OnMobile Global Solutions Canada Limited	Canada	100.00	100.00
30	OnMobile Global Italy SRL	Italy	100.00	100.00
31	Mobile Voice Konnect Private Limited - Associate	India	50.00	50.00
32	OnMobile Turkey Telekomunikasyon Sistemleri Limited Şirketi	Turkey	100.00	100.00
33	OnMobile Portugal SGPS, Unipessoal LDA (Zona Franca Da Madeira)	Portugal	100.00	100.00
34	OnMobile Telecom Burkina Faso, S.A.R.L.	Burkina Faso	100.00	100.00
35	OnMobile Global South Africa (PTY) LTD	South Africa	100.00	100.00
36	OnMobile Global Czech Republic S.R.O	Czech Republic	100.00	100.00
37	OnMobile Live Inc (subsidiary of OnMobile USA LLC)	United States of America	100.00	100.00
38	Fonestarz Media Group Limited (subsidiary of OnMobile Live Inc)	United Kingdom	100.00	100.00
39	2dayUK Limited (subsidiary of OnMobile Live Inc)	United Kingdom	100.00	100.00
40	Fonestarz Media (licensing) Limited (subsidiary of OnMobile Live Inc)	United Kingdom	100.00	100.00
41	Daius Limited (subsidiary of OnMobile Live Inc)	United Kingdom	100.00	100.00
42	Fonestarz Limited (subsidiary of OnMobile Live Inc)	United Kingdom	100.00	100.00
43	Fonestarz Media (Australia) PTY Limited (subsidiary of OnMobile Live Inc)	Australia	100.00	100.00
44	Fonestarz Media Limited (subsidiary of OnMobile Live Inc)	United Kingdom	100.00	100.00
45	OnMobile Global Limited Colombia S.A.S	Columbia	100.00	100.00
46	OnMobile Latam holding SL (subsidiary of OnMobile USA LLC)	Spain	100.00	100.00

# Notes forming part of the Consolidated Financial Statements

The consolidation for the previous year includes figures of Vox Mobili S.A. divested during the previous year.

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

## c. Use of Estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires that the management makes estimates and assumptions considered in the reported amounts of assets and liabilities including contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. The management believes that the estimates used in the preparation of the consolidated financial statements are prudent and reasonable. Examples of such estimates includes provision for doubtful trade receivables, future obligations under employee benefit plans, income taxes and the useful lives of fixed assets. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reliably estimated. When no reliable estimate can be made, a disclosure is made as contingent liability. Future results could differ from those estimates and the differences between actual results and estimates are recognised in the periods in which the results are known/ materialise.

## d. Inventories

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

## e. Cash flow Statement

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

## f. Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of 3 months or less, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## g. Depreciation/ Amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice on commercial lives of these assets as estimated by the Management.

The useful/commercial lives are as follows:

Category of Asset	No. of years
Leasehold Improvements	Primary lease period of 3 years- 5 years
Office equipments	3 years
Computers & Electronic equipments	3 years - 5 years
Finance Lease Assets	Primary lease period of 3 years- 5 years
Furniture & Fixtures	3 years
Motor Cars	3 years

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Category of Asset	No. of years
Softwares	3 years-4 years
Intellectual Property Rights	3 years
Market development and deployment rights	Over the term of the agreement

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Individual assets costing less than ₹5,000/- are depreciated in full in the year of purchase.

## h. Revenue Recognition

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

Revenue from sale of user licences for software application is recognized when the applications are functionally



## Notes forming part of the Consolidated Financial Statements

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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 the contract.

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

Rental Income is recognised on an accrual basis.

Interest Income is recognised on an accrual basis.

### i. Fixed assets (Tangible/Intangible)

Fixed assets are stated at cost of acquisition including taxes, duties, freight directly attributable to make the asset ready for its intended use and other incidental expenses relating to acquisition and installation. Subsequent expenditure on fixed assets after its purchase is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Fixed assets retired from active use and held for sale are stated at the lower of their net book value and realisable value and disclosed separately.

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

### j. Foreign currency transactions and translations

#### Initial recognition:

Group (including integral and non-integral operations): Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

#### Measurement at the Balance Sheet date:

Group (including integral operations): Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Non-integral foreign operations: All assets and liabilities of non-integral foreign operations are translated at the year-end rates.

#### Treatment of exchange differences:

Group: Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Consolidated Statement of Profit and Loss.

Integral foreign operations: Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company's integral foreign operations are recognised as income or expense in the Consolidated Statement of Profit and Loss.

Non-integral foreign operations: The exchange differences on translation of balances relating to non-integral foreign operations are accumulated in a "Foreign currency translation reserve" until disposal of the operation, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income / expense in the same period in which the gain or loss on disposal is recognised.

#### Change in classification of foreign operation:

When a foreign operation that is integral to the operations of the Company is reclassified as a non-integral operation, exchange differences arising on the translation of non-monetary items at the date of such reclassification are accumulated in the "Foreign currency translation reserve" account.

When a non-integral foreign operation is reclassified as an integral foreign operation, the translated amounts for non-monetary items at the date of the change are treated as the historical cost for those items in the period of change and subsequent periods. Exchange differences that have been deferred are not recognised as income or expense until the disposal of the operation.

Subsequent to the date of change in classification of the foreign operation, transactions and balances in such operations are accounted as per the accounting policy applicable to the new classification.

Premium or discount on forward exchange contract, which are not intended for trading or speculation purposes is amortised over the life of such contract and is recognised as income or expense.

Any profit or loss arising on cancellation, renewal or restatement of forward contract is recognised in the Statement of Profit and Loss as income or expense in the period in which such cancellation or renewal is made.

# Notes forming part of the Consolidated Financial Statements

## k. Investments

Current investments are carried individually at lower of cost and fair value.

Long-term investments are stated at cost less provision for diminution. Provision is made for any diminution in value of long-term investment which is other than temporary in nature. Cost of investments include acquisition charges such as brokerage, fees and duties.

## l. Employee Benefits

Employee benefits include provident fund, superannuation fund, ESIC, gratuity fund, compensated absences etc.

- a) Short-term employee benefits include 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) etc, for current employees are estimated and measured on an undiscounted basis.

- b) Defined Contribution Plan:

The Company's contribution to provident fund, employee state insurance scheme, social security etc are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.

- c) Defined Benefit Plan:

Post employment benefit plans other than Defined Contribution Plans include liabilities for gratuity funded in terms of a scheme administered by the Life Insurance Corporation of India, is determined by using Projected Unit Credit method with 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 in the Statement of Profit and Loss as income or expense in the period in which they occur. 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. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, reduced by the fair value of the scheme assets. Any asset resulting from this calculation is limited to past service cost plus the present value of available refunds and reductions in future contributions to the scheme.

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

## m. Employee Stock Option Plan

The Company has formulated 14 Employee Stock Option Plans ("ESOP") - OnMobile Employees Stock Option Plan - I 2003, OnMobile Employees Stock Option Plan - II 2003, OnMobile Employees Stock Option Plan - III 2006, OnMobile Employees Stock Option Plan - I 2007, OnMobile Employees Stock Option Plan - II 2007, OnMobile Employees Stock Option Plan - I 2008, OnMobile Employees Stock Option Plan - II 2008, OnMobile Employees Stock Option Plan - III 2008, OnMobile Employees Stock Option Plan - IV 2008, OnMobile Employees Stock Option Plan - I 2010, OnMobile Employees Stock Option Plan - II 2010, OnMobile Employees Stock Option Plan 2011, OnMobile Employees Stock Option Plan 1, 2012 and OnMobile Employees Stock Option Plan 1, 2013.

The Company has obtained legal opinion that the Guidance Note on Accounting for Employee Share Based Payments are not applicable to OnMobile Employee Stock Option Plan - I 2003 and II 2003. Options granted in terms of OnMobile Employee Stock Option Plan - III 2006, OnMobile Employees Stock Option Plan - I 2007, OnMobile Employees Stock Option Plan - II 2007, OnMobile Employees Stock Option Plan - I 2008, OnMobile Employees Stock Option Plan - II 2008, OnMobile Employees Stock Option Plan - III 2008 OnMobile Employees Stock Option Plan - IV 2008, OnMobile Employees Stock Option Plan - I

## Notes forming part of the Consolidated Financial Statements

2010, OnMobile Employees Stock Option Plan – II 2010, OnMobile Employees Stock Option Plan 2011, OnMobile Employees Stock Option Plan 1, 2012 and OnMobile Employees Stock Option Plan 1, 2013 to which the said Guidance Note is applicable, are accounted under intrinsic value method and accordingly, the difference between the fair value of the underlying shares and the exercise price, if any, is expensed to Statement of Profit and Loss over the period of vesting.

### n. Segment Reporting

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

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

### o. Leases

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

### p. Earnings per Share

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

interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

### q. Income Tax

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

Provision for current tax is made taking into account the admissible deductions/allowances and is subject to revision based on the taxable income for the fiscal year ending 31 March each year. Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the applicable tax rates and the provisions of applicable tax laws of the respective jurisdictions where the entities are located.

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

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

# Notes forming part of the Consolidated Financial Statements

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Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Research tax rebate:

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

## r. Impairment of Assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired: (a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for

such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

## s. Provisions and Contingencies

Provision is recognized when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect current best estimates. Contingent Liabilities are disclosed in the Notes to the consolidated financial statements. Contingent assets are not recognised in the consolidated financial statements.

## t. Operating Cycle

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

# Notes forming part of the Consolidated Financial Statements

		(In ₹ Million)	
		As at March 31, 2016	As at March 31, 2015
<b>2. SHARE CAPITAL</b>			
	<b>Authorised</b>		
	149,500,000 Equity Shares of ₹10 each with voting rights (as at March 31, 2015 - 149,500,000 Equity Shares of ₹10 each)	1,495.00	1,495.00
	500,000 Preference Shares of ₹10 each (as at March 31, 2015 - 500,000 Preference Shares of ₹10 each)	5.00	5.00
		<b>1,500.00</b>	<b>1,500.00</b>
	<b>Issued, Subscribed and Fully Paid up</b>		
	108,111,402 Equity Shares of ₹10 each fully paid up with voting rights (as at March 31, 2015 - 109,220,336 Equity Shares of ₹10 each)	1,081.11	1,092.20
		<b>1,081.11</b>	<b>1,092.20</b>

## Notes:

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

	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	Amount	Number of Shares	Amount
<b>Equity Shares with voting rights</b>				
Opening balance	109,220,336	1,092.20	114,235,502	1,142.35
Add: Exercise of Employee Stock Option Plan	423,660	4.24	784,834	7.85
Less: Buy back	1,532,594	15.33	5,800,000	58.00
<b>Closing balance</b>	<b>108,111,402</b>	<b>1,081.11</b>	<b>109,220,336</b>	<b>1,092.20</b>

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

	Number of Shares	%	Number of Shares	%
<b>Equity Shares with voting rights</b>				
a) OnMobile Systems Inc	50,923,703	47.10	50,923,703	46.62

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

- a) (i) During the year ended March 31, 2012, the Company made a bonus issue of 58,954,543 shares in the ratio of 1 : 1 to the shareholders by capitalisation of Securities Premium account.
- (ii) During the year the Company has issued 102,540 bonus equity shares (Previous year: 361,805 bonus equity shares) on exercise of eligible options.
- b) (i) During the year ended March 31, 2012 after obtaining approval of the shareholders and completion of the formalities prescribed for buy-back of equity shares u/s. 77A of the Companies Act, 1956, the Company bought back 2,936,000 Equity Shares of ₹10 each by utilising the Securities Premium Account. Capital Redemption Reserve has been created out of Security Premium Account for ₹ 29.36 Million being the nominal value of equity shares bought back in terms of Sec.77AA of the Companies Act, 1956.
- (ii) During the year ended March 31, 2013, the Company completed the above referred buy-back of equity shares and bought back 1,064,000 Equity Shares of ₹10 each by utilising the Securities Premium Account. Capital Redemption Reserve has been created out of Security Premium Account for ₹ 10.64 Million being the nominal value of equity shares bought back in terms of Sec.77AA of the Companies Act, 1956.
- c) During the year ended March 31, 2015 after obtaining approval of the shareholders and completion of the formalities prescribed for buy-back of equity shares u/s 68 of the Companies Act, 2013, the Company bought back 5,800,000 Equity Shares for ₹ 442.79 Million by utilising the Securities Premium Account. Capital Redemption Reserve has been created out of Security Premium Account for ₹ 58.00 Million being the nominal value of equity shares bought back in terms of Sec.68 of the Companies Act, 2013.
- d) The Company had made a public announcement on February 11, 2016 for buy back of maximum 5,600,000 equity shares of ₹ 10 each for an amount not exceeding ₹ 700 Million. As on March 31, 2016, the buy back of 1,532,594 equity shares for ₹ 176.37 Million was finalised and executed by utilising the Securities Premium Account. Capital Redemption Reserve has been created out of Security Premium Account for ₹15.33 Million being the nominal value of equity shares bought back in terms of Sec.68 of the Companies Act, 2013.

### D) Total number of options outstanding under various employee stock option plans, that are convertible into equity shares, as on March 31, 2016 are 5,579,391 (at March 31, 2015: 6,134,802) (Refer Note 30)

# Notes forming part of the Consolidated Financial Statements

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

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

(In ₹ Million)

	As at March 31, 2016		As at March 31, 2015	
<b>3. RESERVES AND SURPLUS</b>				
<b>Capital Redemption Reserve</b>				
Opening Balance	98.00		40.00	
Add: Transfer from Securities Premium Account	15.33		58.00	
Closing Balance		113.33		98.00
<b>Securities Premium Account</b>				
Opening Balance	2,970.24		3,393.43	
Add : Received during the year	10.49		19.86	
Less: Utilised during the year for:				
Transfer to Capital Redemption Reserve	15.33		58.00	
Shares buy back	161.04		384.79	
Discount on exercise of eligible stock options	0.02		0.26	
Closing Balance		2,804.34		2,970.24
<b>Stock Options Outstanding</b>		0.44		0.44
<b>General Reserve</b>				
Opening Balance	13.20		13.20	-
Transfer from Surplus in Statement of Profit and Loss	-	13.20	-	13.20
<b>Foreign Currency Translation Reserve</b>				
Opening Balance	(20.35)		144.67	
Less: Transferred to consolidated Statement of Profit and Loss on disposal of the net investment in non-integral foreign operation	-		143.30	
Add/(Less) : Effect of foreign exchange rate variations during the year	(47.23)		(21.72)	
Closing Balance		(67.58)		(20.35)
<b>Surplus in Statement of Profit and Loss</b>				
Opening Balance	2,415.02		2,935.41	
Add : (Loss) for the year	(126.36)		(323.18)	
Add/(Less): Proposed dividend for earlier year (including tax)	(0.13)		(0.03)	
Less: Appropriations				
Proposed equity dividend (amount per share ₹ 1.50 as at March 31, 2015: ₹ 1.50)	162.17		163.83	
Tax on proposed equity dividend	33.01		33.35	
Closing Balance		2,093.35		2,415.02
		<b>4,957.08</b>		<b>5,476.55</b>

(In ₹ Million)

	As at March 31, 2016		As at March 31, 2015	
<b>4. LONG - TERM BORROWINGS</b>				
Term loan from bank#		-		184.55
		-		<b>184.55</b>

# Line of Credit secured by OnMobile Global Limited's Standby letter of Credit.

# Notes forming part of the Consolidated Financial Statements

(In ₹ Million)

	As at March 31, 2016		As at March 31, 2015	
<b>5. LONG TERM PROVISIONS</b>				
Provision for employee benefits: (refer Note 27)				
Provision for Compensated Absences		40.70		31.80
Provision for Post employment benefits		3.23		2.87
		<b>43.93</b>		<b>34.67</b>

(In ₹ Million)

	As at March 31, 2016		As at March 31, 2015	
<b>6. TRADE PAYABLES</b>				
Total outstanding dues of micro enterprises and small enterprises (Refer Note 37)		-		-
Total outstanding dues of creditors other than micro enterprises and small enterprises (Other than acceptances)		2,379.75		2,271.53
		<b>2,379.75</b>		<b>2,271.53</b>

(In ₹ Million)

	As at March 31, 2016		As at March 31, 2015	
<b>7. OTHER CURRENT LIABILITIES</b>				
Deferred Payment Liability (Refer Note 25)		23.22		24.52
Current Maturities of Long term borrowings (Refer Note 4)		195.59		276.73
Current Maturities of Finance Lease obligations (Refer Note 28)		-		0.37
Interest Accrued but not due on Borrowings		2.83		2.89
Income received in advance/ Unearned revenue		71.48		132.63
Advance from Customers		0.58		0.63
Share application Money (Refer Note 23)		-		0.58
Other Payables				
Statutory remittances		379.83		459.59
Payables on purchases of Fixed Assets		41.46		12.00
Others		12.41		1.21
		<b>727.40</b>		<b>911.15</b>

(In ₹ Million)

	As at March 31, 2016		As at March 31, 2015	
<b>8. SHORT - TERM PROVISIONS</b>				
Provision for employee benefits: (Refer Note 27)				
Provision for Compensated Absences		30.38		60.88
Provision for Gratuity		22.48		13.97
Provision for post employment benefits		8.89		1.30
Provision for tax (Net of advances of ₹ 164.81 Million; (at March 31, 2015: ₹ 89.00 Million))		138.49		127.49
Provision - Others				
Proposed equity dividend		162.17		163.83
Provision for tax on proposed equity dividend		33.01		33.35
Provision for contingencies (Refer Note 34)		8.72		25.32
		<b>404.14</b>		<b>426.14</b>

# Notes forming part of the Consolidated Financial Statements

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK			
	As At April 1, 2015	Adjustments*	Additions	Deletions	As At March 31, 2016	As At April 1, 2015	Adjustments*	For the year	Deletions	As At March 31, 2016	As At March 31, 2015	
<b>9. FIXED ASSETS</b>												
<b>A. Tangible Assets (Owned, unless otherwise stated)</b>												
Leasehold improvements	140.23 (128.72)	-	(11.51)	9.77	130.46 (140.23)	67.97 (42.36)	(0.12)	25.99 (25.49)	9.77	83.92 (67.97)	46.54 (72.26)	72.26 (86.36)
Building	107.58 (107.64)	0.02 (0.04)	-	-	107.60 (107.58)	14.18 (12.46)	-0.16 (-0.45)	1.95 (2.17)	-	15.97 (14.18)	91.63 (93.40)	93.40 (95.18)
Office Equipments	35.17 (43.37)	- (-0.06)	0.34 (3.08)	1.75 (11.22)	33.76 (35.17)	22.48 (18.96)	0.06 (-0.10)	10.68 (11.03)	1.65 (7.41)	31.57 (22.48)	2.19 (12.69)	12.69 (24.41)
Computer and Electronic equipments (owned)	3,404.34 (3,387.13)	6.08 (4.07)	155.54 (173.27)	359.96 (160.13)	3,206.00 (3,404.34)	3,026.54 (2,826.72)	14.27 (-10.75)	243.80 (328.11)	355.81 (117.54)	2,928.80 (3,026.54)	277.20 (377.80)	377.80 (560.41)
Furniture & Fixtures	45.21 (47.71)	0.27 (0.19)	0.75 (1.29)	5.03 (3.98)	41.20 (45.21)	34.03 (27.09)	0.24 (-0.41)	10.09 (10.13)	4.77 (2.78)	39.59 (34.03)	1.61 (11.18)	11.18 (20.62)
Motor Cars	12.04 (6.46)	-	(6.85)	(1.27)	12.04 (12.04)	3.46 (2.43)	-	4.01 (2.30)	(1.27)	7.47 (3.46)	4.57 (8.58)	8.58 (4.03)
<b>Total Tangible Assets - A</b>	<b>3,744.57</b>	<b>6.37</b>	<b>156.63</b>	<b>376.51</b>	<b>3,531.06</b>	<b>3,168.66</b>	<b>14.14</b>	<b>296.52</b>	<b>372.00</b>	<b>3,107.32</b>	<b>423.74</b>	<b>575.91</b>
Previous year	(3,721.03)	(4.24)	(196.00)	(176.70)	(3,744.57)	(2,930.02)	(-11.59)	(379.23)	(129.00)	(3,168.66)	(575.91)	
<b>B. Intangible Assets (Owned) - Others</b>												
Software	1,215.52 1,186.06	20.14 (13.19)	13.22 (27.70)	634.08 (11.43)	614.80 (1,215.52)	975.76 (870.87)	8.36 (4.01)	116.80 (108.59)	633.86 (7.71)	467.06 (975.76)	147.74 (239.76)	239.76 (315.19)
Intellectual Property Rights	181.90 (181.90)	-	-	-	181.90 (181.90)	181.85 (181.85)	-	-	-	181.85 (181.85)	0.05 (0.05)	0.05 (0.05)
Market Development and Deployment Rights	3,992.86 (3,963.91)	50.23 (30.07)	(5.58)	40.31 (6.70)	4,002.78 (3,992.86)	2,370.68 (1,406.37)	17.73 (14.84)	1,081.01 (949.47)	-	3,469.42 (2,370.68)	533.36 (1,622.18)	1,622.18 (2,557.54)
<b>Total Intangible Assets - B</b>	<b>5,390.28</b>	<b>70.37</b>	<b>13.22</b>	<b>674.39</b>	<b>4,799.48</b>	<b>3,528.29</b>	<b>26.09</b>	<b>1,197.81</b>	<b>633.86</b>	<b>4,118.33</b>	<b>681.15</b>	<b>1,861.99</b>
Previous year	(5,331.87)	(43.26)	(33.28)	(18.13)	(5,390.28)	(2,459.09)	(18.85)	(1,058.06)	(7.71)	(3,528.29)	(1,861.99)	
<b>Grand Total (A+B)</b>	<b>9,134.85</b>	<b>76.74</b>	<b>169.85</b>	<b>1,050.90</b>	<b>8,330.54</b>	<b>6,696.95</b>	<b>40.23</b>	<b>1,494.33</b>	<b>1,005.86</b>	<b>7,225.65</b>	<b>1,104.89</b>	<b>2,437.90</b>
Previous year	(9,052.90)	(47.50)	(229.28)	(194.83)	(9,134.85)	(5,389.11)	(7.26)	(1,437.29)	(136.71)	(6,696.95)	(2,437.90)	

\* represents translation difference of fixed assets for non integral foreign operations.

Note: Figures in brackets relate to the previous year.



# Notes forming part of the Consolidated Financial Statements

(In ₹ Million)

	As at March 31, 2016		As at March 31, 2015	
<b>10. NON-CURRENT INVESTMENTS</b>				
<b>Investments (At Cost)</b>				
<b>Trade Investments (Unquoted)</b>				
<b>Associate:</b>				
Mobile Voice Konnect Private Limited				
5,000 (at March 31, 2015: 5,000) equity shares of ₹ 10 each fully paid		0.00		0.00
<b>In Equity shares of other entities</b>				
Turaco Mobile Private Limited		0.02		0.02
1,600 (at March 31, 2015: 1,600) equity shares of ₹ 10 each fully paid				
		<b>0.02</b>		<b>0.02</b>

Aggregate amount of unquoted investment ₹ 0.02 Million (at March 31, 2015 ₹ 0.02 Million)

(In ₹ Million)

	As at March 31, 2016		As at March 31, 2015	
<b>11. LONG - TERM LOANS AND ADVANCES</b>				
<i>(Unsecured, Considered good)</i>				
Capital Advances		5.04		23.87
Security Deposits		55.64		66.76
Prepaid Expenses		-		6.98
Advances to Employees		2.51		1.63
Advance Taxation (net of provisions of ₹1,644.25 Million (at March 31 2015 ₹ 1,492.24 Million))		1,323.58		1,112.69
MAT Credit Entitlement		62.30		141.80
Fringe Benefit Tax (net of provisions of ₹ 70.00 Million (March 31, 2015 ₹ 70.00 Million))		0.70		0.70
		<b>1,449.77</b>		<b>1,354.43</b>

(In ₹ Million)

	As at March 31, 2016		As at March 31, 2015	
<b>12. CURRENT INVESTMENTS</b>				
<b>Investments in Mutual Funds (Unquoted) at lower of cost and fair value</b>				
Birla Sun life Cash Plus-Instl-Daily Dividend -Reinvestment		224.95		213.33
2,245,082 (at March 31, 2015 -2,129,166) units, Net Asset Value ₹224.95 Million (at March 31, 2015 -₹ 213.33 Million)				
HDFC Liquid Fund -Dividend-Daily Reinvest Option		106.01		100.41
10,516,182 (at March 31, 2015 - 9,846,144) units, Net Asset Value ₹106.01 Million (at March 31, 2015 - ₹100.41 Million)				
Kotak Liquid Scheme Plan A- Daily Dividend		-		90.58
Nil (at March 31, 2015 - 74,079) units, Net Asset Value Nil (at March 31, 2015 - ₹90.58 Million)				

# Notes forming part of the Consolidated Financial Statements

(In ₹ Million)

	As at March 31, 2016		As at March 31, 2015	
Reliance liquidity Fund Cash plan-Daily Dividend Reinvestment 45,007 (at March 31, 2015 –99,324) units, Net Asset Value ₹ 50.14 Million (at March 31, 2015 – ₹ 110.66 Million)		50.14		110.66
Reliance Liquidity Fund - Treasury Plan- Institutional Option-Daily Div Option Nil (at March 31, 2015 –26,524) units, Net Asset Value Nil (at March 31, 2015 – ₹ 40.55 Million)		-		40.55
Reliance Medium Term Fund- Daily Dividend 12,310,774 (at March 31, 2015 –Nil) units, Net Asset Value ₹210.46 Million (at March 31, 2015 –Nil)		210.46		-
UTI-Treasury Advantage Fund - Institutional Plan -Daily Dividend Reinvest 173,433 (at March 31, 2015 –Nil) units, Net Asset Value ₹173.84 Million (at March 31, 2015 – Nil)		173.84		-
IDFC Cash Fund- Daily Dividend Nil (at March 31, 2015 – 105,309) units, Net Asset Value Nil (at March 31, 2015 – ₹105.37 Million)		-		105.37
IDFC Super Saver Income Fund-Short Term Plan-Monthly Dividend 9,795,579 (at March 31, 2015 – Nil) units, Net Asset Value ₹101.83 Million (at March 31, 2015 – Nil)		101.83		-
ICICI Prudential Liquid Plan- Daily Dividend 600,586 (at March 31, 2015 –569,319) units, Net Asset Value ₹60.11 Million (at March 31, 2014 – ₹56.97 Million)		60.11		56.97
		<b>927.34</b>		<b>717.87</b>

Aggregate amount of unquoted investment ₹ 927.34 Million (at March 31, 2015 ₹ 717.87 Million)

(In ₹ Million)

	As at March 31, 2016		As at March 31, 2015	
<b>13. INVENTORIES</b>				
Components		-		5.39
		<b>-</b>		<b>5.39</b>

(In ₹ Million)

	As at March 31, 2016		As at March 31, 2015	
<b>14. TRADE RECEIVABLES</b>				
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	357.31		419.90	
Unsecured, considered doubtful	105.77		163.28	
	463.08		583.18	
Less: Provision for doubtful Trade receivables*	105.77	357.31	163.28	419.90
Other Trade Receivables				
Unsecured, considered good	1,626.10		1,726.82	
Unsecured, considered doubtful	102.64		56.47	
	1,728.74		1,783.29	
Less: Provision for doubtful Trade receivables*	102.64	1,626.10	56.47	1,726.82
		<b>1,983.41</b>		<b>2,146.72</b>

\* Includes foreign exchange fluctuations

# Notes forming part of the Consolidated Financial Statements

(In ₹ Million)

	As at March 31, 2016		As at March 31, 2015	
<b>15. CASH AND BANK BALANCES</b>				
Cash on hand		0.12		0.19
Balances with bank :				
- In Current Accounts		1,594.32		942.36
- In Deposit Accounts		468.64		869.07
Other bank balances				
In earmarked accounts				
- Bank balance in Escrow account		182.54		156.89
- Margin money on Bank Guarantees (Includes remaining maturity of more than 12 months)		35.72		27.07
		<b>2,281.34</b>		<b>1,995.58</b>

**Notes:**

1. The balances that meet the definition of Cash and Cash equivalents as per AS-3 Cash Flow Statement is ₹ 2,063.08 Million (at March 31, 2015: ₹1,811.62 Million)
2. Balances with bank in Earmarked balances of ₹ 182.54 Million (at March 31, 2015: ₹ 156.89 Million) have restriction in use.

(In ₹ Million)

	As at March 31, 2016		As at March 31, 2015	
<b>16. SHORT-TERM LOANS AND ADVANCES</b>				
(Unsecured, Considered good)				
Security Deposits		22.90		25.19
Prepaid Expenses		64.25		65.57
Balances with Statutory authorities (Refer Note 1)		494.20		460.24
Advances to Employees (Refer Note 2)		28.02		23.30
Advances to Vendors		55.49		30.68
Others		15.24		0.34
		<b>680.10</b>		<b>605.32</b>

**Notes:**

- 1) Balances with statutory authorities include ₹ 26.16 Million (at March 31, 2015: ₹26.16 Million) paid to VAT authorities under direction of the Honorable High Court of Karnataka.
- 2) Advances to employees include ₹ 9.45 Million (at March 31, 2015 ₹ 1.30 Million) as advance to a director.

(In ₹ Million)

	As at March 31, 2016		As at March 31, 2015	
<b>17. OTHER CURRENT ASSETS</b>				
Unbilled Revenue		879.06		836.00
Accrued Interest on deposits		5.00		3.58
Others				
- Receivable on sale of Fixed Assets (including Capital work-in-progress)		5.23		4.93
		<b>889.29</b>		<b>844.51</b>

# Notes forming part of the Consolidated Financial Statements

(In ₹ Million)

	For the year ended March 31, 2016		For the year ended March 31, 2015	
<b>18. OTHER INCOME</b>				
Interest				
- From Banks on deposits		46.83		37.87
- On Income Tax refund		-		37.52
Dividend income from current investments		43.27		23.96
Profit on sale of Long term investments (net)		-		66.87
Net gain on foreign currency transactions and translations		106.56		-
Other Non- Operating Income				
- Provisions no longer required written back		19.40		2.68
- Rental Income from Operating leases		6.20		-
- Profit on Sale of Fixed Assets (Net)		20.23		20.87
- Miscellaneous Income		42.28		23.90
		<b>284.77</b>		<b>213.67</b>

(In ₹ Million)

	For the year ended March 31, 2016		For the year ended March 31, 2015	
<b>19. COST OF SALES AND SERVICES</b>				
Content fees		2,727.27		2,295.34
Cost of software development and other charges		397.79		597.06
		<b>3,125.06</b>		<b>2,892.40</b>

(In ₹ Million)

	For the year ended March 31, 2016		For the year ended March 31, 2015	
<b>20. EMPLOYEE BENEFITS EXPENSES</b>				
Salaries and wages		1,854.61		2,315.73
Contractors Expenses		24.79		29.61
Contribution to provident fund and other funds		196.24		309.27
Staff welfare expenses		96.36		130.30
		<b>2,172.00</b>		<b>2,784.91</b>

(In ₹ Million)

	For the year ended March 31, 2016		For the year ended March 31, 2015	
<b>21. FINANCE COSTS</b>				
Interest on Finance lease		-		1.42
Interest on Short term Borrowings		17.77		24.40
Other borrowing costs		-		0.75
		<b>17.77</b>		<b>26.57</b>

# Notes forming part of the Consolidated Financial Statements

(In ₹ Million)

	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>22. OTHER EXPENSES</b>		
Power and Fuel	27.88	32.58
Rent (Refer Note 28)	130.95	175.34
Insurance	6.61	16.42
Repairs and Maintenance		
- Machinery	58.07	38.82
- Others	29.45	35.11
Office maintenance	55.90	56.93
Rates and taxes	139.41	185.82
Printing and stationery	4.24	4.80
Postage, courier and octroi	8.45	8.37
Communication charges	85.71	110.02
Training and Recruitment expenses	21.37	23.80
Travelling and conveyance	161.60	220.40
Legal, professional & consultancy charges	204.66	276.22
Commission to Non-whole time directors	10.08	2.00
Remuneration to auditors (Refer Note 26)	22.35	28.76
Marketing expenses	255.63	68.99
Bad Trade Receivables written off	96.00	51.38
Less: Provision for bad and doubtful debts released	96.00	51.38
Provision for Doubtful Trade Receivables	87.98	117.14
Brokerage and Commission	3.00	12.93
Bank charges	8.78	10.54
Net loss on foreign currency transactions and translations	-	117.57
Miscellaneous expenses	11.18	23.88
	<b>1,333.30</b>	<b>1,566.44</b>

**23.** Share application money represents amounts received from the employees against employee stock options, pending allotment.

## 24. A. Contingent liabilities

- The Company has been named as one of the 3 defendants in a civil dispute for injunction pending adjudication. However in the opinion of the management no liability would arise in this regard.
- Disputed Service tax ₹ 5.52 Million (Previous year: ₹ 5.52 Million) and disputed Income Tax ₹ 146.31 Million (Previous year: ₹ 271.03 Million)

## B. Capital Commitments

- Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for is ₹ 16.45 Million (Previous year: ₹ 9.69 Million).
- 25.** Deferred Payment liability includes ₹ 23.22 Million (BRL 1.27 Million) (previous year: ₹ 24.52 Million (BRL 1.27 Million)) payable to a customer in Brazil towards deploying value added services on an exclusive basis in the region.

# Notes forming part of the Consolidated Financial Statements

## 26 Auditors Remuneration

a. Remuneration to the auditors of the Company:

Particulars	(In ₹ Million)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
For Audit	2.85	2.85
For Taxation matters	1.30	1.30
For other attest services	3.95	3.95
Reimbursement of expenses	1.22	1.34
<b>Total</b>	<b>9.32</b>	<b>9.44</b>

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

b. Remuneration to the auditors of the Subsidiaries:

Particulars	(In ₹ Million)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
For Audit	12.05	19.32
For Taxation matters	0.88	-
For other attest services	0.10	-
<b>Total</b>	<b>13.03</b>	<b>19.32</b>

## 27. Employee Benefits:

### I. Defined Contribution Plans

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

Particulars*	(In ₹ Million)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Employer's Contribution to Provident Fund	47.27	55.08
Contribution for Foreign Branches	6.73	8.52
Employee State Insurance Contribution	-	0.04

\* Included in Note 20.

### II. Defined Benefit Plans

#### Gratuity

In accordance with Accounting Standard 15 (Revised 2005) - "Employee Benefits", actuarial valuation as on March 31, 2016 was done in respect of the aforesaid defined benefit plan of Gratuity based on the following assumptions:

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Discount Rate	7.90% p.a	7.81% p.a
Expected Rate of Return on Plan Assets	8% p.a	8% p.a
Salary Escalation Rate	12% p.a. for first 6 years and 7.0% p.a thereafter	13% 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 ₹ Million)	
	As at March 31, 2016	As at March 31, 2015
Present Value of Obligation (Opening)	76.73	77.95
Current Service Cost	11.39	10.76
Interest on Defined Benefit Obligation	6.01	5.25
Benefits Paid	(13.23)	(21.46)
Net Actuarial Losses / (Gains) Recognized in Year	2.26	4.23
Closing Present Value of Obligations	<b>83.16</b>	<b>76.73</b>

# Notes forming part of the Consolidated Financial Statements

## Change in the Fair Value of Assets:

(In ₹ Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Opening Fair Value of Plan Assets	62.76	74.24
Expected Return on Plan Assets	5.04	5.24
Actuarial Gains / (Losses)	(0.82)	0.72
Contributions by Employer (net of risk premium etc)	6.93	4.02
Benefits Paid	(13.23)	(21.46)
Closing Fair Value of Plan Assets	<b>60.68</b>	<b>62.76</b>

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

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

(In ₹ Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Closing Present Value of Funded Obligations	(83.16)	(76.73)
Closing Fair Value of Plan Assets	60.68	62.76
Unfunded Net Asset / (Liability) recognised in Balance Sheet	<b>(22.48)</b>	<b>(13.97)</b>

## Experience Adjustments:

(In ₹ Million)

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Defined Benefit Obligations	83.16	76.73	77.95	58.99	52.47
Plan Assets	60.68	62.76	74.24	57.24	44.87
Surplus/ (Deficit)	(22.48)	(13.97)	(3.71)	(1.75)	(7.60)
Experience adjustments on Plan Liabilities	2.76	4.23	(0.16)	1.26	(1.74)
Experience adjustments on Plan Assets	(0.82)	0.72	0.46	0.67	0.66

## Amount recognized in the Balance Sheet:

(In ₹ Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Closing Present value of obligations	83.16	76.73
Closing Fair Value of Plan Assets	(60.68)	(62.76)
Liability Recognised in the Balance Sheet	22.48	13.97

Estimate of amount of contribution in the immediately next year ₹ 22.48 Million.

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

(In ₹ Million)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Current Service Cost	11.39	10.76
Past Service Cost	-	-
Interest Cost	6.01	5.25
Expected Return on Plan Assets	(5.04)	(5.24)
Actuarial (Losses) / Gain	3.08	3.51
Total Expenses to be recognized in the Statement of Profit & Loss	15.44	14.28

## III. Other long term benefits

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

(In ₹ Million)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Compensated absence	22.65	11.05

\* Included in Note 20.

## IV. Contribution for Post Employee Benefits for subsidiaries

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

### Experience Adjustments:

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Discount Rate	8.5%	7.5%
Expected Rate of Return on Plan Assets	-	-
Salary Escalation Rate	5% p.a.	5% p.a.

# Notes forming part of the Consolidated Financial Statements

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

Particulars	(In ₹ Million)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Current Service Cost	0.06	0.07
Interest Cost	0.01	0.01
Underprovision in prior year	-	-
Actuarial (Losses) / Gain	(0.02)	(0.13)
Effect of curtailment / (settlement)	-	(1.02)
Foreign Exchange Difference	-	-
Total Expenses recognized in the Statement of Profit and Loss	0.05	(1.07)

## Amount recognized in the Balance Sheet: (In ₹ Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Present value of obligations	0.21	0.15
Unrecognised actuarial loss	-	-
Liability Recognised in the Balance Sheet	0.21	0.15

## V. Other long term benefits for subsidiaries (Holiday Pay)

### Amount expensed in the Statement of Profit and Loss:

Particulars	(In ₹ Million)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Amount expensed in the Statement of Profit and Loss	13.66	7.43

\* Included in Note 20.

## 28. 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 under the various agreements are given below:

Particulars	(In ₹ Million)					
	Present value of Minimum Lease Payments		Future Interest		Minimum Lease Payments	
	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2015
Amount repayable not later than 1 year	-	0.37	-	-	-	0.37
Amount repayable later than 1 year and not later than 5 years	-	-	-	-	-	-
<b>Total</b>	-	<b>0.37</b>	-	-	-	<b>0.37</b>

The outstanding amount was secured by underlying assets acquired under finance lease and was repayable within 24 months at an implicit interest rate in the range of 9% to 13.50% p.a

## 29. Operating lease:

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 ₹ Million)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Total rental expense charged to Statement of Profit and Loss	130.95	175.34
<b>Future lease payments under non-cancellable leases:</b>		
Not later than 1 year	36.70	51.30
Later than 1 year and not later than 5 years	17.01	34.59



# Notes forming part of the Consolidated Financial Statements

## 30. Employee Stock Option Plans (ESOP)

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

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

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

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Options granted outstanding at the beginning of the year	2,054	58,383
Exercised during the year	1,716	27,482
Forfeited/Lapsed during the year	338	28,847
Options granted outstanding at the end of the year	-	2,054
Grants outstanding which are vested as at Balance Sheet date including increase due to issuance of bonus shares	-	2,054

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

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

## Notes forming part of the Consolidated Financial Statements

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

Plan	Board approval date	Share holder's approval date	Total options appropriated	Terms of Vesting
OnMobile Employees Stock Option Plan 2011	30-Apr-11	4-Aug-11	1,150,000	Vesting period shall be for a minimum of one (1) year and a maximum of four (4) years from the date of the Grant of stock option.
OnMobile Employees Stock Option Plan 1, 2012	7-May-12	29-Aug-12	3,000,000	Vesting period shall be for a minimum of one (1) year and a maximum of four (4) years from the date of the Grant of stock option
OnMobile Employees Stock Option Plan 1, 2013	15-May-13	30-Jul-13	1,500,000	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, 2016	For the year ended March 31, 2015
Options granted outstanding at the beginning of the year	6,132,748	3,792,766
Granted during the year	383,406	4,893,476
Exercised during the year	403,838	757,352
Forfeited/ Lapsed during the year	532,925	1,796,142
Options granted outstanding at the end of the year	5,579,391	6,132,748
Weighted average remaining contractual life (years) at the year end	5.3	5.9
Weighted average exercise price per option (after adjusting for Bonus issue)	₹ 48	₹ 43
Range of exercise price (after adjusting for bonus issue)	₹ 22.28 to ₹ 128.50	₹ 22.28 to ₹ 87.25

# Notes forming part of the Consolidated Financial Statements

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, 2016 would have been lower by ₹ 55.92 Million (Previous year ₹22.99 Million) and Basic and diluted EPS would have been revised to loss ₹1.67/- (Previous year loss ₹ 3.06/-) and loss ₹1.67/- (Previous year loss ₹ 3.06/-) respectively as compared to loss ₹1.16/- (Previous year loss ₹ 2.86/-) and loss ₹1.16/- (Previous year loss ₹ 2.86/-) without such impact. Basic and Diluted Earnings Per Share (EPS) have been restated for all the corresponding period to give effect of the Bonus shares, in accordance with Accounting Standard (AS) 20 "Earnings Per Share".

The fair value of stock based award to employees is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options have been calculated using Black-Scholes option pricing model, considering the expected weighted average term of the options to be 4.4 years (Previous year 4.4 years), a 2% (Previous year 3%) expected dividend yield on the underlying equity shares, weighted average volatility in the share price of 58.38% (Previous year 53.61%) and a risk free rate of 7.90% p.a. (Previous year 7.81% 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 after eliminating the abnormal price fluctuations.

## 31. Segment Reporting:

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 ₹ Million)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>I Revenue (by location of customer)</b>		
India	1,803.15	2,072.16
Latin America	1,425.28	1,965.10
Europe	3,134.23	2,510.96
Africa	735.34	835.01
America	243.23	506.03
Rest of the World	816.20	581.24
<b>Total</b>	<b>8,157.43</b>	<b>8,470.50</b>
<b>II Total carrying amount of Segment Assets, by geographical location</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
India	1,569.37	1,557.18
Latin America	523.94	1,523.10
Europe	1,458.93	1,458.02
Africa	299.68	356.09
America	504.62	806.18
Rest of the World	408.94	489.26
<b>Total</b>	<b>4,765.48</b>	<b>6,189.83</b>
<b>III Cost incurred for purchase of tangible &amp; intangible assets, by geographical location of assets *</b>	<b>For the year ended March 31, 2016</b>	<b>For the year ended March 31, 2015</b>
India	116.99	62.30
Latin America	15.14	7.87
Europe	19.83	26.74
Africa	1.09	45.45
America	2.39	1.17
Rest of the World	9.66	18.13
<b>Total</b>	<b>165.10</b>	<b>161.66</b>

\* excluding capital advances

## 32. 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, 2016	For the year ended March 31, 2015
Profit/(Loss) after tax as per the Statement of Profit and Loss (In ₹ Million)	(126.36)	(323.18)
Weighted Average number of Shares	109,351,002	113,103,958
Weighted Average number of Shares for Basic EPS	109,351,002	113,103,958
Add: Effect of Stock Options outstanding	2,946,034	1,660,173
Weighted Average Number of equity shares for Diluted EPS	112,297,036	114,764,131
	₹	₹
Nominal value of equity shares	10.0	10.0
Earnings Per Share		
Basic	(1.16)	(2.86)
Diluted	(1.16)	(2.86)

# Notes forming part of the Consolidated Financial Statements

## 33. Accounting For Taxes On Income

In accordance with the Accounting Standard 22 – “Accounting for Taxes on Income”, the Company has recognised the deferred tax to the extent of ₹46.03 Million for the current year, which has been credited to the Statement of Profit and Loss. Details of Deferred Tax Asset and Liabilities are:

(In ₹ Million)

(a)	Particulars	Deferred Tax (Assets)/ Liabilities as on April 1, 2015	Current year (credit)/charge	Adjustments for foreign currency translation	Deferred Tax Assets)/ Liabilities as on March 31, 2016
	Others (Provision for gratuity, compensated absences, doubtful trade receivables, etc.)	1.43	(0.18)	(0.08)	1.17
		<b>1.43</b>	<b>(0.18)</b>	<b>(0.08)</b>	<b>1.17</b>

(In ₹ Million)

(b)	Particulars	Deferred Tax (Assets)/ Liabilities as on April 1, 2015	Current year (credit)/charge	Adjustments for foreign currency translation	Deferred Tax (Assets)/ Liabilities as on March 31, 2016
	Difference between book and tax depreciation	(20.89)	(28.18)	-	(49.07)
	Others (Provision for gratuity, compensated absences etc.)	(189.71)	(17.67)	27.64	(179.74)
		<b>(210.60)</b>	<b>(45.85)</b>	<b>27.64</b>	<b>(228.81)</b>

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

(In ₹ Million)

Nature of Expense	Probable outflow estimated within	Provision outstanding as at April 1, 2015	Provision made during the year	Provision utilized/ adjusted during the year	Provision outstanding as at March 31, 2016
Other provisions - credit note and others	Not later than 1 year	25.32	-	16.60	8.72
	1-3 years	-	-	-	-
		<b>25.32</b>	-	<b>16.60</b>	<b>8.72</b>
Previous year		21.08	25.32	21.08	25.32

## 35. 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	Rajiv Pancholy w.e.f., June 2, 2014 H. H. Haight IV (till August 20, 2014) Francois Charles Sirois w.e.f., Nov 1, 2014 Chandramouli Janakiraman (till June 26, 2014)
(ii)	Enterprises owned or significantly influenced by key management personnel / Directors or their relatives	OnMobile Systems Inc., USA

# Notes forming part of the Consolidated Financial Statements

## II. Transactions with Related Parties:

(In ₹ Million)

SI No	Nature of transactions	Key Management Personnel		Total	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
1	Remuneration (including other benefits)				
	Rajiv Pancholy	23.59	24.52	23.59	24.52
	Francois Charles Sirois	9.23	7.69	9.23	7.69
	Chandramouli Janakiraman	-	5.32	-	5.32
	<b>Total</b>	<b>32.82</b>	<b>37.53</b>	<b>32.82</b>	<b>37.53</b>

## III. Balances with Related Parties:

(In ₹ Million)

SI No	Nature of transactions	Key Management Personnel		Total	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
1	Amount Receivables under:				
	Short term loans and advances				
	Rajiv Pancholy	9.45	1.30	9.45	1.30
	<b>Total</b>	<b>9.45</b>	<b>1.30</b>	<b>9.45</b>	<b>1.30</b>

### Notes:

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

## 36. 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, 2016 Nominal value (In ₹ Million)	As at March 31, 2015 Nominal value (In ₹ Million)	Currency	As at March 31, 2016 (Foreign Currency in Million)	As at March 31, 2015 (Foreign Currency in Million)
Foreign Currency Forward Contract -(BUY)	18.29	-	USD/BRL	1.00	-
Foreign Currency Forward Contract -(BUY)	27.50	29.73	USD/MXN	0.41	0.48
Foreign Currency Forward Contract -(SELL)	464.33	31.30	USD/INR	7.00	0.50
Foreign Currency Forward Contract -(SELL)*	-	101.27	EUR/USD	-	1.50
Foreign Currency Forward Contract -(SELL)	600.76	-	EUR/INR	8.00	-

\* The contract has been entered to SELL EUR and BUY USD, the equivalent USD amount for the contract is USD 1.614 Million during Previous year.

## Notes forming part of the Consolidated Financial Statements

b. Unhedged Foreign currency exposure is as follows:

Particulars	As at March 31, 2016 (In ₹ Million)	As at March 31, 2015 (In ₹ Million)	Nature of Currency	As at March 31, 2016 (Foreign Currency in Million)	As at March 31, 2015 (Foreign Currency in Million)
<b>Due to:</b>					
<b>Non current liabilities</b>					
Long-term provisions	3.29	2.85	AED	0.18	0.17
	0.06	0.09	CLP	0.61	0.87
	101.52	3.31	EUR	1.35	0.05
	2.77	1.79	GBP	0.03	0.02
	0.05	0.03	LKR	0.10	0.05
	3.01	2.05	MYR	0.18	0.12
	2.43	2.46	NIO	1.02	1.02
	0.57	0.54	PAB	0.01	0.01
	1.64	3.76	PEN	0.08	0.18
	0.59	0.41	QAR	0.03	0.02
	0.97	0.73	TZS	31.21	20.91
	17.06	0.27	USD	0.26	0.00
	0.57	0.40	ZAR	0.13	0.08
<b>Current Liabilities</b>					
Trade and other liabilities	6.60	3.75	AED	0.37	0.22
	5.72	5.76	AUD	0.11	0.12
	74.57	78.69	BDT	86.33	95.67
	0.35	-	BHD	0.00	-
	0.65	1.04	CLP	6.53	10.42
	30.63	29.16	GBP	0.32	0.32
	-	0.79	GHS	-	0.05
	1.27	-	IDR	253.14	-
	0.93	0.97	KES	1.40	1.40
	37.06	36.44	MYR	2.20	2.16
	0.00	0.00	NGN	0.01	0.01
	0.89	1.02	PAB	0.01	0.02
	7.33	4.33	PEN	0.37	0.21
	1.28	1.36	QAR	0.07	0.08
	0.20	0.58	RMB	0.02	0.06
	0.27	-	RON	0.02	-
	91.05	84.74	SGD	1.86	1.86

## Notes forming part of the Consolidated Financial Statements

Particulars	As at March 31, 2016 (In ₹ Million)	As at March 31, 2015 (In ₹ Million)	Nature of Currency	As at March 31, 2016 (Foreign Currency in Million)	As at March 31, 2015 (Foreign Currency in Million)
	-	0.04	TRY	-	0.00
	11.36	10.80	TZS	366.98	310.90
	90.28	249.36	USD	1.36	3.98
	7.80	6.49	XOF	68.46	62.57
	-	1.72	ZAR	-	0.33
	0.00	0.00	ZMK	0.01	0.01
Short term Provisions & Other current liabilities	0.35	0.29	AUD	0.01	0.01
	-	10.54	BDT	-	12.81
	75.48	79.69	BRL	4.13	4.13
	6.98	6.79	CAD	0.14	0.14
	5.58	5.99	CLP	56.33	59.79
	-	46.91	COP	-	1,895.20
	304.91	273.74	EUR	4.06	4.05
	2.65	0.81	GBP	0.03	0.01
	0.24	0.25	KES	0.36	0.36
	0.01	0.01	MGA	0.50	0.50
	0.03	0.05	MWK	0.32	0.32
	-	4.05	NIO	-	1.69
	0.39	0.37	PAB	0.01	0.01
	-	3.32	PEN	-	0.16
	0.12	0.14	QAR	0.01	0.01
	0.09	-	RON	0.01	-
	0.40	1.98	TZS	12.83	56.90
	1.15	0.70	UGX	57.70	32.63
	187.09	141.07	USD	2.82	2.25
	0.09	0.17	XOF	0.80	1.62
	1.45	1.49	ZAR	0.33	0.29
	0.27	0.26	ZMK	21.16	21.16
<b>Due from:</b>					
Long term loans and advances	5.17	8.11	ARS	1.14	1.14
	66.98	48.20	BDT	77.55	58.60
	13.16	33.10	BRL	0.72	1.71
	23.56	26.39	COP	1,066.34	1,066.34
	-	0.42	CRC	-	3.49

## Notes forming part of the Consolidated Financial Statements

Particulars	As at March 31, 2016 (In ₹ Million)	As at March 31, 2015 (In ₹ Million)	Nature of Currency	As at March 31, 2016 (Foreign Currency in Million)	As at March 31, 2015 (Foreign Currency in Million)
	0.02	0.01	CZK	0.01	0.01
	-	23.94	EUR	-	0.35
	-	0.09	GBP	-	0.00
	0.10	0.10	GHS	0.01	0.01
	0.15	0.15	KES	0.22	0.22
	0.08	0.08	MGA	3.86	3.86
	26.76	-	MXN	6.97	-
	0.29	0.28	NGN	0.87	0.87
	0.13	-	PEN	0.01	-
	0.02	0.01	RWF	0.17	0.16
	4.90	4.56	SGD	0.10	0.10
	0.08	0.08	THB	0.04	0.04
	12.11	11.60	TZS	391.01	333.78
	1.08	1.27	UGX	54.44	59.51
	283.83	189.18	USD	4.28	3.02
	1.03	0.92	XOF	9.08	8.84
	1.52	1.43	ZMK	118.38	118.38
	0.79	0.90	ZMW	0.13	0.11
Trade receivables	0.40	0.38	AED	0.02	0.02
	0.14	1.07	AUD	0.00	0.02
	18.16	14.92	BDT	21.02	18.14
	2.07	-	BHD	0.01	-
	0.01	5.75	CLP	0.08	57.47
	-	6.01	EUR	-	0.09
	-	0.79	GHS	-	0.05
	0.25	16.92	IDR	49.55	3,519.57
	1.15	-	MYR	0.07	-
	15.16	-	PEN	0.76	-
	0.47	0.76	RON	0.03	0.05
	0.01	0.01	SGD	0.00	0.00
	4.11	0.73	TZS	132.70	20.90
	5.12	339.70	USD	0.08	5.43
	0.62	0.48	XOF	5.48	4.64
	14.22	6.29	ZAR	3.23	1.21



## Notes forming part of the Consolidated Financial Statements

Particulars	As at March 31, 2016 (In ₹ Million)	As at March 31, 2015 (In ₹ Million)	Nature of Currency	As at March 31, 2016 (Foreign Currency in Million)	As at March 31, 2015 (Foreign Currency in Million)
Short term advances and Other current assets	1.01	0.86	AED	0.06	0.05
	0.20	0.18	AUD	0.00	0.00
	11.09	16.63	BDT	12.84	20.22
	9.41	5.90	CLP	95.05	58.97
	-	46.91	COP	-	1,895.20
	-	12.68	EUR	-	0.19
	20.94	21.72	GBP	0.22	0.23
	15.24	-	IDR	3,031.34	-
	0.47	0.19	MYR	0.03	0.01
	22.07	17.64	NIO	9.27	7.36
	0.44	1.11	PAB	0.01	0.02
	71.85	38.72	PEN	3.59	1.87
	1.49	1.50	RMB	0.15	0.15
	0.27	1.37	RON	0.02	0.09
	1.60	3.05	TZS	51.63	87.77
	105.43	187.28	USD	1.59	2.99
	0.11	0.24	XOF	0.98	2.31
	3.41	2.41	ZAR	0.77	0.47

37. There are no dues to Micro and Small Enterprises as at March 31, 2016. The information disclosure with regard to Micro and Small enterprises is based on information collected by the Management on enquiries made with the vendors which have been relied upon by the auditors.

38. Research tax rebate accrued as other income for OnMobile S.A., during the year amounted to ₹ Nil (Previous year: ₹13.74 Million) and total tax receivable outstanding at March 31, 2016 amounted to ₹21.71 Million (Previous year: ₹43.74 Million).

### 39. Exceptional items:

i. Exceptional items for the year ended March 31, 2016 represents:

- During the quarter ended December 31, 2015, the Argentina Government devalued its currency Argentine Peso (ARS). Accordingly the Company had used period end rates after such devaluation to remeasure the Argentina operations and its net monetary assets, and charged off INR 64.81 Million in the consolidated results.
- During the quarter ended March 31, 2016, the Venezuela Government introduced a new foreign currency exchange system - 'Dicom' replacing the previous 'Simadi' system resulting in devaluation of VEF currency. Accordingly, the Company had used Dicom exchange rate to remeasure the Venezuela operations and its net monetary assets, and charged off INR 7.95 Million in the consolidated results.
- During the quarter ended March 31, 2016, the Central bank of Egypt had devalued its currency EGP against USD to strengthen its economic growth. Accordingly the Company had used period end rates after such devaluation to remeasure the Egypt operations and its net monetary assets, and charged off INR 32.83 Million in the consolidated results.

# Notes forming part of the Consolidated Financial Statements

ii. Exceptional items for the year ended March 31, 2015 represents:

a. On 12th February 2015, the Venezuelan Government amended its Currency exchange legislation in Venezuela creating a new system (SIMADI) replacing the earlier system (SICAD II) which has resulted in a devaluation of their local currency against US Dollars at 192.95 Bolivars per USD as of 31st March 2015. Accordingly, the Company has used SIMADI exchange rate to remeasure the Venezuela operations and its net monetary assets, and charged off the impact of ₹ 32.83 Million in the consolidated results.

40. The Company had made an application to the Central Government for compounding of one of the contracts for a party covered under Section 297 of the Companies Act, 1956, which expired during an earlier year. The total transaction for which compounding application had been filed amounted to ₹ 3.01 Million. The approval from Central Government is awaited.

41. During the previous year, the Company has completed the divestiture of Voxmobili SA, a step-down subsidiary of the Company. The Company had signed the Share Purchase Agreement (SPA) with Synchronoss Technologies France, a leading player in synchronization technology products, in May 2014. With the closure of this deal, the Company realised an amount of USD 26 Million, subject to escrows and other conditions customarily contracted as part of such deal. Net Profit / (Loss) for the said entity included in the consolidated financial results are:

(In ₹ Million)

Nature of transactions	Net Profit / (Loss) included in the above results		The net profit / (Loss) before intercompany eliminations	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Net profit / (loss) for the period	-	24.00	-	(67.20)

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

43. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013.

Name of the entity	Net assets, i.e., total assets minus total liabilities as at March 31, 2016		Share of profit or (loss) for the year ended March 31, 2016		Net assets, i.e., total assets minus total liabilities as at March 31, 2015		Share of profit or (loss) for the year ended March 31, 2015	
	As % of consolidated net assets	Amount ₹ Million	As % of consolidated profit or loss	Amount ₹ Million	As % of consolidated net assets	Amount ₹ Million	As % of consolidated profit or loss	Amount ₹ Million
Parent - OnMobile Global Limited	55%	3,309.68	711%	(897.79)	62%	4,052.40	205%	(662.69)
<b>Subsidiaries:</b>								
<b>Foreign:</b>								
OnMobile Singapore Pte. Ltd.	1%	72.73	-115%	144.92	1%	77.93	-38%	122.96
PT OnMobile Indonesia	0%	6.52	5%	(6.65)	0%	9.57	1%	(1.64)
Servicios De Telefonía OnMobile Sa De Cv	1%	67.58	-119%	150.27	1%	48.62	-61%	196.35
OnMobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis Ltda.	3%	156.04	-165%	207.93	3%	227.76	-96%	309.44

## Notes forming part of the Consolidated Financial Statements

Name of the entity	Net assets, i.e., total assets minus total liabilities as at March 31, 2016		Share of profit or (loss) for the year ended March 31, 2016		Net assets, i.e., total assets minus total liabilities as at March 31, 2015		Share of profit or (loss) for the year ended March 31, 2015	
	As % of consolidated net assets	Amount ₹ Million	As % of consolidated profit or loss	Amount ₹ Million	As % of consolidated net assets	Amount ₹ Million	As % of consolidated profit or loss	Amount ₹ Million
OnMobile Global for Telecommunication Services	4%	255.31	-102%	128.39	2%	149.38	-42%	136.25
OnMobile Telecom Burkina Faso, S.A.R.L.	0%	10.90	5%	(5.86)	0%	17.13	3%	(10.96)
OnMobile Turkey Telekomunikasyon Sistemleri Limited Şirketi	0%	15.45	4%	(5.15)	0%	26.03	2%	(6.33)
OnMobile Global Czech Republic S.R.O	0%	4.42	3%	(3.35)	0%	7.47	2%	(5.07)
OnMobile Live Inc	4%	224.18	217%	(274.43)	3%	204.28	109%	(353.11)
Fonestarz Media Group Limited	0%	-	0%	-	0%	-	0%	-
2dayUK Limited	2%	100.68	-26%	32.81	1%	65.92	-19%	59.97
Fonestarz Media (licensing) Limited	0%	-	0%	-	0%	-	0%	-
Daius Limited	0%	-	0%	-	0%	-	0%	-
Fonestarz Limited	0%	-	0%	-	0%	-	0%	-
Fonestarz Media (Australia) PTY Limited	0%	-	0%	-	0%	-	0%	-
Fonestarz Media Limited	0%	-	0%	-	0%	-	0%	-
OnMobile Kenya Telecom Limited	1%	41.47	10%	(13.18)	1%	36.25	16%	(50.91)
OnMobile Telecom Limited	0%	11.66	-1%	1.51	0%	9.00	1%	(3.35)
OnMobile Mali SARL	0%	(0.19)	1%	(0.95)	0%	0.05	0%	(0.86)
OnMobile Senegal SARL	0%	1.41	1%	(0.96)	0%	1.40	-1%	2.60
OnMobile Servicios Corporativos De Telefonía S.A. DE C.V.	0%	(2.45)	29%	(36.76)	0%	(2.18)	18%	(58.79)
OnMobile Costa Rica OBCR, S.A.	0%	15.61	-19%	23.53	0%	18.12	-4%	14.19
OnMobile Ghana Telecom Limited	0%	9.66	-2%	2.52	0%	6.19	2%	(7.33)
OnMobile Madagascar Telecom Limited	0%	1.88	0%	0.55	0%	3.18	1%	(4.48)
OnMobile Nigeria Telecom Limited	1%	83.93	-33%	41.19	1%	71.67	-2%	6.17
OnMobile Rwanda Telecom Limited	0%	7.22	2%	(2.78)	0%	9.79	1%	(4.19)
OnMobile Uganda Limited	0%	13.79	-3%	3.81	0%	6.73	1%	(4.18)
OnMobile Zambia Telecom Limited	0%	10.89	9%	(10.95)	0%	25.03	-10%	33.37
OnMobile Telecom Sierra Leone Limited	0%	(6.83)	1%	(1.06)	0%	(1.39)	1%	(2.32)
OnMobile Uruguay SA	0%	3.35	-7%	8.30	0%	7.69	-2%	6.90

## Notes forming part of the Consolidated Financial Statements

Name of the entity	Net assets, i.e., total assets minus total liabilities as at March 31, 2016		Share of profit or (loss) for the year ended March 31, 2016		Net assets, i.e., total assets minus total liabilities as at March 31, 2015		Share of profit or (loss) for the year ended March 31, 2015	
	As % of consolidated net assets	Amount ₹ Million	As % of consolidated profit or loss	Amount ₹ Million	As % of consolidated net assets	Amount ₹ Million	As % of consolidated profit or loss	Amount ₹ Million
OnMobile Global Solutions Canada Limited	0%	3.14	16%	(20.80)	0%	(4.90)	25%	(81.39)
OnMobile Global SA	3%	154.13	59%	(74.43)	4%	243.91	-40%	128.48
OnMobile Portugal SGPS, Unipessoal LDA (Zona Franca Da Madeira)	0%	(0.14)	1%	(0.85)	0%	0.31	0%	(1.48)
OnMobile Europe B.V.	1%	60.87	60%	(76.29)	0%	(5.73)	6%	(20.85)
OnMobile S.A.	3%	207.01	17%	(21.22)	3%	207.52	78%	(252.47)
Voxmobili SA	0%	-	0%	-	0%	-	-7%	23.99
OnMobile USA LLC	1%	82.00	251%	(317.24)	1%	65.63	91%	(295.37)
OnMobile De Venezuela C.A.	0%	22.81	12%	(15.77)	0%	20.02	2%	(5.54)
OnMobile Bangladesh Private Limited	6%	347.24	-119%	149.92	4%	249.83	-31%	98.86
OnMobile Global Spain S.L.U	12%	700.43	-591%	746.70	10%	659.30	-116%	373.52
OnMobile Global Italy SRL	0%	(0.21)	0%	0.43	0%	(0.79)	0%	(0.98)
OnMobile Tanzania Telecom Limited	0%	0.90	1%	(1.19)	0%	0.96	1%	(1.79)
OnMobile Latam holding SL	0%	0.53	0%	(0.15)	0%	1.44	0%	(0.14)
OnMobile Global South Africa (PTY) Ltd	1%	34.21	-15%	19.34	0%	14.40	1%	(4.72)
OnMobile Global Limited Colombia S.A.S	0%	10.42	0%	(0.61)	1%	38.82	-1%	4.69
<a href="#">Associates (Investment as per the equity method):</a>								
<a href="#">Indian:</a>								
Mobile Voice Konnect Private Limited	0%	-	0%	(0.05)	0%	-	0%	-

# Notice to the 16<sup>th</sup> Annual General Meeting

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Notice is hereby given that the Sixteenth Annual General Meeting (AGM) of the Members of OnMobile Global Limited will be held on Wednesday, September 14, 2016 at 3.00 p.m. at The Ritz-Carlton Hotel, 99, Residency Road, Ashok Nagar, Bengaluru, Karnataka - 560 025 to transact the following business:

## ORDINARY BUSINESS

### Item No. 1: Adoption of financial statements

To receive, consider and adopt the audited Balance Sheet of the Company as at March 31, 2016, the Statement of Profit and Loss for the financial year ended as on that date and the Reports of the Directors and Auditors thereon.

### Item No. 2: Declaration of dividend

To declare a dividend of ₹ 1.50 per equity share for the financial year ended March 31, 2016.

### Item No. 3: Retirement of Director by rotation, François-Charles Sirois

To appoint a Director in place of François-Charles Sirois who retires by rotation and being eligible, offers himself for re-appointment.

### Item No. 4: Ratification of the appointment of Statutory Auditors

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and other applicable provisions of Companies Act, 2013 and the rules made thereunder, including any statutory modification(s) or re-enactment thereof, the appointment of M/s Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 008072S), as Statutory Auditors of the Company be and is hereby ratified, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and the Board of Directors be and are hereby authorised to fix the remuneration payable to them for the financial year ending March 31, 2017 including the period upto next AGM as may be recommended by the Audit Committee in consultation with the Auditors.”

## SPECIAL BUSINESS

### Item No. 5: Appointment of Rajiv Pancholy, Managing Director and CEO of the Company as Director/Manager/Consultant/Employee in OnMobile Global Solutions Canada Limited, wholly owned subsidiary of the Company

To consider and if thought fit, to pass the following resolution as a special resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory amendment, modification or re-enactment thereof), approval of the members of the Company be and is hereby accorded for appointment of Rajiv Pancholy, Managing Director and CEO of the Company as Director/Manager/Consultant/Employee in OnMobile Global Solutions Canada Limited, wholly owned subsidiary of the Company, being an office or place of profit within the meaning of Section 188 of the Companies Act, 2013 and to his holding the office or place of profit as such in the subsidiary company for a period of three years with effect from October 1, 2016 at a total remuneration of USD 195,000 (equivalent of INR 12,090,000 approximately) per annum, to be paid as fixed or variable pay, allowances or otherwise either monthly or quarterly or annually as may be decided by the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company, on the recommendation of the Nomination and Compensation Committee of the Board, be and are hereby authorised to vary, alter or modify and/or to refix the aforesaid remuneration to Rajiv Pancholy, within the limits aforesaid and to do all such acts, deeds, matters and things as may be deemed fit for the purpose of giving effect to the above resolution and matters related thereto.”

### Item No. 6: Appointment of François-Charles Sirois, Executive Chairman of the Company as Director/Manager/Consultant/Employee in OnMobile Global Solutions Canada Limited, wholly owned subsidiary of the Company

To consider and if thought fit, to pass the following resolution as a special resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory amendment, modification or re-enactment thereof), approval of the members of the Company be and is hereby accorded for appointment of François-Charles Sirois, Executive Chairman of the Company as Director/Manager/Consultant/Employee in OnMobile Global Solutions Canada Limited, wholly owned subsidiary of the Company, being an office or place of profit within the meaning of Section 188 of the Companies Act, 2013 and to his holding the office or place of profit as such in the subsidiary company for a period of three years with effect from October 1, 2016 at a total remuneration of USD 318,387 (equivalent of INR 19,740,000 approximately) per annum, to be paid as

fixed or variable pay, allowances or otherwise either monthly or quarterly or annually as may be decided by the Board of Directors.

RESOLVED FURTHER THAT the Board of Directors of the Company on the recommendation of the Nomination and Compensation Committee of the Board be and are hereby authorised to vary, alter or modify and/or to refix the aforesaid remuneration to François-Charles Sirois, within the limits aforesaid and to do all such acts, deeds, matters and things as may be deemed fit for the purpose of giving effect to the above resolution and matters related thereto."

By Order of the Board of Directors  
For OnMobile Global Limited

Sd/-

Date: July 30, 2016

P V Varaprasad

Place: New Delhi

Company Secretary

**Regd. Office:**

OnMobile Global Limited,  
E City, Tower-1, No 94/1C and 94/2,  
Veerasandra, Attibele Hobli,  
Anekal Taluk, Electronic City Phase-1,  
Bangalore- 560 100  
CIN: L64202KA2000PLC027860

**NOTES:**

1. Statement pursuant to Section 102(1) of the Companies Act, 2013 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF / HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The instrument appointing the proxy, duly completed must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
4. A person can act as proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. However, a member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
5. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
6. A member shall be entitled, during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than 'three days' of notice in writing is given to the Company.
7. Members / proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
8. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
9. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
10. **The Register of Members and Share Transfer Books of the Company shall remain closed from September 7, 2016 to September 14, 2016 (both days inclusive) for the purpose of payment of dividend and the 16th AGM of the Company.**

11. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the AGM will be paid within 30 days from the date of declaration to those members whose names appear on the Register of Members as on September 6, 2016.
12. Members whose shareholding is in electronic mode are requested to inform change of address and updates of savings bank account details to their respective depository participants.
13. Members are requested to address all correspondence, including dividend matters, to the Registrar and Share Transfer Agent, Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot no. 31 & 32, Gachibowli Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032, India.
14. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with the Company Secretary, at the Company's registered office. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013 be transferred to the Investor Education and Protection Fund.
15. We request you to update your email address with your depository participant to ensure that the annual report and other documents reach you on your preferred email account.
16. The Notice of the 16<sup>th</sup> AGM and instructions for e-voting, along with the Attendance Slip and Proxy Form, is being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
17. Members may also note that the Notice of the 16<sup>th</sup> AGM and the Annual Report 2016 will be available on the Company's website, **www.onmobile.com**. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at: **investors@onmobile.com**
18. Additional information pursuant to sub-regulation (3) of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Director seeking re-appointment at the AGM is furnished in the Annexure and forms part of the Notice.
19. The Securities and Exchange Board of India (SEBI) has mandated submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company.
20. Information and other instructions relating to e-voting are as follows:
  - i. In compliance with Section 108 of the Companies Act, 2015 read with the Rule 20 of the Companies (Management and Administration) Rules 2014 (as substituted by Amendment Rules 2015) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Karvy Computershare Private Limited ("Karvy"). The facility for voting through Poll will be made available at the meeting and the members attending the meeting who have not cast their votes by remote e-voting shall be able to cast their votes at the meeting through physical Poll.
  - ii. The members who have voted through remote e-voting may attend the AGM but shall not be entitled to cast their vote again.
  - iii. The Company has engaged the service of Karvy Computershare Private Limited ("Karvy") as the Agency to provide e-voting facility.
  - iv. Voting rights shall be reckoned on the paid up value of equity shares registered in the name of the member/beneficial owner as on **September 6, 2016 being the cut-off date**.
  - v. A person, whose name is appearing in the register of members or in the register of beneficial owners maintained by the depositories as on the **cut-off date i.e. September 6, 2016** shall only be entitled to avail the facility of remote e-voting /poll.
  - vi. Any person who becomes the member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date may write to Karvy on their e-mail ID [einward.ris@karvy.com](mailto:einward.ris@karvy.com) or Karvy Computershare Private Limited (Unit OnMobile), Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500032 or contact S V Raju on 040-67162222 requesting for User ID and password. After receipt of above

credentials, a member may follow the instructions for e-voting to cast his votes.

If the member is already registered with Karvy e-voting platform then he can use his existing User ID and password for casting his votes through remote e-voting.

- vii. The remote e-voting facility will be open only during the following voting period:

**Commencement of Remote e-voting: 9.00 a.m. (IST) on September 10, 2016**

**End of Remote e-voting: 5.00 p.m. (IST) on September 13, 2016**

The detailed instructions sheet for remote e-voting is attached.

21. The Board of Directors of the Company have appointed Parameshwar G Hegde, a Practising Company Secretary as the Scrutinizer, for conducting both remote e-voting and Poll voting process at the meeting in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the purpose.
22. The Scrutinizer, after scrutinizing the votes cast at the meeting by Poll and remote e-voting, will not later than three days of conclusion of the Meeting, make a consolidated Scrutinizer's report and submit the same to the Chairman.
23. The results declared along with the consolidated Scrutinizer's report shall be placed on the website of the Company **[www.onmobile.com](http://www.onmobile.com)** and on the website of Karvy **<https://evoting.karvy.com>**. The results shall simultaneously be communicated to the Stock Exchanges.
24. Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the meeting i.e. September 14, 2016

## STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

### Item No. 5

OnMobile Global Solutions Canada Limited is a wholly owned subsidiary of the Company in Canada. The subsidiary is of strategic importance for the business in the North American region. With a view to ensure effective Board guidance to the management of affairs of the region, Rajiv Pancholy is proposed to be appointed as a Director/Manager/Consultant/Employee of OnMobile Global Solutions Canada Limited with effect from October 1, 2016 so that he would oversee the overall operations of the geography and for devoting substantial time and assuming additional responsibility, he would be

entitled to remuneration as Director/Manager/Consultant/Employee.

Accordingly, pursuant to the recommendation of the Nomination and Compensation Committee, the Board of Directors of the Company at their meeting held on July 30, 2016 fixed remuneration of USD 195,000 (equivalent of INR 12,090,000 approximately) per annum for a period of three years w.e.f October 1, 2016 subject to approval of the shareholders of the Company.

Pursuant to the provisions of Section 188(1)(f) of the Companies Act, 2013 read with Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014, approval of the shareholders is, inter alia, required by passing a Special Resolution, where a Director holds an office or place of profit in any subsidiary of the Company. Rajiv Pancholy is the Managing Director and CEO of the Company and also proposed to be appointed as a Director/Manager/Consultant/Employee in the wholly owned subsidiary company.

Rajiv Pancholy is a related party as per Section 2(76)(i) of the Companies Act, 2013. As per Section 177(4)(iv) of the Companies Act, 2013, the Audit Committee at its meeting held on July 29, 2016 has approved the proposal.

No director, key managerial personnel or their relatives, except Rajiv Pancholy to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the special resolution set forth in Item No. 5 for the approval of the shareholders.

### Item No. 6

OnMobile Global Solutions Canada Limited is a wholly owned subsidiary of the Company in Canada. The subsidiary is of strategic importance for the business in the North American region. With a view to ensure effective Board guidance to the management of affairs of the region, François-Charles Sirois is proposed to be appointed as a Director/Manager/Consultant/ Employee of OnMobile Global Solutions Canada Limited with effect from October 1, 2016 so that he would oversee the overall operations of the geography and for devoting substantial time and assuming additional responsibility, he would be entitled to remuneration as Director/Manager/ Consultant/ Employee.

Accordingly, pursuant to the recommendation of the Nomination and Compensation Committee, the Board of Directors of the Company at their meeting held on July 30, 2016 fixed remuneration of USD 318,387 (equivalent of INR 19,740,000 approximately) per annum for a period of three years w.e.f. October 1, 2016 subject to approval of the shareholders of the Company.

Pursuant to the provision of Section 188(1)(f) of the Companies Act, 2013 read with Rule 15(3) of the Companies



(Meeting of Board and its Powers) Rules, 2014, approval of the shareholders is, inter alia, required by passing a Special Resolution, where a Director holds an office or place of profit in any subsidiary of the Company. François-Charles Sirois is the Executive Chairman of the Company and is also proposed to be appointed as a Director/Manager/ Consultant/ Employee in the wholly owned subsidiary company.

François-Charles Sirois is a related party as per Section 2(76) (i) of the Companies Act, 2013. As per Section 177(4)(iv) of

the Companies Act, 2013, the Audit Committee at its meeting held on July 29, 2016 has approved the proposal.

No director, key managerial personnel or their relatives, except François-Charles Sirois to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the special resolution set forth in Item No. 6 for the approval of the shareholders.

**Additional information on Directors seeking Re-appointment at the Annual General Meeting pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Particulars	François-Charles Sirois
Brief Resume	Date of Birth : 05-05-1975
	Date of Appointment : 26-06-2014
	Qualifications : Bachelor of Business Administration, options in finance and marketing, HEC Montreal
Expertise in specific functional areas	Wide experience in Media (multi-platform music services and digital content production, distribution and promotion), Internet, Software, Venture Capital & Private Equity industries
Directorships held in other companies (including foreign companies) as on date	1. OnMobile Systems Inc. 2. Telesystem Ltd. 3. Stingray Digital Group Inc. 4. Zone3 Inc. 5. Telesystem Media, Inc 6. iPerceptions Inc. 7. Telesystem Energy Ltd. 8. CVTCORP Transmission Inc.
Disclosure of relationship between directors inter-se	François-Charles Sirois is not related to any other Director of the Company
Memberships/ Chairmanships of committees of other companies (includes only Audit Committee and Shareholders/ Investors Grievance Committee)	Nil
Number of shares held in the Company	Nil

By Order of the Board of Directors  
For OnMobile Global Limited

Date: July 30, 2016  
Place: New Delhi

Sd/-  
P V Varaprasad  
Company Secretary

**Regd. Office:**

OnMobile Global Limited,  
E City, Tower-1, No 94/1C and 94/2,  
Veerasandra, Attibele Hobli,  
Anekal Taluk, Electronic City Phase-1,  
Bangalore- 560 100  
CIN: L64202KA2000PLC027860



**OnMobile Global Limited**

**Registered Office:** OnMobile Global Limited, E City, Tower-1, No 94/1C and 94/2,,Veerasandra, Attibele Hobli, Anekal Taluk, Electronic City Phase-1, Bangalore- 560 100; Corporate Identity Number (CIN): L64202KA2000PLC027860; Phone: + 91 80 40096000, Fax: + 91 80 40096009, E-mail: [investors@onmobile.com](mailto:investors@onmobile.com), Website: [www.onmobile.com](http://www.onmobile.com)

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**Sixteenth Annual General Meeting - September 14, 2016**

Name of the member (s): .....

Registered address: .....

E-mail Id: .....

Folio No/ Client Id: .....

DP ID: .....

I / We, being the member(s) of ..... shares of the above named company, hereby appoint

Name : .....Email:.....

Address:.....

Signature: .....

or failing him / her

Name : .....Email:.....

Address:.....

Signature: .....

or failing him / her

Name : .....Email:.....

Address:.....

Signature: .....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 16th Annual General Meeting of the Company, to be held on Wednesday, September 14, 2016, at 3.00 p.m., at The Ritz - Carlton Hotel, 99, Residency Road, Ashok Nagar, Bengaluru, Karnataka - 560 025 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution number	Description	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1	Adoption of financial statements		
2	Declaration of dividend		
3	Retirement of Director by rotation, François-Charles Sirois		
4	Ratification of appointment of Statutory Auditors		
5	Appointment of Rajiv Pancholy, Managing Director and CEO of the Company as Director/Manager/Consultant/ Employee in OnMobile Global Solutions Canada Limited, wholly owned subsidiary of the Company		
6	Appointment of François-Charles Sirois, Executive Chairman of the Company as Director/Manager/ Consultant/Employee in OnMobile Global Solutions Canada Limited, wholly owned subsidiary of the Company		

Signed this ..... day of ..... 2016

Signature of the member .....

Signature of the proxy holder(s).....

Affix Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



**OnMobile Global Limited**

**Registered Office:** OnMobile Global Limited, E City, Tower-1, No 94/1C and 94/2,,Veerasandra, Attibele Hobli, Anekal Taluk, Electronic City Phase-1, Bangalore- 560 100; Corporate Identity Number (CIN): L64202KA2000PLC027860; Phone: + 91 80 40096000, Fax: + 91 80 40096009, E-mail: [investors@onmobile.com](mailto:investors@onmobile.com), Website: [www.onmobile.com](http://www.onmobile.com)

**ATTENDANCE SLIP**

**Sixteenth Annual General Meeting - September 14, 2016**

Regd. Folio No./DP Client ID

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No. of shares held

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I/we here by record my/our presence at the Sixteenth Annual General Meeting held at The Ritz-Carlton Hotel, 99, Residency Road, Ashok Nagar, Bengaluru, Karnataka - 560 025 at 3.00 p.m. IST on September 14, 2016.

Name of the member/proxy (in BLOCK letters)

Signature of the member/proxy





# NOTES

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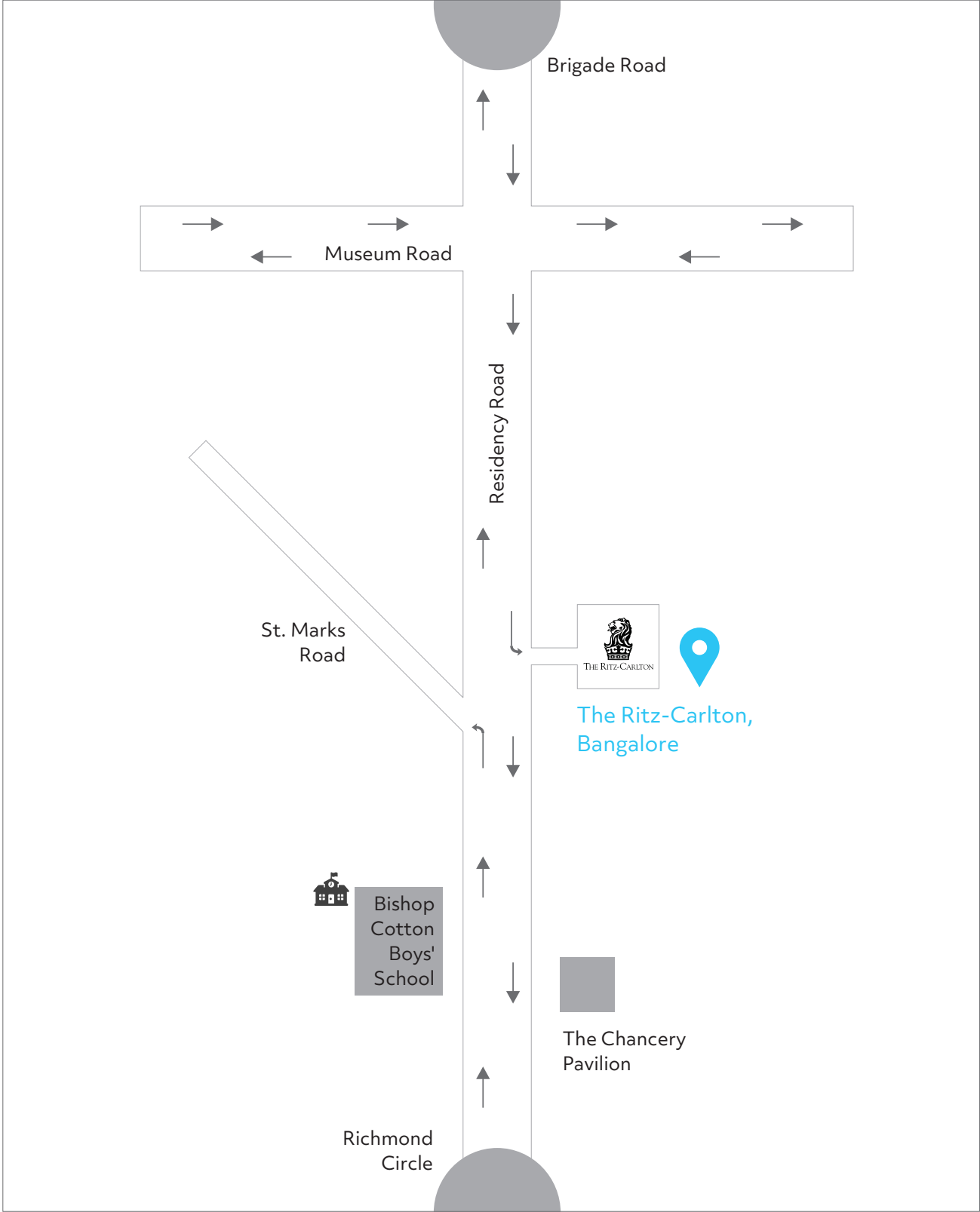
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# Route Map to venue of AGM



## **Disclaimer**

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward looking statements that set out anticipated results based on management’s plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as ‘anticipate’, ‘estimate’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’ and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.



