



ONMOBILE GLOBAL LIMITED,  
Tower #1, 94/1 C & 94/2,  
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Anekal Taluk, Electronic City Phase-1,  
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India

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CIN - L64202KA2000PLC027860  
Email - investors@onmobile.com

www.onmobile.com

September 19, 2018

To,  
The Listing Manager,  
BSE Limited,  
P J Towers, Dalal Street, Fort,  
Mumbai 400 001  
**BSE Symbol: 532944**

To,  
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 2017-18**

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

With reference to the above subject, we hereby submit the Annual Report for the Financial Year 2017-18 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






onmobile

ANNUAL  
REPORT  
17-18

GLOBAL  
LEADER IN **MOBILE  
ENTERTAINMENT**

A young woman with dark hair, wearing a light blue cable-knit sweater, is smiling and holding a black smartphone to her ear. She is looking slightly off-camera to the right. The background is a bright, out-of-focus indoor setting. A large, semi-transparent red geometric shape, resembling a stylized 'M' or a folded piece of fabric, is overlaid on the right side of the image, serving as a background for the text.

DELIVERING  
HIGH-QUALITY  
EXPERIENCES  
AND UNIQUE  
MOMENTS ON  
YOUR MOBILE

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# Overview



**85M**  
MILLION  
Subscribers  
across key products



**155**  
BILLION  
Tones played



**1.5**  
BILLION  
Consumer reach



**314**  
DAYS  
Average usage  
per subscriber



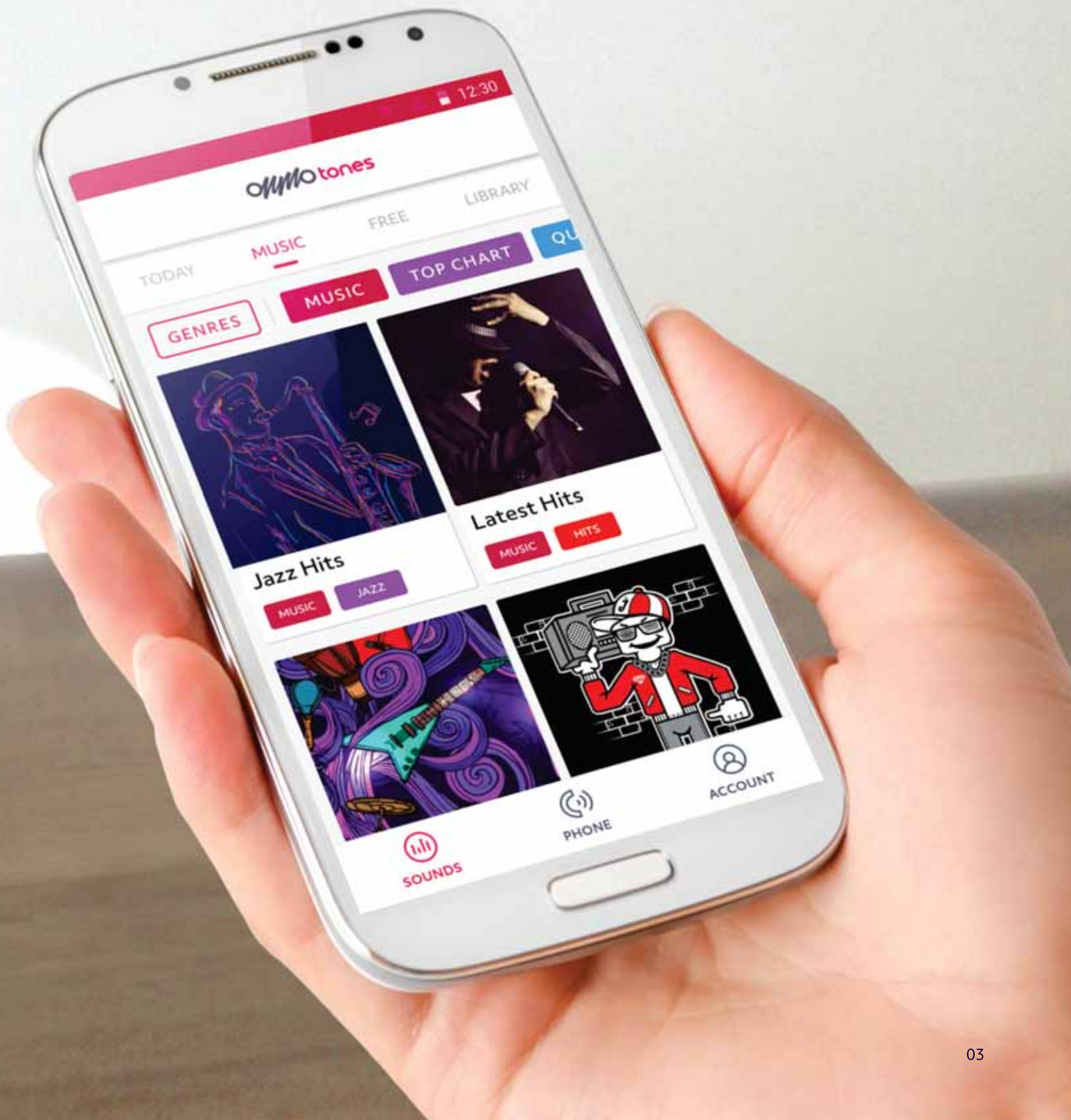
**75**  
CUSTOMERS  
Across the globe



**₹537**  
MILLION  
Cash generated  
from operations



**₹113**  
MILLION  
Profit after tax





# Chairman & CEO's Message



Dear Shareholders,

2017-18 proved to be a transformational year for OnMobile as we improved our operational efficiencies and expanded our product portfolio. We now have over 60% of our revenues coming from Mobile Entertainment while Tones, our flagship product, is well integrated with the majority of our 75 carriers. The year ended with revenue of ₹6,356 million, EBITDA of ₹685 million and a record cash position of ₹3,052 million.

Innovation is core to our efforts, and we have developed robust roadmaps for each of our product lines and are actively testing many components in diverse markets. All of this is being done to ensure that we are in a strong position to provide leading product solutions to carriers worldwide. In addition, we have improved the time to market through automation and process

efficiencies to meet the demands of carriers. As 2018-19 begins, our efforts during the past year to expand our product portfolio into a games subscription product as well as regional video portals should provide significant growth for OnMobile. Our strategy with Tones now sees traction towards bundling our services with carriers' packs in India, and we plan to deploy our complete sound application and features to all subscribers worldwide.

Over the coming years, we anticipate that the company will see double digit revenue growth in Mobile Entertainment with new and existing carriers, especially as the global mobile gaming and video markets continue to see tremendous growth year over year. We have aligned our global objectives as an organization and have put in place solid leadership across the 905 employees worldwide. I firmly believe that we are in a very strong position for growth, with durable carrier relationships and solutions that address the needs and challenges facing the industry.

**François-Charles Sirois**  
**Executive Chairman & Chief Executive Officer**

# President & COO's Message



Dear Shareholders,

This was a year of consolidation for OnMobile in India, Asia and the Middle East and Africa. We maintained our focus on the immense possibilities in the mobile entertainment space and further enhanced our relationships with carriers.

This year the industry in India recovered from the after-effects of demonetization which was implemented in FY17 and the teething problems of Goods and Service Tax (GST) in the current year. Most of the countries in the African subcontinent saw a stable currency and commodity prices, resulting in a healthy business situation.

The disruption in late FY17 in the Indian telecom industry further played out in FY18 with new entrants offering free and bundled services thus forcing the incumbents to introduce bundled services thereby changing the landscape dramatically. With these changes all players in the telecom space had to rethink and recalibrate their

strategies, so did we. I'm happy to report that we were able to navigate through the year by leveraging our strong relationships and successfully started to place our services within respective carrier bundles.

In the past year, we successfully consolidated our position in the market. We have seen strong growth in the acquisition of new users for our RBT product, due to our retention and engagement services to carriers. As stated above our bundling initiatives with carriers have started showing green shoots by end of FY18. We launched our RBT App with 2 leading Indian carriers which cumulatively had 2.35 million installs exiting FY18. We witnessed new business wins with leading carriers in Bangladesh, Oman & Kenya. Our products delivered through the testing times and we saw double-digit growth in our contest product due to innovative formats launched in India.

With an enhanced strategy that focuses on videos and gaming products we believe will provide the growth curve in the coming years.

As I look back, I would like to extend my gratitude to our customers, partners, shareholders and colleagues for their unshakable faith in OnMobile. I strongly believe they are our greatest strength and I look forward to their continued support for an eventful year ahead.

**Sanjay Bhambri**  
**President & Chief Operating Officer - India,**  
**Asia, Middle East & Africa**

# President & COO's Message

Dear Shareholders,

2017-18 proved to be a very successful year for our business in the Americas and Europe. Even more importantly, we have firmly set the foundation with new, exciting products and strengthened our operator relationships. In Europe, we continued to increase our revenues and margins for the fifth consecutive year, mainly driven by the Mobile Entertainment business (Video & Editorial). We have also made some organizational changes that will drive improved processes and efficiencies, boosting our operations and delivery of services.

This year, the addition of the new ONMO Games subscription product has been very well received across Europe, and the Americas. As the smartphone penetration continues to increase in Latin America, this should lead to additional opportunities to further our penetration with existing relationships, as well as build new relationships with operators looking to offer great value to their customers.

The continued rise in demand by mobile phone users for personalization apps and features has created a great opportunity for us, and we are working with several operators to meet the demands for mobile users on the go, around videos, tones, sports, and kids. The move towards 5G in Western Europe also presents opportunities for enriched content delivery. I am confident that our newest offerings will meet the demands of operators in both Europe and the Americas.



Finally, OnMobile's strong partnerships with operators and new product offerings should expand and deepen our relationships in the coming years. I want to thank our customers, partners, employees and shareholders for their continued support and faith in OnMobile.

**Ignacio Martin Velasco**  
**President & Chief Operating Officer - Americas & Europe**

# Corporate Information and Board of Directors

## Board of Directors

François-Charles Sirois	Executive Chairman and CEO
Rajiv Khaitan	Independent Director
Nancy Cruickshank	Independent Director
Sanjay Baweja	Independent Director
Chris Arsenault	Independent Director
Sanjay Kapoor	Independent Director
Gianluca D'Agostino	Independent Director

## Board Committees

### Audit Committee

Sanjay Baweja	Chair
Rajiv Khaitan	Member
Chris Arsenault	Member
Gianluca D'Agostino	Member

### Nomination and Compensation Committee

Nancy Cruickshank	Chair
Sanjay Kapoor	Member
Chris Arsenault	Member
Gianluca D'Agostino	Member

### Stakeholders Relationship Committee

Rajiv Khaitan	Chair
Sanjay Baweja	Member
Sanjay Kapoor	Member
Gianluca D'Agostino	Member

### Corporate Social Responsibility Committee

Rajiv Khaitan	Chair
Chris Arsenault	Member
Nancy Cruickshank	Member

### Risk Management Committee

Sanjay Kapoor	Chair
François-Charles Sirois	Member
Nancy Cruickshank	Member
Sanjay Baweja	Member

\*The constitution of the Board and Committees is as on July 27, 2018

## Company Secretary

P V Varaprasad

## Statutory Auditors

B S R & Co. LLP

## Internal Auditors

Grant Thornton India LLP

## Bankers

Kotak Mahindra Bank Limited  
Citibank N A  
ICICI Bank Limited  
State Bank of India  
RBL Bank Ltd  
IDBI Bank Limited  
Punjab National Bank  
Axis Bank Limited  
HDFC Bank Limited  
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

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

## 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 2222; F +91 40 2342 0814  
E: [einward.ris@karvy.com](mailto: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, 2018:

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, S.A.R.L	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, 2018:

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

Sl. No	Branch Location
14	Dar Es Salaam, Tanzania
15	Santiago, Chile
16	Panama City, Panama
17	Guayaquil, Ecuador
18	Managua, Nicaragua
19	San Salvador, EL Salvador
20	Lima, Peru
21	Bangalore (SEZ), India
22	Noida (SEZ), India
23	Niamey, Niger
24	Democratic Republic of Congo
25	Doha, Qatar
26	Conakry, Guinea Republic

# Contact Information

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## ASIA-PACIFIC

### INDIA

#### BANGALORE

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

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

#### NOIDA

Onmobile Global Limited  
Unit-4, III Floor, Building II, Plot # 20 & 21,  
Unitech Infospace Building Sector-SEZ premises, Sector 135,  
Noida-201305, UP.

#### 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 (4th floor), Plot # 30, Road # 130, South Avenue,  
Gulshan-1, Dhaka-1212, Bangladesh

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

#### SRI LANKA (Branch)

OnMobile Global Limited (Branch)  
No. 20/A, Walpola Road, Aggona

#### AUSTRALIA

Livewire Mobile (Australia) Pty Limited  
St. Martins Tower, Level 9, 31 Market Street,  
Sydney, NSW 2000

#### MALAYSIA (Branch)

OnMobile Global Limited (Branch)  
802, 8th 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 Selatan 12920, Indonesia

## SINGAPORE

OnMobile Singapore Pte. Ltd.  
8 Shenton Way #21-07 AXA Tower, Singapore 068811

## MIDDLE EAST AND AFRICA

### DUBAI (Branch)

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

## TANZANIA

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

OnMobile Tanzania Telecom Limited  
10th 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, 22nd 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., 6th 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  
3rd floor, 74 Independence Avenue, Longacres, Lusaka,  
Zambia, P.O Box 31198, Lusaka

## UGANDA

OnMobile Uganda Limited  
3rd 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, S.A.R.L.  
Secteur 15 Section 475 Lot 21 Parcelle 14 Ouagadougou  
PO Box: 10 BP 13675 Ouagadougou 13

## SOUTH AFRICA

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

OnMobile Global Limited (Branch)  
4th Floor, The Firs, Cradock Ave, 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, 6th 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 SA (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 Republique Democratique Du Congo

## QATAR (Branch)

OnMobile Global Limited (Branch)  
P. O. Box 47199

## CONAKRY, GUNIEA REPUBLIC - (Branch)

Societe OnMobile Telecom Guinee (Branch)  
4th 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 (Representative Office)  
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  
(Mailing: Postbus 990, 1000AZ 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 (Zona Franca Da  
Madeira)  
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, İstanbul

## **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)

## **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  
Zamora 187, Colonia Condesa, 06140, Ciudad de México.

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 Nicaragua (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  
Comunicações Móveis Ltda.  
City of São Paulo, State of São Paulo, at Rua Diogo Moreira,  
132, conjunto 1301, Pinheiros, CEP 05423-010

### **ARGENTINA**

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

### **URUGUAY**

OnMobile Uruguay SA  
Gral. Arq. Balmir numero 2408, Montevideo

### **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 6 Directors as on March 31, 2018 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.

Sl. No	Name	Designation
1	François-Charles Sirois	Executive Chairman and CEO
2	Rajiv Khaitan	Independent Director
3	Nancy Cruickshank	Independent Director
4	Sanjay Baweja	Independent Director
5	Sanjay Kapoor	Independent Director
6	Chris Arsenaault	Independent Director

None of the Directors are related to each other

Note: Sanjay Kapoor was appointed as an Additional Director to the Board w.e.f June 21, 2017 and subsequently appointed as an Independent Director at the Annual General Meeting held on September 06, 2017. Nehchal Sandhu resigned from the Board w.e.f July 27, 2017. Gianluca D'Agostino was appointed as an Additional Director w.e.f July 27, 2018 and is proposed to be appointed as an Independent Director at the forthcoming AGM.

## 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, 2018, the Board met six times as given below:

### Details of Board meetings held during the year

Sl. No.	Date of Board Meeting	Board Strength	Directors present
1	May 26, 2017	6	5
2	July 27, 2017	7	6
3	September 06, 2017	6	5
4	October 30, 2017	6	6
5	February 01, 2018	6	6
6	March 23, 2018 <sup>#</sup>	6	6

### # Meeting through Video Conference

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 is 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 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 the world ++	Committee Chairmanships #	Committee Memberships# (including Chairmanships)
François-Charles Sirois	Executive Chairman and CEO	Executive Director	6	6	Yes	Nil	12	Nil	Nil
Rajiv Khaitan	Director	Independent	6	6	Yes	3	8	2	4
Nancy Cruickshank	Director	Independent	6	5	No	Nil	3	Nil	Nil
Sanjay Baweja	Director	Independent	6	6	Yes	Nil	2	1	2
Chris Arsenault <sup>1</sup>	Director	Independent	6	5	Yes	Nil	9	Nil	1
Sanjay Kapoor <sup>2</sup>	Director	Independent	6	5	Yes	1	4	Nil	2
Pascal Trembley <sup>3</sup>	Director	Independent	6	0	NA	NA	NA	NA	NA
Nehchal Sandhu <sup>4</sup>	Director	Independent	6	1	NA	NA	NA	NA	NA

+ 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.

\* Participation through audio conference is not shown as present.

<sup>1</sup> Chris Arsenault was appointed as an Additional Director on the Board w.e.f May 26, 2017 and subsequently appointed as an Independent Director at the Annual General Meeting held on September 06, 2017

<sup>2</sup> Sanjay Kapoor was appointed as an Additional Director on the Board w.e.f June 21, 2017 and subsequently appointed as an Independent Director at the Annual General Meeting held on September 06, 2017

<sup>3</sup> Pascal Trembley resigned from the Board/Committees thereof w.e.f May 26, 2017

<sup>4</sup> Nehchal Sandhu resigned from the Board/Committees thereof w.e.f July 27, 2017

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

**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 about 20 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 an Additional Director on the Board of the Company on June 26, 2014 and his appointment as a Non-Executive Director was approved by the shareholders at the meeting held on September 10, 2014. François-Charles was later appointed as an Executive Chairman of the Company for a period of five years effective from November 1, 2014. François-Charles was appointed as CEO and re-designated as 'Executive Chairman and CEO' of OnMobile w.e.f March 01, 2017. As on March 31, 2018, François-Charles Sirois is on the Board of the following other companies:

1. OnMobile Systems Inc.
2. Telesystem Ltd.

3. Stingray Digital Group Inc.
4. Zone3 Inc.
5. Telesystem Media Inc.
6. Telesystem Energy Ltd.
7. CVTCORP Transmission Inc.
8. OnMobile Global Solutions Canada Ltd.
9. Telesystem Immobilier Inc.
10. OnMobile USA LLC
11. OnMobile Live 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 held on September 10, 2014 to hold office for a period of three years up to the date of the AGM held during the calendar year 2017. Rajiv was re-appointed at the 17<sup>th</sup> AGM held on September 6, 2017 to hold office for a period of three years up to the date of the AGM to be held during the calendar year 2020. As on March 31, 2018, Rajiv Khaitan is on the Board of the following other companies:

1. EFD Induction Pvt Ltd.
2. Himatsingka Seide Ltd.
3. Khaitan Consultants Ltd.
4. ABC Consolidated Pvt Ltd.
5. Bharat Fritz Werner Ltd.
6. Himatsingka Wovens Pvt Ltd.
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 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. As per the provisions of Companies Act, 2013, Nancy Cruickshank was appointed 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 held during the calendar year 2017. Nancy was re-appointed at the 17<sup>th</sup> AGM held on September 6, 2017 to hold office for a period of three years up to the date of the AGM to be held during the calendar year 2020. As on March 31, 2018, Nancy Cruickshank is on the Board of the following other companies:

1. MyShowcase Ltd
2. Carlsberg

**Sanjay Baweja** was previously the Chief Financial Officer (CFO) of Suzlon Energy Ltd., a leading renewable energy solutions provider in the world. At Suzlon, he was part of the core think tank of the company that defined the strategic roadmap for increased profitability and contributed to overall organizational development. Prior to Suzlon, he was CFO of Flipkart and prior to that the Global CFO for Tata Communications. 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. As per the provisions of Companies Act, 2013, Sanjay Baweja was appointed 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. The Board of Directors have recommended for re-appointment of Sanjay Baweja for a further period of three years up to the date of the AGM to be held during the calendar year 2021 and the approval of the shareholders is being sought for the same at the AGM being held on September 18, 2018. As on March 31, 2018, Sanjay Baweja is on the Board of the following other companies:

1. Savan Retailers Private Limited.

**Chris Arsenault** is a senior executive with over 20 years of general management experience in high technology industries, with extensive experience in business development, strategic planning, sales, marketing and communications. Chris is the co-founder, President & CEO of iNovia Capital, a Venture Capital firm launched in 2007. Chris is an active board member of Réseau Capital, and a proud Charter Member of Silicon Valley based C100. Before launching iNovia Capital in 2007, he first joined MSBi Capital in 2002 and, prior to that, had founded, co-founded or funded a number of Software, Mobile and Consumer Internet technology start-up companies, including two spin-offs of telecom giants Microcell and Teleglobe. Chris' entrepreneurial and investment experience includes several notable exits that generated large shareholder returns, such as Luxury Retreats, Localmind, Airborne Entertainment, Copernic Technologies, Wanted Technologies, and SIT Inc. His work in the mid-90's as Founder and CEO of SIT provided him with the opportunity to play an important part in the initial growth of the Internet. As one of Netscape's first external partners and integrators, SIT's security products and dial-up technology eventually grew to become an integral part of Netscape's deployment. SIT, after the winding-up of its Ste-Foy offices, was sold to Ubizen of Belgium in 1999 for €42 million. Chris is also proud to have been instrumental in the creation of the ENABLIS Entrepreneurial Network, a \$30+ million G8-sponsored venture capital seed fund. Chris Arsenault was appointed as an Additional Director on the Board of the Company effective May 26, 2017. As per the provisions of Companies Act, 2013, Chris Arsenault was appointed as an Independent Director at the Annual General Meeting held on September 6, 2017 to hold office for a period of three years up to the date of the AGM to be held during the calendar year

2020. As on March 31, 2018, Chris Arsenault is on the Board of the following other companies:

1. iNovia Capital Inc.
2. iNovia Capital GP-III Inc.
3. iNovia Capital (US) Inc.
4. AppDirect
5. Gamerizon Studio Inc.
6. Lightspeed
7. Poka
8. Snap Travel (Wise Travel Technologies Inc.)

**Sanjay Kapoor** in his entrepreneurial avatar, joined the promoter group of Micromax Informatics Limited as their Chairman in June 2014. In that role he was responsible for leading the company's board and management, building scale to an existing billion-dollar business and transforming it from a 'Device' company to a 'Device & Services' company. During July 2015 he stepped down from the Executive Chairmanship of Micromax to pursue a plural career in entrepreneurship, consulting & advisory and investing in & mentoring start-ups. With an illustrious career spanning over 32 years, 17 of which have been in the telecommunications sector, Sanjay is an established global leader in telecom and allied industry. Sanjay was the Chief Executive Officer for India and South Asia of India's largest telecom company, Airtel (March 2010 till May 2013). Sanjay remains one of the key leaders in building Bharti Airtel from being one of the many players in the industry to making it as the number one telecom player in India, during his tenure with the company from July 1998 to May 2013. Sanjay's leadership extended well beyond the confines of Airtel and he elevated himself as an industry spokesperson globally. For more than 13 years he has played an active role in various industry forums like CII, COAI and NASSCOM. He has also been a Board & Executive committee member of GSMA, (the global forum bringing together nearly 800 global mobile operators); Board member of Indus Towers (world's largest telecom tower company with a portfolio of more than 1.5 lakh towers), Bennett, Coleman & Co. Ltd (India's largest media company) and PVR Limited (India's largest movie exposition company). Additionally, Sanjay is a Senior Advisor with Boston Consulting Group, one of world's leading Consulting firms. He was declared the "Telecom person of the year" at the Voice and Data Telecom Leadership Awards 2012. Prior to joining Airtel, Sanjay worked with Xerox India as Director-Operations Support. He spent 14 years with the global document management company, handling a range of key portfolios, ranging from Sales & Marketing to General management functions. He began his professional career as an Executive Trainee with Jay Engineering Works Ltd., the manufacturers of Usha fans and sewing machines, in 1983. Sanjay holds a Bachelor's degree in Commerce (Hons.) from Delhi University, an MBA from Cranfield School of Management (UK) and is a Graduate of The Wharton Advance Management Program. Sanjay Kapoor was appointed as an Additional Director on the Board of the Company effective June 21, 2017. As per the provisions of Companies Act, 2013, Sanjay Kapoor was appointed as an Independent Director at the Annual General Meeting held on September 06, 2017 to hold office for a period

of three years up to the date of the AGM to be held during the calendar year 2020. As on March 31, 2018, Sanjay Kapoor is on the Board of the following other companies:

1. VLCC Health Care Ltd.
2. Tech-Connect Retail Pvt Ltd.
3. IBus Network and infrastructure Pvt Ltd.

**Gianluca D'Agostino** has amassed 25 years of international experience, actively involved in the telecommunications sector and in the wider tech world as manager first, then as entrepreneur and investor.

In the startup and scaleup scene, Gianluca has invested in European companies so far. His main areas of focus have been ecommerce and technologies for ecommerce (B2C or B2B/SAAS). Besides, he is Senior Advisor for the company he founded back in 2007 in Rome - Neomobile SPA - now owned by two UK Private Equity funds: Collier Capital and Blue Gem. As Founder and CEO, he grew Neomobile business organically and via M&A (5 acquisitions) to become a leading mobile monetization platform and one of the most successful and profitable Italian digital companies, up to €120m Revenue and €16m EBITDA in 2014 (last full year as CEO). The company became leader in Europe and then moved overseas, opening and developing strategic markets such as Brazil, Mexico, Colombia and India. Along the journey he acquired, developed and exited Onebip, a payment company focused on DCB (Direct Carrier Billing) for apps, games and social networks in 60+ markets.

Before founding Neomobile in 2007, Gianluca has been one of the key consultants in the mobile telco industry, focused on entertainment, content and payment, advising public companies such as Wind, TIM, Teleunit and Lucent Technologies, as well as the Italian Government. From 2001 to 2003 he was Managing Director Italy at Freever, one of the first mobile service provider in Europe, pioneer in chats and social networks.

Gianluca is an evangelist in MobileTech, often invited for lectures and speeches in events worldwide, including the Mobile World Congress, MEM and MMA, Media Momentum, DLD Tel Aviv, 4YFN, Noah Conference, Capacity Europe and several others. He's also member of prestigious business networks: Founders Forum, Italian Angels for Growth, Future Fifty Alumni and Prabodhan, the UK-India leaders conclave.

Gianluca is a Chartered Electronics Engineer with a Master's Degree (110/110) at La Sapienza University in Rome, where he joined R&D projects on MPEG-2 encoding for HDTV within the Race-Hamlet EU framework, furtherly developed in France at Thomson Multimedia Labs in 1994.

Gianluca D'Agostino was appointed as an Additional Director on the Board of the Company effective July 27, 2018. As per the provisions of Companies Act, 2013, approval of the shareholders is being sought for appointment of Gianluca D'Agostino an Independent Director at the Annual General Meeting being held on September 18, 2018 to hold office for a period of three years up to the date of the AGM to be held during the calendar year 2021. As on July 27, 2018, Gianluca D'Agostino is on the Board of the following other companies:

1. Bango Plc
2. Coolgames BV
3. Fusion Mobile Value Ltd

## COMMITTEES OF THE BOARD

For the year ended March 31, 2018, the Board has five Committees – the Audit Committee, the Nomination and 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. 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

As on March 31, 2018, the Audit Committee consisted of the following three (3) directors:

1. Sanjay Baweja - Chair
2. Rajiv Khaitan
3. Chris Arsenault

All the three members of the Committee including its Chairman are independent directors having accounting and financial expertise. The Company Secretary acts as secretary to the Committee.

The Audit Committee was re-constituted w.e.f July 27, 2018 and as on date the Committee comprises of Sanjay Baweja as Chair and Rajiv Khaitan, Chris Arsenault, Gianluca D'Agostino as members.

#### 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, 2018, four meetings of the audit committee were held. The details of the same are as follows:

Sl. No.	Name of the Director	Meetings/Attendance			
		26-May-2017	27-Jul-2017	30-Oct-2017	1-Feb-2018
1	Sanjay Baweja -Chair	Present	Present	Present	Present
2	Rajiv Khaitan - Member	Present	Present	Present	Present
3	Pascal Trembley - Member <sup>1</sup>	Absent	NA	NA	NA
4	Chris Arsenault - Member <sup>2</sup>	NA	Present	Present	Present

Not Applicable (NA)

<sup>1</sup>Pascal Trembley Resigned from the Board/Committees thereof w.e.f May 26, 2017

<sup>2</sup>Chris Arsenault was appointed as a member in the Committee w.e.f May 26, 2017

## 2. Nomination and Compensation Committee

### Composition

As on March 31, 2018, the committee consisted of the following three (3) directors:

1. Nancy Cruickshank – Chair
2. Chris Arsenault
3. Sanjay Kapoor

All the three members including the chairperson are Independent directors.

The Nomination and Compensation Committee was re-constituted w.e.f July 27, 2018 and as on date the Committee comprises of Nancy Cruickshank as Chair and Chris Arsenault, Sanjay Kapoor, Gianluca D'Agostino as members.

### 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, 2018, four meetings of the Nomination and Compensation Committee were held. The details of the same are as follows:

Sl. No.	Name of the Director	Meetings/Attendance			
		26-May-2017	27-Jul-2017	30-Oct-2017	1-Feb-2018
1	Nancy Cruickshank - Chair	Present	Present	Present	Present
2	Pascal Tembley - Member <sup>1</sup>	Absent	NA	NA	NA
3	Nehchal Sandhu - Member <sup>2</sup>	Present	AC*	NA	NA
4	Chris Arsenault - Member <sup>3</sup>	NA	Present	Present	Present
5	Sanjay Kapoor - Member <sup>4</sup>	NA	NA	Present	Present

Not Applicable (NA)

\*AC- Audio Conference

<sup>1</sup>Pascal Tembley resigned from the Board/Committees thereof w.e.f May 26, 2017

<sup>2</sup>Nehchal Sandhu resigned from the Board/Committees thereof w.e.f July 27, 2017

<sup>3</sup>Chris Arsenault was appointed as a member in the Committee w.e.f May 26, 2017

<sup>4</sup>Sanjay Kapoor was appointed as a member in the Committee w.e.f July 27, 2017

## 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 Board's 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 2017-18

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

### Service contracts, notice period, severance fees

The tenure of office of the Executive Chairman and CEO is for five years from the date of his initial appointment (i.e. November 1, 2014) and can be terminated by either party

by giving 90 days mutual notice period. 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, 2018, the details of stock options held by the directors are given below:

Sl. No	Name of the Director	Category	ESOP Plan	Grant date	No. of options	Grant Price	Outstanding options	No. of shares held	Remarks
1.	Rajiv Khaitan	Independent Director	Plan III, 2008	15-May-2013	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, 2018, the Committee consisted of the following three (3) directors:

1. Rajiv Khaitan- Chair
2. Sanjay Baweja
3. Sanjay Kapoor

All the three members including the chairman are independent directors.

The Stakeholders Relationship Committee was re-constituted w.e.f July 27, 2018 and as on date the Committee comprises

of Rajiv Khaitan as Chair and Sanjay Baweja, Sanjay Kapoor, Gianluca D'Agostino as members.

#### 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, 2018, four meetings of the Stakeholders Relationship Committee were held. The details of the same are as follows:

Sl. No.	Name of the Director	Meetings/Attendance			
		26-May-2017	27-Jul-2017	30-Oct-2017	1-Feb-2018
1	Rajiv Khaitan - Chair	Present	Present	Present	Present
2	Sanjay Baweja - Member	Present	Present	Present	Present
3	Nehchal Sandhu - Member <sup>1</sup>	Present	AC*	NA	NA
4	Sanjay Kapoor - Member <sup>2</sup>	NA	NA	Present	Present

Not Applicable (NA)

\*AC- Audio Conference

<sup>1</sup>Nehchal Sandhu resigned from the Board/Committees thereof w.e.f July 27, 2017

<sup>2</sup>Sanjay Kapoor was appointed as a member in the Committee w.e.f July 27, 2017

The particulars of shareholder's complaints received and disposed off during the financial year 2017-18 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	29
Number of shareholder complaints resolved during the year	29
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 Parameshwar G. Hegde of 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 Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained the Secretarial Compliance Certificate on half yearly basis from Parameshwar G. Hegde of Hegde & Hegde, 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 Composition

As on March 31, 2018, the Corporate Social Responsibility Committee consisted of the following three (3) directors:

1. Chris Arsenault - Chair
2. Nancy Cruickshank
3. Rajiv Khaitan

All the three members of the Committee including the Chairman are independent directors.

The Corporate Social Responsibility Committee was re-constituted w.e.f July 27, 2018 and as on date the Committee comprises of Rajiv Khaitan as Chair and Chris Arsenault, Nancy Cruickshank as members.

### 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 offer advice and counsel to management regarding the effectiveness of the company's corporate social responsibility programs and corporate citizenship.
8. 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.
9. 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.
10. 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 are 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, 2018, the Committee met four times. The details of the same are as follows:

Sl. No.	Name of the Director	Meetings/Attendance			
		26-May-2017	27-Jul-2017	30-Oct-2017	1-Feb-2018
1	Chris Arsenault – Chair <sup>1</sup>	NA	Present	Present	Present
2	Pascal Trembley – chair <sup>2</sup>	Absent	NA	NA	NA
3	Nancy Cruickshank - Member	Present	Present	Present	Present
4	Rajiv Khaitan - Member	Present	Present	Present	Present

Not Applicable (NA)

<sup>1</sup>Chris Arsenault was appointed as a member in the Committee w.e.f May 26, 2017

<sup>2</sup>Pascal Trembley resigned from the Board/Committees thereof w.e.f May 26, 2017

## 5. Risk Management Committee

### Composition

As on March 31, 2018, the Risk Management Committee consisted of the following four (4) directors:

1. Sanjay Kapoor - Chair
2. Sanjay Baweja
3. Nancy Cruickshank
4. François-Charles Sirois

All the members of the Committee except François-Charles Sirois are Independent Directors.

### 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, 2018, the Committee met four times. The details of the same are as follows:

Sl. No.	Name of the Director	Meetings/Attendance			
		26-May-2017	27-Jul-2017	30-Oct-2017	1-Feb-2018
1	Sanjay Kapoor - chair <sup>1</sup>	NA	NA	Present	Present
2	Nehchal Sandhu - chair <sup>2</sup>	Present	AC*	NA	NA
3	Nancy Cruickshank- Member	Present	Present	Present	Present
4	Sanjay Baweja- Member	Present	Present	Present	Present
5	François-Charles Sirois -Member	Present	Present	Present	Present

Not Applicable (NA)

\*AC- Audio Conference

<sup>1</sup>Sanjay Kapoor was appointed as a member in the Committee w.e.f July 27, 2017

<sup>2</sup>Nehchal Sandhu resigned from the Board/Committees thereof w.e.f July 27, 2017

## INDEPENDENT DIRECTORS

As on March 31, 2018, the Board consists of 5 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 meetings of the Independent Directors were held on May 26, 2017, and February 01, 2018 without the presence of any other director/management personnel.

In the said meetings the Independent Directors reviewed the matters as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and the Guidance note issued by SEBI on January 5, 2017 viz. reviewed the performance of non-independent directors and the Board as a whole, reviewed the performance of the Chairperson of the Company and assessed the quality, quantity and timeliness of flow of information between the management and the Board of Directors.

### Role, duties and responsibilities of Independent Directors

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 FY 2017-18 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 as part of consolidated financial statements. 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 web link:

[http://www.onmobile.com/sites/default/files/cg\\_policy/Policy\\_on\\_determining\\_Material\\_Subsiidiaries.pdf](http://www.onmobile.com/sites/default/files/cg_policy/Policy_on_determining_Material_Subsiidiaries.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
2014-15	Hotel Royal Orchid, 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>
2015-16	The Ritz-Carlton Hotel, 99, Residency Road, Ashok Nagar, Bangalore, Karnataka-560 025	September 14, 2016 at 3.00 p.m.	<ol style="list-style-type: none"> <li>1. 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</li> <li>2. 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</li> </ol>
2016-17	Hotel Royal Orchid, adjoining KGA Golf course, HAL Airport Road, Bangalore – 560 008	September 6, 2017 at 11.00 a.m	<ol style="list-style-type: none"> <li>1. Re-appointment of Rajiv Khaitan as an Independent Director</li> <li>2. Re-appointment of Nancy Cruickshank as an Independent Director</li> <li>3. Appointment of François-Charles Sirois, Executive Chairman as Chief Executive Officer and re-designate as 'Executive Chairman and CEO' and payment of remuneration thereof</li> <li>4. Adoption of new Articles of Association of the Company in conformity with the Companies Act, 2013</li> </ol>

During the year ended March 31, 2018, 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. 33 for the year ended March 31, 2018. The detailed information on materially significant related party transactions is in AOC-2 attached to the Board's Report. The Company has 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 does not carry multiple businesses. Accordingly, the Company has appointed François-Charles Sirois, Executive Chairman as Chief Executive Officer and re-designated as 'Executive Chairman and CEO' of the Company w.e.f. March 1, 2017. Further, Articles of Association of the Company provides for the Chairman to hold the position of 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 2017-18. A declaration to this effect signed by the Executive Chairman 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 Practicing 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 'Investors' where shareholders' information is available. The Company's Annual Report is also available on the website in user-friendly and downloadable form.

**Annual Report:** The Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Board's 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.

## 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 125 of Companies Act, 2013, 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 were filed with the Ministry of Corporate Affairs.

**Unpaid dividend:** In terms of Section 124 of Companies Act, 2013, 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 six years i.e. 2011-12, 2012-13, 2013-14, 2014-15, 2015-16 and 2016-17. Accordingly, the transfer of unpaid dividend amount to IEPF will arise in FY 2019.

## CONTACT INFORMATION

### Registered and Corporate Office:

#### OnMobile Global Limited

Tower#1, 94/1C & 94/2, Veerasandra Village, 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

**Gurgaon:** Time Tower # 003 Ground Floor, M.G.Road, (Opp. Gurgaon Central Mall), 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

Calvin John – Director – Brand Management, Corporate Marketing  
T: + 91 80 4009 6000  
F: + 91 80 4009 6009  
E: [calvin.john@onmobile.com](mailto:calvin.john@onmobile.com)

Listing details	The shares of the Company are listed on: BSE Limited Phiroze Jheejheebhouy Towers, Dalal Street, Fort, Mumbai – 400 001  National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051  The Company has paid the listing fees at both the exchanges for the FY 2018-19 and complied with the listing requirements.											
Stock code	National Stock Exchange of India Limited (NSE) – ONMOBILE BSE Limited (BSE) – 532944											
Forthcoming Annual General Meeting (AGM)	The Eighteenth Annual General Meeting (AGM) of the Members of OnMobile Global Limited will be held on Tuesday, September 18, 2018 at Hotel Royal Orchid, adjoining KGA Golf Course, HAL Airport Road, Bangalore-560 008, Karnataka, India at 11.00 a.m IST.											
Financial Calendar (tentative and subject to change)	<table><tr><th>Event</th><th>Likely Board Meeting Schedule</th></tr><tr><td>Financial reporting for the quarter ending June 30, 2018</td><td>End of July 2018</td></tr><tr><td>Financial reporting for the quarter ending September 30, 2018</td><td>End of October 2018/ Beginning of November 2018</td></tr><tr><td>Financial reporting for the quarter ending December 31, 2018</td><td>End of January 2019/ Beginning of February 2019</td></tr><tr><td>Financial reporting for the quarter/year ending March 31,2019</td><td>End of May 2019</td></tr></table>		Event	Likely Board Meeting Schedule	Financial reporting for the quarter ending June 30, 2018	End of July 2018	Financial reporting for the quarter ending September 30, 2018	End of October 2018/ Beginning of November 2018	Financial reporting for the quarter ending December 31, 2018	End of January 2019/ Beginning of February 2019	Financial reporting for the quarter/year ending March 31,2019	End of May 2019
Event	Likely Board Meeting Schedule											
Financial reporting for the quarter ending June 30, 2018	End of July 2018											
Financial reporting for the quarter ending September 30, 2018	End of October 2018/ Beginning of November 2018											
Financial reporting for the quarter ending December 31, 2018	End of January 2019/ Beginning of February 2019											
Financial reporting for the quarter/year ending March 31,2019	End of May 2019											
Book Closure Date(s)	From September 12, 2018 to September 18, 2018 (both days inclusive)											
Dividend Payment Date	within 30 days from the date of AGM											
Registrars and Share Transfer Agents	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 2222 F :+91 40 2342 0814 Email id: <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a>											
Depository System	Currently 99.84% 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 address mentioned above.											
Email ID of Grievance Redressal Division	<a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a> <a href="mailto:investors@onmobile.com">investors@onmobile.com</a>											

## Distribution Schedule

Distribution of Shareholding as on 31/03/2018 (TOTAL)						
SI No	Category (Amount)	No. of Holders	% To Holders	No. of shares held	Amount (₹)	% To Equity
1	1 - 5,000	31,057	80.68	4,519,312	45,193,120.00	4.28
2	5,001 - 10,000	3,298	8.57	2,710,580	27,105,800.00	2.57
3	10,001 - 20,000	1,835	4.77	2,856,386	28,563,860.00	2.71
4	20,001 - 30,000	655	1.70	1,694,698	16,946,980.00	1.61
5	30,001 - 40,000	299	0.78	1,087,528	10,875,280.00	1.03
6	40,001 - 50,000	371	0.96	1,764,001	17,640,010.00	1.67
7	50,001 - 100,000	495	1.29	3,784,223	37,842,230.00	3.58
8	100,001 and above	483	1.25	87,154,108	871,541,080.00	82.55
	<b>TOTAL:</b>	<b>38,493</b>	<b>100.00</b>	<b>105,570,836</b>	<b>1,055,708,360.00</b>	<b>100.00</b>

## Shareholding Pattern as on March 31, 2018

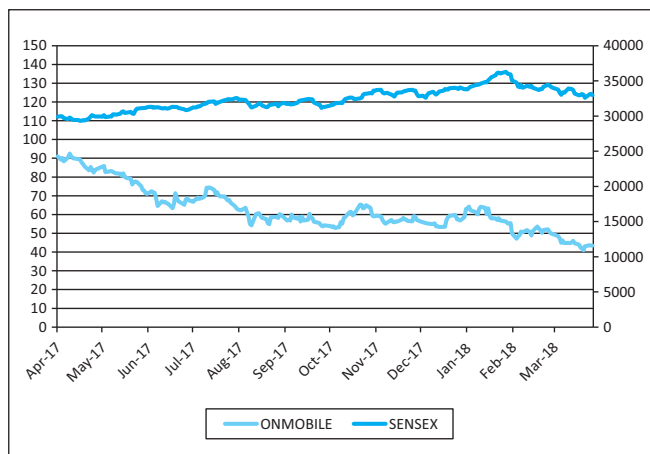
Description	No. of shareholders	Total shares	% to equity
Promoter and Promoter group	1	50,923,703	48.24
Mutual Funds /UTI	1	733,000	0.69
Financial Institutions /Banks	3	322,383	0.31
Foreign Portfolio Investors	22	3,677,305	3.48
Bodies Corporate	456	9,388,791	8.89
Individuals	37,376	38,761,131	36.72
Foreign Nationals	20	133,090	0.13
Clearing Members	72	376,049	0.36
Non Resident Indians	350	732,587	0.69
Non Resident Indian Non Repatriable	189	519,596	0.49
Trusts	3	3,201	0.00
<b>TOTAL</b>	<b>38,493</b>	<b>105,570,836</b>	<b>100.00</b>

## Stock Market Data

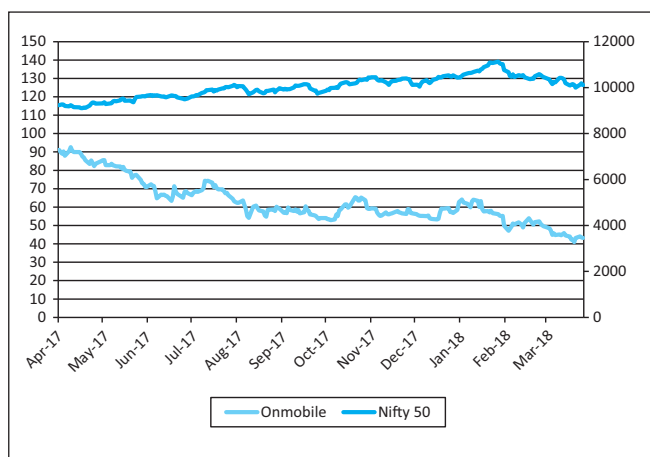
Monthly high and low quotes during each month in the financial year 2017-18 as well as the volume of shares traded on NSE and BSE are as below:

Financial Year 2017-18	BSE			NSE		
Month	High (₹)	Low (₹)	Total Traded Quantity	High (₹)	Low (₹)	Total Traded Quantity
April	94.95	81.85	1,847,027	94.80	81.60	8,783,996
May	87.35	72.05	2,456,938	87.40	71.85	4,990,160
June	74.00	62.65	2,552,722	73.70	62.65	11,406,681
July	76.50	64.25	2,304,452	76.35	64.10	7,942,555
August	65.25	51.75	1,082,768	65.50	52.00	5,835,118
September	62.50	53.00	922,973	62.45	53.00	6,750,380
October	67.90	52.50	1,342,891	67.95	52.60	9,405,948
November	60.60	54.60	942,077	60.85	54.75	6,756,878
December	61.20	52.00	1,973,881	61.40	51.70	8,376,048
January	66.00	54.85	3,453,659	65.95	55.00	22,770,173
February	56.25	44.50	1,320,655	56.40	43.85	9,651,820
March	50.60	39.65	2,536,231	50.55	39.50	8,339,496

### 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

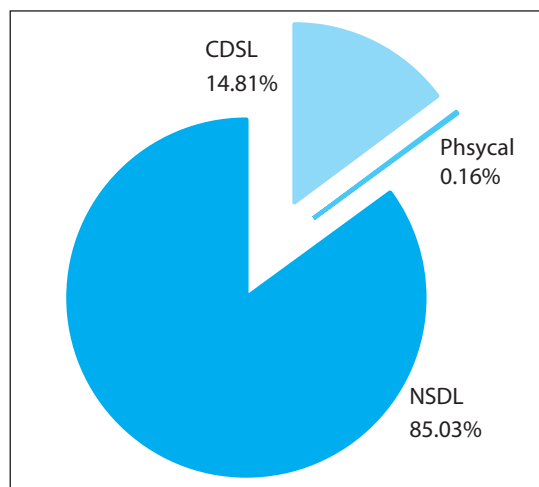
'Shareholder information'. For shares transferred in electronic form, after confirmation of sale/purchase transaction from the broker, shareholders should approach the depository participant with a request to debit or credit the account for the transaction. The depository participant will immediately 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	4	4	0
3.	Non receipt of dividend warrants	24	24	0
4.	Non receipt of Refund orders	0	0	0
5.	Non receipt of securities	1	1	0
6.	SEBI (stock option's related )	0	0	0
<b>TOTAL</b>		<b>29</b>	<b>29</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, 2018, 99.84% 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 on Corporate Governance**

#### **The Members of OnMobile Global Limited**

This certificate is issued in accordance with the terms of our engagement letter dated 3 October 2017.

This report contains details of compliance of conditions of Corporate Governance by OnMobile Global Limited ('the Company'), for the year ended 31 March 2018, as stipulated in Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), pursuant to the Listing Agreement of the Company with Stock exchanges.

#### **Management's Responsibility for compliance with the condition of SEBI Listing Regulations**

The compliance with the conditions of Corporate Governance is the responsibility of the Management of the Company, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations.

#### **Auditors' Responsibility**

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

Pursuant to the requirements of the SEBI Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations for the year ended 31 March 2018.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing specified under the Section 143 (10) of the Companies Act, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations.

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.

#### **Restriction on Use**

This Certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

for **B S R & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022

Supreet Sachdev

Partner

Membership number: 205385

Place : Bengaluru

Date : 16 May 2018

### **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** (CIN: L64202KA2000PLC027860) (the Company), for the purpose of certifying compliance of the conditions of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year ended March 31, 2018.

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 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 requirements of Corporate Governance as stipulated in Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year ended March 31, 2018.

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

Place : Bangalore

Date : May 16, 2018.

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

To the Members of OnMobile Global Limited

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, 2018, received from its Board members as well as senior management personnel affirmation as to compliance with the Code of Conduct.

Place : Bangalore  
Date : May 16, 2018

**François-Charles Sirois**  
Executive Chairman and CEO  
DIN:06890830

### CEO and CFO Certification

In pursuance of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, we, François-Charles Sirois, Executive Chairman and Chief Executive Officer and Ganesh Murthy, Chief Financial Officer of OnMobile Global Limited, to the best of our knowledge and belief, certify that:

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
  - (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
    - (i) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**François-Charles Sirois**  
Executive Chairman and CEO  
DIN: 06890830

**Ganesh Murthy**  
Chief Financial Officer

Date : May 16, 2018  
Place : Bangalore

# Board's Report

Dear Shareholders,

The Board of Directors are pleased to present the 18<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, 2018.

## RESULTS OF OPERATIONS FOR THE YEAR 2017-18

Summary of the operations of the Company on standalone basis for the financial year 2017-18 is as follows:

(In ₹ Million)

Particulars	2017-18	2016-17
Revenue from operations	2,506.32	3,049.98
Earnings before other income, depreciation and amortization, finance charges, Exceptional item and tax	(123.02)	72.50
Exceptional item	-	116.56
Profit/(Loss) before other income, depreciation and amortization, finance charges and tax	(123.02)	(44.06)
Profit/(Loss) before tax	421.24	490.48
Profit/(Loss) for the year	388.96	426.28
Total Comprehensive Income for the year	424.47	377.02
Equity Share Capital	1,055.71	1,043.50
Other Equity	6,044.23	5,741.07
Networth	7,099.94	6,784.57
Net Block	259.65	334.61
Net Current Assets	2,895.10	2,879.58
Cash and Cash Equivalents (including other bank balances)	744.15	768.96
Earnings/ (Loss) per share (Diluted) (In ₹)	3.71	4.04

## BUSINESS PERFORMANCE / FINANCIAL OVERVIEW

### Standalone Financials

During 2017-18, the Company recorded net revenue of ₹ 2,506.32 million, as compared to ₹ 3,049.98 million in 2016-17. The Profit after tax of the Company is ₹ 388.96 million in 2017-18 as compared to ₹ 426.28 million in 2016-17. The diluted Earnings Per Share (EPS) is ₹ 3.71 per share in 2017-18 as compared to ₹ 4.04 per share in 2016-17.

### Consolidated Financials

During 2017-18, the Company recorded consolidated net revenue of ₹ 6,356.05 million, as compared to ₹ 7,202.36 million in 2016-17. The consolidated Profit after tax of the Company for the year 2017-18 is ₹ 113.45 million as compared to ₹ 140.90 million in 2016-17. The consolidated diluted Earnings Per Share (EPS) for the year 2017-18 is ₹ 1.08 as compared to ₹ 1.34 per share in 2016-17.

## Appropriations

### Dividend

Your directors are pleased to recommend the following dividend for the financial year ended March 31, 2018 which is payable on obtaining the shareholders' approval in the 18<sup>th</sup> Annual General Meeting scheduled for September 18, 2018:

Particulars of dividend	Par value (₹)	Percentage	Dividend amount per equity share (₹)	Date of recommendation	Book Closure Date
Final Dividend	10.00	15%	1.50	May 16, 2018	September 12, 2018 to September 18, 2018 (both days inclusive)

The total dividend payout amount for the year inclusive of dividend distribution tax will be ₹ 190.91 million.

Barring unforeseen circumstances, 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 ₹ 3,153.86 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 2017-18.

### Liquidity

As on March 31, 2018 the Company had liquid assets including investments in fixed deposits and mutual funds of ₹ 1,898.76 million.

## CHANGES TO THE SHARE CAPITAL

During the year under review, the Company allotted 1,220,746 equity shares (including bonus shares) on the exercise of stock options under its various Employee Stock Option Plans.

As a result of the aforesaid allotment of equity shares under ESOPs, the issued and paid-up share capital of the Company as on March 31, 2018 stands at ₹ 1,055,708,360.

## SIGNIFICANT EVENTS: 2017-18

### Consumer brand ONMO

OnMobile launched its new corporate identity in June 2017. We refreshed our logo to better express who we are, as well as to better define the distinction between OnMobile Global Limited and its consumer brand ONMO. As the global leader in mobile entertainment and sound, we draw on our creativity and technical expertise for an impeccable business-to-business experience. We opted for a fresh and modern typeface for our logo. It's simple, round form evokes professionalism and

adaptability. The word “mobile” is in a classic dark colour to represent the corporate side of OnMobile, and the splash of red with “on” symbolizes its vitality and just a bit of whimsy. The colours of OnMobile’s graphic design are identical to those used for its consumer brand, ONMO.

OnMobile’s Consumer Brand ONMO Sweeps Transform Awards in New York with 5 Wins - ONMO, the sound based communication brand of OnMobile Global Limited, swept the Transform Awards North America 2017 with 5 wins including the Best Overall Visual Identity. Hosted by Transform Magazine, the awards recognize excellence in rebranding, brand development and the journey brands make. Apart from winning the Best Overall Visual Identity, ONMO got 2 Golds in Best Naming Strategy and Best Visual Identity in The Technology, Media and Telecommunications Sector. ONMO also won 2 Silvers in Best Use of Audio Branding and Best Creative Strategy. OnMobile’s consumer brand, ONMO, was awarded for bringing a revitalized identity to the telecom landscape through a fusion of energetic audio and visual elements.

## **INFORMATION ABOUT SUBSIDIARY/JOINT VENTURE/ASSOCIATE COMPANIES**

As on March 31, 2018, the Company has 44 subsidiaries.

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared consolidated financial statements 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 branch of the Company located in Qatar shifted to a new address. Similarly, there has been a change in the registered office address of OnMobile Brasil Sistemas De Valor Agregado Para Comunicações Móveis Ltda., the subsidiary of the Company. The new addresses can be seen under Contact Information section.

## **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 2017-18 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. GSOC team has been structured to extend

system monitoring & issue resolution 24/7. This has resulted in higher service uptime and improved Turn Around Time (TAT). Monitoring systems around the clock has resulted in proactive identification and resolution of potential issues, which in turn helped to maximize monetization. The Delivery, Operations and Engineering teams jointly drove the following efforts:

### **ISO Certification**

OnMobile continues to strive for process excellence. Operations team has ensured successful Surveillance Audit for the year 2017 in our effort to ensure that we retain our ISO 27001:2013 certification from UKAS. The GSOC, Cross Operator Support and support function teams were audited extensively under the ISO 27001:2013 standards framework by DNV. OnMobile has been recommended for recertification in the audit that was just concluded.

### **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 being used to create dashboards, track system & team performances and drive improvements. Few more processes have been put under quality audit and improvement plan.

## **INFRASTRUCTURE**

OnMobile exhibits more than 40 offices across the globe with 2.25 lakh square feet of office space. The offices are catalogued as virtual office, business centers and owned / leased offices. OnMobile headquarters - Electronic city Bangalore - is the largest facility with 1 lakh square feet of office space. All OnMobile offices are well equipped with reliable infrastructure & working atmosphere amid high level of security and safety proficiency. Consistent and scheduled precautionary measures are in place to circumvent downtime and to ensure business continuity. We operate the facilities in a manner that complies with local laws and regulations.

OnMobile provides services to customers PAN India. It has 9 regional warehouses furnishing to internal hardware movement and support operations of around 3,000 servers and 500 network devices across India. OnMobile is accurately a global establishment with presence in around 55 countries and relishes enduring trust with global telecom operators.

## **CORPORATE SOCIAL RESPONSIBILITY**

With SAHI, we continued our support towards cochlear implant surgeries, post-surgical rehabilitation and the digitization of the library. We successfully contributed towards 4 cochlear implants and about 15 daycare surgeries along with other things like stationaries, gifts etc to the beneficiary children.

The key highlight this year was involving our employees in this cause. In line with it, we conducted employee engagement camps with SAHI in the third and the fourth quarter where employees from across locations participated. They spent meaningful hours with the kids and the caregivers while also visiting the audiology facilities.

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 VIII** to the Boards' report.

## RESEARCH AND DEVELOPMENT

For the fiscal year ending March 31, 2018, OnMobile has refined its total product portfolio, and introduced new products – most notably ONMO Games Subscriptions and an ONMO Regional Video platform. In addition, OnMobile has created an Innovation Lab, focused on anticipating customer trends to deliver products that meet market demand.

During 2017-18, there was an increased focus by the engineering, operations and research and development teams to improve operational efficiencies of our organization and products. We have introduced automation and process improvements to improve efficiency of our operations, reduce time to market while improving operator delivery quality. The team in Bangalore continued to focus on the ONMO Tones process and billing infrastructure, as well as the ONMO contests product platform. In Europe, the team continued to further develop the SPACE mobile content platform to deliver content portals.

### The Innovation Lab

Introduced in 2017-2018, OnMobile created the Innovation Lab, focused on three key areas centered around identifying and anticipating the demands of the consumer 12+ months out, and developing products to meet those needs. First, Technical Innovation focus will be on bringing new products to the market by leveraging our products, technical assets and technology intelligence. Secondly, Opportunity Enabler Innovation takes a fresh approach to finding the right combination of existing technical resources, product platforms and partnerships to deliver the best, world-class solution to operators. Finally, Converting Ideas to Reality Innovation focuses on optimizing processes to move from concept to prototype to reality at hyper-speed.

### Ring Back Tones (RBT)

Last year, we launched the new direct-to-consumer app Ring back tones and stories. Our teams have further refined this product to introduce a new ONMO Tones product solution, including ring tones, ring back tones, and stories in a single offering. Based on feedback from operators we believe there is an opportunity for a complete Tones solution. We are already in process of testing the new product, and have active discussions in several key markets to determine market fit and demand. In addition, the team has developed a very robust product roadmap, inclusive of messaging tones, video RBT and several other new, progressive features that address the market trends towards WiFi calling and messaging apps.

## ONMO Games Subscription and Regional Video

We already have significant revenue coming from our gaming and video products, and this year we expanded our efforts in these two categories with the development of an ONMO Games subscription product, which is actively deployed in the market, as well as a Regional Video product. Mobile gaming is experiencing tremendous growth worldwide, and our all-you-can eat subscription platform, with parental controls, has received tremendous interest from operators. Our new Regional Videos product, allowing operators to deliver short-form videos and clips across many categories, in multiple languages has been optimized for low bandwidth and people on the go. This allows us to deliver the best mobile video experience to Operators and Consumers.

## ONMO Contests

During 2017-18, we had significant penetration from the Operators in India, and this year have focused on moving to a digital platform for worldwide distribution. In addition, the teams are evaluating integrating the Contests product into our other product categories to drive increased engagement with consumers.

## 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, B S R & Co. LLP, Chartered Accountants and Parameshwar G. Hegde of Hegde & Hegde, 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.

## BUSINESS RESPONSIBILITY REPORT

OnMobile is not included in the list of top 500 companies of National Stock Exchange of India Ltd. (NSE) or BSE Ltd. (BSE) as per the market capitalization as on March 31, 2017 and March 31, 2018.

However, the Company has prepared Business Responsibility Report on voluntary basis in line with the format suggested by Securities and Exchange Board of India vide Circular No. CIR/CFD/CMD/10/2015 dated November 04, 2015, which is annexed to this Annual Report.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Appointment

Pursuant to the provisions of Section 149 of Companies Act, 2013, Chris Arsenault and Sanjay Kapoor were appointed as Independent Directors at the 17<sup>th</sup> Annual General Meeting of the Company held on September 06, 2017 to hold office upto the date of AGM to be held during the calendar year 2020.

Gianluca D'Agostino was appointed as an Additional Director of the Company by the Board w.e.f. July 27, 2018 and he shall hold office until the date of the ensuing AGM. It is proposed to appoint him as an Independent Director pursuant to Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 at the forthcoming AGM.

### Re-appointment

Pursuant to the provisions of Section 149 of Companies Act, 2013, Rajiv Khaitan and Nancy Cruickshank were re-appointed as Independent Directors at the 17<sup>th</sup> Annual General Meeting of the Company held on September 06, 2017 to hold office upto the date of AGM to be held during the calendar year 2020.

As per the provisions of Companies Act, 2013, Francois-Charles Sirois retires by rotation as Director at the ensuing AGM and being eligible, seeks re-appointment.

Pursuant to the provisions of Section 149 of Companies Act, 2013, Sanjay Baweja was appointed as Independent Director for a period of three years. The said period is coming to an end at the ensuing Annual General Meeting. It is proposed to re-appoint him as Independent Director of the Company for the further period of three years at the forthcoming AGM.

### Resignations

Nehchal Sandhu resigned from the directorship of the Company w.e.f. July 27, 2017.

### Chief Financial Officer

Praveen Kumar K J resigned from the position of Chief Financial Officer w.e.f. March 16, 2018.

Ganesh Murthy was appointed as Chief Financial Officer of the Company w.e.f. March 26, 2018.

## AUDITORS AND AUDITORS' REPORT

### Statutory Auditors

In terms of provisions of Section 139 of the Companies Act 2013 and the rules made thereunder M/s BSR & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), were appointed as Statutory Auditors of the Company by the shareholders at the 17<sup>th</sup> AGM held on September 06, 2017 to hold office until the conclusion of the 22<sup>nd</sup> Annual General Meeting to be held in calendar year 2022. The Company has received a certificate from the auditors confirming that they are not disqualified from continuing as Auditors of the Company.

The requirement for ratification of appointment of auditors by the members at every AGM is done away with vide Ministry of Corporate Affairs notification dated May 07, 2018.

### Secretarial Auditors

The Board of Directors of the Company had appointed Parameshwar G Hegde of Hegde & Hegde, 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, 2018 and the Secretarial Audit Report is appended as **Annexure X**.

### 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, 2018.

## 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss 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 operating effectively.
- vi. Proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and were operating effectively.

## NUMBER OF MEETINGS OF THE BOARD

The Board met six times during the financial year 2017-18 viz., May 26, 2017, July 27, 2017, September 06, 2017, October 30, 2017, February 1, 2018 and March 23, 2018. The maximum interval between any two meetings did not exceed 120 days.

## COMMITTEES OF THE BOARD

As on March 31, 2018, the Board had five Committees:

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('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:

- a) Rajiv Khaitan
- b) Nancy Cruickshank
- c) Sanjay Baweja
- d) Nehchal Sandhu\*
- e) Chris Arsenault
- f) Sanjay Kapoor
- g) Gianluca D'Agostino\*

\*Resigned from the Board w.e.f. July 27, 2017.

\*Appointed as Additional Director by the Board w.e.f. July 27, 2018 and approval of the shareholders for appointment as Independent Director is being sought at the forthcoming Annual General Meeting.

## 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

There were no loans and guarantees given and the investments made pursuant to Section 186 of the Companies Act, 2013 during the year under review.

## 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, 2018	March 31, 2017
Foreign exchange earnings	1,534.97	1,831.34
Foreign exchange outgo	696.05	883.36

## 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.

## DIVIDEND DISTRIBUTION POLICY

As per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the top 500 listed companies shall formulate a dividend distribution policy. Accordingly, the policy was adopted by the Board vide resolution dated March 22, 2017 to set out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders. The policy is enclosed as **Annexure IV** to the Board's report and is also available on the Company's website at the below link:

[http://www.onmobile.com/sites/default/files/cg\\_policy/Dividend\\_Distribution\\_Policy.pdf](http://www.onmobile.com/sites/default/files/cg_policy/Dividend_Distribution_Policy.pdf)

## RISK MANAGEMENT POLICY

The Board of Directors at their meeting held on October 30, 2014 constituted a Risk Management Committee. 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 V** and is placed on the website of the Company at the below link:

[http://www.onmobile.com/sites/default/files/cg\\_policy/Risk\\_Management\\_Policy.pdf](http://www.onmobile.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 genuine concern. 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/ COMMITTEES/INDIVIDUAL DIRECTORS AND CHAIRPERSON

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board has carried out an annual evaluation of performance of Board as a whole, Committees of the Board and Individual Directors and Chairperson.

An external expert 'Optimum Talent' had been engaged to complete the evaluation process. Nomination and Compensation Committee in consultation with the external expert formulated criteria for evaluation of performance in alignment with 'Guidance Note on Board Evaluation' issued by Securities and Exchange Board of India. A survey questionnaire had been circulated to all the Board members with set of questions to assess the performance under each of the following categories:

1. Board as a whole
2. Committees of the Board
3. Individual Directors and Chairperson

The Board reviewed and analyzed the responses to the questionnaire and accordingly completed the Board evaluation process for the financial year 2017-18.

## 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 is enclosed as **Annexure VI** to this report.

## 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 VII (A)** to the Board's Report

A statement showing details of every employee employed throughout the financial year and in receipt of remuneration of ₹ 1.02 crore or more per annum or employed for part of the year and in receipt of ₹ 8.5 lakh or more per month under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is enclosed as **Annexure VII**

(B) to Board's Report.

## DEPOSITS

The Company has not accepted 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, 2007, Employee Stock Option Plan-I 2008, Employee Stock Option Plan-II, 2008, Employee Stock Option Plan-III, 2008, Employee Stock Option Plan-IV, 2008, Employee Stock Option Plan-I, 2010, Employee Stock Option Plan-II, 2010 ; Employee Stock Option Plan I, 2011, 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 IX** 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.

## ACKNOWLEDGMENTS

The Board of Directors takes this opportunity to express their appreciation to the customers, shareholders, investors, vendors and bankers who have supported the Company during the year. The Directors place on record their appreciation to the OnMobilians at all levels for their contribution to the Company. The Directors would like to make a special mention of the support/co-operation extended by the various departments of the Government of India, particularly the Special Economic Zone, Central Board of Direct Taxes, Central Board of Indirect Taxes and Customs, the Ministry of Commerce, the Department of Telecommunications, the Reserve Bank of India, Ministry of Corporate Affairs, Securities and Exchange Board of India, BSE Limited, 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 and CEO

Place: London  
Date: July 27, 2018

# 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

(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)												
Part "A": Subsidiaries											Amt in INR Millions	
Sl. No.	Name of the Subsidiary	Reporting Currency & Exchange Rate as on 31st March 2018	Share Capital (2)	Reserves & Surplus (2)	Total Assets (2)	Total Liabilities (Excluding 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
1.	OnMobile Singapore Pte. Ltd.	1 SGD = INR 49.661	222.73	66.20	480.22	191.29	144.37	-	5.04	-	5.04	100%
2.	PT OnMobile Indonesia	1 IDR = INR 0.005	4.41	(4.39)	(522.25)	(522.28)	-	-	(1.90)	-	(1.90)	100%
3.	Servicios De Telefonía OnMobile Sa De Cv	1 MXN = INR 3.556	6.51	(100.38)	69.31	163.18	77.75	-	18.40	2.39	16.01	100%
4.	OnMobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis Ltda.	1 BRL = INR 19.622	46.41	109.03	229.08	73.64	41.43	-	(43.17)	3.12	(46.29)	100%
5.	OnMobile Global for Telecommunication Services	1 EGP = INR 3.693	0.18	(23.93)	141.09	164.84	109.02	-	45.86	0.42	45.44	100%
6.	OnMobile Telecom Burkina Faso, S.A.R.L.	1 XOF = INR 0.121	0.12	(4.65)	39.52	44.05	14.52	-	19.05	-	19.05	100%
7.	OnMobile Turkey Telekomunikasyon Sistemleri Limited Şirketi	1 TRY = INR 16.243	0.16	(33.34)	13.25	46.43	10.10	-	(4.27)	-	(4.27)	100%
8.	OnMobile Global Czech Republic S.R.O	1 CZK = INR 3.154	0.63	(15.10)	1.88	16.35	2.58	-	2.92	0.11	2.81	100%
9.	OnMobile Live Inc	1 USD = INR 65.178	65.18	(1,694.77)	76.89	1,706.48	158.28	-	(269.33)	-	(269.33)	100%
10.	Fonestarz Media Group Limited	1 GBP = INR 91.394	0.60	6.47	7.07	-	-	-	(0.46)	-	(0.46)	100%
11.	2dayUK Limited	1 GBP = INR 91.394	0.11	(7.41)	145.04	152.34	403.99	-	(25.22)	30.93	(56.15)	100%

Part "A": Subsidiaries											Amt in INR Millions	
Sl. No.	Name of the Subsidiary	Reporting Currency & Exchange Rate as on 31st March 2018	Share Capital (2)	Reserves & Surplus (2)	Total Assets (2)	Total Liabilities (Excluding 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
12.	Daius Limited	1 GBP = INR 91.394	-	-	-	-	-	-	-	-	-	100%
13.	Fonestarz Media (licensing) Limited	1 GBP = INR 91.394	-	-	-	-	-	-	-	-	-	100%
14.	Fonestarz Limited	1 GBP = INR 91.394	-	-	-	-	-	-	-	-	-	100%
15.	Fonestarz Media Limited	1 GBP = INR 91.394	-	-	-	-	-	-	-	-	-	100%
16.	Livewire Mobile (Australia) PTY Limited	1 AUD = INR 50.0541	-	-	-	-	-	-	-	-	-	100%
17.	OnMobile Kenya Telecom Limited	1 KES = INR 0.644	40.02	(43.21)	92.78	95.97	38.86	-	0.18	(0.05)	0.24	100%
18.	OnMobile Telecom Limited	1 MWK = INR 0.09	0.52	(13.02)	17.40	29.90	3.39	-	(5.07)	(0.70)	(4.37)	100%
19.	OnMobile Mali SARL	1 XOF = INR 0.121	-	(9.83)	6.84	16.67	-	-	0.78	-	0.78	100%
20.	OnMobile Senegal SARL	1 XOF = INR 0.121	-	(15.00)	14.21	29.21	-	-	1.13	-	1.13	100%
21.	OnMobile Servicios Corporativos De Telefonía S.A. DE C.V.	1 MXN = INR 3.556	-	4.96	8.69	3.73	26.61	-	1.58	0.62	0.96	100%
22.	OnMobile Costa Rica OBCR, S.A.	1 CRC = INR 0.115	-	4.50	19.54	15.04	23.44	-	1.82	0.42	1.40	100%
23.	OnMobile Ghana Telecom Limited	1 GHS = INR 14.744	1.49	(17.51)	6.87	22.88	2.66	-	0.39	-	0.39	100%
24.	OnMobile Madagascar Telecom Limited	1 MGA = INR 0.02	0.89	(5.03)	8.45	12.59	0.98	-	0.33	0.20	0.13	100%
25.	OnMobile Nigeria Telecom Limited	1 NGN = INR 0.181	0.45	(17.17)	173.21	189.93	115.23	-	1.93	(0.99)	2.91	100%
26.	OnMobile Rwanda Telecom Limited	1 RWF = INR 0.076	0.04	(12.37)	6.45	18.79	1.82	-	(0.54)	0.08	(0.62)	100%
27.	OnMobile Uganda Limited	1 UGX = INR 0.018	11.54	(28.13)	18.48	35.06	16.32	-	(1.06)	(0.40)	(0.66)	100%

Part "A": Subsidiaries											Amt in INR Millions	
Sl. No.	Name of the Subsidiary	Reporting Currency & Exchange Rate as on 31st March 2018	Share Capital (2)	Reserves & Surplus (2)	Total Assets (2)	Total Liabilities (Excluding 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
28.	OnMobile Zambia Telecom Limited	1 ZMK = INR 0.007	5.47	(6.98)	25.33	26.84	23.18	-	1.49	(0.24)	1.74	100%
29.	OnMobile Telecom (SL) Limited	1 SLL = INR 0.009	0.58	(15.44)	3.36	18.22	1.20	-	(2.12)	2.36	(4.48)	100%
30.	OnMobile Uruguay SA	1 UYU = INR 2.3	-	(3.84)	5.88	9.71	14.18	-	1.14	0.24	0.90	100%
31.	OnMobile Global Solutions Canada Limited	1 CAD = INR 50.555	0.51	5.23	6.43	0.69	33.91	-	2.12	(0.15)	2.27	100%
32.	OnMobile Global SA	1 ARS = INR 3.236	7.06	(93.23)	98.42	184.59	53.94	-	(9.53)	(3.16)	(6.37)	100%
33.	OnMobile Portugal SGPS, Unipessoal LDA (Zona Franca Da Madeira)	1 EUR = INR 80.181	0.80	(5.63)	0.12	4.95	-	-	(0.14)	-	(0.14)	100%
34.	OnMobile Europe B.V.	1 EUR = INR 80.181	523.48	30.14	555.48	1.87	-	-	(4.93)	0.32	(5.25)	100%
35.	OnMobile S.A. (erstwhile Telisma S.A.)	1 EUR = INR 80.181	4.01	231.57	279.61	44.03	135.47	-	(20.14)	-	(20.14)	100%
36.	OnMobile USA LLC	1 USD = INR 65.178	131.01	(80.34)	2,039.80	1,989.13	177.70	-	(36.18)	-	(36.18)	100%
37.	OnMobile De Venezuela C.A.	1 USD = INR 65.178	2.27	(266.93)	5.14	269.80	12.74	-	(9.64)	-	(9.64)	100%
38.	OnMobile Bangladesh Private Limited	1 BDT = INR 0.777	5.59	149.45	334.70	179.66	293.93	-	126.13	45.25	80.87	100%
39.	OnMobile Global Spain S.L.	1 EUR = INR 80.181	77.05	562.08	1,873.46	1,234.32	2,813.39	-	188.37	47.09	141.28	100%
40.	OnMobile Global Italy SRL	1 EUR = INR 80.181	0.80	(2.54)	0.15	1.88	-	-	(0.04)	-	(0.04)	100%
41.	OnMobile Tanzania Telecom Limited	1 TZS = INR 0.029	-	(5.57)	1.99	7.55	-	-	(0.88)	-	(0.88)	100%
42.	OnMobile Latam holding S.L	1 EUR = INR 80.181	0.80	(0.27)	0.53	-	-	-	(0.02)	-	(0.02)	100%

Part "A": Subsidiaries											Amt in INR Millions	
Sl. No.	Name of the Subsidiary	Reporting Currency & Exchange Rate as on 31st March 2018	Share Capital (2)	Reserves & Surplus (2)	Total Assets (2)	Total Liabilities (Excluding 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
43.	OnMobile Global South Africa (PTY) LTD	1 ZAR = INR 5.54	0.00	7.48	163.84	156.36	145.85	-	11.38	2.66	8.72	100%
44.	OnMobile Global Limited Colombia S.A.S	1 COP = INR 0.023	12.51	(31.11)	12.29	30.89	18.41	-	(0.06)	-	(0.06)	100%

**Note:**

- (1) Converted at monthly average exchange rates
- (2) Converted based on the exchange rates as on March 31, 2018
- (3) Total Dividend from the subsidiaries was INR 205.51 Million 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 holding S.L
- (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, 2018

**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 2018
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
Extent 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	Nil
6. Profit / (Loss) for the year	INR (1,475)
i. Considered in Consolidation	INR (1,475)
ii. Not Considered in Consolidation	-

**Note:** The Company had no Joint Ventures during the FY 17-18

For and on behalf of the Board of Directors

**François-Charles Sirois**  
Executive Chairman and Chief Executive Officer  
DIN-06890830

**Sanjay Baweja**  
Director  
DIN-00232126

**Ganesh Murthy**  
Chief Financial Officer

**P V Varaprasad**  
Company Secretary  
Membership Number - FCS 5877

Place: London  
Date: July 27, 2018

## 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 rewards 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. Committees 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, 2018 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, 2018 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 Singapore Pte. Ltd.	Transfer Pricing with Subsidiary	April 2017 to March 2018	Transfer Pricing revenue	At quarterly meetings	Nil
2	OnMobile Global for Telecommunication Services	Transfer Pricing with Subsidiary	April 2017 to March 2018	Transfer Pricing revenue	At quarterly meetings	Nil
3	OnMobile Nigeria Telecom Limited	Transfer Pricing with Subsidiary	April 2017 to March 2018	Transfer Pricing revenue	At quarterly meetings	Nil
4	OnMobile Global South Africa (PTY) Limited	Transfer Pricing with Subsidiary	April 2017 to March 2018	Transfer Pricing revenue	At quarterly meetings	Nil
5	OnMobile Rwanda Telecom Limited	Transfer Pricing with Subsidiary	April 2017 to March 2018	Transfer Pricing revenue	At quarterly meetings	Nil
6	OnMobile Uruguay S.A	Transfer Pricing with Subsidiary	April 2017 to March 2018	Transfer Pricing revenue	At quarterly meetings	Nil
7	OnMobile Costa Rica OBCR SA	Transfer Pricing with Subsidiary	April 2017 to March 2018	Transfer Pricing revenue	At quarterly meetings	Nil
8	OnMobile Zambia Telecom Limited	Transfer Pricing with Subsidiary	April 2017 to March 2018	Transfer Pricing revenue	At quarterly meetings	Nil
9	OnMobile Global Spain S.L.	Transfer Pricing with Subsidiary	April 2017 to March 2018	Transfer Pricing revenue	At quarterly meetings	Nil
10	OnMobile Ghana Telecom Limited	Transfer Pricing with Subsidiary	April 2017 to March 2018	Transfer Pricing revenue	At quarterly meetings	Nil
11	OnMobile Bangladesh Private Limited	Transfer Pricing with Subsidiary	April 2017 to March 2018	Transfer Pricing revenue	At quarterly meetings	Nil
12	OnMobile USA LLC	Transfer Pricing with Subsidiary	April 2017 to March 2018	Yield Support Cost	At quarterly meetings	Nil
13	OnMobile Kenya Telecom Limited	Transfer Pricing with Subsidiary	April 2017 to March 2018	Yield Support Cost	At quarterly meetings	Nil
14	OnMobile Global Limited Colombia S.A.S.	Transfer Pricing with Subsidiary	April 2017 to March 2018	Yield Support Cost	At quarterly meetings	Nil
15	OnMobile Global Solutions Canada Limited	Transfer Pricing with Subsidiary	April 2017 to March 2018	Yield Support Cost	At quarterly meetings	Nil
16	Servicios De Telefonía OnMobile SA DE CV	Transfer Pricing with Subsidiary	April 2017 to March 2018	Yield Support Cost	At quarterly meetings	Nil
17	Onmobile Turkey Telekomunikasyon Sistemleri Limited Şirketi	Transfer Pricing with Subsidiary	April 2017 to March 2018	Yield Support Cost	At quarterly meetings	Nil
18	OnMobile Singapore Pte. Ltd.	As per allocation	April 2017 to March 2018	Corporate cost cross charged	At quarterly meetings	Nil
19	OnMobile Global Spain S.L.	As per allocation	April 2017 to March 2018	Corporate cost cross charged	At quarterly meetings	Nil
20	OnMobile Costa Rica OBCR, SA	As per allocation	April 2017 to March 2018	Corporate cost cross charged	At quarterly meetings	Nil
21	OnMobile USA LLC	Transfer Pricing with Subsidiary	April 2017 to March 2018	Data centre costs cross charged.	At quarterly meetings	Nil
22	OnMobile Rwanda Telecom Limited	As per Loan Agreement	April 2017 to March 2018	Interest on Loan to Subsidiary	At quarterly meetings	Nil

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)
23	Onmobile Turkey Telekomunikasyon Sistemleri Limited Şirketi	As per Loan Agreement	April 2017 to March 2018	Interest on Loan to Subsidiary	At quarterly meetings	Nil
24	OnMobile USA LLC	As per Loan Agreement	April 2017 to March 2018	Interest on Loan to Subsidiary	At quarterly meetings	Nil
25	OnMobile Portugal SGPS	As per Loan Agreement	April 2017 to March 2018	Interest on Loan to Subsidiary	At quarterly meetings	Nil
26	OnMobile Global Czech Republic s.r.o.	As per Loan Agreement	April 2017 to March 2018	Interest on Loan to Subsidiary	At quarterly meetings	Nil
27	OnMobile Singapore Pte. Ltd.	Transfer Pricing with Subsidiary	April 2017 to March 2018	Manpower Cross Charge	At quarterly meetings	Nil
28	OnMobile S.A.	As per allocation	April 2017 to March 2018	Travel - Sales and Marketing/ Manpower cross charge	At quarterly meetings	Nil
29	OnMobile Global for Telecommunication Services	As per Group's RPT Policy	April 2017 to March 2018	Sale of Fixed Assets/Office Supplies	At quarterly meetings	Nil
30	OnMobile Nigeria Telecom Limited	As per Group's RPT Policy	April 2017 to March 2018	Sale of Fixed Assets/Office Supplies	At quarterly meetings	Nil
31	OnMobile Zambia Telecom Limited	As per Group's RPT Policy	April 2017 to March 2018	Sale of Fixed Assets/Office Supplies	At quarterly meetings	Nil
32	OnMobile USA LLC	As per Group's RPT Policy	April 2017 to March 2018	Sale of Fixed Assets/Office Supplies	At quarterly meetings	Nil
33	OnMobile Kenya Telecom Limited	As per Group's RPT Policy	April 2017 to March 2018	Sale of Fixed Assets/Office Supplies	At quarterly meetings	Nil
34	OnMobile Global South Africa (PTY) Limited	As per Group's RPT Policy	April 2017 to March 2018	Sale of Fixed Assets/Office Supplies	At quarterly meetings	Nil
35	OnMobile Global Spain S.L.	As per Group's RPT Policy	April 2017 to March 2018	Sale of Fixed Assets/Office Supplies	At quarterly meetings	Nil
36	Francois Charles Sirois	Employment Contract	April 2017 to March 2018	Remuneration (including other benefits)	At quarterly meetings	Nil
37	Praveen Kumar K J	Employment Contract	April 2017 to March 2018	Remuneration (including other benefits)	At quarterly meetings	Nil
38	P V Varaprasad	Employment Contract	April 2017 to March 2018	Remuneration (including other benefits)	At quarterly meetings	Nil

## Annexure IV

### Dividend Distribution Policy

The Securities Exchange Board of India vide its Notification No. SEBI/LAD-NRO/GN/2016-17/008 dated July 08, 2016, inserted Regulation 43A in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') mandating the formulation of a Dividend Distribution Policy for the top 500 listed entities based on their market capitalization calculated on March 31 of every financial year.

This policy is effective from the financial year 2016-17.

#### 1. Objectives

In compliance with Regulation 43A of the Listing Regulations, the Company is required to formulate a Dividend Distribution Policy which would aid investors in identifying stocks that match with their investment objectives.

The objective of the Dividend Distribution Policy of the Company is to reward its shareholders by sharing a portion of the profits, whilst also ensuring that sufficient funds are retained for growth of the Company. Through this policy, the Company would endeavor to sustain a steady and consistent distribution of profits, by way of Dividend, to its shareholders.

#### 2. Definitions

'Act' shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

'Board of Directors or Board' means the Board of Directors of OnMobile Global Limited, as constituted from time to time.

'Company' means OnMobile Global Limited.

'Dividend' includes any interim dividend.

'Policy' means Dividend Distribution Policy.

#### 3. Guidelines for distribution of dividend

The distribution of dividend can be by way of Interim Dividend and/or by way of Final Dividend as may be decided by the Board.

The Board at its discretion, while approving the annual accounts in each financial year, may also recommend dividend for the approval of the shareholders while considering the following parameters:

##### i. The circumstances under which the shareholders can or cannot expect dividend

The shareholders of the Company may expect dividend only if the Company is having surplus funds after providing all expenses, depreciation etc. and complying with the statutory requirements of Companies Act, 2013. Company's expansion/ investment plans shall also be an important factor for taking dividend decision and determining the dividend amount.

##### ii. The financial parameters that shall be considered while declaring dividend

Subject to the provisions of the Companies Act, dividend shall be declared or paid only out of:

- (i) Current financial year's profit:
  - a. after providing for depreciation in accordance with law;
  - b. after transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion.
- (ii) The profits for any previous financial year(s):
  - a. after providing for depreciation in accordance with law;
  - b. remaining undistributed; or
- (iii) out of i) & ii) both.
- (iv) Interim dividend when approved shall be paid during any financial year or at any time during the period from closure of financial year till holding of the annual general meeting out of the surplus in the profit and loss account and out of profits of the financial year in which such interim dividend is declared; or out of any profits generated in the financial year till the quarter preceding the date of declaration of the interim dividend or out of any other funds as may be permitted by law.

##### iii. Internal and External factors that shall be considered for declaration of dividend

The Company's Board shall always consider various internal and external factors while considering the quantum for declaration of dividend such as the overall economic scenario of the country, the prospects of the industry in which the Company operates, the statutory and regulatory provisions, the Company's own performance, its profitability, its growth and investment plans, and such other factors as may be deemed fit by the Board.

##### iv. Policy as to how the retained earnings will be utilized

The profits earned by the Company can be retained in business and used for acquisitions, expansion or diversification, or it can be distributed to the shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend. This policy aims to reconcile between all these needs.

##### v. Provisions with regard to various classes of shares

The Company has only equity shares and does not currently have any other class(s) of share(s).

#### 4. Amendments

The Board reserves the right to amend, modify or review this Policy in whole or in part, at any point of time, as may be deemed necessary.

#### 5. Dissemination of Policy

This Policy shall be hosted on the website of the Company and shall be disclosed in the Annual Report of the Company.

## Annexure V

### 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 judgment 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.

This policy will be communicated to all concerned persons of the Company and shall be placed on website of the Company at [www.onmobile.com](http://www.onmobile.com).

## Annexure VI

### 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].*

#### I. Registration and Other Details

<b>Corporate Identity Number (CIN)</b>	L 6 4 2 0 2 K A 2 0 0 0 P L C 0 2 7 8 6 0
<b>Of the Company</b>	
<b>Registration Date</b>	September 27, 2000
<b>Name of the Company</b>	OnMobile Global Limited
<b>Category / Sub-Category of the Company</b>	Company limited by shares Public non-government Company
<b>Address of the Registered office and contact details</b>	Tower#1, No. 94/1C & 94/2, Veerasandra Village, Attibele Hobli, Anekal Taluk, Electronic City Phase-1, Bangalore – 560 100, Karnataka, India. Tel: 080 41806000 Fax: 080 41806009
<b>Listed company (Yes/No)</b>	Yes
<b>Name Address and Contact details of Registrar and Transfer Agent,</b>	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 2222 F +91 40 2342 0814

#### II. Principal Business Activities of the Company

SI. 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%

#### III. Particulars of holding, subsidiary and associate companies

SI. No.	Name and address of the Company	Country	CIN/GLN	Holding/ Subsidiary/ Associate	% of holding as at March 31, 2017	Applicable Section
1	OnMobile Singapore Pte. Ltd. 8 Shenton Way #21-07 AXA Tower, Singapore 068811	Singapore	-	Subsidiary	100%	2(87)(ii)
2	PT OnMobile Indonesia GD. Mayapada Tower, 11 Suit 01B, J1.Jend, Sudirman Kav 28, Karet, Setiabudi, Jakarta Seletan 12920, Indonesia	Indonesia	-	Subsidiary	100%	2(87)(ii)

SI. No.	Name and address of the Company	Country	CIN/GLN	Holding/ Subsidiary/ Associate	% of holding as at March 31, 2017	Applicable Section
3	OnMobile SA* 6 rue Duret, 75116 Paris – France	France	-	Subsidiary	100%	2(87)(ii)
4	OnMobile Europe BV Prins Bernhardplein 200, 1097JB Amsterdam (Mailing: Postbus 990, 1000AZ Amsterdam)	Netherlands	-	Subsidiary	100%	2(87)(ii)
5	OnMobile USA LLC 55, Merrick Way, Suite 220, Coral Gables, Florida 33134	USA	-	Subsidiary	100%	2(87)(ii)
6	Servicios De Telefonía OnMobile SA De CV Paseo de la Reforma No. 505 P-31, Col. Cuauhtemoc, Del. Cuauhtemoc, CP. 06500, México, D.F.	Mexico	-	Subsidiary	100%	2(87)(ii)
7	OnMobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis Ltda. City of São Paulo, State of São Paulo, at Rua Diogo Moreira, 132, conjunto 1301, Pinheiros, CEP 05423-010	Brazil	-	Subsidiary	100%	2(87)(ii)
8	OnMobile De Venezuela CA* Tercera Avenida, entre 6ta y 7ma Transversal de los Palos Grandes, Quinta Clydes. Caracas, Venezuela	Venezuela	-	Subsidiary	100%	2(87)(ii)
9	OnMobile Global SA Ortiz de Ocampo 3302, Módulo 1, Oficina 24, de esta Ciudad Autonoma de Buenos Aires	Argentina	-	Subsidiary	100%	2(87)(ii)
10	OnMobile Uruguay SA Gral. Arq. Baldomir numero 2408, Montevideo	Uruguay	-	Subsidiary	100%	2(87)(ii)
11	OnMobile Senegal SARL 3, Place de l'indépendance BP. 6454 Dakar, Senegal	Senegal	-	Subsidiary	100%	2(87)(ii)
12	OnMobile Global for Telecommunication Services Regus Cairo Nile City Towers, 22nd Floor, North Tower, Nile City Towers, Cornich El Nil Ramiet Boulak, Cairo, Egypt. P.O. 11624	Egypt	-	Subsidiary	100%	2(87)(ii)
13	OnMobile Mali SARL Badalabougou Est - Rue 25 - Porte 271 BP 3013, Bamako-Mali	Mali	-	Subsidiary	100%	2(87)(ii)
14	OnMobile Bangladesh Private Limited Baliaaree (4th floor), Plot # 30, Road # 130, South Avenue, Gulshan-1, Dhaka-1212, Bangladesh	Bangladesh	-	Subsidiary	100%	2(87)(ii)
15	OnMobile Servicios Corporativos De Telefonía SA De CV Zamora 187, Colonia Condesa, 06140, Ciudad de México.	Mexico	-	Subsidiary	100%	2(87)(ii)
16	OnMobile Kenya Telecom Limited Plot No. 209/19567, 6th Floor, Suite 6B, TRV Office Plaza, Muthithi Road, Westlands P.O.Box-4181-00200 Nairobi, Kenya	Kenya	-	Subsidiary	100%	2(87)(ii)

Sl. No.	Name and address of the Company	Country	CIN/GLN	Holding/ Subsidiary/ Associate	% of holding as at March 31, 2017	Applicable Section
17	OnMobile Costa Rica OBCR, SA San Jose, Santa Ana Pozos, Centro Empresarial Forum Uno Torre G Segundo Piso	Costa Rica	-	Subsidiary	100%	2(87)(ii)
18	OnMobile Telecom Limited C/o BDO Tax & Advisory Services Pvt. Ltd., 6th floor Unit House, Victoria Avenue, P.O Box 3038, Blantyre, Malawi	Malawi	-	Subsidiary	100%	2(87)(ii)
19	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)	Spain	-	Subsidiary	100%	2(87)(ii)
20	OnMobile Uganda Limited 3rd Floor, Diamond Trust Building, Plot 17/19 Kampala Road, P.O.Box 7166, Kampala	Uganda	-	Subsidiary	100%	2(87)(ii)
21	OnMobile Zambia Telecom Limited 3rd floor, 74 Independence Avenue, Longacres, Lusaka, Zambia, P.O Box 31198, Lusaka	Zambia	-	Subsidiary	100%	2(87)(ii)
22	OnMobile Madagascar Telecom Limited Immeuble ARO Ampefiloha I Esc A Porte A 402 Antananarivo 101 Madagascar	Madagascar	-	Subsidiary	100%	2(87)(ii)
23	OnMobile Rwanda Telecom Limited C/o, PKF Rwanda Ltd , Plot 9901, Off Nyarutarama Road, P.O Box 341, Kigali, Rwanda	Rwanda	-	Subsidiary	100%	2(87)(ii)
24	OnMobile Nigeria Telecom Limited Adol House 15 IPM Avenue, Central Business District, Alausa Ikeja Lagos, Nigeria	Nigeria	-	Subsidiary	100%	2(87)(ii)
25	OnMobile Tanzania Telecom Limited 10th Floor, PPF Tower, Corner of Ohio Street/Garden Avenue, P O Box 1559, Dar Es Salaam, Tanzania	Tanzania	-	Subsidiary	100%	2(87)(ii)
26	OnMobile Ghana Telecom Limited N.11 Adaman Loop, Abeka Junction, Tesano, Accra, P.O. Box AN 19113, Accra-North	Ghana	-	Subsidiary	100%	2(87)(ii)
27	OnMobile Telecom (SL) Limited #12, Wilberforce Street, Regent House, Freetown	Sierra Leone	-	Subsidiary	100%	2(87)(ii)
28	OnMobile Global Solutions Canada Limited 630 Boulevard René-Levesque, West, Suite 2780, Montreal Quebec, H3B-1S6	Canada	-	Subsidiary	100%	2(87)(ii)
29	OnMobile Global Italy SRL Via Felice Casati 20 - 20124 Milan (Italy)	Italy	-	Subsidiary	100%	2(87)(ii)
30	OnMobile Turkey Telekomunikasyon Sistemleri Limited Şirketi Veko Giz Plaza Meydan Sk. N. 3/45 K.14 Oda.1407 Maslak Sarıyer, İstanbul	Turkey	-	Subsidiary	100%	2(87)(ii)

Sl. No.	Name and address of the Company	Country	CIN/GLN	Holding/ Subsidiary/ Associate	% of holding as at March 31, 2017	Applicable Section
31	OnMobile Portugal SGPS, Unipessoal LDA (Zona Franca Da Madeira) Rua dos Ilhéus numero 6, freguesia de S. Pedro, 9000-176 Funchal	Portugal	-	Subsidiary	100%	2(87)(ii)
32	OnMobile Telecom Burkina Faso, SARL Secteur 15 Section 475 Lot 21 Parcelle 14 Ouagadougou PO Box: 10 BP 13675 Ouagadougou 13	Burkina Faso	-	Subsidiary	100%	2(87)(ii)
33	OnMobile Global South Africa (PTY) LTD 4th Floor, The Firs, Cradock Avenue, Rosebank, Johannesburg, Gauteng, 2196, South Africa	South Africa	-	Subsidiary	100%	2(87)(ii)
34	OnMobile Global Czech Republic SRO Jugoslávská 620/29, Vinohrady, Postal Code 120 00, Prague 2	Czech Republic	-	Subsidiary	100%	2(87)(ii)
35	OnMobile Live Inc.* 55, Merrick Way, Suite 220, Coral Gables, Florida 33134	USA	-	Subsidiary	100%	2(87)(ii)
36	Fonestarz Media Group Limited* 505 Pinner Road, Harrow, Middlesex, HA2 6EH	UK	-	Subsidiary	100%	2(87)(ii)
37	2dayUK Limited* 505 Pinner Road, Harrow, Middlesex, HA2 6EH	UK	-	Subsidiary	100%	2(87)(ii)
38	Fonestarz Media (Licensing) Limited* 505 Pinner Road, Harrow, Middlesex, HA2 6EH	UK	-	Subsidiary	100%	2(87)(ii)
39	Daius Limited* 505 Pinner Road, Harrow, Middlesex, HA2 6EH	UK	-	Subsidiary	100%	2(87)(ii)
40	Fonestarz Limited* 505 Pinner Road, Harrow, Middlesex, HA2 6EH	UK	-	Subsidiary	100%	2(87)(ii)
41	Livewire Mobile (Australia) Pty Ltd* St. Martins Tower, Level 9, 31 Market Street, Sydney, NSW 2000	Australia	-	Subsidiary	100%	2(87)(ii)
42	Fonestarz Media Limited* 505 Pinner Road, Harrow, Middlesex, HA2 6EH	UK	-	Subsidiary	100%	2(87)(ii)
43	OnMobile Global Limited Colombia SAS Carrera 16 No. 93-92 Bogotá, Colombia	Colombia	-	Subsidiary	100%	2(87)(ii)
44	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)	Spain	-	Subsidiary	100%	2(87)(ii)
45	Mobile Voice Konnect Private Limited E city, Tower-1, No94/1C and 94/2, Veerasandra Village, Attibele Hobli, Anekal Taluk, Electronic City Phase-1, Bangalore- 560100	India	U72200KA2012PTC065880	Associate	50%	2(87)(ii)

\* holding through step down subsidiary

#### IV. Shareholding 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				% change during the year
		Demat	Physical	Total Shares	% of total shares	Demat	Physical	Total Shares	% of total shares	
(A)	Promoter and Promoter Group									
(1)	Indian									
	a) Individual /HUF	0	0	0	0	0	0	0	0	0
	b) Central Government	0	0	0	0	0	0	0	0	0
	c) State Government(s)	0	0	0	0	0	0		0	0
	d) Bodies Corporate	0	0	0	0	0	0	0	0	0
	e) Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
	f) Any Other	0	0	0		0	0	0	0	0
	Sub-Total A(1) :	0	0	0	0	0	0	0	0	0
(2)	Foreign									
	a) NRIs Individuals	0	0	0	0	0	0	0	0	0
	b) Other Individuals	0	0	0	0	0	0	0	0	0
	c) Bodies Corporate	50,923,703	0	50,923,703	48.80	50,923,703	0	50,923,703	48.24	-0.56
	d) Banks/FI	0	0	0	0	0	0	0	0	0
	e) Any Other	0	0	0	0	0	0	0	0	0
	Sub-Total A(2) :	50,923,703	0	50,923,703	48.80	50,923,703	0	50,923,703	48.24	-0.56
	Total Shareholding of Promoters A=A(1)+A(2)	50,923,703	0	50,923,703	48.80	50,923,703	0	50,923,703	48.24	-0.56
(B)	Public Shareholding									
(1)	Institutions									
	a) Mutual Funds	451,800	0	451,800	0.43	733,000	0	733,000	0.69	0.26
	b) Banks/ FI	275,159	0	275,159	0.26	322,383	0	322,383	0.31	0.04
	c) Central Government	0	0	0	0	0	0	0	0	0
	d) State Government(s)	0	0	0	0	0	0	0	0	0
	e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
	f) Insurance Companies	0	0	0	0	0	0	0	0	0
	g) Foreign Institutional Investors	10,185,574	0	10,185,574	9.76	3,677,305	0	3,677,305	3.48	-6.28
	h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
	i) Others	0	0	0	0	0	0	0	0	0
	Sub-Total B(1) :	10,912,533	0	10,912,533	10.46	4,732,688	0	4,732,688	4.48	-5.97
(2)	Non-Institutions									
	a) Bodies Corporate									
	(i) Indian	8,069,246	0	8,069,246	7.73	9,388,791	0	9,388,791	8.89	1.16
	(ii) Overseas	0	0	0	0	0	0	0	0	0

Category of Shareholder		No. of Shares held at the beginning of the year				No. of Shares held at the ending of the year				% change during the year
		Demat	Physical	Total Shares	% of total shares	Demat	Physical	Total Shares	% of total shares	
	b) Individuals									
	(i) Individuals holding nominal share capital up to ₹ 1 lakh	11,990,738	41,306	12,032,044	11.53	15,931,451	41,546	15,972,997	15.13	3.60
	(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	18,714,349	121,006	18,835,355	18.05	20,080,911	121,006	20,201,917	19.14	1.09
	c) Others									
	(i) Clearing Members	370,402	0	370,402	0.35	376,049	0	376,049	0.36	0.00
	(ii) Foreign Nationals	30,840	0	30,840	0.03	133,090	0	133,090	0.13	0.10
	(iii) HUF	1,640,461	0	1,640,461	1.57	2,359,972	0	2,359,972	2.24	0.66
	(iv) NBFC	476,252	0	476,252	0.46	226,245	0	226,245	0.21	-0.24
	(v) Non Resident Indians	601,475	0	601,475	0.58	732,587	0	732,587	0.69	0.12
	(vi) NRI Non-Repatriation	453,406	0	453,406	0.43	519,596	0	519,596	0.49	0.06
	(vi) Trusts	3,201	0	3,201	0	3,201	0	3,201	0	0
	<b>Sub-Total B(2) :</b>	<b>42,350,370</b>	<b>162,312</b>	<b>42,512,682</b>	<b>40.74</b>	<b>49,751,893</b>	<b>162,552</b>	<b>49,914,445</b>	<b>47.28</b>	<b>6.54</b>
	<b>Total Public Share holdings B=B(1)+B(2) :</b>	<b>53,262,903</b>	<b>162,312</b>	<b>53,425,215</b>	<b>51.20</b>	<b>54,484,581</b>	<b>162,552</b>	<b>54,647,133</b>	<b>51.76</b>	<b>0.56</b>
	<b>Total (A+B) :</b>	<b>104,186,606</b>	<b>162,312</b>	<b>104,348,918</b>	<b>100.00</b>	<b>105,408,284</b>	<b>162,552</b>	<b>105,570,836</b>	<b>100.00</b>	<b>0</b>
(C)	Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
	<b>Grand Total (A+B+C) :</b>	<b>104,186,606</b>	<b>162,312</b>	<b>104,348,918</b>	<b>100.00</b>	<b>105,408,284</b>	<b>162,552</b>	<b>105,570,836*</b>	<b>100.00</b>	<b>-</b>

**Note:** \*the change in total shares is due to allotment of shares against exercise of ESOPs during the year

## (ii) Shareholding of Promoters

S. No.	Name of the Shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during 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	On Mobile Systems Inc.	50,923,703	48.80	0	50,923,703	48.24	0	-0.56*

**Note:** \*the change in % holding is due to allotment of shares against exercise of ESOPs during the year

## (iii) Change in promoters' shareholding

Name of the Share Holder	Shareholding at the beginning of the Year (As on 01-04-2017)		Cumulative Shareholding during the Year (01-04-2017 to 31-03-2018)	
	No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
On Mobile Systems Inc.				
At the beginning of the year	50,923,703	48.80	50,923,703	48.80
Date wise Increase / Decrease in Promoters Shareholding during the year			-	-
At the end of the year			50,923,703	48.24*

**Note:** \*the change in % holding is due to allotment of shares against exercise of ESOPs 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 (01-04-17 to 31-03-18)	
	No. of Shares at the beginning (01-04-17 /end of the year(31-03-18)	% of total shares of the company				No of Shares	% of total shares of the company
Chandramouli J	3,090,995	2.96	1/4/2017		Opening balance	3,090,995	2.96
			07/04/2017	(100,000)	Sale	2,990,995	2.87
			14/04/2017	(73,919)	Sale	2,917,076	2.80
			02/06/2017	(100,000)	Sale	2,817,076	2.70
			21/07/2017	(20,000)	Sale	2,797,076	2.68
			04/08/2017	316,400	Purchase	3,113,476	2.98
			04/08/2017	(316,400)	Sale	2,797,076	2.68
			18/08/2017	(250,000)	Sale	2,547,076	2.44
			13/10/2017	(150,000)	Sale	2,397,076	2.28
			10/11/2017	(150,000)	Sale	2,247,076	2.14
			08/12/2017	(70,000)	Sale	2,177,076	2.07
			15/12/2017	(30,000)	Sale	2,147,076	2.04
			19/01/2018	(50,000)	Sale	2,097,076	1.99
			09/03/2018	(100,000)	Sale	1,997,076	1.89
			23/03/2018	(75,000)	Sale	1,922,076	1.82
	1,922,076	1.82	31/03/2018		Closing balance	1,922,076	1.82
FIL Investments (Mauritius) Ltd.	1,562,430	1.50	1/4/2017		Opening balance	1,562,430	1.50
			07/04/2017	480,649	Purchase	2,043,079	1.96
			14/04/2017	310,752	Purchase	2,353,831	2.26
			21/04/2017	425,890	Purchase	2,779,721	2.66
			21/07/2017	(159,380)	Sale	2,620,341	2.51
			28/07/2017	(250,107)	Sale	2,370,234	2.27
			04/08/2017	(5,728)	Sale	2,364,506	2.27
			31/10/2017	(62,949)	Sale	2,301,557	2.19
			03/11/2017	(86,922)	Sale	2,214,635	2.11
			10/11/2017	(114,838)	Sale	2,099,797	2.00
			01/12/2017	(123,775)	Sale	1,976,022	1.88
			29/12/2017	(1,086,308)	Sale	889,714	0.85
			05/01/2018	(889,714)	Sale	0	0.00
	0	0.00	31/03/2018		Closing balance	0	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 (01-04-17 to 31-03-18)	
	No. of Shares at the beginning (01-04-17 /end of the year(31-03-18)	% of total shares of the company				No of Shares	% of total shares of the company
Nomura Singapore Limited	1,316,345	1.26	1/4/2017		Opening balance	1,316,345	1.26
			16/06/2017	(1,055,215)	Sale	261,130	0.25
			23/06/2017	(261,130)	Sale	0	0.00
	0	0.00	31/03/2018		Closing balance	0	0.00
Acadian Emerging Markets Small Cap Equity Fund LLC	1,200,465	1.15	1/4/2017		Opening balance	1,200,465	1.15
			07/04/2017	(98,793)	Sale	1,101,672	1.06
			21/04/2017	(53,866)	Sale	1,047,806	1.00
	1,047,806	0.99	31/03/2018		Closing balance	1,047,806	0.99
Rajasthan Global Securities Private Limited	563,944	0.54	1/4/2017		Opening balance	563,944	0.54
			16/06/2017	326,983	Purchase	890,927	0.85
			23/06/2017	(889,983)	Sale	944	0.00
			14/07/2017	34,969	Purchase	35,913	0.03
			21/07/2017	1,063,928	Purchase	1,099,841	1.05
			28/07/2017	77,273	Purchase	1,177,114	1.13
			01/09/2017	178,000	Purchase	1,355,114	1.30
			01/09/2017	(178,000)	Sale	1,177,114	1.13
			10/11/2017	(999,056)	Sale	178,058	0.17
			15/12/2017	999,000	Purchase	1,177,058	1.12
			09/02/2018	56	Purchase	1,177,114	1.12
	1,177,114	1.11	31/03/2018		Closing balance	1,177,114	1.11
Naishadh Jawahar Paleja	1,130,000	1.08	1/4/2017		Opening balance	1,130,000	1.08
			16/03/2018	270,000	Purchase	1,400,000	1.33
	1,400,000	1.33	31/03/2018		Closing balance	1,400,000	1.33
JV and Associates LLP	984,373	0.94	1/4/2017		Opening balance	984,373	0.94
			05/05/2017	(10,000)	Sale	974,373	0.93
			19/05/2017	(10,000)	Sale	964,373	0.92

Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
	No. of Shares at the beginning (01-04-17 /end of the year(31-03-18)	% of total shares of the company				No of Shares	% of total shares of the company
			02/06/2017	(132,418)	Sale	831,955	0.80
			09/06/2017	(169,714)	Sale	662,241	0.63
			16/06/2017	(122,000)	Sale	540,241	0.52
			23/06/2017	(330,425)	Sale	209,816	0.20
			30/06/2017	(35,911)	Sale	173,905	0.17
			07/07/2017	(45,087)	Sale	128,818	0.12
			14/07/2017	(15,000)	Sale	113,818	0.11
			21/07/2017	(4,766)	Sale	109,052	0.10
			28/07/2017	(93,333)	Sale	15,719	0.02
			04/08/2017	(267)	Sale	15,452	0.01
			11/08/2017	(15,452)	Sale	0	0.00
	0	0.00	31/03/2018		Closing balance	0	0.00
CLSA Global Markets PTE. Ltd.	918,248	0.88	1/4/2017		Opening Balance	918,248	0.88
			21/07/2017	(77,700)	Sale	840,548	0.81
	840,548	0.81	31/03/2018		Closing Balance	840,548	0.81
Motilal Oswal Securities Ltd.	881,419	0.84	1/4/2017		Opening Balance	881,419	0.84
			07/04/2017	13,277	Purchase	894,696	0.86
			07/04/2017	(28,713)	Sale	865,983	0.83
			14/04/2017	5,155	Purchase	871,138	0.83
			14/04/2017	(31,981)	Sale	839,157	0.80
			21/04/2017	4,541	Purchase	843,698	0.81
			21/04/2017	(17,447)	Sale	826,251	0.79
			28/04/2017	12,035	Purchase	838,286	0.80
			05/05/2017	9,320	Purchase	847,606	0.81
			05/05/2017	(13,400)	Sale	834,206	0.80
			12/05/2017	12,770	Purchase	846,976	0.81
			12/05/2017	(11,520)	Sale	835,456	0.80
			19/05/2017	18,270	Purchase	853,726	0.82
			19/05/2017	(18,040)	Sale	835,686	0.80
			26/05/2017	16,341	Purchase	852,027	0.82
			26/05/2017	(78,776)	Sale	773,251	0.74
			02/06/2017	22,746	Purchase	795,997	0.76
			02/06/2017	(18,138)	Sale	777,859	0.75
			09/06/2017	5,574	Purchase	783,433	0.75
			09/06/2017	(13,709)	Sale	769,724	0.74
			16/06/2017	10,576	Purchase	780,300	0.75
			16/06/2017	(123,443)	Sale	656,857	0.63

Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
	No. of Shares at the beginning (01-04-17 /end of the year(31-03-18)	% of total shares of the company				No of Shares	% of total shares of the company
			23/06/2017	6,090	Purchase	662,947	0.64
			23/06/2017	(16,458)	Sale	646,489	0.62
			30/06/2017	3,013	Purchase	649,502	0.62
			30/06/2017	(16,090)	Sale	633,412	0.61
			07/07/2017	30,279	Purchase	663,691	0.64
			07/07/2017	(2,138)	Sale	661,553	0.63
			14/07/2017	27,972	Purchase	689,525	0.66
			14/07/2017	(22,142)	Sale	667,383	0.64
			21/07/2017	22,454	Purchase	689,837	0.66
			21/07/2017	(26,947)	Sale	662,890	0.64
			28/07/2017	11,042	Purchase	673,932	0.65
			04/08/2017	784,787	Purchase	1,458,719	1.40
			04/08/2017	(610,687)	Sale	848,032	0.81
			11/08/2017	8,340	Purchase	856,372	0.82
			11/08/2017	(35,673)	Sale	820,699	0.79
			18/08/2017	20,498	Purchase	841,197	0.81
			18/08/2017	(5,287)	Sale	835,910	0.80
			25/08/2017	19,834	Purchase	855,744	0.82
			25/08/2017	(24,870)	Sale	830,874	0.80
			01/09/2017	2,425	Purchase	833,299	0.80
			01/09/2017	(22,563)	Sale	810,736	0.78
			08/09/2017	45,730	Purchase	856,466	0.82
			08/09/2017	(27,050)	Sale	829,416	0.79
			15/09/2017	14,691	Purchase	844,107	0.81
			15/09/2017	(19,629)	Sale	824,478	0.79
			22/09/2017	4,237	Purchase	828,715	0.79
			22/09/2017	(7,752)	Sale	820,963	0.79
			29/09/2017	1,222	Purchase	822,185	0.79
			29/09/2017	(4,833)	Sale	817,352	0.78
			06/10/2017	8,770	Purchase	826,122	0.79
			06/10/2017	(3,716)	Sale	822,406	0.78
			13/10/2017	55,453	Purchase	877,859	0.83
			13/10/2017	(24,072)	Sale	853,787	0.81
			20/10/2017	22,634	Purchase	876,421	0.83
			20/10/2017	(49,495)	Sale	826,926	0.79
			27/10/2017	10,262	Purchase	837,188	0.80
			27/10/2017	(37,327)	Sale	799,861	0.76

Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
	No. of Shares at the beginning (01-04-17 /end of the year(31-03-18)	% of total shares of the company				No of Shares	% of total shares of the company
			31/10/2017	52,449	Purchase	852,310	0.81
			31/10/2017	(13,539)	Sale	838,771	0.80
			03/11/2017	6,967	Purchase	845,738	0.80
			03/11/2017	(1,290)	Sale	844,448	0.80
			10/11/2017	39,176	Purchase	883,624	0.84
			10/11/2017	(33,635)	Sale	849,989	0.81
			17/11/2017	55,798	Purchase	905,787	0.86
			17/11/2017	(17,056)	Sale	888,731	0.84
			24/11/2017	2,485	Purchase	891,216	0.85
			24/11/2017	(62,617)	Sale	828,599	0.79
			01/12/2017	44,924	Purchase	873,523	0.83
			01/12/2017	(30,303)	Sale	843,220	0.80
			08/12/2017	7,500	Purchase	850,720	0.81
			08/12/2017	(26,702)	Sale	824,018	0.78
			15/12/2017	98,634	Purchase	922,652	0.88
			15/12/2017	(1,859)	Sale	920,793	0.87
			22/12/2017	30,431	Purchase	951,224	0.90
			22/12/2017	(117,198)	Sale	834,026	0.79
			29/12/2017	77,019	Purchase	911,045	0.87
			29/12/2017	(25,243)	Sale	885,802	0.84
			30/12/2017	(200)	Sale	885,602	0.84
			05/01/2018	74,083	Purchase	959,685	0.91
			05/01/2018	(2,801)	Sale	956,884	0.91
			12/01/2018	59,930	Purchase	1,016,814	0.97
			12/01/2018	(105,901)	Sale	910,913	0.87
			19/01/2018	43,609	Purchase	954,522	0.91
			19/01/2018	(151,416)	Sale	803,106	0.76
			26/01/2018	16,403	Purchase	819,509	0.78
			26/01/2018	(1,576)	Sale	817,933	0.78
			02/02/2018	143,406	Purchase	961,339	0.91
			02/02/2018	(12,622)	Sale	948,717	0.90
			09/02/2018	13,029	Purchase	961,746	0.91
			09/02/2018	(242,133)	Sale	719,613	0.68
			16/02/2018	7,100	Purchase	726,713	0.69
			16/02/2018	(26,922)	Sale	699,791	0.66
			23/02/2018	12,472	Purchase	712,263	0.68
			23/02/2018	(5,999)	Sale	706,264	0.67

Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
	No. of Shares at the beginning (01-04-17 /end of the year(31-03-18)	% of total shares of the company				No of Shares	% of total shares of the company
			02/03/2018	14,004	Purchase	720,268	0.68
			02/03/2018	(5,358)	Sale	714,910	0.68
			09/03/2018	9,519	Purchase	724,429	0.69
			09/03/2018	(139,704)	Sale	584,725	0.55
			16/03/2018	16,590	Purchase	601,315	0.57
			16/03/2018	(11,379)	Sale	589,936	0.56
			23/03/2018	11,554	Purchase	601,490	0.57
			23/03/2018	(9,511)	Sale	591,979	0.56
			30/03/2018	400	Purchase	592,379	0.56
			30/03/2018	(17,104)	Sale	575,275	0.54
			31/03/2018	88,284	Purchase	663,559	0.63
	663,559	0.63	31/03/2018		Closing Balance	663,559	0.63
Systematix Fincorp India Limited	857,875	0.82	01/04/2017		Opening Balance	857,875	0.82
			19/05/2017	110,000	Purchase	967,875	0.93
			19/05/2017	(110,000)	Sale	857,875	0.82
			07/07/2017	365,086	Purchase	1,222,961	1.17
			07/07/2017	(365,086)	Sale	857,875	0.82
			14/07/2017	191,875	Purchase	1,049,750	1.01
			14/07/2017	(191,875)	Sale	857,875	0.82
			22/09/2017	191,875	Purchase	1,049,750	1.00
			22/09/2017	(191,875)	Sale	857,875	0.82
			29/09/2017	666,000	Purchase	1,523,875	1.46
			29/09/2017	(666,000)	Sale	857,875	0.82
			06/10/2017	70,000	Purchase	927,875	0.88
			06/10/2017	(70,000)	Sale	857,875	0.82
			01/12/2017	176,000	Purchase	1,033,875	0.98
			01/12/2017	(176,000)	Sale	857,875	0.81
			09/03/2018	(176,000)	Sale	681,875	0.65
	681,875	0.65	31/03/2018		Closing Balance	681,875	0.65

**(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 (01-04-17 to 31-03-18)	
	No. of shares at the beginning of the year (01-04-2017)/end of the year (31-03-2018)	% of total shares of the Company				No of Shares	% of total shares of the company
A. Directors							
François-Charles Sirois	0	0	1/4/2017		Opening balance	0	0
	0	0	31/03/2018		Closing balance	0	0
Rajiv Khaitan	0	0	1/4/2017		Opening balance	0	0
	0	0	31/03/2018		Closing balance	0	0
Nancy Cruickshank	0	0	1/4/2017		Opening balance	0	0
	0	0	31/03/2018		Closing balance	0	0
Sanjay Baweja	0	0	1/4/2017		Opening balance	0	0
	0	0	31/03/2018		Closing balance	0	0
Chris Arsenault (appointed w.e.f. May 26, 2017)	0	0	1/4/2017		Opening balance	0	0
	0	0	31/03/2018		Closing balance	0	0
Sanjay Kapoor (appointed w.e.f. June 21, 2017)	0	0	1/4/2017		Opening balance	0	0
	0	0	31/03/2018		Closing balance	0	0
Pascal Tremblay (Resigned w.e.f. May 26, 2017)	0	0	1/4/2017		Opening balance	0	0
	0	0	31/03/2018		Closing balance	0	0
Nehchal Sandhu (Resigned w.e.f. July 27, 2017)	0	0	1/4/2017		Opening balance	0	0
	0	0	31/03/2018		Closing balance	0	0
B. Key Managerial Personnel							
Praveen Kumar K J- Chief Financial Officer (resigned w.e.f March 16, 2018)	2,914	0	1/4/2017	0	Opening balance	2,914	0
			30/06/2017	-2,900	Sale	14	0.00
			09/03/2018	275,400	ESOP Exercise	275,414	0.26
	275,414	0.26	31/03/2018		Closing balance	275,414	0.26
Ganesh Murthy – Chief Financial Officer (appointed w.e.f. March 26, 2018)	0	0	1/4/2017		Opening balance	0	0
	0	0	31/03/2018		Closing balance	0	0
P V Varaprasad- Company Secretary	30	0	1/4/2017	0	Opening balance	30	0
	30	0	31/03/2018		Closing balance	30	0

**V. 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>	-	-	-	-

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Change in indebtedness during the financial year	-	-	-	-
(i) Addition	-	-	-	-
(ii) Reduction	-	-	-	-
<b>Net change</b>	-	-	-	-
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>	-	-	-	-

## VI. Remuneration of Directors and Key Managerial Personnel

### A. Remuneration to Managing Director, Whole-time directors and/or Manager:

(In ₹)

Sl. No.	Particulars of remuneration	François-Charles Sirois, Executive Chairman & CEO	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961*	7,077,900	7,077,900
	(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 Option (In Numbers)	-	-
3	Sweat equity	-	-
4	Commission	-	-
	As % of profit	-	-
	Other (bonus)	-	-
5	Others (Retiral benefits)	696,428	696,428
	Total (A) excluding stock options	7,774,328	7,774,328
	Overall Ceiling as per the Act	22,482,176 (5% of net profit as per Section 197)	

\* Salary includes ₹ 2,249,328 paid towards variable pay for the year 2016-17.

## B. Remuneration to other Directors

(In ₹)

Sl. No.	Particulars of remuneration	Rajiv Khaitan	Nancy Cruickshank	Sanjay Baweja	Nehchal Sandhu <sup>3</sup>	Chris Arsenault <sup>1</sup>	Sanjay Kapoor <sup>2</sup>	Total Amount
1	Independent Directors							
	Fee for attending Board/committee meetings	1,800,000	1,700,000	1,800,000	400,000	1,400,000	1,100,000	8,200,000
	Commission	1,449,970	1,542,416	1,449,970	650,650	1,355,175	1,428,767	7,876,948
	Others , please specify	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>3,249,970</b>	<b>3,242,416</b>	<b>3,249,970</b>	<b>1,050,650</b>	<b>2,755,175</b>	<b>2,528,767</b>	<b>16,076,948</b>
2	Other Non-Executive Directors							
	Fee for attending Board/committee meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others , please specify	-	-	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total B (1+2)</b>	<b>3,249,970</b>	<b>3,242,416</b>	<b>3,249,970</b>	<b>1,050,650</b>	<b>2,755,175</b>	<b>2,528,767</b>	<b>16,076,948</b>
	Total Managerial remuneration (A+B)							23,851,276
	Overall ceiling as per the Act	4,496,435 (1% of the net profit) Note: However, the Shareholders at the AGM dt. Sept 8, 2015 approved payment of remuneration, in addition to the sitting fees, in aggregate not exceeding 5% of the net profits computed as per section 198 or ₹11 Million, whichever is higher for each financial year commencing on or after April 01, 2015.						

<sup>1</sup>Chris Arsenault was appointed as Additional Director w.e.f May 26, 2017

<sup>2</sup>Sanjay Kapoor was appointed as Additional Director w.e.f June 21, 2017

<sup>3</sup>Nehchal Sandhu resigned from the Board w.e.f July 27, 2017

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

(In ₹)

Sl No	Particulars of remuneration	Key managerial personnel		Total
		P V Varaprasad, Company Secretary	Praveen Kumar K J, CFO*	
1	Gross salary (in ₹)			
	(a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961	3,895,564	14,527,863	18,423,427
	(b) Value of perquisites u/s 17(2) of Income tax Act, 1961	-	3,634,301	3,634,301
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-	-	-
2	Stock Options held as on March 31, 2018 (in numbers)	28,800	4,134	32,934
3	Sweat equity (in ₹)	-	-	-
4	Commission (in ₹)			
	As % of profit			
	Other (bonus)	-	-	-
5	Others (Retiral benefits)	-	-	-
	<b>Total *</b>	<b>3,895,564</b>	<b>18,162,164</b>	<b>22,057,728</b>

\* excluding the stock options

# Resigned w.e.f March 16, 2018

## VII. Penalties/Punishment/Compounding of offences

There were no penalties/punishment/compounding of offences for the year ending March 31, 2018.

## Annexure VII

### 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>
	Francois Charles Sirois	11.15
	Rajiv Khaitan	4.73
	Nancy Cruickshank	4.70
	Sanjay Baweja	4.73
	Chris Arsenault	4.01
	Sanjay Kapoor	3.68
	Nehchal Sandhu	1.53
	Rajiv Pancholy*	31.37
(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>
	François-Charles Sirois	(46.09)
	Rajiv Khaitan	108.90
	Nancy Cruickshank	116.25
	Sanjay Baweja	108.90
	Chris Arsenault	-
	Sanjay Kapoor	-
	Nehchal Sandhu	(27.80)
	Rajiv Pancholy*	(57.17)
	Praveen Kumar K J	44.41
	P V Varaprasad	4.19
(iii) the percentage increase in the median remuneration of employees in the financial year;	18.83	
(iv) the number of permanent employees on the rolls of Company;	778 (as on 31st March 2018)	
(v) 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 7.77% over the previous year mainly due to annual salary increments and market corrections. The average salary increase of the KMPs was -22.51% over the previous year. The reduction in salary for KMPs was due to reduction in François-Charles Sirois's salary and Rajiv Pancholy leaving the company. Remuneration to Non-Executive Directors is in pursuance of shareholders' approval dated September 8, 2015.	
(vi) 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.	

\*Though Rajiv Pancholy had quit on 28-Feb-2017 his full and final settlement was processed during FY 2017-18

**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, 2018:**

Employee Name	Designation	Remuneration Received (₹)	Nature of Employment	Qualification	Experience (in years)	Date of Joining	Age	Previous Employment
Sanjay Bhambri	President & Chief Operating Officer (India, Asia, Middle East & Africa)	2,56,43,947	Permanent	MBA	24	06-Aug-12	48	Enzen Global Solutions Pvt Ltd

**Employed for part of the year with an average salary of above Eight Lakh Fifty thousand rupee per month:**

Employee Name	Designation	Remuneration Received (₹)	Nature of Employment	Qualification	Experience (in years)	Date of Joining	Age	Previous Employment
Praveen Kumar K. J.	Chief Financial Officer	1,81,62,164	Permanent	B.Com, ACA	17	20-Jul-06	39	Hewlett-Packard
Rajesh Pandey	Global Head - Human Resources	1,24,16,391	Permanent	MA	25	16-Sep-13	53	People Factor Pvt. Ltd
Rajiv Pancholy	Managing Director & Chief Executive Officer	2,15,38,757	Permanent	M.Eng	37	02-Jun-14	60	TTP Media

**Statement showing Details of Employees posted and working in a country outside India, not being a director or their relatives, drawing remuneration more than sixty lakh rupees per annum for the financial year ended March 31, 2018:**

Employee Name	Designation	Remuneration Received (₹)	Nature of Employment	Qualification	Experience (in years)	Date of Joining	Age	Previous Employment
Sukruth Srinivasan	Director - Engineering	63,61,398	Permanent	B.Sc	15	19-May-03	35	-
Geo Rajan	Director - Products (Games & Video)	86,92,828	Permanent	B.tech	16	06-Jan-03	38	Syscom Desgin Labs
Biswajit Nandi	Vice President - Africa & Middle East	1,74,61,465	Permanent	MBA	18	15-Dec-04	42	Tata Indicom
Saurabh Poddar	Director - Account Management	96,56,604	Permanent	MBA	14	17-Mar-05	37	DS Group
Shwetank Tamer	Director - Delivery & Presales (Western Market)	1,09,46,760	Permanent	MBA	14	02-Apr-07	35	Wachovia Securities
Sachin Jain	Senior Regional Account Manager	73,72,562	Permanent	BE	15	09-Apr-08	37	VSNN Internet Services Ltd
Vikas Goel	Vice President - Delivery & Operations (Europe, NAM & LATAM)	1,42,29,602	Permanent	MBA	17	11-Jun-08	40	H3C Technology
Vito Savino	Director - Sales	1,13,81,654	Permanent	Electronic Engineer	21	03-Dec-12	49	Mondia Media
Sukhvinder Dhillon	Client Manager	95,13,401	Permanent	MBA	17	16-Oct-06	39	Tata Teleservices Ltd
Sameh Georgy	Director - Account Management	1,26,43,002	Permanent	Science-Physics & Maths	19	15-Nov-10	42	Alcatel

## Annexure VIII

### 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, healthcare, 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 date is as under:

- a. Rajiv Khaitan - Chairman
- b. Chris Arsenault - Member
- c. Nancy Cruickshank - Member

**3. Average Net Profit of the Company for the last three financial years: ₹ 367.04 million**

**4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 7.34 million**

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

- a. Total amount spent for the financial year: ₹ 7.34 million
- b. Amount unspent, if any: Nil
- c. Manner in which the amount spent during the financial year is detailed below:

(In ₹)

Sl 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 Subheads: (i) Direct expenditure on projects or programs (2) Over-heads	Cumulative expenditure up to the reporting period	Amount spent direct or through implementing agency
1.	Contribution to SAHI (Society to Aid the Hearing Impaired), a registered NGO working with hearing impaired underprivileged children from rural background	Promoting health care including preventive health care	Hyderabad, Telangana	7,342,724	7,342,724	7,342,724	Amount spent through Society to Aid the Hearing Impaired (SAHI)

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.

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 decided to fund free hearing aids for the needy. The Company identified the focus area having relevance to the Company's core offering, enabling people to express themselves through sound as this CSR initiative aligns Company's identity with a relevant cause. OnMobile has associated with Society to Aid the Hearing Impaired (SAHI), a registered NGO working with hearing impaired underprivileged children from rural background and made a contribution of ₹ 7,342,724 in phases during the financial year 2017-18 in support of Cochlear Implants, Micro Ear Surgeries and Hearing Aids for the needy. After the release of funds of ₹ 3,000,000 for the first phase of contribution, the Company assessed the effectiveness of the utilization of the contributions made. After the assessment, the Company released

funds of ₹ 4,200,000 as second phase. Apart from making the direct contribution of funds to SAHI, the Company encouraged and arranged employee interaction with SAHI team and the beneficiary children allocating ₹ 142,724 for this activity.

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

**7. CSR Responsibility Statement:**

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

**François-Charles Sirois**  
Executive Chairman and CEO

**Rajiv Khaitan**  
Chairman - CSR Committee

Place: London  
Date: July 27, 2018

## Annexure IX

### 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, 2017	-	-	-	48,212	-	-	4,634	1,179,532	2,600	-	1,184,470	782,596	1,740,178	544,483
Options Granted During the Year	-	-	-	-	-	-	-	15,000	-	-	-	-	667,646	-
Options vested*	-	-	-	36,668	-	-	-	720,803	-	-	442,580	523,930	931,906	480,313
Options Time extended During the Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Options Exercised During the Year	-	-	-	8,288	-	-	-	48,944	-	-	96,576	258,666	808,272	-
Total number of shares arising as a result of exercise of Options	-	-	-	8,288	-	-	-	48,944	-	-	96,576	258,666	808,272	-
Money realised by exercise of options (In ₹ Million)	-	-	-	0.30	-	-	-	1.45	-	-	3.26	8.56	26.74	-
Options Forfeited/Lapsed During the Year	-	-	-	3,256	-	-	4,634	140,301	2,600	-	152,020	-	-	64,170
<b>Total number of options in force at the end of the year</b>	-	-	-	<b>36,668</b>	-	-	-	<b>1,005,287</b>	-	-	<b>935,874</b>	<b>523,930</b>	<b>1,599,552</b>	<b>480,313</b>
Diluted earnings per share pursuant to issue of shares on exercise of options (₹)	3.71	3.71	3.71	3.71	3.71	3.71	3.71	3.71	3.71	3.71	3.71	3.71	3.71	3.71
Weighted average exercise price per option (after adjusting for Bonus issue, if applicable) of the options whose														
a) Exercise price equals market price	-	-	-	36.43	-	-	-	77.25	-	-	91.60	33.08	42.38	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	Black-scholes valuation method												

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

Particulars	Plan III 2008	Plan I 2012
Stock price (₹)	64.60	55.35
Volatility	57.27%	55.47%
Risk free rate	7.65%	7.65%
Exercise price (₹)	64.60	55.35
Time to maturity (years)	4.35 years	4.35 years
Dividend yield (₹ Per option)	1.5	1.5

**Notes:**

- 1) There was no variation of the terms of options granted
- 2) Employee wise details of options:-
  - (i) granted to Senior Managerial Personnel during the year:

Sr No.	Name	No. of options granted
1.	François-Charles Sirois	NIL
2.	Ganesh Murthy#	NIL
3.	Praveen Kumar KJ*	NIL
4.	P V Varaprasad	NIL
5.	Sanjay Bhambri	NIL
6.	Ignacio Martin Velasco	NIL
7.	Laith Murad <sup>§</sup>	275,000

\*appointed in March 26, 2018

\*resigned in March 16, 2018

<sup>§</sup>These options were surrendered and cancelled w.e.f. May 16, 2018

- (ii) Granted to 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 6,82,646)

Sr. No	Name of the employee	Scheme Name	Grant Date	Options granted*	% of total options granted during the year
1.	Vikas Goel	ESOP1 2012	February 01, 2018	133,244	19.52
2.	Rafael Araujo Lima	ESOP1 2012	February 01, 2018	200,000	29.30
3.	Laith Murad	ESOP1 2012	February 01, 2018	275,000	40.28

\*The options granted were voluntarily surrendered as the current market price of such stock options was below the exercise price. Accordingly, the surrendered stock options were cancelled w.e.f. May 16, 2018.

- (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 Indian Accounting Standard (Ind AS) 33 'Earnings per Share'.

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

Details	Consolidated		Standalone	
	31-Mar-2018	31-Mar-2017	31-Mar-2018	31-Mar-2017
Basic (₹)	1.08	1.34	3.71	4.06
Diluted (₹)	1.08	1.34	3.71	4.04

# Independent Auditors' Certificate

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The Board of Directors  
OnMobile Global Limited  
Tower #1, 94/1C & 94/2,  
Veerasandra Village, Attibele Hobli,  
Anekal Taluk, Electronic City Phase-1,  
Bangalore-560100

Dear Sirs

**Certificate on implementation of share based employee benefit scheme in accordance with the Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 and terms of the resolution of the Company passed in the annual general meeting**

This certificate is issued in accordance with the terms of our engagement letter dated 3 October 2017.

We, B S R & Co. LLP, the statutory auditors of Onmobile Global Limited ("the Company") have been requested to certify that the Company has complied with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('SEBI Regulations') in relation to the Employee Stock Option Plans rolled out by the Company. As per this regulation, the Board of Directors of every company that has passed a resolution for the Share Based Employee Benefit Schemes ('Schemes') is required to place before the shareholders at each annual general meeting, a certificate from the auditors of the company that the schemes have been implemented in accordance with these regulations and in accordance with the terms of the resolution passed by the company in the annual general meeting.

## Management's Responsibility

The Company's management is solely responsible for ensuring that the Company's schemes as per the annexure I have been implemented in accordance with the SEBI Regulations and in accordance with the terms of the resolutions passed by the Company and the preparation of the standalone Ind As financial statements including the preparation and maintenance of all accounting and other relevant supporting records and documents and an internal control structure sufficient to permit the timely and reliable recording of transactions and prevention and detection of frauds and errors.

## Auditors' Responsibility

For the purpose of this certificate, we have relied on the audited standalone Ind As financial statements of the Company for the year ended 31 March 2018 and information and documents as made available to us by the Company.

Based on this information and pursuant to the SEBI Regulations, it is our responsibility to certify that the Company's Schemes

have been implemented in accordance with the SEBI Regulations and are in accordance with the terms of the resolutions passed by the Company in the annual general meetings.

We have verified the books of accounts and other records maintained in relation to the scheme by the Company on a test check basis. We have also obtained appropriate representation from the Company's management.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

## Opinion

Based on the examination carried out by us and the information and explanation provided to us, we certify that, to best of our knowledge and belief, the schemes as listed in **annexure I** approved by the shareholders in their respective annual general meetings have been implemented in accordance with the provisions of the SEBI Regulations and in accordance with the terms of the resolutions passed by the Company in the annual general meetings.

## Restriction on Use

This certificate has been issued to the Company for placing before the Company's shareholders at its annual general meeting, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**for B S R & Co. LLP**  
Chartered Accountants  
Firm's registration number: 101248W/W-100022

**Supreet Sachdev**  
Partner  
Membership Number: 205385

Bengaluru  
16 May 2018

#### Annexure I to Independent Auditors' Certificate

S.No	Plan	Shareholder's approval date
1.	OnMobile Employees Stock Option Plan - I 2003	Extra Ordinary General Meeting held on March 5, 2001, November 29, 2003 and December 30, 2003
2.	OnMobile Employees Stock Option Plan - II 2003	Extra Ordinary General Meeting held on March 5, 2001, November 29, 2003 and December 30, 2003
3.	OnMobile Employees Stock Option Plan - III 2006	24 - Jul - 2006
4.	OnMobile Employees Stock Option Plan - I 2007	17 - Aug - 2007
5.	OnMobile Employees Stock Option Plan - II 2007	17 - Aug - 2007
6.	OnMobile Employees Stock Option Plan - I 2008	18 - Apr - 2008
7.	OnMobile Employees Stock Option Plan - II 2008	1 - Aug - 2008
8.	OnMobile Employees Stock Option Plan - III 2008	1 - Aug - 2008
9.	OnMobile Employees Stock Option Plan - IV 2008	31 - Oct - 2008
10.	OnMobile Employees Stock Option Plan - I 2010	24 - Jul -2010
11.	OnMobile Employees Stock Option Plan - II 2010	24 - Jul -2010
12.	OnMobile Employees Stock Option Plan 1 2011	4 - Aug - 2011
13.	OnMobile Employees Stock Option Plan 1 2012	29 - Aug - 2012
14.	OnMobile Employees Stock Option Plan 1 2013	30 - Jul - 2013

## Annexure X

### Secretarial Audit Report for the financial year ended March 31, 2018

*(Pursuant to section 204(1) of Companies Act, 2013 and rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)*

To,  
The Members,  
**OnMobile Global Limited,**  
E City, Tower 1, No 94/1C and 94/2  
Electronic City Phase 1,  
Bengaluru - 560 100  
Karnataka, India

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, 2018 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, 2018** 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 (Share Based Employee Benefits) Regulations, 2014;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; and
- (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

Vi. Other laws applicable specifically to the Company, namely:

- a) The Information Technology Act, 2000 and the rules made thereunder;
- b) The Special Economic Zones Act, 2005 and the rules made thereunder;
- c) Software Technology Parks of India rules and regulations, 2004;
- d) The Indian Copyrights Act, 1957;
- e) The Patents Act, 1970; and
- f) The Trade Marks Act, 1999.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

**I report that,** during the year under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines and Standards mentioned above.

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

- a) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
- d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009

requiring compliance thereof by the Company during the audit period.

**I further report that,** the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this Audit since the same have been subject to review by the 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, 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,** based on the information provided and the representation made by the Company and also on the review of the compliance reports of the Company Secretary / Chief Executive Officer taken on record by the Board of Directors of the Company, in my opinion 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 there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs.

Place: Bengaluru  
Date: May 16, 2018

**P. G. HEGDE**  
**Hegde & Hegde**  
Company Secretaries  
FCS:1325/C.P. No. 640

# Management Discussion & Analysis

## 1. INDUSTRY TRENDS

2017-2018 shows continued growth in mobile industry with smartphone penetration continuing to increase. The number of smartphone users is forecasted to grow from 2.1 billion in 2016 to around 2.5 billion in 2019. Just over 36 percent of the world's population is projected to use a smartphone by 2018, up from about 10 percent in 2011.

The mobile phone penetration is forecasted to continue to grow, rounding up to 67 percent by 2019. By 2019, China is expected to reach almost 1.5 billion mobile connections and India almost 1.1 billion.

4G LTE deployment and network upgrades are a key trend around much of the world and in appropriate markets there is also a keen investment in fixed broadband based on fibre. 5G developments have gained pace and will continue to be a key area of focus in 2018 and beyond.

The global app economy continues its impressive growth from 2017 to 2022. By 2022 the market expects mobile device install base to reach 6 Billion, a 56% growth from 2017. Annual mobile app downloads are expected to grow 45% to 258 Billion. In addition, consumer spend in app stores will continue to increase, with an expected 92% growth from 2017 to \$157 Billion annual consumer spend. Finally, average consumer spend will reach \$26 per device, up 23% from 2017.

### Consumer Trends

**The digital services market** showed very strong trends in Gaming, Video and Music Streaming. Mobile gaming will grow from \$46B in 2017 to \$53B in 2018, with growth expectations continuing to \$65b by 2020. Revenue in the "Video Streaming (SVoD)" segment amounts to US\$14B in 2018, and is expected to show an annual growth rate (CAGR 2018-2022) of 7.4% resulting in a market volume of US\$18B by 2022. Music Streaming grew 41% from 2016 to 2017 and is expected to continue the strong growth.

2.5 billion people are using **messaging apps** in their daily lives. Globally, 18.7 billion texts are sent worldwide every day and 60 billion messages are sent every day through apps like WhatsApp and Facebook Messenger. Facebook Messenger itself has over 1 billion monthly active users. It is predicted that by 2018 messaging apps will increase the number of social media users worldwide by 1.1 billion users. In addition to messages, VOIP Apps and services are becoming increasingly popular, with Google launching a video chat service, Google Duo, this year to compete with WhatsApp, Facetime and the likes.

## 2. CHALLENGES

In 2018, Telecom Operators were very focused on customer retention and churn, while they continue to face revenue pressures brought about by market saturation and OTT players. Infrastructure improvements to support digital services are a key focus for many operators, and bundling of services has been a growing trend for years. In the past couple of years, many emerging countries are quickly adopting this trend, providing fixed price bundle offers to consumers.

## 3. OPPORTUNITIES

The continued growth of smartphones, trends in digital services, improved infrastructure including wider network, increased mobile broadband speed, and better connectivity allow for tremendous opportunities for the industry. OnMobile, in particular, is well positioned to grow under these market conditions through our offering of a new suite of digital services products to address the market demand.

## 4. RISKS AND CONCERNS

Regulations and policies related to privacy that were recently enacted, double confirmations, and reduction in promotional bandwidth and potential threats to growth in many markets.

In mature and competitive markets, operators have been offering bundled core services as a package with unlimited usage of voice, SMS and pre-defined data packs. This trend is expanding to emerging markets, and under this model, the operators are able to lock in consumers to a single package price, limiting the ability to sell additional value added services or content.

## 5. OUTLOOK

2018-2019 is poised to be a year of stabilization for OnMobile. As the leader in mobile entertainment globally, we have expanded our suite of digital services and expect to gain even greater traction with operators offering additional value-added services. We recently launched ONMO Games and a new ONMO Videos service. Our ONMO Contests product is migrating to a digital platform to enable growth globally. In addition, we have developed a strong product roadmap for our core RBT service to address market trends in video, voice and music. Finally, we are actively working with operators to have our services included in the bundled packages offered to consumers, and have seen positive response.

## 6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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.

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.

The Company has 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 were observed.

## 7. DISCUSSION ON CONSOLIDATED FINANCIAL PERFORMANCE FOR THE YEAR ENDED 2017-18

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

### RESULT OF OPERATIONS

	(In ₹ Million except Eps)				
	FY 2017-18	% of total revenue	FY 2016-17	% of total revenue	Growth %
<b>Results from operations</b>					
Telecom Value Added Services	6,356.05	-	7,202.36	-	(12)
Other Income	122.82	-	110.53	-	11
<b>Total Income</b>	<b>6,478.87</b>	<b>-</b>	<b>7,312.89</b>	<b>-</b>	<b>(11)</b>
Cost of Sales and Services	2,443.02	38	2,643.77	36	(8)
Contest expenses, cost of software licenses and others	365.04	6	339.90	5	7
Employee Benefits expense	1,890.25	29	2,059.78	28	(8)
Finance costs	1.06	0	7.80	0	(86)
Depreciation and amortization expense	479.12	7	554.85	8	(14)
Other expenses	1,008.46	16	1,158.30	16	(13)
<b>Total Expenses</b>	<b>6,186.95</b>	<b>95</b>	<b>6,764.40</b>	<b>92</b>	<b>(9)</b>
<b>Profit before exceptional items and tax</b>	<b>291.92</b>	<b>5</b>	<b>548.49</b>	<b>8</b>	<b>(47)</b>
Exceptional items	14.78	0	172.08	2	(91)
<b>Profit before tax</b>	<b>277.14</b>	<b>4</b>	<b>376.41</b>	<b>5</b>	<b>(26)</b>
Provision for taxation	163.69	3	235.51	3	(30)
<b>Profit for the year</b>	<b>113.45</b>	<b>2</b>	<b>140.90</b>	<b>2</b>	<b>(19)</b>
Share of Profit/(Loss) from Associate	-	-	-	-	-
<b>Profit/(Loss) attributable to Shareholders of the Company</b>	<b>113.45</b>	<b>2</b>	<b>140.90</b>	<b>2</b>	<b>(19)</b>
Other Comprehensive income (Net)	123.27	2	(121.70)	(2)	(201)
<b>Total Comprehensive income (loss) attributable to the Owners of the Company</b>	<b>236.72</b>	<b>4</b>	<b>19.20</b>	<b>0</b>	<b>1,133</b>
EPS- Basic	1.08	0	1.34	0	(19)
EPS –Diluted	1.08	0	1.34	0	(19)

## Revenue

Revenue is derived from Telecom Value Added Services including Ring Back tones, Mobile entertainment and other services. Revenue from Telecom Value Added Services is recognized on providing the services in terms of revenue-sharing arrangements with the telecom operators. 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 2017-18 was ₹ 6,356.05 Million as against ₹ 7,202.36 Million in FY 2016-17. The decline is mainly due to discontinuation of ring back tone service in VIVO, Brazil and termination of football service in some Latin American countries. Demonetization in India and aggressive competition in the Indian market also led to drop in domestic revenues. Further in Bangladesh, operator introduced policy changes thereby causing unfavourable swings in the revenue in that region.

The segmentation of revenue by geography is as follows:

	(In ₹ Million)				
	FY 2017-18	% of total revenue	FY 2016-17	% of total revenue	Growth %
India	1,486.90	23	1,750.47	24	-15
Outside India	4,869.15	77	5,451.89	76	-10
<b>Total Revenue</b>	<b>6,356.05</b>		<b>7,202.36</b>		<b>-12</b>

## Other Income

Other Income was ₹ 122.82 Million in the FY 2017-18 as compared to ₹ 110.53 Million in FY 2016-17. FY 2017-18 includes ₹ 39.23 Million net loss on foreign currency transactions and translations and ₹ 114.81 Million for interest earned on fixed deposits and dividend yield on mutual funds. For the previous year, Other Income comprised of ₹ 1.74 Million net loss on foreign currency transactions and translations in addition to interest earned on fixed deposits and dividend yield on mutual funds to the tune of ₹ 99.73 Million.

The surplus funds of the group continue to remain invested in fixed deposits and debt funds in adherence to the group's investment policy.

## Cost of Sales and Services

Cost of Sales and Services consists of amount incurred towards content fee and cost of software licenses 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 content is procured by the company. Cost of software licenses and other charges include the cost of software licenses and services used by the company for providing services to the customers. During FY 2017-18, the cost of sales and services was ₹ 2,808.06 Million as against ₹ 2,983.67 Million incurred in FY 2016-17 with a drop of 8% mainly driven by lower revenues.

(In ₹ Million)

	FY 2017-18	% of total revenue	FY 2016-17	% of total revenue	Growth %
Content fee	2,443.02	38	2,643.77	36	-8
Cost of software licenses and other charges	365.04	6	339.9	5	7
Cost of sales and Services	2,808.06	44	2,983.67	41	-6

## 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 2017-18, the group incurred a cost of ₹ 1,890.25 Million as against ₹ 2,059.78 Million in FY 2016-17, thus representing a decrease of 8% from the previous year. The decrease was primarily on account of manpower rationalization measures undertaken in international geographies like Europe, Latam and North America.

The total employee strength of OnMobile Global Limited and its Subsidiaries as on March 31, 2018 was 905.

## Finance Charges

Finance Charges represent interest paid/payable towards working capital loan and term loan. During FY 2017-18, the Company incurred Finance Charges of ₹ 1.06 Million as compared to ₹ 7.80 Million in FY 2016-17.

## Depreciation and Amortisation

The group provided a sum of ₹ 479.12 Million and ₹ 554.85 Million towards Depreciation and Amortization for the FY 2017-18 and FY 2016-17, respectively, thus representing a fall of 14% over the previous year. Decrease in Depreciation and Amortization is on account of absence of amortization of market development and deployment rights in the FY 2017-18 as compared to the previous year as it was fully amortized.

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.

## Other Expenses

In the FY 2017-18, Other Expenses decreased by 13% to ₹ 1,008.46 Million as against ₹ 1,158.30 Million incurred in FY 2016-17. The break-up of the expenses is as follows:

(In ₹ Million)

	FY 2017-18	% of total revenue	FY 2016-17	% of total revenue	Growth %
Legal, professional & consultancy charges(including Remuneration to Auditors)	227.66	4	263.29	4	-14
Marketing Expenses	223.16	3	233.36	3	-4
Rent and other facilities cost	127.25	2	135.53	2	-6
Travelling and Conveyance	135.25	2	132.96	2	2
Communication charges	65.22	1	71.35	1	-9
Rates and taxes	28.91	0	54.32	1	-47
Others	201.01	3	267.49	4	-25
<b>Total</b>	<b>1,008.46</b>	<b>16</b>	<b>1,158.30</b>	<b>16</b>	<b>-13</b>

Consistent cost optimization efforts undertaken have yielded positive results in the opex front.

### Exceptional Items

During the year ended March 31, 2018, the Venezuela Government devalued its currency Venezuelan Bolivar Fuerte (VEF). The effect of restatement of the assets and liabilities from foreign currency (VEF) to functional currency at the period end rates on such devaluation amounting to ₹14.81 Million for the year is presented as exceptional item.

### Profit before Tax

The Profit/(Loss) before Tax of ₹277.14 Million in the current FY 2017-18, as compared to ₹376.41 Million during the previous year, represents a 26% decrease in profitability over the previous year.

### Provision for Taxation

The amount provided for taxation in the current FY 2017-18 is ₹163.69 Million as against ₹235.51 Million provided in FY 2016-17 and this represents a 30% decrease in tax expense over the previous year.

### Other Comprehensive Income

Other Comprehensive income for the year 2017-18 includes ₹105.80 Million on account of exchange differences in translating the financial statements of foreign operations and ₹26.70 Million due to re-measurements of defined benefit liabilities. Other Comprehensive income /(loss) was ₹123.27 Million in FY 2017-18 as compared to ₹(121.70) Million in the FY 2016-17.

### Profit for the year

The Profit/(Loss) after Tax of ₹236.72 Million in the current FY 2017-18, as compared to ₹19.20 Million during the previous FY 2016-17.

## FINANCIAL CONDITION

### Non-Current Assets

#### Property, Plant and Equipment, Capital Work-in-Progress and Intangible Assets

The Company incurred an amount of ₹346.22 Million (₹199.13 Million in the previous year) as capital expenditure during the FY 2017-18. Additions to the gross block mainly comprises of additions to computers and electronic equipment and software consequent to expanding operations.

Capital Work-in-Progress represents the cost of the assets that are not ready for their intended use at the Balance Sheet date. There is a decrease of ₹15.21 Million in Capital Work-in-Progress on account of cost of assets put to use during the FY 2017-18.

### Non-current Financial Assets

Non-current Financial Assets include Investments, Loans and Other Financial Assets. There is an increase of ₹0.70 Million during the FY 2017-18, mainly on account of higher security deposits on renewal.

### Other Non-Current Assets

Other Non-Current Assets as on March 31, 2018 are ₹1,819.36 Million as compared to ₹1,659.23 Million as on March 31, 2017, thus representing an increase of ₹160.13 Million. The increase is primarily on account of classification of balance with statutory authorities as non-current during the year.

### Current Assets

#### Current Investments

Current Investments as on March 31, 2018 is ₹1,203.30 Million as compared to ₹930.32 Million as at March 31, 2017.

### Trade receivables

The Trade Receivables (net of Provision for Doubtful Trade Receivables) amount to ₹1,707.88 Million as on March 31, 2018 as against ₹1,676.13 Million as on March 31, 2017.

Below is the ageing of Trade receivables:

	As at March 31, 2018	As at March 31, 2017
Less than 6 months	1,379.49	1,372.72
More than 6 months	328.39	303.41

### Cash and cash equivalents

The Cash and Cash Equivalents as on March 31, 2018 is ₹1,799.63 Million as against a balance of ₹2,120.81 Million as on March 31, 2017. The Group generated net cash of ₹347.06 Million from operating activities which was utilized towards additional capital expenditure and other financing activities like payment of dividend. Other bank balances Comprise of

margin money on bank guarantee of ₹ 48.69 million as on March 31, 2018 as against ₹ 10.17 million as on March 31, 2017.

## Loans

Loans and advances outstanding as on March 31, 2018 is ₹31.68 Million as compared to ₹40.79 Million outstanding as on March 31, 2017, thus representing an decrease of ₹9.11 Million mainly on account of security deposits reclassification.

## Other Financial assets

The Other Financial assets as on March 31, 2018 is ₹649.57 Million as compared to ₹715.57 Million as on March 31, 2017, representing a decrease of ₹66 Million. The decrease was mainly on account of decrease in unbilled revenue and derivative assets.

## Other current assets

Other Current assets as on March 31, 2018 is ₹258.83 Million as compared to ₹479.39 Million outstanding as on March 31, 2017, representing a decrease of ₹220.56 Million mainly on account of decrease in Balances with Statutory Authorities on account of reclassification to non-current.

## Equity and Liabilities

### Equity

#### Equity 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, 2018, the group has 105,570,836 equity shares of ₹10/- each as Issued, Subscribed and Paid-up Capital which increased from 104,350,090 equity shares of ₹10/- each as at March 31, 2017. The increase was on account of employee stock option exercised of 1,220,746 shares pursuant to the options exercised by employees during the year.

### Other Equity

A summary of the Other Equity is given below:

	(₹ Millions)	
	As at March 31, 2018	As at March 31, 2017
Capital Redemption Reserve	154	154
Securities premium	2,399.26	2,355.13
Stock Options outstanding	124.06	105.51
General Reserve	13.20	13.20
Foreign Currency Translation Reserve	68.89	-36.91
Retained Earnings	1,938.66	2,009.20
Other items of Other Comprehensive Income	9.24	-8.23
<b>Total</b>	<b>4,707.31</b>	<b>4,591.90</b>

The increase in securities premium account of ₹44.13 Million during the year was on account of allotment due to exercise of employee stock option during the year.

Foreign Currency Translation Reserve comprises of the exchange difference relating to the translation of the financial results and net assets of the Company's foreign operations from their respective functional currencies to the Company's presentation currency.

The surplus retained in the Statement of Profit and Loss as at March 31, 2018 is ₹1,938.66 Million.

The total Net Worth of the group as at March 31, 2018 is ₹ 5,763.02 Million with the book value of each share being ₹ 54.59/- (Face value of ₹10/- each). The corresponding numbers for the previous FY are ₹5,635.40 Million and ₹ 54.00 respectively.

## Liabilities

### Non-Current Liabilities

#### Long-term provisions

The Long-term Provisions outstanding as on March 31, 2018 are ₹ 37.55 Million as compared to ₹ 51.67 Million as on March 31, 2017, thus representing a decrease of ₹ 14.12 Million. The decrease is primarily on account of decrease in provision for compensated absences based on accumulated leave credits of the employees.

#### Deferred Tax Liability

Deferred Tax Assets and Liabilities are recognized for the future tax consequences of temporary differences between carrying values of the assets and liabilities and their respective tax bases and are measured using enacted tax rates applicable on the Balance Sheet date. Deferred Tax Assets are recognized subject to management's judgment that realization is virtually certain. The Deferred Tax Liability represents the deferred tax liability of the Group and as on March 31, 2018 is ₹ 1.08 Million as compared to ₹ 1.08 Million as on March 31, 2017.

### Current Liabilities

The Current Liabilities outstanding as on March 31, 2018 are ₹ 2,341.47 Million as compared to ₹ 2,723.01 Million as on March 31, 2017, thus representing a decrease of ₹ 381.54 Million. Decrease is mainly on account of decrease in Financial Liabilities (Trade payables) and statutory remittances due.

## 8. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

### People-first Approach

FY 2017-2018 was clearly a year where the focus was on employees, their engagement, learning needs and its impact on business objectives.

### Talent Management & Skill Development

The first step towards building a strong workforce is attracting and hiring the right kind of talent. In 2017-18, our focus was on improving the candidate experience and sustaining it after

they became our employees. We added measures to ensure the candidates were more engaged and informed about the organization. The online assessment tools that we invested in last year, helped us to hire the best from the talent pool. These initiatives collectively have helped us in improving our hiring timelines and the employee experience.

We leveraged social media to connect and engage with employees on a real-time basis. Increasing employee touch points enabled us to feel the pulse and bring in authenticity to our communication. We also undertook various health and fitness related initiatives for our employees to ensure they explore their passion and lead a healthy lifestyle. Our initiatives were designed to create a sense of belonging and fun, especially in our transformational phase.

Our business priority last year was to metamorph into being a product-centric organization. The need was to develop modern, complex, responsive and scalable web applications and mobile apps. This called for upskilling our employees and in line with that. The focus of our L&D team was on upgrading skills of our Technology & Product functions. We initiated a good-to-know education series around product trends, technology evolution and digital learning. We further consolidated our

award-winning initiative OLA (OnMobile Learning Academy) by training our internal trainers thus empowering them to disseminate knowledge.

We continued our legacy of promoting a culture of self-learning through our e-learning portals. Our focus was on curating the learning content to suit the employees individual and functional growth needs. We introduced them to learning communities and best practices in the industry so that learning could be accessed on the go.

## 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.

# Business Responsibility Report

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company : The Corporate Identity Number allotted by the Ministry of Company Affairs, Government of India is **L64202KA2000PLC027860**
2. Name of the Company: OnMobile Global Limited
3. Registered address: Tower#1, 94/1C & 94/2 Veerasandra Village, Attibele Hobli, Anekal Taluk, Electronic City Phase-1, Bangalore-560100, Karnataka, India
4. Website: [www.onmobile.com](http://www.onmobile.com)
5. E-mail id: [investors@onmobile.com](mailto:investors@onmobile.com)
6. Financial Year reported: 2017-2018
7. Sector(s) that the Company is engaged in (industrial activity code-wise) : Telecom-Value Added Services (NIC Code:61900)
8. List three key products/services that the Company manufactures/provides (as in balance sheet)  
The 3 key products of OnMobile Global Limited are:
  - i. Ring Back Tones (RBT)
  - ii. Converged Value Added Services (CVAS)
  - iii. Infotainment services
9. Total number of locations where business activity is undertaken by the Company
  - (a) Number of International Locations (Provide details of major 5)
    - i. Asia Pacific
    - ii. Middle-East & Africa
    - iii. Europe
    - iv. North America
    - v. Central America & Latin America
  - (b) Number of National Locations
    - i. Gurgaon
    - ii. Mumbai
    - iii. Bangalore
10. Markets served by the Company – Local/State/National/International: OnMobile Global Limited provides its services in about 55 countries worldwide.

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR) : 1,055.71 Mn
2. Total Turnover (INR) : 2506.32 Mn
3. Total profit after taxes (INR) : 388.96 Mn
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 1.89%

5. List of activities in which expenditure in 4 above has been incurred:-

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 decided to fund free hearing aids for the needy. The Company identified the focus area having relevance to the Company's core offering, enabling people to express themselves through sound as this CSR initiative aligns Company's identity with a relevant cause. OnMobile has associated with Society to Aid the Hearing Impaired (SAHI), a registered NGO working with hearing impaired underprivileged children from rural background and made a contribution of ₹ 7,342,724 in phases during the financial year 2017-18 in support of Cochlear Implants, Micro Ear Surgeries and Hearing Aids for the needy. After the release of funds of ₹ 3,000,000 for the first phase of contribution, the Company assessed the effectiveness of the utilization of the contributions made. After the assessment, the Company released funds of ₹ 4,200,000 as second phase. Apart from making the direct contribution of funds to SAHI, the Company encouraged and arranged employee interaction with SAHI team and the beneficiary children allocating ₹ 142,724 for this activity.

## SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies?  
Yes
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)  
No
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]  
No

## SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR
  - (a) Details of the Director/Director responsible for implementation of the BR policy/policies
    1. DIN Number : 00071487
    2. Name : Rajiv Khaitan
    3. Designation : Independent Director
  - (b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	00071487
2	Name	Rajiv Khaitan
3	Designation	Independent Director
4	Telephone number	+91 080 4339 7000
5	e-mail id	<a href="mailto:rajiv.khaitan@khaitanco.com">rajiv.khaitan@khaitanco.com</a>

## 2. Principle-wise (as per NVGs) BR Policy/policies

### (a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for....	Y	N	Y	N	Y	N	N	N	N
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	NA	Y	NA	Y	NA	NA	NA	NA
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Anti-Bribery Policy is also in conformity to a. The Foreign Corrupt Practices Act, 1977 (FCPA) b. The Bribery Act, 2010 (UKBA)	NA	It is governed by Sexual harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013	NA	Child labour/forced labour is governed as per International Labor Organization (ILO)'s Declaration on Fundamental Principles and Rights at Work	NA	NA	NA	NA
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	NA	Y	NA	Y	NA	NA	NA	NA
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	NA	Y	NA	Y	NA	NA	NA	NA
6	Indicate the link for the policy to be viewed online?	<a href="http://www.onmobile.com/sites/default/files/Code_of_Conduct.pdf">http://www.onmobile.com/sites/default/files/Code_of_Conduct.pdf</a>	NA	<a href="http://www.onmobile.com/sites/default/files/Code_of_Conduct.pdf">http://www.onmobile.com/sites/default/files/Code_of_Conduct.pdf</a>	NA	<a href="http://www.onmobile.com/sites/default/files/Code_of_Conduct.pdf">http://www.onmobile.com/sites/default/files/Code_of_Conduct.pdf</a>	NA	NA	NA	NA
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. Internal stakeholders through intranet and External stakeholders through company website	NA	Yes. Internal stakeholders through intranet and External stakeholders through company website	NA	Yes. Internal stakeholders through intranet and External stakeholders through company website	NA	NA	NA	NA
8	Does the company have in-house structure to implement the policy/ policies?	Y	NA	Y	NA	Y	NA	NA	NA	NA
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	NA	Y	NA	Y	NA	NA	NA	NA
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	NA	Y	NA	Y	NA	NA	NA	NA

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why:

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	✓	-	✓	-	✓	✓	✓	✓
3	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

**Note:** BRR is not mandatory for OnMobile as the Company is not included in the list of top 500 companies of National Stock Exchange of India Ltd. (NSE) or BSE Ltd. (BSE) as per the market capitalization as on March 31, 2017 and March 31, 2018. Since the Company is into Mobile Value Added Services, it does not have any specific policies which are covered for manufacturing organizations. However, the Corporate Policies relevant to Company's business are framed and/or modified from time to time. Policies have been implemented and followed over a period of time as per industry norms and/or best practices.

### 3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The Board of Directors/ Committees of the Board / CEO would assess the BR performance of the Company as and when required.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes. OnMobile is not included in the list of top 500 companies of National Stock Exchange of India Ltd. (NSE) or BSE Ltd. (BSE) as per the market capitalization as on March 31, 2017 and March 31, 2018. However, the Company is publishing BRR in the Annual Report 2018 on a voluntary basis. The hyperlink is <http://www.onmobile.com/sites/default/files/FY-2018-Annual-Report.pdf>.

This code warrants compliance with laws prohibiting child labor, taking responsibility for the health and safety of the employees.

Also, the company has adopted Anti-Bribery Policy, which aims to set up a framework to facilitate the Company and its employees to comply with the international standards on anti-bribery and to communicate the Company's views and values on anti - bribery compliance. This Policy is applicable to all employees of the Company (including Board of Directors), agents, vendors, venture partners, business partners, customers/ clients, associates, contract/ sub-contractors, interns and other third parties/ affiliates.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so. Nil

### Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.

The Company's business activity is to provide Value Added Services to mobile operators. The Company is in compliance with applicable laws and regulations.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional).

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

(b) Reduction during usage by consumers (energy, water)

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? No

Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others? Yes

The company has adopted the Code of Business Conduct and Ethics, which details the minimum acceptable ethical and responsible business practices for employees, agents, suppliers, vendors, NGOs and business partners. The Company is committed to transparency and best practices.

has been achieved since the previous year?

Since the Company's business activity is to provide Value Added Services to mobile operators and not related to any manufacturing activity, the reporting on use of energy, water, raw material etc., is not applicable.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company maintains a healthy relationship with its content providers, vendors and other suppliers and the business policies of the Company include them in its growth.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Most of the value added services provided by the Company through mobile operators are based on the content and music procured or sourced locally from the content providers of respective geographies.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

As the Company is a service provider, it does not discharge any effluent or waste.

### Principle 3

1. Please indicate the Total number of employees: 778 (OnMobile Global Limited only)
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: Nil
3. Please indicate the Number of permanent women employees: 122
4. Please indicate the Number of permanent employees with disabilities: Nil
5. Do you have an employee association that is recognized by management: Nil
6. What percentage of your permanent employees is members of this recognized employee association? N.A
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- (a) Permanent Employees: 75%  
 (b) Permanent Women Employees: 75%  
 (c) Casual/Temporary/Contractual Employees: Nil  
 (d) Employees with Disabilities: NA

### Principle 4

1. Has the company mapped its internal and external stakeholders? No
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders? No
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so? No

### Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?  
 Yes. The Company's Policy on Human Rights covers not only the Company but extends to its Group Companies, Joint Ventures, Suppliers, and Contractors etc.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? Nil

### Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.  
 No Policy relating to Principle 6.
2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Since there are no production activities undertaken by the Company, there are no initiatives taken for addressing global environmental issues.

3. Does the company identify and assess potential environmental risks?

No

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Since the Company works on software related (Telecom VAS) activities, no project related to Clean Development Mechanism has been undertaken.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page etc.

No

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No show cause/ legal notices has been received from CPCB/SPCB.

## Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes. Bangalore Chamber of Industry and Commerce.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

No

## Principle 8

1. Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company identified the focus area having relevance to the Company's core offering, enabling people to express themselves through sound as this CSR initiative aligns Company's identity with a relevant cause. OnMobile has associated with Society to AID the Hearing Impaired (SAHI), a registered NGO working with hearing impaired underprivileged children from rural background.

2. Are the programmes /projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The CSR initiatives taken up by the Company are in association with Society to Aid the Hearing Impaired (SAHI). SAHI is a group of ENT surgeons, audiologists and hospital management professionals who came together in year 2004 to launch the organization.

3. Have you done any impact assessment of your initiative?

After the release of funds ₹ 3,000,000 for the first phase of contribution to SAHI the Company assessed the effectiveness of utilization of the contributions made. After the assessment, the Company released funds of ₹ 4,200,000 as second phase of contribution and yet to assess the effectiveness of the second phase contributions.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

The Company contributed ₹ 7,342,724 to Society to Aid the Hearing Impaired (SAHI), a registered NGO working with hearing impaired underprivileged children from rural background. This was used for conducting hearing screening camps, distribution of hearing aids and Cochlear implant surgeries. Apart from making the direct contribution of funds to SAHI, the Company arranged employee interaction with SAHI team and the beneficiary children.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The Company assessed the effectiveness of the utilization of the contributions made in the first phase.

## Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Tickets - We get about 5000 customer tickets per year and we have about 50 open tickets. It is about 0.1% open tickets open.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

NA

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

We do not conduct any surveys.

# INDEPENDENT AUDITOR'S REPORT

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**To The Members of ONMOBILE GLOBAL LIMITED**

## **Report on the Audit of the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of Onmobile Global Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

## **Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act.

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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS 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.

We conducted our audit of the Standalone Ind AS 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 31 March 2018, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

## Other Matters

The corresponding figures of the Company for the year ended 31 March 2017, included in these standalone financial statements have been audited by another auditor who expressed an unmodified opinion vide its report dated on 26 May 2017 on standalone Ind AS financial statements of the Company for the year ended 31 March 2017.

Our opinion on the standalone Ind AS financial statements is not modified in respect of the above matter.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the order.
2. 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, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
  - (e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 with references to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - (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 standalone Ind AS financial statements – Refer Note 29 to the standalone Ind AS financial statements;
    - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. Refer note 34 to the standalone Ind AS financial statements;
    - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
    - iv. the disclosures in the standalone Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited Standalone Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

**For B S R & Co. LLP**

Chartered Accountants

Firm's registration number: 101248W/W-100022

**Supreet Sachdev**

Partner

Membership number: 205385

Place: Bengaluru  
Date: 16 May 2018

# ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

In respect of the Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements of Onmobile Global Limited for the year ended 31 March 2018. We report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.  
(c) According to the information and explanations given to us and basis our examination of the records of the Company, the title deed of immovable property are held in the name of the Company.
- (ii) The Company does not have any physical inventories and thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us the Company has granted unsecured loans to parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').  
(a) In our opinion, the rate of interest and other terms and conditions on which the loans have been granted to the companies listed in the register maintained under Section 189 of the Act are not, prima facie, prejudicial to the interest of the Company.  
(b) In the case of the loans granted covered in the register maintained under Section 189 of the Act, the principal and interest are repayable on demand and there were no demand for repayments during the year.  
(c) There are no overdue amounts remaining outstanding in respect of the loans granted to companies covered in the register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given, investments made and, guarantees and securities given, as applicable.
- (v) According to information and explanations given to us, the Company has not accepted any deposits during the year. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government of India has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the activities of the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, value added tax, service tax, goods and service tax, cess and other material statutory dues have been generally regularly deposited during the year with the appropriate authorities. According to information and explanations given to us, the Company did not have any dues on account of Sales tax, Duty of Customs and Duty of Excise.  

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, value added tax, service tax, goods and service tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

  
(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, value added tax, service tax, goods and service tax, duty of customs, duty of excise which have not been deposited with the appropriate authorities on account of any disputes, except for the following:

Name of the statute	Nature of dues	Amount disputed (INR in million)*	Period to which the amount relates	Forum where dispute is pending
Income-tax Ordinance, 1984, Bangladesh	Income tax	3.25	FY 2009-10	High Court of Bangladesh
Income-tax Act, 1961	Income tax	1.16	FY 2007-08	High Court of Karnataka
Income-tax Act, 1961	Income tax	325.76	FY 2013-14	Dispute Resolution Panel (DRP)
Finance Act, 1994	Service tax	5.51	FY 2006-07 to FY 2008-09	CESTAT
Karnataka Value Added Tax Act, 2003	Value added tax	17.94	FY 2009-10 to FY 2012-13	Commissioner

\*net of amounts paid under protest and/or adjusted against refunds.

- (viii) The Company does not have any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.
- (ix) According to the information and explanations given to us, the Company has not raised any money by way of public issue or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals as per provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly para 3 (xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For B S R & Co. LLP**  
Chartered Accountants  
Firm's registration number: 101248W/W-100022

**Supreet Sachdev**  
Partner  
Membership number: 205385

Place: Bengaluru  
Date: 16 May 2018

# ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF ONMOBILE GLOBAL LIMITED

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## **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to standalone Ind AS financial statement of Onmobile Global Limited ('the Company'), as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company 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 with reference to standalone Ind AS financial statement 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 ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). 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 Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone Ind AS financial statement based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to standalone Ind AS financial statement 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 with reference to standalone Ind AS financial statement and their operating effectiveness. Our audit of internal financial controls with reference to standalone Ind AS financial statement included obtaining an understanding of internal financial controls with reference to standalone Ind AS financial statement, 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 judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS 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 with reference to standalone Ind AS financial statement.

### **Meaning of Internal Financial Controls with reference to standalone Ind AS financial statement**

A company's internal financial control with reference to standalone Ind AS financial statement 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 with reference to standalone Ind AS financial statement 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 standalone Ind AS 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 standalone Ind AS financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to standalone Ind AS financial statement**

Because of the inherent limitations of internal financial controls with reference to standalone Ind AS financial statement, 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 with reference to standalone Ind AS financial statement to future periods are subject to the risk that the internal financial control with reference to standalone Ind AS

financial statement 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, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone Ind AS financial statement and such internal financial controls with reference to standalone Ind AS financial statement were operating effectively as at 31 March 2018, based on the internal control over with reference to standalone Ind AS financial statement 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 B S R & Co. LLP**

Chartered Accountants

Firm's registration number: 101248W/W-100022

**Supreet Sachdev**

Partner

Membership number: 205385

Place: Bengaluru  
Date: 16 May 2018

# BALANCE SHEET

(₹ in millions, except share and per share data, unless otherwise stated)

	Notes	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	255.50	328.63
Capital work-in-progress		21.25	34.60
Intangible assets	3	4.15	5.98
Financial assets			
Investments	4	1,012.16	1,012.16
Loans	7	1,199.09	1,126.69
Other financial assets	9	151.38	1.77
Income tax assets (net)		993.85	1,079.06
Deferred tax assets (net)	28	437.48	363.36
Other non-current assets	12	164.30	1.62
		<b>4,239.16</b>	<b>3,953.87</b>
<b>Current assets</b>			
Financial assets			
Investments	5	1,203.30	930.32
Trade receivables	6	554.50	533.73
Cash and cash equivalents	11a	695.46	765.75
Other bank balances	11b	48.69	3.21
Loans	8	4.78	33.45
Other financial assets	10	1,508.05	1,684.89
Other current assets	13	101.54	262.39
		<b>4,116.32</b>	<b>4,213.74</b>
<b>TOTAL</b>		<b>8,355.48</b>	<b>8,167.61</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	1,055.71	1,043.50
Other equity	15	6,044.23	5,741.07
		<b>7,099.94</b>	<b>6,784.57</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provisions	17	34.32	48.88
		<b>34.32</b>	<b>48.88</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	16	986.07	1,059.06
Other financial liabilities	19	69.53	78.56
Provisions	18	19.72	26.76
Other current liabilities	20	145.90	169.78
		<b>1,221.22</b>	<b>1,334.16</b>
<b>TOTAL</b>		<b>8,355.48</b>	<b>8,167.61</b>
Significant accounting policies	2		

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

As per our report of even date attached

For and on behalf of the Board of Directors

**For B S R & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022

**Supreet Sachdev**

Partner

Membership Number- 205385

**François-Charles Sirois**

Executive Chairman and

Chief Executive Officer

DIN- 06890830

**Ganesh Murthy**

Chief Financial Officer

**Sanjay Baweja**

Director

DIN- 00232126

**P V Varaprasad**

Company Secretary

Membership Number- FCS 5877

Place: Bengaluru

Date: May 16, 2018

Place: Bengaluru

Date: May 16, 2018

# STATEMENT OF PROFIT AND LOSS

(₹ in millions, except share and per share data, unless otherwise stated)

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>INCOME</b>			
Revenue from operations	21	2,777.64	3,303.08
Other income	22	395.30	395.79
<b>Total income (A)</b>		<b>3,172.94</b>	<b>3,698.87</b>
<b>EXPENSES</b>			
Content fees and royalty		194.44	279.63
Contest expenses, cost of software licenses and others	23	379.00	359.73
Employee benefit expenses	24	1,306.68	1,384.99
Finance costs	25	1.06	-
Depreciation and amortisation expense	26	121.30	114.35
Other expenses	27	749.22	953.13
<b>Total expenses (B)</b>		<b>2,751.70</b>	<b>3,091.83</b>
<b>Profit before exceptional item and tax (C) = (A-B)</b>		<b>421.24</b>	<b>607.04</b>
Exceptional item (D)	41	-	116.56
<b>Profit before tax (E) = (C-D)</b>		<b>421.24</b>	<b>490.48</b>
<b>Tax expense</b>			
Current tax	28	115.64	173.79
Deferred tax	28	(83.36)	(109.59)
<b>Net tax expense (F)</b>		<b>32.28</b>	<b>64.20</b>
<b>Profit for the year (G) = (E-F)</b>		<b>388.96</b>	<b>426.28</b>
<b>Other comprehensive income (Net)</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit liabilities / (asset)		26.71	(9.51)
Income tax relating to items that will not be reclassified to profit or loss		(9.24)	3.29
Items that may be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations		18.04	(43.04)
<b>Other comprehensive income for the year</b>		<b>35.51</b>	<b>(49.26)</b>
<b>Total comprehensive income for the year</b>		<b>424.47</b>	<b>377.02</b>
<b>Earnings per equity share</b>			
35			
1. Basic (Face value of equity share of ₹ 10/- each)		3.71	4.06
2. Diluted (Face value of equity share of ₹ 10/- each)		3.71	4.04
Significant accounting policies	2		

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

As per our report of even date attached

For and on behalf of the Board of Directors

**For B S R & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022

**Supreet Sachdev**

Partner

Membership Number- 205385

**François-Charles Sirois**

Executive Chairman and

Chief Executive Officer

DIN- 06890830

**Ganesh Murthy**

Chief Financial Officer

**Sanjay Baweja**

Director

DIN- 00232126

**P V Varaprasad**

Company Secretary

Membership Number- FCS 5877

Place: Bengaluru

Date: May 16, 2018

Place: Bengaluru

Date: May 16, 2018

# CASH FLOW STATEMENT

(₹ in millions, except share and per share data, unless otherwise stated)

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit for the year	388.96	426.28
Adjustments to reconcile profit before tax to net cash flow:		
Income tax expense recognised in the statement of profit and loss	32.28	64.20
Depreciation and amortisation expense	121.30	114.35
Unrealised foreign exchange loss/(gain)	(330.82)	93.10
Loss/(gain) on sale of fixed assets (Net)	(4.21)	(1.21)
Provisions no longer required written back	-	(0.30)
Provision for doubtful trade receivables (Net)	16.97	98.72
Share based payments	34.59	35.39
Dividend income	(253.52)	(281.53)
Finance cost	1.06	-
Interest income	(70.80)	(75.47)
<b>Operating profit before working capital changes</b>	<b>(64.19)</b>	<b>473.53</b>
<b>Changes in operating assets and liabilities:</b>		
Trade receivables	85.22	(117.33)
Other assets	129.57	107.78
Trade Payables and other liabilities	(85.98)	(40.77)
<b>Cash generated from operations</b>	<b>64.62</b>	<b>423.21</b>
Direct taxes paid (net of refunds)	(10.48)	(139.68)
<b>Net cash (used)/ generated from operating activities</b>	<b>54.14</b>	<b>283.53</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of tangible and intangible assets including capital advances	(53.57)	(196.29)
Proceeds from sale of tangible assets	10.00	2.62
Sale, redemption/ (purchase) of short term investments (net)	(272.99)	(2.98)
(Purchase) / sale of investment in subsidiaries (net)	-	(0.30)
(Increase)/decrease in other bank balances	(45.47)	191.83
Dividend income	253.52	281.53
Interest received	19.30	76.63
<b>Net cash (used in) / generated from investing activities</b>	<b>(89.21)</b>	<b>353.04</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of share capital	40.30	11.61
Buyback of equity share capital	-	(463.75)
Finance cost	(1.06)	-
Dividend paid including tax	(183.99)	(156.72)
<b>Net cash (used in) from financing activities</b>	<b>(144.75)</b>	<b>(608.86)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(179.82)</b>	<b>27.71</b>
Effect of exchange differences on translation of foreign currency cash and cash equivalents	109.53	92.16
Cash and cash equivalents at the beginning of the year	765.75	645.88
<b>Cash and cash equivalents at the end of the year (Refer Note 11a)</b>	<b>695.46</b>	<b>765.75</b>

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

As per our report of even date attached

For and on behalf of the Board of Directors

**For B S R & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022

**Supreet Sachdev**

Partner

Membership Number- 205385

**François-Charles Sirois**

Executive Chairman and

Chief Executive Officer

DIN- 06890830

**Ganesh Murthy**

Chief Financial Officer

**Sanjay Baweja**

Director

DIN- 00232126

**P V Varaprasad**

Company Secretary

Membership Number- FCS 5877

Place: Bengaluru  
Date: May 16, 2018

Place: Bengaluru  
Date: May 16, 2018

# Statement of changes in equity for the year ended March 31, 2018

(₹ in millions, except share and per share data, unless otherwise stated)

## a. Equity share capital

	Equity share capital
<b>Issued and paid up capital at April 1, 2016</b>	1,081.11
Changes in equity share capital during the year	
(a) Issue of share capital under Employee Stock Option Plan	3.06
(b) Buy back of equity shares	(40.67)
<b>Balance at March 31, 2017</b>	<u>1,043.50</u>
Changes in equity share capital during the year	
(a) Issue of equity shares under employee share option plan	12.21
<b>Balance at March 31, 2018</b>	<u>1,055.71</u>

## b. Other equity

	Reserves and Surplus					Items of other comprehensive income		Total
	Securities premium reserve	General reserve	Stock Options outstanding account	Capital redemption reserve	Retained earnings	Exchange differences on translating the financial statements of a foreign operation	Remeasurements of the defined benefit liabilities / (asset)	
<b>Balance at April 1, 2016</b>	2,806.70	13.20	73.75	113.33	2,870.24	24.70	(2.01)	5,899.91
Profit for the year	-	-	-	-	426.28	-	-	426.28
Other comprehensive income for the year	-	-	-	-	-	(43.04)	(9.51)	(52.55)
Income tax impact on other comprehensive income	-	-	-	-	-	-	3.29	3.29
Dividend (including tax on dividend)	-	-	-	-	(156.72)	-	-	(156.72)
Exercise of employee stock options	12.18	-	(3.63)	-	-	-	-	8.55
Utilised towards Shares buy-back	(423.08)	-	-	-	-	-	-	(423.08)
Share based payments	-	-	35.39	-	-	-	-	35.39
Transfer to capital redemption reserve	(40.67)	-	-	40.67	-	-	-	-
<b>Balance at March 31, 2017</b>	<u>2,355.13</u>	<u>13.20</u>	<u>105.51</u>	<u>154.00</u>	<u>3,139.80</u>	<u>(18.34)</u>	<u>(8.23)</u>	<u>5,741.07</u>

	Reserves and Surplus					Items of other comprehensive income		Total
	Securities premium reserve	General reserve	Stock Options outstanding account	Capital redemption reserve	Retained earnings	Exchange differences on translating the financial statements of a foreign operation	Remeasurements of the defined benefit liabilities / (asset)	
Profit for the year	-	-	-	-	388.96	-	-	388.96
Other comprehensive income for the year	-	-	-	-	-	18.04	26.71	44.75
Income tax impact on other comprehensive income	-	-	-	-	-	-	(9.24)	(9.24)
Dividend (including tax on dividend)	-	-	-	-	(183.99)	-	-	(183.99)
Exercise of employee stock options	44.13	-	(16.04)	-	-	-	-	28.09
Share based payments	-	-	34.59	-	-	-	-	34.59
<b>Balance at March 31, 2018</b>	<b><u>2,399.26</u></b>	<b><u>13.20</u></b>	<b><u>124.06</u></b>	<b><u>154.00</u></b>	<b><u>3,344.77</u></b>	<b><u>(0.30)</u></b>	<b><u>9.24</u></b>	<b><u>6,044.23</u></b>

**The accompanying notes are an integral part of the standalone financial statements**

As per our report of even date attached

For and on behalf of the Board of Directors

**For B S R & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022

**Supreet Sachdev**

Partner

Membership Number- 205385

**François-Charles Sirois**

Executive Chairman and

Chief Executive Officer

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**Ganesh Murthy**

Chief Financial Officer

**Sanjay Baweja**

Director

DIN- 00232126

**P V Varaprasad**

Company Secretary

Membership Number- FCS 5877

Place: Bengaluru

Date: May 16, 2018

Place: Bengaluru

Date: May 16, 2018

# Notes to Financial Statements

(Rupees in millions, except share and per share data, unless otherwise stated)

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## 1 Company overview

OnMobile Global Limited ('OnMobile' or 'the Company') is a public limited company incorporated in India and has its registered office at Bengaluru, India. The Company has its primary listings on the Bombay Stock Exchange and National Stock Exchange in India. The key product offerings of the Company are Ringback Tones, Digital Content Store and Infotainment. OnMobile is the global leader in Ringback Tones. Digital Content Store is a one-stop mobile destination for discovering digital content like videos, games, music and images. Infotainment offers music, contest, news and sports to consumers over the mobile.

## 2 Significant accounting policies

### Basis of presentation of these standalone financial statements

#### a. Statement of compliance

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies notified under section 133 of the Companies Act, 2013, (the Act), and other relevant provisions of the Act.

The financial statements are approved for issue by the Company's Board of Directors on May 16, 2018.

These standalone financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date, March 31, 2018.

#### b. Basis of Measurement

The standalone financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items:

- a. Certain financial assets and liabilities (including derivative instruments) measured at fair value;
- b. Share based payment transactions and
- c. Net defined benefit assets/ (liabilities) are measured at fair value of plan assets, less present value of defined benefit obligations.

#### c. Use of estimates and judgements

The preparation of the standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates

are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the significant effect on the amounts recognized in the financial statements.

### Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- i) Note k- Useful lives of Property, Plant and Equipment and Intangible Assets;
- ii) Note d- Assessment of functional currency;
- iii) Note p and Note 30- Measurement of defined benefit obligation; key actuarial assumptions;
- iv) Note q- Share based compensation to employees;
- v) Note s- Provision for income taxes and related tax contingencies and Evaluation of recoverability of deferred tax assets.

### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that might have a significant risk of resulting in a material adjustment in the year ending March 31, 2019 is included in the following notes:

- i) Note s- recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- ii) Note t- impairment test of non-financial assets: key assumptions underlying recoverable amounts;
- iii) Note i- impairment of financial assets; and
- iv) Note u- recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

## d. Functional and presentation currency

The standalone financial statements are presented in Indian Rupee (INR), the national currency of India, which is the functional currency of the Company. The Company has foreign operations (branches) for which the functional currency is the currency of the primary economic environment in which these entities operates.

## e. Foreign currency transactions and balances

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions.

Foreign exchange gains and losses resulting from the

## Notes to Financial Statements

(Rupees in millions, except share and per share data, unless otherwise stated)

settlement of such transactions and from the translation at the exchange rates prevailing at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and loss and reported within foreign exchange gains/ (losses).

Non monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

The financial position of the foreign operations whose functional currency is different from the presentation currency (INR) are recognised in Other Comprehensive Income as Foreign Currency Translation reserve as follows:

- a. Assets and liabilities are translated into Indian Rupee (INR) using exchange rate prevailing at the end of each reporting period.
- b. Income and expenses are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

### f. Investment in subsidiaries and associates

Investment in subsidiaries and associates are measured at cost. Dividend income from subsidiaries is recognised when its right to receive the dividend is established.

### g. Cash flow

Cash flow Statement has been prepared in accordance with the Indirect method prescribed in Indian Accounting Standard 7-“Statement of cash flows”. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### h. Cash and cash equivalents

Cash comprises cash on hand and in banks, demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

#### Cash dividend to equity holders

The Company recognises a liability to make cash to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

### i. Financial instruments

#### Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

#### Classification and subsequent measurement

##### Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to

## Notes to Financial Statements

(Rupees in millions, except share and per share data, unless otherwise stated)

present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by- investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

*Financial assets: Subsequent measurement and gains and losses*

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit and loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

*Financial liabilities: Classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

### Derecognition

#### Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

#### Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit and loss.

### Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in foreign exchange rates on foreign currency assets and liabilities and forecasted cash flows denominated in foreign currencies. The counterparty to these contracts is generally a bank.

Derivatives are recognised and measured at fair value. Attributable transactions costs are recognised in statement of profit and loss.

### j. Property, plant and equipment and intangible assets

Property, plant and equipment and intangible 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

## Notes to Financial Statements

(Rupees in millions, except share and per share data, unless otherwise stated)

acquisition and installation less accumulated depreciation and accumulated impairment losses, if any.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

Subsequent expenditure on 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. 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 the assets that are not ready for their intended use at the Balance Sheet date.

### k. Depreciation and amortisation

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

Depreciation has been provided on the straight-line method over the useful life as estimated by the management based on technical advice on commercial lives of these assets, which is different from the rates prescribed under Schedule II of the Companies Act, 2013.

The estimated useful lives are as follows:

Category of Asset	No. of years
Leasehold improvements	Primary lease period of 3 years -5 years
Buildings	61 years
Office equipments	3 years
Computers and electronic equipments	3 years-5 years
Furniture and fixtures	3 years
Motor cars	3 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 assets 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.

### l. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### As lessor

Rental Income from operating leases is generally recognised on a straight - line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

#### As lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such expense accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred."

### m. Revenue recognition

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

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.

### n. Dividend income and profit on sale of investments

Dividend from subsidiaries is recognised when the Company's right to receive the payment is established.

Dividend on current investments is recognized on an accrual basis when the right to receive payment 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.

## Notes to Financial Statements

(Rupees in millions, except share and per share data, unless otherwise stated)

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### o. Interest income

Interest income is recognised as it accrues in the statement of profit and loss, using the effective interest method.

### p. Employee benefits

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

- a) Short term Obligations: 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 recognised in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognised in profit and loss is calculated by applying a discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income.

Remeasurement comprising actuarial gains and losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

- 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. The Company recognizes actuarial gains and losses immediately in the statement of profit and loss.

### q. Share based payments

Employees of the Company receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant.

The expense is recognised in the Statement of Profit and loss with a corresponding increase to the share based payment reserve, a component of equity.

The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortisation).

### r. Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options and warrants, except where the results would be anti-dilutive.

### s. Income taxes

Income tax expense includes Indian and International income taxes. Income tax comprises of the current tax and net change in deferred tax asset or liability in the year. Income tax expense is recognised in the statement of profit and loss except to the extent it relates to items directly recognised in other comprehensive income.

- a) Current Tax: 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.

- b) Deferred Tax: Deferred tax is recognised using balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base if assets and liabilities and their carrying amount in the financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

## Notes to Financial Statements

(Rupees in millions, except share and per share data, unless otherwise stated)

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Deferred income tax asset are recognised to the extent that is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred income tax liabilities are recognised for all taxable temporary differences.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or subsequently enacted by the end of the reporting period.

### t. Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amounts by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash flows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### u. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### v. Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind AS which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018:

Ind AS 115 *Revenue from Contracts with Customers*

Ind AS 21 *The effect of changes in Foreign Exchange rates*

Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts when it becomes effective.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition.

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Company is evaluating the possible impact of Ind AS 115 and will adopt the standard effective April 1, 2018. The standard allows for two methods of adoption: the full retrospective adoption, which requires the standard to be applied to each prior period presented, or the modified retrospective adoption, which requires the cumulative effect of adoption to be recognized as an adjustment to opening retained earnings in the period of adoption.

The Company does not expect the impact of the adoption of the new standard to be material.

Ind AS 21 – *The effect of changes in Foreign Exchange rates*

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is evaluating the impact of this amendment on its financial statements.

## Notes to Financial Statements

(Rupees in millions, except share and per share data, unless otherwise stated)

### 3. Tangible and Intangible Assets

Description of Assets	Property, plant and equipment						Intangible assets			Total
	Buildings - freehold	Leasehold improvements	Computers and electronic equipments	Office equipment	Furniture and fixtures	Vehicles - freehold	Computer software	Intellectual property rights	Market development and deployment rights	
<b>I. Gross carrying amount</b>										
Balance at April 1, 2016	106.75	114.49	2,201.00	33.65	36.41	12.03	747.37	181.90	2,717.09	3,646.36
Additions	-	-	167.26	0.23	0.32	-	2.91	-	-	2.91
Less: Disposals	-	-	342.76	-	-	-	-	-	-	-
Balance at March 31, 2017	106.75	114.49	2,025.50	33.88	36.73	12.03	750.28	181.90	2,717.09	3,649.27
Additions	-	-	49.75	-	0.02	-	2.35	-	-	2.35
Less: Disposals	-	-	16.29	-	-	6.85	-	-	-	-
Balance at March 31, 2018	106.75	114.49	2,058.96	33.88	36.75	5.18	752.63	181.90	2,717.09	3,651.62
<b>II. Accumulated depreciation and impairment</b>										
Balance at April 1, 2016	15.15	74.67	2,070.25	31.60	35.32	7.45	737.67	181.86	2,717.07	3,636.60
Depreciation / amortisation expense for the year	1.75	20.79	79.44	1.89	0.92	2.87	6.63	0.04	0.02	6.69
Less: Disposals	-	-	341.35	-	-	-	-	-	-	-
Balance at March 31, 2017	16.90	95.46	1,808.34	33.49	36.24	10.32	744.30	181.90	2,717.09	3,643.29
Depreciation / amortisation expense for the year	1.75	17.84	96.63	0.24	0.28	0.38	4.18	-	-	4.18
Less: Disposals	-	-	11.84	-	-	5.52	-	-	-	-
Balance at March 31, 2018	18.65	113.30	1,893.13	33.73	36.52	5.18	748.48	181.90	2,717.09	3,647.47
<b>Net block (I-II)</b>										
Balance at March 31, 2018	88.10	1.19	165.83	0.15	0.23	-	4.15	-	-	4.15
Balance at March 31, 2017	89.85	19.03	217.16	0.39	0.49	1.71	5.98	-	-	5.98

## Notes to Financial Statements

(Rupees in millions, except share and per share data, unless otherwise stated)

	As at March 31, 2018		As at March 31, 2017	
	No. of Units	Amount	No. of Units	Amount
<b>FINANCIAL ASSETS</b>				
<b>4. Non-current investments</b>				
<b>Investments (At cost)</b>				
<b>Unquoted investments (fully paid-up) in equity shares of:</b>				
<b>Wholly owned subsidiaries:</b>				
OnMobile Singapore Pte. Ltd., Singapore	4,485,000	154.49	4,485,000	154.49
Pt. Indonesia OnMobile, Indonesia	1,000	4.06	1,000	4.06
Onmobile Europe B.V., Netherlands	3,817,935	1,046.90	3,817,935	1,046.90
OnMobile USA LLC, USA	20,100	91.51	20,100	91.51
Servicios De Telefonía Onmobile Sa De Cv, Mexico	1,829,877	6.86	1,829,877	6.86
OnMobile Global S A, Argentina	2,073,850	25.63	2,073,850	25.63
OnMobile Brasil Sistemas DeValor Agregado Para Comunicacoes Moveis Ltda, Brazil	2,365,109	65.64	2,365,109	65.64
OnMobile Global for Telecommunications Services, Egypt	500	0.38	500	0.38
OnMobile Bangladesh Private Limited	720,000	5.09	720,000	5.09
Onmobile Global Spain, S.L.U.	961,000	81.90	961,000	81.90
OnMobile Kenya Telecom Limited	500,000	41.50	500,000	41.50
OnMobile Zambia Telecom Limited	781,500	8.24	781,500	8.24
OnMobile Madagascar Telecom Limited	10,000	1.08	10,000	1.08
OnMobile Telecom Limited, Malawi	10,000	0.81	10,000	0.81
OnMobile Uganda Limited	10,000	13.51	10,000	13.51
OnMobile Global Italy S.R.L.	10,000	0.71	10,000	0.71
OnMobile Turkey Telekomunikasyon Sistemleri Limited Sirketi	100	0.27	100	0.27
OnMobile Portugal SGPS, Unipessoal LDA (Zona Franca Da Madeira)	5,000	0.79	5,000	0.79
OnMobile Ghana Telecom Limited	95,000	2.94	95,000	2.94
OnMobile Telecom Sierra Leone Limited	1,000,000	1.01	1,000,000	1.01
OnMobile Rwanda Telecom Limited	500	0.05	500	0.05
OnMobile Global Czech Republic S.R.O	200,000	0.65	200,000	0.65
OnMobile Nigeria Telecom Limited	2,500,000	0.98	2,500,000	0.98
OnMobile Telecom Burkina Faso, S.A.R.L.	100	0.13	100	0.13
OnMobile Global Solutions Canada Limited	10,000	0.54	10,000	0.54
OnMobile Global Limited Colombia S.A.S.	544,073,765	15.90	544,073,765	15.90
OnMobile Global South Africa (Pty) Ltd. *	100	-	100	-
<b>Associate:</b>				
Mobile Voice Konnect Private Limited	5,000	0.05	5,000	0.05
<b>Other entity:</b>				
Turaco Mobile Private Limited	1,600	0.02	1,600	0.02
<b>Total unquoted investments at cost</b>		<b>1,571.64</b>		<b>1,571.64</b>
Less: Provision for impairment of investment in Onmobile Europe B.V.		559.48		559.48
		<b>1,012.16</b>		<b>1,012.16</b>
* Represents amount less than Rupees one million				
Aggregate amount of unquoted investments		1,571.64		1,571.64
Aggregate amount of impairment in value of investments		559.48		559.48
No strategic investments were disposed off during the year, and there were no transfer of any cumulative gain/loss within equity relating to these investments.				

## Notes to Financial Statements

(Rupees in millions, except share and per share data, unless otherwise stated)

	As at March 31, 2018		As at March 31, 2017	
	No. of Units	Amount	No. of Units	Amount
<b>5. Current investment</b>				
Designated as fair value through profit and loss (FVTPL)				
Investments in mutual funds (unquoted)				
Baroda Pioneer Liquid Fund - Plan B Daily Dividend	66,049	66.18	-	-
Birla Sun life Cash Treasury Optimizer Plan-Reinvestment	-	-	1,897,733	204.54
Kotak Low Duration Fund- Regular Plan - Weekly Dividend	225,723	229.63	-	-
HDFC Floating Rate Income Fund - Short Term Plan- Dividend	22,106,890	222.86	16,201,628	163.33
Kotak Liquid Scheme Plan A- Daily Dividend	-	-	24,630	30.12
Reliance Medium Term Fund- Daily Dividend	17,819,809	304.81	6,914,108	118.20
Baroda Pioneer Liquid Fund - Plan A Daily Dividend	-	-	99,908	100.02
IDFC Ultra Short Term Fund -Regular Plan- Daily Dividend	15,908,405	160.31	10,304,987	103.78
ICICI Prudential Ultra Short Term - Direct Plan - Daily Dividend	-	-	20,811,734	210.33
ICICI Prudential Flexible Income - Regular Plan - Daily Dividend	2,076,063	219.51	-	-
<b>Aggregate amount of unquoted investments carried at FVTPL</b>		<b>1,203.30</b>		<b>930.32</b>
Aggregate amount of unquoted investments		1,203.30		930.32
<b>6. Trade receivables</b>				
(Unsecured)				
Considered good		554.50		533.73
Considered doubtful		189.53		185.60
Less: Loss allowance		(189.53)		(185.60)
		<b>554.50</b>		<b>533.73</b>
Note:				
Trade receivables include due from related parties (Refer Note 33)		16.77		9.51
<b>Movement in the loss allowance:</b>				
Balance at the beginning of the year		185.60		129.16
Movement in loss allowance on trade receivables calculated at lifetime expected credit losses*		3.93		56.44
<b>Provision at the end of the year</b>		<b>189.53</b>		<b>185.60</b>
*Include foreign exchange fluctuation				
<b>7. Loans - non-current</b>				
(Unsecured, considered good)				
Security deposits		65.43		46.36
Loans to subsidiaries (Refer Note 33)		1,133.66		1,080.33
		<b>1,199.09</b>		<b>1,126.69</b>
<b>8. Loans - current</b>				
Security deposits		4.78		33.45
		<b>4.78</b>		<b>33.45</b>

## Notes to Financial Statements

(Rupees in millions, except share and per share data, unless otherwise stated)

	As at March 31, 2018		As at March 31, 2017	
		Amount		Amount
<b>9. Other financial assets - non-current</b>				
Advances to employees		1.04		1.77
Other receivables from subsidiaries (Refer Note 33)		224.18		-
		225.22		1.77
Less: Allowance for other financial assets		(73.84)		-
		<u>151.38</u>		<u>1.77</u>
<b>10. Other financial assets - current</b>				
Unbilled revenue (Refer Note 33)		1,089.98		851.45
Other receivables from subsidiaries (Refer Note 33)		635.90		1,094.34
Advances to employees		14.75		15.46
Accrued interest on deposits		7.66		3.73
Derivative assets		-		34.49
		<u>1,748.29</u>		<u>1,999.47</u>
Less: Allowance for other financial assets		(240.24)		(314.58)
		<u>1,508.05</u>		<u>1,684.89</u>
<b>11. a. Cash and cash equivalents</b>				
Cash on hand		0.03		0.02
Balances with bank :				
- In current accounts		253.98		436.23
- In deposit accounts		441.45		329.50
		<u>695.46</u>		<u>765.75</u>
<b>b. Other bank balances</b>				
- Earmarked balances				
- Margin money on bank guarantees		48.69		3.21
		<u>48.69</u>		<u>3.21</u>
<b>12. Other non-current assets</b>				
(Unsecured, considered good)				
Capital advances		0.88		0.92
Balances with statutory authorities		162.72		-
Fringe benefit tax (net of provisions)		0.70		0.70
		<u>164.30</u>		<u>1.62</u>
<b>13. Other current assets</b>				
(Unsecured, considered good)				
Prepaid expenses		45.94		52.73
Balances with statutory authorities		41.07		196.27
Advances to vendors		14.53		13.39
		<u>101.54</u>		<u>262.39</u>

## Notes to Financial Statements

(Rupees in millions, except share and per share data, unless otherwise stated)

	As at March 31, 2018		As at March 31, 2017
<b>14. Share capital</b>			
<b>Authorised</b>			
149,500,000 (March 31, 2017 - 149,500,000)		1,495.00	1,495.00
Equity shares of ₹10 each			
500,000 (March 31, 2017 - 500,000)		5.00	5.00
Preference shares of ₹ 10 each			
		<b>1,500.00</b>	<b>1,500.00</b>
<b>Issued, subscribed and fully paid up</b>			
105,570,836 (March 31, 2017 - 104,350,090)		1,055.71	1,043.50
Equity shares of ₹10 each fully paid		<b>1,055.71</b>	<b>1,043.50</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, 2018		As at March 31, 2017	
	Number of shares	Amount	Number of shares	Amount
<b>Equity shares with voting rights</b>				
Opening balance	104,350,090	1,043.50	108,111,402	1,081.11
Add: Share issued on exercise of stock options	1,220,746	12.21	306,094	3.06
Less: Buy back	-	-	4,067,406	40.67
<b>Closing balance</b>	<b>105,570,836</b>	<b>1,055.71</b>	<b>104,350,090</b>	<b>1,043.50</b>

#### B) Particulars 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	48.24	50,923,703	48.80

#### 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) 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.

During the year ended March 31, 2013, the Company completed the above referred buy-back of equity shares and bought back additional 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.

- b) 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 of ₹10 each 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.

- c) 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.

During the year ended March 31, 2017, the Company completed the above referred buy-back of equity shares and bought back additional 4,067,406 equity shares of ₹10 each by utilising the Securities Premium Account. Capital Redemption Reserve has been created out of Security Premium Account for ₹40.67 million being the nominal value of equity shares bought back in terms of Sec.68 of the Companies Act, 2013.

## Notes to Financial Statements

(Rupees in millions, except share and per share data, unless otherwise stated)

D) Total number of options outstanding under various employee stock option plans, that are convertible into equity shares, as on March 31, 2018 are 4,581,624 (at March 31, 2017: 5,486,705) (Refer Note 32)

### 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.

	As at March 31, 2018	As at March 31, 2017
<b>15. Other equity</b>		
<b>Capital Redemption Reserve</b>	154.00	154.00
Amount equal to the face value of the Company's own equity instruments bought back and cancelled, which is transferred to Capital Redemption Reserve		
<b>Securities Premium Account</b>	2,399.26	2,355.13
Amount received on issue of shares in excess of par value has been classified as securities premium		
<b>Stock Options Outstanding</b>	124.06	105.51
The share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise/cancellation of stock options.		
<b>General Reserve</b>	13.20	13.20
Amount transferred from retained earnings for appropriation purposes.		
<b>Retained Earnings</b>	3,344.77	3,139.80
Retained earnings comprise of the Company's accumulated undistributed earnings.		
<b>Other Comprehensive Income</b>	8.94	(26.57)
Other Comprehensive Income consists of currency translation and re-measurement of net defined benefit liability/asset.		
	<b>6,044.23</b>	<b>5,741.07</b>
<b>Distributions proposed:</b>		
The Board of Directors at its meeting held on May 16, 2018 have recommended, subject to approval of shareholders, a dividend of ₹ 1.50 per equity share of ₹ 10 each. If approved, this would result in a cash outflow of approximately ₹ 190.91 Million, inclusive of dividend distribution tax.		
<b>FINANCIAL LIABILITIES</b>		
<b>16. Trade payable</b>		
Total outstanding dues of creditors (Refer Note 33)	986.07	1,059.06
	<b>986.07</b>	<b>1,059.06</b>
<b>17. Provisions - non-current</b>		
Provision for employee benefits:		
Provision for compensated absences	34.32	48.88
	<b>34.32</b>	<b>48.88</b>

## Notes to Financial Statements

(Rupees in millions, except share and per share data, unless otherwise stated)

	As at March 31, 2018	As at March 31, 2017
<b>18. Provisions - current</b>		
Provision for employee benefits: (Refer Note 30)		
Provision for compensated absences	3.93	4.71
Provision for gratuity (Net)	15.79	22.05
	<u>19.72</u>	<u>26.76</u>
<b>19. Other financial liabilities</b>		
Share application money*	-	-
Payable on purchase of fixed assets:		
- Total outstanding dues of creditors	63.71	78.56
Others	5.82	-
	<u>69.53</u>	<u>78.56</u>
* Share application money represents amounts rounded to millions, received from the employees against employee stock options, pending allotment.		
<b>20. Other current liabilities</b>		
Income received in advance/ unearned revenue	44.78	72.51
Statutory remittances	67.87	65.06
Advances from customers	8.33	6.07
Other liability	24.92	26.14
	<u>145.90</u>	<u>169.78</u>
	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>21. Revenue from operations</b>		
Telecom value added services	2,506.32	3,049.98
Other Operating revenue		
- Reimbursement of expenses (Net) (Refer Note 39)	271.32	253.10
	<u>2,777.64</u>	<u>3,303.08</u>
<b>22. Other income</b>		
Interest income on financial assets at amortised cost		
- From banks on deposits	23.23	20.52
- From subsidiaries on long term loans	47.57	41.81
Interest on income tax refund	33.96	13.14
Dividend income (Refer Note 33)	253.52	281.53
Foreign exchange gain/ (loss) (Net)	20.07	30.32
Other non- operating Income	-	0.30
- Provisions no longer required written back	4.21	1.21
- Profit on sale of fixed assets (Net)	7.16	6.20
- Rental income from operating leases	5.58	0.76
- Miscellaneous income		
	<u>395.30</u>	<u>395.79</u>

## Notes to Financial Statements

(Rupees in millions, except share and per share data, unless otherwise stated)

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>23. Contest expenses, cost of software licenses and others</b>		
Contest expenses	156.33	139.69
Cost of software licences and other charges	222.67	220.04
	<b>379.00</b>	<b>359.73</b>
<b>24. Employee benefit expenses</b>		
Salaries and wages	1,102.09	1,214.10
Share based payments (Refer Note 32)	34.59	35.39
Contractors expenses	17.11	15.52
Contribution to provident fund and other funds (Refer Note 30)	92.39	71.89
Workmen and staff welfare expenses	60.50	48.09
	<b>1,306.68</b>	<b>1,384.99</b>
<b>25. Finance cost</b>		
Interest on short term borrowings	1.06	-
	<b>1.06</b>	<b>-</b>
<b>26. Depreciation and amortisation expenses</b>		
Depreciation on property, plant and equipment	117.12	107.66
Amortisation of intangible assets	4.18	6.69
	<b>121.30</b>	<b>114.35</b>
<b>27. Other expenses</b>		
Power and fuel	26.78	25.15
Rent (Refer Note 31)	68.71	76.51
Insurance	6.96	5.14
Repairs and maintenance		
- Machinery	18.97	29.65
- Others	15.38	13.16
Office maintenance	30.41	35.65
Rates and taxes	10.53	9.41
Printing and stationery	1.73	2.72
Postage, courier and octroi	7.44	6.17
Communication charges	51.99	54.95
Training and recruitment expenses	9.03	16.09
Travelling and conveyance	119.98	123.18
Legal, professional & consultancy charges	100.72	100.12
Commission to non whole time directors	7.88	8.45
Remuneration to auditors (Refer Note below)	6.74	10.77
Marketing expenses	40.53	149.68
Business development expenses	194.41	176.26
Bad debts written off	13.31	6.85
Less: Provision for doubtful debts released	13.31	6.85
Provision for doubtful debts	16.97	98.72
Brokerage and commission	0.10	0.71
Corporate social responsibility (CSR) expenses (Refer Note 36)	7.34	3.50
Bank charges	5.02	4.83
Miscellaneous expenses	1.60	2.31
	<b>749.22</b>	<b>953.13</b>

## Notes to Financial Statements

(Rupees in millions, except share and per share data, unless otherwise stated)

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Note:</b>		
<b>Auditor's remuneration</b>		
<b>As auditor:</b>		
Audit fee	2.85	2.85
Taxation matters	0.50	1.30
Other services*	2.38	5.45
Reimbursement of expenses and levies*	1.01	1.17
	<u>6.74</u>	<u>10.77</u>
*Includes an amount of ₹ 1.29 million paid to erstwhile auditors.		
<b>28. Income taxes</b>		
Income tax expense in the statement of profit and loss consist of:		
<b>Current income tax:</b>		
In respect of current period	115.64	166.26
In respect of previous period	-	7.53
<b>Deferred tax</b>		
In respect of current period	(83.36)	(109.59)
<b>Income tax expense recognised in the statement of profit and loss</b>	<u>32.28</u>	<u>64.20</u>
<b>Income tax recognised in other comprehensive income</b>		
Net loss/(gain) on remeasurement of defined benefit plan	9.24	(3.29)
	<u>9.24</u>	<u>(3.29)</u>

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before tax	421.24	490.48
Enacted income tax rate in India	34.61%	34.61%
Computed expected tax expense	145.78	169.75
<b>Effect of:</b>		
Income that is exempt from tax	(82.27)	(103.25)
Expenses that are not deductible in determining taxable profit	14.41	24.99
Income subject to different tax rates	(25.06)	(20.92)
Others	(20.58)	(6.37)
<b>Income tax expense recognised in the statement of profit and loss</b>	<u>32.28</u>	<u>64.20</u>

The tax rates under Indian Income Tax Act for the year ended March 31, 2018 and March 31, 2017 is 34.61%

## Notes to Financial Statements

(Rupees in millions, except share and per share data, unless otherwise stated)

### Deferred tax

Deferred tax assets/(liabilities) as at March 31, 2018 are as follows:

	April 1, 2017	Recognised in profit and loss	Recognised in OCI	March 31, 2018
Difference between book and tax depreciation	0.58	35.22	-	35.80
Others (Provision for compensated absences, gratuity, doubtful debts etc.)	199.28	4.83	(9.24)	194.87
MAT credit entitlement	163.50	43.31	-	206.81
	<b>363.36</b>	<b>83.36</b>	<b>(9.24)</b>	<b>437.48</b>

Deferred tax assets/(liabilities) as at March 31, 2017 are as follows:

	April 1, 2016	Recognised in profit and loss	Recognised in OCI	March 31, 2017
Difference between book and tax depreciation	20.69	(20.11)	-	0.58
Others (Provision for compensated absences, gratuity, doubtful debts etc.)	167.49	28.50	3.29	199.28
MAT credit entitlement	62.30	101.20	-	163.50
	<b>250.48</b>	<b>109.59</b>	<b>3.29</b>	<b>363.36</b>

### 29 A. Contingent liabilities

The Company is involved in taxation and other disputes, lawsuits, proceedings etc. that arise from time to time in the ordinary course of business. Management is of the view that these claims are not tenable and will not have any material adverse effect on the Company's financial position and result of operations.

- Disputed Service tax ₹ 14.18 Million (March 31, 2017: ₹ 19.69 Million), disputed Income Tax ₹ 901.08 Million (March 31, 2017: ₹ 457.80 Million) and disputed Value added tax ₹ 25.62 Million (March 31, 2017: ₹ 51.43 Million).
- Claims against the Company not acknowledged as debt is ₹ 8.82 Million (March 31, 2017: ₹ 7.62 Million).
- The Company, in January 2018, received a Show Cause Notice (SCN) related to a potential Service tax liability of ₹ 999.50 million. Management has responded on the SCN and believes that they have strong case on merits and expect to challenge the SCN issued to defend its position.

### B. Capital commitments

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for is ₹ 8.83 Million (at March 31, 2017: ₹ 4.85 Million).

### 30 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, 2018	For the year ended March 31, 2017
Employer's contribution to provident fund	47.04	48.85
Contribution for foreign branches	9.05	6.00

\* Included in Note 24

## Notes to Financial Statements

(Rupees in millions, except share and per share data, unless otherwise stated)

### II Reconciliation of net defined benefit asset/ (liability)

#### Gratuity

Amount recognised in the statement of profit and loss in respect of gratuity cost is as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Gratuity cost</b>		
Current service cost	10.36	11.39
Past service cost	20.94	-
Interest cost	7.21	6.57
Expected return on plan assets	(5.57)	(4.79)
	32.94	13.17
Actuarial (gain)/loss recognised in OCI	(26.71)	9.51
<b>Net gratuity cost</b>	<b>6.23</b>	<b>22.68</b>
<b>Assumptions</b>		
Discount rate	7.65% p.a	7.45% p.a
Salary increase	8% p.a. for first 6 years and 7.0% p.a thereafter	12% 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.

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The following table sets out the status of the gratuity plan:

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Change in projected benefit obligations:</b>		
Obligation at the beginning of the year	96.87	83.16
Current service cost	10.36	11.39
Interest cost	7.21	6.57
Benefits paid	(10.67)	(12.98)
Actuarial gain/(loss) recognised in OCI	(27.03)	8.73
Past service cost	20.94	-
<b>Obligation at the end of the year</b>	<b>97.68</b>	<b>96.87</b>
<b>Change in plan assets:</b>		
Fair value of plan assets at the beginning of the year	74.82	60.68
Interest income	5.57	4.79
Actuarial gain/(loss) recognised in OCI	(0.32)	(0.78)
Contributions paid into the plan	12.49	22.76
Benefits paid	(10.67)	(12.63)
<b>Closing fair value of plan assets</b>	<b>81.89</b>	<b>74.82</b>

## Notes to Financial Statements

(Rupees in millions, except share and per share data, unless otherwise stated)

### Reconciliation of present value of defined benefit obligation and the fair value of plan assets:

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of defined benefit obligation	(97.68)	(96.87)
Fair value of plan assets	81.89	74.82
<b>Asset / (liability) recognised</b>	<b>(15.79)</b>	<b>(22.05)</b>

### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have effected the defined benefit obligation by the amount shown below:

	At at March 31, 2018		At at March 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(11.05)	13.30	(10.11)	12.18
Future salary growth (1% movement)	9.26	(8.67)	5.00	(5.32)

Maturity profile of defined benefit obligation:

Particulars	As at March 31, 2018	As at March 31, 2017
Within 1 year	8.55	9.50
2-5 years	27.65	32.91
<b>6-10 years</b>	<b>19.79</b>	<b>23.28</b>
<b>More than 10 years</b>	<b>261.26</b>	<b>223.80</b>

Assumptions regarding future mortality are based on published statistics and mortality tables.

Estimate of amount of contribution in the immediately next year ₹ 15.79 Million.

As at March 31, 2018 and March 31, 2017 100% of the plan assets were invested in insurer managed funds.

The defined benefit plan expose the Company to actuarial risks such as longevity risk, interest rate risk and market (investment) risk.

As at March 31, 2018, the weighted average duration of defined benefit obligation based on discounted cashflows is 13 years (March 31, 2017- 12 years)

### III Other long- term benefits

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

Particulars *	For the year ended March 31, 2018	For the year ended March 31, 2017
Compensated absences	(7.06)	13.50

\* Included in Note 24

Actuarial assumptions for compensated absences are same as disclosed above for gratuity.

## Notes to Financial Statements

(Rupees in millions, except share and per share data, unless otherwise stated)

### 31 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	For the year ended March 31, 2018	For the year ended March 31, 2017
Expenses recognised in the Statement of Profit and Loss under non-cancellable operating lease	20.11	13.48
<b>Future minimum lease payments under non- cancellable operating leases:</b>		
Not later than 1 year	48.05	16.72
Later than 1 year and not later than 5 years	4.66	15.68
Additionally, the company lease office facilities under cancellable operating leases for office space.		
Rental expense under cancellable operating lease	48.60	63.03

### 32 Employee Stock Option Plans

The Company instituted the Employee Stock Option Plan (ESOP), which were approved by the Board of Directors. Each option is entitled to 1 equity share of ₹ 10 each. All options expires in 5 years after the vesting date. Details of ESOPs with the terms of vesting are as follows:

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	
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.

## Notes to Financial Statements

(Rupees in millions, except share and per share data, unless otherwise stated)

Plan	Board approval date	Share holder's approval date	Total options appropriated before bonus	Terms of Vesting
OnMobile Employees Stock Option Plan III 2008	31-Oct-08	1-Aug-08	748,240	For 297,170 Options 50% of the options granted would vest at the end of one year and 25% of the options would vest on a monthly basis at the end of each of second and third years from the grant date respectively and for the balance 451,070 Options granted under the Plan the vesting would be 25% of the Options would vest at the end of one year and the rest of the options shall vest at the rate of 1/36th of the options shall vest every month for the next three years.
OnMobile Employees Stock Option Plan III 2008	29-Apr-09	1-Aug-08	113,150	25% of such Options granted would vest at the end of twelve (12) months from the date the Optionee becomes an employee of the Company and the remaining 75% would vest at a rate of 1/36th per month for the next thirty six (36) months from the first Vesting.
OnMobile Employees Stock Option Plan III 2008	31-Jul-09	1-Aug-08	26,680	25% of such Options granted would vest at the end of twelve (12) months from the date the Optionee becomes an employee of the Company and the remaining 75% would vest at a rate of 1/36th per month for the next thirty six (36) months from the first Vesting.
OnMobile Employees Stock Option Plan III 2008	26-Oct-09	1-Aug-08	75,000	25% of such Options granted would vest at the end of each year over a period of four years.
OnMobile Employees Stock Option Plan III 2008	28-Jan-10	1-Aug-08	68,500	25% of such Options granted would vest at the end of each year over a period of four years.
OnMobile Employees Stock Option Plan IV 2008	26-Sep-08	31-Oct-08	173,953	100% of such Options granted would vest at the end of one year.
OnMobile Employees Stock Option Plan I 2010	30-Apr-10	24-Jul-10	325,000	Vesting period shall be for a minimum of one (1) year and a maximum of four (4) years from the date of the Grant of stock option
OnMobile Employees Stock Option Plan II 2010	30-Apr-10	24-Jul-10	875,000	Vesting period shall be for a minimum of one (1) year and a maximum of four (4) years from the date of the Grant of stock option
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

## Notes to Financial Statements

(Rupees in millions, except share and per share data, unless otherwise stated)

All the above plans are similar in nature and hence aggregated. Numbers of aggregated options granted, exercised and forfeited during the year under the above plans are given below:

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
	Number of Options	Weighted average exercise price (₹) per option	Number of Options	Weighted average exercise price (₹) per option
Options granted outstanding at the beginning of the year	5,486,705	58.18	5,579,391	47.80
Granted during the year	682,646	55.55	1,104,224	93.88
Exercised during the year	(1,220,746)	33.01	(306,094)	37.94
Forfeited during the year	(254,002)	77.77	(708,129)	45.10
Lapsed during the year	(112,979)	40.05	(182,687)	44.83
Options granted outstanding at the end of the year	4,581,624	63.68	5,486,705	58.18
Exercisable at the end of the period	3,136,200	57.98	3,043,176	45.61
Weighted average Share Price during the year (₹)		62.75		101.56
Weighted average remaining contractual life (years) at the year end	4.40 years		4.49 years	
Range of exercise price (after adjusting for bonus issue)	₹ 22.28 to ₹ 128.50		₹ 22.28 to ₹ 128.50	

The fair value of each unit under the above mentioned plans granted during the year is estimated using the Black-Scholes model with the following assumptions:

Grant date	30 Oct 2017	1 Feb 2018
Weighted average fair value as on grant date	29.97	24.48
Weighted average share price	64.60	55.35
Exercise price	64.60	55.35
Expected volatility (%)	57.27%	55.47%
Expected life of the option (years)	4.35	4.35
Expected dividends (%)	15.00%	15.00%
Risk-free interest rate (%)	7.65%	7.65%

## Notes to Financial Statements

(Rupees in millions, except share and per share data, unless otherwise stated)

### 33 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>OnMobile SA. (subsidiary of OnMobile Europe B.V.)</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</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>Livewire Mobile (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> <p>OnMobile Global Limited Colombia S.A.S.</p> <p>OnMobile Global Solutions Canada Limited</p> <p>OnMobile Global South Africa (PTY) Limited</p>

## Notes to Financial Statements

(Rupees in millions, except share and per share data, unless otherwise stated)

SI No.	Relationship	Related parties
(ii)	<b>Other related parties with whom the Company had transactions</b>	
	<b>Key Management Personnel</b>	Francois Charles Sirois, Executive Chairman and Chief Executive Officer Rajiv Khaitan, Independent Director Nancy Cruickshank, Independent Director Sanjay Baweja, Independent Director Nehchal Sandhu, Independent Director (Till July 27, 2017) Pascal Tremblay, Independent Director (Till May 26, 2017) Sanjay Kapoor, Independent Director Chric Arsenault, Independent Director Praveen Kumar K J, Chief Financial Officer (Till March 16, 2018) Ganesh Murthy, Chief Financial Officer (From March 26, 2018) P V Varaprasad, Company Secretary
(iii)	<b>Associate</b>	Mobile Voice Konnect Private Limited
(iv)	<b>Enterprises owned or significantly influenced by key management personnel/ Directors or their relatives</b>	OnMobile Systems Inc., USA

### II Transactions with Related Parties:

SI No.	Nature of transactions	Subsidiary Companies		Key Management Personnel		Total	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
1	<b>Income from services</b>						
	OnMobile Singapore Pte. Ltd.	55.59	45.28	-	-	55.59	45.28
	OnMobile Global for Telecommunication Services	57.50	81.35	-	-	57.50	81.35
	OnMobile Nigeria Telecom Limited	31.67	63.42	-	-	31.67	63.42
	OnMobile Global South Africa (PTY) Limited	87.71	9.11	-	-	87.71	9.11
	OnMobile Ghana Telecom Limited	0.21	0.03	-	-	0.21	0.03
	OnMobile Rwanda Telecom Limited	0.54	0.46	-	-	0.54	0.46
	OnMobile Uruguay S.A	-	3.26	-	-	-	3.26
	OnMobile Telecom Limited.	-	2.93	-	-	-	2.93
	OnMobile Costa Rica OBCR SA	6.00	10.16	-	-	6.00	10.16
	OnMobile Zambia Telecom Limited	10.33	9.87	-	-	10.33	9.87
	OnMobile Global Spain S.L	400.73	494.40	-	-	400.73	494.40
	OnMobile Bangladesh Private Limited	(30.39)	-	-	-	(30.39)	-
	<b>Total</b>	<b>619.89</b>	<b>720.27</b>	<b>-</b>	<b>-</b>	<b>619.89</b>	<b>720.27</b>
2	<b>Business Development expenses/reversals</b>						
	OnMobile USA LLC	88.52	120.44	-	-	88.52	120.44
	Onmobile Turkey Telekomunikasyon Sistemleri Limited Şirketi	5.52	-	-	-	5.52	-
	OnMobile Kenya Telecom Limited	26.50	26.68	-	-	26.50	26.68
	OnMobile Global Limited Colombia S.A.S.	15.96	-	-	-	15.96	-
	Servicios De Telefonía OnMobile SA DE CV	23.95	-	-	-	23.95	-
	OnMobile Global Solutions Canada Limited	33.95	29.15	-	-	33.95	29.15
	<b>Total</b>	<b>194.40</b>	<b>176.27</b>	<b>-</b>	<b>-</b>	<b>194.40</b>	<b>176.27</b>

## Notes to Financial Statements

(Rupees in millions, except share and per share data, unless otherwise stated)

Sl No.	Nature of transactions	Subsidiary Companies		Key Management Personnel		Total	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>3</b>	<b>Transfer of Corporate Costs</b>						
	OnMobile Brasil Sistemas de Valor Agregado Para Comunicacoes Moveis Ltda	-	13.79	-	-	-	13.79
	OnMobile Singapore Pte. Ltd.	16.05	11.47	-	-	16.05	11.47
	OnMobile Global Spain S.L	253.22	225.39	-	-	253.22	225.39
	OnMobile Costa Rica OBCR, SA	2.04	2.46	-	-	2.04	2.46
	<b>Total</b>	<b>271.31</b>	<b>253.11</b>	<b>-</b>	<b>-</b>	<b>271.31</b>	<b>253.11</b>
<b>4</b>	<b>Transfer of Data centre costs absorbed</b>						
	OnMobile USA LLC	37.33	45.10	-	-	37.33	45.10
	<b>Total</b>	<b>37.33</b>	<b>45.10</b>	<b>-</b>	<b>-</b>	<b>37.33</b>	<b>45.10</b>
<b>5</b>	<b>Remuneration to Key management personnel (Refer Note 3 below)</b>						
	Short-term employee benefits	-	-	26.08	80.81	26.08	80.81
	Share- based payment	-	-	2.67	2.43	2.67	2.43
	Others	-	-	16.08	16.35	16.08	16.35
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>44.83</b>	<b>99.59</b>	<b>44.83</b>	<b>99.59</b>
<b>6</b>	<b>Dividend Income</b>						
	OnMobile Brasil Sistemas de Valor Agregado Para Comunicacoes Moveis Ltda	60.70	82.39	-	-	60.70	82.39
	OnMobile Bangladesh Private Limited	113.55	154.69	-	-	113.55	154.69
	OnMobile Singapore Pte. Ltd.	31.26	-	-	-	31.26	-
	<b>Total</b>	<b>205.51</b>	<b>237.08</b>	<b>-</b>	<b>-</b>	<b>205.51</b>	<b>237.08</b>
<b>7</b>	<b>Interest Income</b>						
	OnMobile Rwanda Telecom Limited	0.08	0.09	-	-	0.08	0.09
	Onmobile Turkey Telekomunikasyon Sistemleri Limited Şirketi	0.87	0.86	-	-	0.87	0.86
	OnMobile USA LLC	46.19	40.47	-	-	46.19	40.47
	OnMobile Portugal SGPS	0.12	0.11	-	-	0.12	0.11
	OnMobile Global Czech Republic s.r.o.	0.31	0.29	-	-	0.31	0.29
	<b>Total</b>	<b>47.57</b>	<b>41.82</b>	<b>-</b>	<b>-</b>	<b>47.57</b>	<b>41.82</b>
<b>8</b>	<b>Investments made during the year in</b>						
	OnMobile Global for Telecommunication Services	-	0.30	-	-	-	0.30
	<b>Total</b>	<b>-</b>	<b>0.30</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.30</b>
<b>9</b>	<b>Recovery of Expenses from</b>						
	OnMobile Singapore Pte. Ltd.	10.94	10.61	-	-	10.94	10.61
	OnMobile Live Inc	-	6.98	-	-	-	6.98
	<b>Total</b>	<b>10.94</b>	<b>17.59</b>	<b>-</b>	<b>-</b>	<b>10.94</b>	<b>17.59</b>
<b>10</b>	<b>Reimbursement of Expenses to</b>						
	OnMobile S.A.	123.55	122.02	-	-	123.55	122.02
	<b>Total</b>	<b>123.55</b>	<b>122.02</b>	<b>-</b>	<b>-</b>	<b>123.55</b>	<b>122.02</b>

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(Rupees in millions, except share and per share data, unless otherwise stated)

SI No.	Nature of transactions	Subsidiary Companies		Key Management Personnel		Total	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
11	<b>Transfer of Fixed Assets, AMC, Content Cost, Freight and Insurance</b>						
	OnMobile Singapore Pte. Ltd.	-	1.07	-	-	-	1.07
	OnMobile Global South Africa (PTY) Limited	0.02	-	-	-	0.02	-
	OnMobile Kenya Telecom Limited	0.63	-	-	-	0.63	-
	OnMobile Global for Telecommunication Services	0.02	-	-	-	0.02	-
	OnMobile Nigeria Telecom Limited	0.02	-	-	-	0.02	-
	OnMobile Zambia Telecom Limited	0.01	-	-	-	0.01	-
	OnMobile Global Spain S.L.	1.67	-	-	-	1.67	-
	OnMobile USA LLC.	3.12	-	-	-	3.12	-
	<b>Total</b>	<b>5.49</b>	<b>1.07</b>	<b>-</b>	<b>-</b>	<b>5.49</b>	<b>1.07</b>
12	<b>Loans/ Advances given</b>						
	OnMobile USA LLC.	-	190.75	-	-	-	190.75
		<b>-</b>	<b>190.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>190.75</b>

### III Balances with Related Parties:

SI No.	Nature of transactions	Subsidiary Companies		Key Management Personnel		Total	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
13	<b>Prepaid Expenses</b>						
	OnMobile S.A.	-	1.97	-	-	-	1.97
	<b>Total</b>	<b>-</b>	<b>1.97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.97</b>
14	<b>Trade Payables</b>						
	OnMobile Singapore Pte. Ltd.	37.55	39.46	-	-	37.55	39.46
	OnMobile S.A.	66.44	39.93	-	-	66.44	39.93
	Servicios De Telefonía OnMobile Sa De Cv	5.88	6.05	-	-	5.88	6.05
	OnMobile Brasil Sistemas de Valor Agregado Para Comunicacoes Moveis Ltda	20.19	20.77	-	-	20.19	20.77
	OnMobile Costa Rica OBCR SA	4.16	2.14	-	-	4.16	2.14
	OnMobile Live Inc	0.41	0.49	-	-	0.41	0.49
	Onmobile Telecom Burkina Faso, SARL	3.28	2.54	-	-	3.28	2.54
	OnMobile Global SA	-	4.73	-	-	-	4.73
	OnMobile Kenya Telecom Limited	0.25	9.92	-	-	0.25	9.92
	OnMobile Telecom Limited.	-	8.25	-	-	-	8.25
	OnMobile Senegal SARL	36.36	31.66	-	-	36.36	31.66
	OnMobile Madagascar Telecom Limited	4.63	4.60	-	-	4.63	4.60
	OnMobile Nigeria Telecom Limited	16.02	6.29	-	-	16.02	6.29
	OnMobile Rwanda Telecom Limited	5.34	5.50	-	-	5.34	5.50
	OnMobile Telecom (SL) Limited	-	2.29	-	-	-	2.29
	OnMobile Zambia Telecom Limited	7.84	15.79	-	-	7.84	15.79
	OnMobile Uruguay S.A	2.00	8.19	-	-	2.00	8.19

## Notes to Financial Statements

(Rupees in millions, except share and per share data, unless otherwise stated)

Sl No.	Nature of transactions	Subsidiary Companies		Key Management Personnel		Total	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Onmobile Turkey Telekomunikasyon Sistemleri Limited Şirketi	2.32	-	-	-	2.32	-
	OnMobile Global Spain S.L	42.18	-	-	-	42.18	-
	OnMobile Global Solutions Canada Limited	2.99	15.00	-	-	2.99	15.00
	<b>Total</b>	<b>257.84</b>	<b>223.60</b>	<b>-</b>	<b>-</b>	<b>257.84</b>	<b>223.60</b>
<b>15</b>	<b>Amount Receivables under:</b>						
<b>a</b>	<b>Long term loans and advances</b>						
	OnMobile Rwanda Telecom Limited	1.30	1.95	-	-	1.30	1.95
	Onmobile Turkey Telekomunikasyon Sistemleri Limited Şirketi	17.60	16.72	-	-	17.60	16.72
	OnMobile Global Czech Republic s.r.o.	6.52	6.49	-	-	6.52	6.49
	OnMobile Portugal SGPS	4.01	3.46	-	-	4.01	3.46
	OnMobile USA LLC.	972.08	967.20	-	-	972.08	967.20
<b>b</b>	<b>Accrued interest</b>						
	OnMobile Rwanda Telecom Limited	0.02	0.08	-	-	0.02	0.08
	Onmobile Turkey Telekomunikasyon Sistemleri Limited Şirketi	0.95	0.07	-	-	0.95	0.07
	OnMobile Global Czech Republic s.r.o.	0.62	0.30	-	-	0.62	0.30
	OnMobile Portugal SGPS	0.54	0.36	-	-	0.54	0.36
	OnMobile USA LLC.	130.02	83.70	-	-	130.02	83.70
<b>c</b>	<b>Trade Receivables</b>						
	OnMobile Singapore Pte. Ltd.	-	8.04	-	-	-	8.04
	OnMobile Global for Telecommunication Services	-	0.31	-	-	-	0.31
	OnMobile Nigeria Telecom Limited	16.77	-	-	-	16.77	-
	OnMobile Global Spain S.L	-	1.16	-	-	-	1.16
<b>d</b>	<b>Other Financial Assets</b>						
	OnMobile Singapore Pte. Ltd.	34.01	7.11	-	-	34.01	7.11
	PT OnMobile Indonesia	-	1.60	-	-	-	1.60
	OnMobile Global for Telecommunication Services	161.55	275.25	-	-	161.55	275.25
	Servicios De Telefonía OnMobile Sa De Cv	94.04	108.38	-	-	94.04	108.38
	OnMobile De Venezuela C A	190.13	189.18	-	-	190.13	189.18
	OnMobile USA LLC.	121.72	166.77	-	-	121.72	166.77
	OnMobile Global South Africa (PTY) Limited	136.13	34.99	-	-	136.13	34.99
	OnMobile Brasil Sistemas de Valor Agregado Para Comunicacoes Moveis Ltda	5.36	5.50	-	-	5.36	5.50
	OnMobile Global SA	170.09	195.96	-	-	170.09	195.96
	OnMobile Kenya Telecom Limited	50.78	50.80	-	-	50.78	50.80
	OnMobile Mali SARL	9.39	8.87	-	-	9.39	8.87
	OnMobile Senegal SARL	41.29	36.71	-	-	41.29	36.71
	OnMobile Telecom Limited.	6.02	14.38	-	-	6.02	14.38
	OnMobile Costa Rica OBCR SA	10.37	8.77	-	-	10.37	8.77
	OnMobile Ghana Telecom Limited	11.46	14.72	-	-	11.46	14.72
	OnMobile Madagascar Telecom Limited	10.00	8.84	-	-	10.00	8.84

## Notes to Financial Statements

(Rupees in millions, except share and per share data, unless otherwise stated)

SI No.	Nature of transactions	Subsidiary Companies		Key Management Personnel		Total	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	OnMobile Nigeria Telecom Limited	110.09	104.70	-	-	110.09	104.70
	OnMobile Rwanda Telecom Limited	12.83	13.87	-	-	12.83	13.87
	OnMobile Uganda Limited	19.06	18.04	-	-	19.06	18.04
	OnMobile Zambia Telecom Limited	20.78	33.35	-	-	20.78	33.35
	OnMobile Telecom (SL) Limited	7.79	7.51	-	-	7.79	7.51
	OnMobile Global Spain S.L	436.77	241.84	-	-	436.77	241.84
	OnMobile Uruguay S.A	7.65	13.70	-	-	7.65	13.70
	Onmobile Turkey Telekomunikasyon Sistemleri Limited Şirketi	4.11	5.35	-	-	4.11	5.35
	Onmobile Telecom Burkina Faso, SARL	23.67	23.31	-	-	23.67	23.31
	OnMobile Global Limited Colombia S.A.S.	14.04	18.60	-	-	14.04	18.60
	OnMobile Global Czech Republic s.r.o.	1.95	1.82	-	-	1.95	1.82
	OnMobile Bangladesh Private Limited	10.86	38.52	-	-	10.86	38.52
	OnMobile Live Inc	36.26	36.21	-	-	36.26	36.21
	OnMobile Tanzania Telecom Limited	5.66	4.22	-	-	5.66	4.22
	<b>Total</b>	<b>2,914.29</b>	<b>2,778.71</b>	<b>-</b>	<b>-</b>	<b>2,914.29</b>	<b>2,778.71</b>

### Notes:

- 1 Related party relationships are as identified by the Company on the basis of information available and relied by the auditors.
- 2 During the year, Provision of ₹ Nil (March 31, 2017: ₹ 33.46 Milion) has been provided for expected credit loss on other financial assets from related parties. The total balance of provision for expected credit loss as on March 31, 2018: ₹314.08 Million (March 31, 2017: ₹ 314.58 Million)
- 3 Employment benefits exclude gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.

### 34 Financial instruments by category

Particulars	Carrying value		Fair value	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
<b>Financial assets</b>				
<b>Amortised cost</b>				
Loans	1,203.87	1,160.14	1,203.87	1,160.14
Trade receivables	554.50	533.73	554.50	533.73
Cash and cash equivalents	695.46	765.75	695.46	765.75
Other bank balances	48.69	3.21	48.69	3.21
Other financial assets	1,659.43	1,652.17	1,659.43	1,652.17
<b>FVTPL (Level 2)</b>				
Investments in mutual funds	1,203.30	930.32	1,203.30	930.32
Derivative assets	-	34.49	-	34.49
<b>Total financial assets</b>	<b>5,365.25</b>	<b>5,079.81</b>	<b>5,365.25</b>	<b>5,079.81</b>
<b>Financial liabilities</b>				
<b>Amortised cost</b>				
Trade payables	986.07	1,059.06	986.07	1,059.06
Other financial liabilities	69.53	78.56	69.53	78.56
<b>Total financial liabilities</b>	<b>1,055.60</b>	<b>1,137.62</b>	<b>1,055.60</b>	<b>1,137.62</b>

## Notes to Financial Statements

(Rupees in millions, except share and per share data, unless otherwise stated)

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### Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised at fair value and amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments under the accounting standard as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities,

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), and

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- i) Long-term fixed-rate receivables are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.
- ii) The fair value of the unquoted mutual fund are based on market observable inputs at reporting date. The fair value of other financial liabilities is estimated by credit risk and remaining maturities.
- iii) The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivative financials instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

### Capital Management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders to optimise equity. The Company's Corporate Treasury reviews the capital structure on a quarterly basis.

The capital structure of the Company consists of only equity. The Company is not subject to any externally imposed capital requirements.

### Financial risk management

The Company's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risk.

The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the company is foreign exchange risk along with credit risk and liquidity risk.

The Company seeks to minimise the effects of these forex by hedging the forex exposures through forward contracts, liquidity risk by diversifying its investments in various schemes of debt mutual funds and fixed deposits. The Company manages its credit risks by monitoring the credit rating of the customers, banks and mutual funds. Corporate Treasury Function reports quarterly to the Company's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

### Market Risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rate, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

#### (i) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to Company's investments. The Company's investments are primarily short term, which do not expose it to significant interest rate risk.

#### (ii) Foreign currency exchange rate risk:

The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the

## Notes to Financial Statements

(Rupees in millions, except share and per share data, unless otherwise stated)

respective foreign operations. The Company enters into forward foreign exchange contracts to hedge its exposure to foreign currency risk arising on the net export of services.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	As at March 31, 2018			Total
	USD	EURO	Other currencies*	
<b>Assets</b>				
Trade receivables	305.28	-	51.37	356.65
Cash and cash equivalents	56.22	12.15	158.90	227.27
Other Assets	2,263.47	424.19	530.87	3,218.53
<b>Liabilities</b>				
Trade payable	(31.78)	(66.61)	(133.66)	(232.05)
Other Liabilities	(168.93)	(86.24)	(101.62)	(356.79)
<b>Net assets/(liabilities)</b>	<b>2,424.26</b>	<b>283.49</b>	<b>505.86</b>	<b>3,213.61</b>

\*Other currencies include BDT, EGP, BRL, CAD, MXN, MYR, SGD, COP, PEN, ZAR etc.

Particulars	As at March 31, 2017			Total
	USD	EURO	Other currencies*	
<b>Assets</b>				
Trade receivables	312.30	-	57.87	370.17
Cash and cash equivalents	88.90	51.31	195.30	335.51
Other Assets	2,431.28	255.47	652.98	3,339.73
<b>Liabilities</b>				
Trade payable	(45.55)	(86.27)	(180.03)	(311.85)
Other Liabilities	(180.61)	(73.90)	(78.27)	(332.78)
<b>Net assets/(liabilities)</b>	<b>2,606.32</b>	<b>146.61</b>	<b>647.85</b>	<b>3,400.78</b>

\*Other currencies include BDT, EGP, BRL, CAD, MXN, MYR, SGD, COP, PEN, ZAR etc.

The Company is mainly exposed to USD and EUR for the year ended March 31, 2018. Every 1% increase/decrease in the said currencies compared to Indian Rupee would impact profit and equity by 1.08%/(1.08%) and 0.38%/(0.38%) respectively. For the year ended March 31, 2017 the impact on profit and equity was 0.90%/(0.90%) and 0.41%/(0.41%) respectively.

### Derivative financial instruments

The Company is exposed to foreign currency fluctuations on foreign currency assets/liabilities and forecasted cash flows denominated in foreign currency. The Company follows established risk management policies, including the use of derivatives to hedge foreign currency assets/liabilities and foreign currency forecasted cash flows. The counter party in these derivative instruments is a bank and the Company considers the risks of non-performance by the counterparty as non-material.

## Notes to Financial Statements

(Rupees in millions, except share and per share data, unless otherwise stated)

The following table presents the aggregate contracted principal amounts of the Company's derivative contracts outstanding:

Non designated derivative Instrument	As at March 31, 2018 Nominal Value	As at March 31, 2017 Nominal Value	Currency	As at March 31, 2018	As at March 31, 2017
	(In ₹ Mn)	(In ₹ Mn)		(Foreign Currency in Mn)	(Foreign Currency in Mn)
Forward Contract - (SELL)	260.71	226.98	USD/INR	4.00	3.50
Forward Contract - (SELL)	280.63	207.87	EUR/INR	3.50	3.00
<b>Total Forward contracts</b>	<b>541.34</b>	<b>434.85</b>		<b>7.50</b>	<b>6.50</b>

The foreign exchange forward contracts mature within 12 months. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as at the reporting date:

Particulars	As at March 31, 2018 Nominal Value	As at March 31, 2017 Nominal Value
Not later than 1 month	72.68	101.71
Later than 1 month but not later 3 months	145.36	168.78
Later than 3 month but not later 1 year	323.30	164.36
	<b>541.34</b>	<b>434.85</b>

In respect of the Company's forward contracts, a 1% decrease/increase in the respective exchange rates of each of the currencies underlying such contracts would have resulted in:

- an approximately 0.22% increase and (0.22%) decrease in the Company's net profit and approximately 0.08% increase and (0.08%) decrease in equity as at March 31, 2018;
- an approximately 0.14% increase and (0.14%) decrease in the Company's net profit and approximately 0.06% increase and (0.06%) decrease in equity as at March 31, 2017.

### Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

#### i) Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. The following table gives details in respect of revenues generated from top customer and top 4 customers:

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Revenue from top customer	402.65	494.40
Revenue from top 4 customers	1,311.31	1,730.25

4 customers accounted for more than 10% of the revenue, no other single customer contributed 10% or more of the Company's revenue for both 2017-18 and 2016-17.

## Notes to Financial Statements

(Rupees in millions, except share and per share data, unless otherwise stated)

### ii) Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter parties, and does not have any significant concentration of exposures to specific industry sectors.

### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company's corporate treasury department is responsible for liquidity management, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The table below provides details regarding the contractual maturities of significant financial liabilities:

Particulars	As at March 31, 2018	As at March 31, 2017
	Less than 1 Year	Less than 1 Year
Trade payables	986.07	1,059.06
Other financial liabilities	69.53	78.56
<b>Total</b>	<b>1,055.60</b>	<b>1,137.62</b>

### 35 Earnings per share

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit after taxation as per the statement of profit and loss	388.96	426.28
Weighted average number of equity shares	104,850,937	104,929,992
Weighted average number of equity shares for basic EPS	104,850,937	104,929,992
Weighted average number of equity shares resulting from assumed exercise of employee stock options	10,919	557,929
Weighted average number of equity shares for diluted EPS	104,861,856	105,487,921
	₹	₹
Nominal value of equity shares	10.0	10.0
Earnings per share		
Basic	3.71	4.06
Diluted	3.71	4.04

36 Total expenditure required to be incurred and accordingly paid on Corporate Social Responsibility activities other than construction/ acquisition of assets, as per the requirements of Section 135 of the Companies Act, 2013 during the year ended March 31, 2018 is ₹ 7.34 Million (during the year ended March 31, 2017: ₹ 3.50 Million).

37 The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2018 has been made in the financials statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Based on the information available with the Company, there are no dues to suppliers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006" as at 31 March 2018.

## Notes to Financial Statements

(Rupees in millions, except share and per share data, unless otherwise stated)

- 38 The Company prepares consolidated financial statements, hence as per Indian Accounting Standard 108 Operating Segments, segment information has not been provided in the standalone financial statements.
- 39 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, 2018	For the year ended March 31, 2017
Employee benefits expense (Net)	114.07	115.83
Other expenses	157.25	137.27
<b>Total</b>	<b>271.32</b>	<b>253.10</b>

- 40 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 movable 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.
- 41 During the year ended March 31, 2017, the Egyptian Government devalued the currency Egyptian pound (EGP). The effect of restatement of the amount receivable in EGP from the Company's subsidiary in Egypt on such devaluation amounting to ₹116.56 million is presented as an exceptional item.
- 42 During the previous year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs* (₹)	Other denomination notes (₹)	Total (₹)
Closing cash in hand as on November 8, 2016	11,500	3,555	15,055
Add: Permitted receipts	-	40,000	40,000
Less: Permitted payments	-	18,356	18,356
Less: Amount deposited in Banks	11,500	-	11,500
Closing cash in hand as on December 30, 2016	-	<b>25,199</b>	<b>25,199</b>

\*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

As per our report of even date attached

**For B S R & Co. LLP**

Chartered Accountants  
Firm registration number: 101248W/W-100022

**Supreet Sachdev**

Partner  
Membership Number- 205385

Place: Bengaluru  
Date: May 16, 2018

For and on behalf of the Board of Directors

**François-Charles Sirois**  
Executive Chairman and  
Chief Executive Officer  
DIN- 06890830

**Ganesh Murthy**  
Chief Financial Officer

Place: Bengaluru  
Date: May 16, 2018

**Sanjay Baweja**  
Director  
DIN- 00232126

**P V Varaprasad**  
Company Secretary  
Membership Number- FCS 5877

# INDEPENDENT AUDITOR'S REPORT

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To the Members of ONMOBILE GLOBAL LIMITED (Holding Company)

## Report on the Audit of Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Onmobile Global Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its associate, which comprise the Consolidated Balance Sheet as at 31 March, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow for the year then ended, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

## Management's Responsibility for the Consolidated Ind AS 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 state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

The respective Board of Directors of the companies included in the Group and 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 its associate 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 consolidated 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## 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, as well as evaluating the overall presentation of the consolidated financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Group and of its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Group and its associate to cease to continue as a going concern.

## 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 31 March, 2018, and their consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

## Other Matters

The corresponding figures of the Group for the year ended 31 March, 2017, included in these consolidated financial statements have been audited by another auditor who expressed an unmodified opinion vide its report dated on 26 May, 2017 on consolidated financial statements of the Group for the year ended 31 March, 2017.

Our opinion on the consolidated financial statements is not modified in respect of the above matter.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on the other financial information of associate 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 Ind AS 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, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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 Indian Accounting Standards prescribed under Section 133 of the Act;
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2018 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its associate incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March, 2018 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 with reference to the financial statements of the Holding Company and its associate incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
  - (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 and based on the consideration of the report of the other auditors on other information of its associate:
    - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, and its associate. Refer Note 29 to the consolidated financial statements;
    - ii. provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for the material foreseeable losses, if any, on long-term contracts including derivative contracts. Refer note 42 to the consolidated Ind AS financial statements;
    - iii. there has been no delay in transferring amounts, to the Investor Education and Protection Fund by the Holding Company and its associate incorporated in India during the year ended 31 March, 2018; and
    - iv. the disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November, 2016 to 30 December, 2016 have not been made since they do not pertain to the financial year ended 31 March, 2018. However amounts as appearing in the audited consolidated financial statements for the period ended 31 March, 2017 have been disclosed.

**For B S R & Co. LLP**

Chartered Accountants

Firm's registration number: 101248W/W-100022

**Supreet Sachdev**

Partner

Membership number: 205385

Place: Bengaluru  
Date: 16 May 2018

# ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

**Report of even date on the consolidated financial statements of Onmobile Global Limited ("the Company")**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March, 2018, we have audited the internal financial controls with reference to consolidated Ind AS financial statement of Onmobile Global Limited ("the Holding Company") and its associate company which is a company incorporated in India, as of that date.

## **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Holding Company and its associate company, are responsible for establishing and maintaining internal financial controls based on the internal control based on consolidated Ind AS financial statement 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 ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 Companies Act, 2013.

## **Auditors' Responsibility**

Our responsibility is to express an opinion on the Holding Company and its associate which is incorporated in India, internal financial controls with reference to consolidated Ind AS financial statement based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 with reference to consolidated Ind AS financial statement 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 with reference to consolidated Ind AS financial statement and their operating effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statement included obtaining an understanding of internal financial controls with reference to consolidated Ind AS financial statement, 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 judgment, 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 Holding Company and associate Company which are incorporated in India, internal financial controls system with reference to consolidated Ind AS financial statement.

## **Meaning of Internal Financial Controls with reference to consolidated Ind AS financial statement**

A Company's internal financial control with reference to consolidated Ind AS financial statement 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 with reference to consolidated Ind AS financial statement 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 with reference to consolidated Ind AS financial statement**

Because of the inherent limitations of internal financial controls with reference to consolidated Ind AS financial statement, 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 with reference to consolidated Ind AS financial statement to future periods are subject to the risk that the internal financial control with reference to consolidated Ind AS financial statement 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, the Holding Company and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated Ind AS financial statement and such internal financial controls with reference to consolidated Ind AS financial statement were operating effectively as at 31 March, 2018, based on the internal control with reference to consolidated Ind AS financial statement criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For B S R & Co. LLP**

Chartered Accountants

Firm's registration number: 101248W/W-100022

**Supreet Sachdev**

Partner

Membership number: 205385

Place: Bengaluru

Date: 16 May, 2018

# CONSOLIDATED BALANCE SHEET

(₹ in millions, except share and per share data, unless otherwise stated)

	Notes	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3a	321.94	400.30
Capital work-in-progress		24.06	39.27
Intangible assets	3b	228.53	290.23
Financial assets			
Investments	4	0.02	0.02
Loans	8	48.59	47.16
Other financial assets	10	1.04	1.77
Income tax assets (net)		1,214.78	1,278.41
Deferred tax assets (net)	36	439.05	378.40
Other non-current assets	12	165.53	2.42
		<b>2,443.54</b>	<b>2,437.98</b>
<b>Current assets</b>			
Financial assets			
Investments	5	1,203.30	930.32
Trade receivables	6	1,707.88	1,676.13
Cash and cash equivalents	7 a	1,799.63	2,120.81
Other bank balances	7 b	48.69	10.17
Loans	9	31.68	40.79
Other financial assets	11	649.57	715.57
Other current assets	13	258.83	479.39
		<b>5,699.58</b>	<b>5,973.18</b>
<b>TOTAL</b>		<b>8,143.12</b>	<b>8,411.16</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	1,055.71	1,043.50
Other equity	15	4,707.31	4,591.90
		<b>5,763.02</b>	<b>5,635.40</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provisions	16	37.55	51.67
Deferred tax liabilities (net)		1.08	1.08
		<b>38.63</b>	<b>52.75</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	18	1,879.55	2,114.05
Other financial liabilities	19	34.42	40.90
Provisions	17	165.93	182.85
Other current liabilities	20	261.57	385.21
		<b>2,341.47</b>	<b>2,723.01</b>
<b>TOTAL</b>		<b>8,143.12</b>	<b>8,411.16</b>
Significant accounting policies	2		

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

As per our report of even date attached

For and on behalf of the Board of Directors

**For B S R & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022

**Supreet Sachdev**

Partner

Membership Number - 205385

**François-Charles Sirois**

Executive Chairman and

Chief Executive Officer

DIN - 06890830

**Ganesh Murthy**

Chief Financial Officer

**Sanjay Baweja**

Director

DIN - 00232126

**P V Varaprasad**

Company Secretary

Membership Number - FCS 5877

Place: Bengaluru  
Date: May 16, 2018

Place: Bengaluru  
Date: May 16, 2018

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in millions, except share and per share data, unless otherwise stated)

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations	21	6,356.05	7,202.36
Other income	22	122.82	110.53
<b>TOTAL INCOME (A)</b>		<b>6,478.87</b>	<b>7,312.89</b>
<b>EXPENSES</b>			
Content fees and royalty		2,443.02	2,643.77
Contest expenses, cost of software licenses and others	23	365.04	339.90
Employee benefits expense	24	1,890.25	2,059.78
Finance costs	25	1.06	7.80
Depreciation and amortisation expense	26	479.12	554.85
Other expenses	27	1,008.46	1,158.30
<b>TOTAL EXPENSES (B)</b>		<b>6,186.95</b>	<b>6,764.40</b>
<b>Profit before exceptional items, tax and share of equity accounted investee (C) = (A-B)</b>		<b>291.92</b>	<b>548.49</b>
Exceptional item (D)	41	14.78	172.08
<b>Profit before tax and share of profit of equity accounted investee (E) = (C-D)</b>		<b>277.14</b>	<b>376.41</b>
<b>TAX EXPENSE</b>			
Current tax		240.53	339.90
Deferred tax		(76.84)	(104.39)
<b>Total tax expense (F)</b>		<b>163.69</b>	<b>235.51</b>
<b>Profit for the year before share of profit of equity investee (G) = (E-F)</b>		<b>113.45</b>	<b>140.90</b>
Share of profit / (loss) from associate (net of taxes)		-	-
<b>Profit for the year</b>		<b>113.45</b>	<b>140.90</b>
<b>Other comprehensive income (Net)</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of the defined benefit liabilities / (asset)		26.71	(9.51)
Income tax relating to items that will not be reclassified to profit or loss		(9.24)	3.29
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences in translating the financial statements of foreign operations		105.80	(115.48)
<b>Other comprehensive income / (loss) for the year</b>		<b>123.27</b>	<b>(121.70)</b>
<b>Total comprehensive income / (loss) for the year</b>		<b>236.72</b>	<b>19.20</b>
<b>Earnings per equity share</b>	35		
1. Basic (Face value of equity share of ₹ 10/- each)		1.08	1.34
2. Diluted (Face value of equity share of ₹ 10/- each)		1.08	1.34
Significant accounting policies	2		

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

As per our report of even date attached

For and on behalf of the Board of Directors

**For B S R & Co. LLP**

Chartered Accountants  
Firm registration number: 101248W/W-100022

**Supreet Sachdev**  
Partner  
Membership Number - 205385

**François-Charles Sirois**  
Executive Chairman and  
Chief Executive Officer  
DIN - 06890830

**Ganesh Murthy**  
Chief Financial Officer

**Sanjay Baweja**  
Director  
DIN - 00232126

**P V Varapasad**  
Company Secretary  
Membership Number - FCS 5877

Place: Bengaluru  
Date: May 16, 2018

Place: Bengaluru  
Date: May 16, 2018

# CONSOLIDATED CASH FLOW STATEMENT

(₹ in millions, except share and per share data, unless otherwise stated)

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit for the year	113.45	140.90
Adjustments to reconcile profit before tax to net cash flow:		
Income tax expense recognised in the consolidated statement of profit and loss	163.69	235.51
Share of loss from associate	-	-
Depreciation and amortisation expense	479.13	554.85
Exceptional items	14.78	172.08
Provision for doubtful trade receivables (net)	48.40	101.85
Finance cost	1.06	7.80
Unrealised foreign exchange loss/(gain)	13.30	(19.51)
Loss/(Gain) on disposal of Property, plant and equipment (Net)	(3.33)	(2.11)
Provisions no longer required written back	(26.76)	(0.63)
Expense recognised for share-based payments	34.59	35.39
Dividend income	(48.01)	(44.45)
Interest income	(32.46)	(55.28)
<b>Operating profit before working capital changes</b>	<b>757.84</b>	<b>1,126.40</b>
Changes in operating assets and liabilities:		
Trade receivables	33.24	68.96
Other assets	167.20	243.25
Trade Payables	(421.59)	(213.30)
<b>Cash generated from operations</b>	<b>536.69</b>	<b>1,225.31</b>
Direct taxes paid (net of refunds)	(189.63)	(323.58)
<b>Net cash generated from operating activities</b>	<b>347.06</b>	<b>901.73</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of tangible and intangible assets including capital advances	(343.83)	(187.22)
Proceeds from sale of tangible and intangible assets	27.49	4.79
Sale, Redemption / (Purchase) of short term investments (net)	(272.99)	(2.98)
(Increase)/decrease in other bank balances	(38.52)	208.09
Dividends received	48.01	44.45
Interest received	28.44	56.43
<b>Net cash (used in) / generated from investing activities</b>	<b>(551.40)</b>	<b>123.56</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of share capital	40.30	11.61
Buyback of equity share capital	0.00	(463.75)
Proceeds from / (repayment of) short term borrowings	-	(191.21)
Finance costs	(1.06)	(10.63)
Dividend paid including tax	(183.99)	(156.72)
<b>Net cash (used in) / generated from financing activities</b>	<b>(144.75)</b>	<b>(810.70)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(349.09)</b>	<b>214.59</b>
Effect of exchange differences on translation of foreign currency cash and cash equivalents	27.91	(156.86)
Cash and cash equivalents at the beginning of the year	2,120.81	2,063.08
<b>Cash and cash equivalents at the end of the year (Refer Note 7a)</b>	<b>1,799.63</b>	<b>2,120.81</b>

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

As per our report of even date attached

For and on behalf of the Board of Directors

**For B S R & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022

**Supreet Sachdev**

Partner

Membership Number - 205385

**François-Charles Sirois**

Executive Chairman and

Chief Executive Officer

DIN - 06890830

**Ganesh Murthy**

Chief Financial Officer

**Sanjay Baweja**

Director

DIN - 00232126

**P V Varaprasad**

Company Secretary

Membership Number - FCS 5877

Place: Bengaluru  
Date: May 16, 2018

Place: Bengaluru  
Date: May 16, 2018

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(₹ in millions, except share and per share data, unless otherwise stated)

## a. Equity share capital

	Amount
Issued and paid up capital as at April 1, 2016	1,081.11
Changes in equity share capital during the year	
(a) Issue of share capital under employee stock option plan	3.06
(b) Buy back of equity shares	(40.67)
<b>Balance at March 31, 2017</b>	<b>1,043.50</b>
Changes in equity share capital during the year	
(a) Issue of equity shares under employee share option plan	12.21
<b>Balance at March 31, 2018</b>	<b>1,055.71</b>

## b. Other equity

	Reserves and Surplus					Items of other comprehensive income		Total
	Securities premium reserve	General reserve	Stock Options outstanding account	Capital redemption reserve	Retained earnings	Exchange differences on translating the financial statements of a foreign operation	Remeasurements of the defined benefit liabilities / (asset)	
<b>Balance as at April 1, 2016</b>	2,806.70	13.20	73.75	113.33	2,025.02	78.57	(2.01)	5,108.56
Profit for the year	-	-	-	-	140.90	-	-	140.90
Other comprehensive income	-	-	-	-	-	(115.48)	(6.22)	(121.70)
Total comprehensive income for the year	-	-	-	-	140.90	(115.48)	(6.22)	19.20
Dividend (including tax on dividend)	-	-	-	-	(156.72)	-	-	(156.72)
Exercise of employee stock options	12.18	-	(3.63)	-	-	-	-	8.55
Utilised towards Shares buy-back	(423.08)	-	-	-	-	-	-	(423.08)
Share based payments	-	-	35.39	-	-	-	-	35.39
Transfer to capital redemption reserves	(40.67)	-	-	40.67	-	-	-	-
<b>Balance as at March 31, 2017</b>	<b>2,355.13</b>	<b>13.20</b>	<b>105.51</b>	<b>154.00</b>	<b>2,009.20</b>	<b>(36.91)</b>	<b>(8.23)</b>	<b>4,591.90</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

	Reserves and Surplus					Items of other comprehensive income		Total
	Securities premium reserve	General reserve	Stock Options outstanding account	Capital redemption reserve	Retained earnings	Exchange differences on translating the financial statements of a foreign operation	Remeasurements of the defined benefit liabilities / (asset)	
Balance as at April 1, 2017	2,355.13	13.20	105.51	154.00	2,009.20	(36.91)	(8.23)	4,591.90
Profit for the year	-	-	-	-	113.45	-	-	113.45
Other comprehensive income	-	-	-	-	-	105.80	17.47	123.27
Total comprehensive income for the year	-	-	-	-	113.45	105.80	17.47	236.72
Dividend (including tax on dividend)	-	-	-	-	(183.99)	-	-	(183.99)
Exercise of employee stock options	44.13	-	(16.04)	-	-	-	-	28.09
Share based payments	-	-	34.59	-	-	-	-	34.59
Balance as at March 31, 2018	<u>2,399.26</u>	<u>13.20</u>	<u>124.06</u>	<u>154.00</u>	<u>1,938.66</u>	<u>68.89</u>	<u>9.24</u>	<u>4,707.31</u>

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

As per our report of even date attached

For and on behalf of the Board of Directors

**For B S R & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022

**Supreet Sachdev**

Partner

Membership Number - 205385

**François-Charles Sirois**

Executive Chairman and

Chief Executive Officer

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**Ganesh Murthy**

Chief Financial Officer

**Sanjay Baweja**

Director

DIN - 00232126

**P V Varaprasad**

Company Secretary

Membership Number - FCS 5877

Place: Bengaluru

Date: May 16, 2018

Place: Bengaluru

Date: May 16, 2018

## Significant Accounting Policies forming part of the Consolidated financial statements (Rupees in millions, except share and per share data, unless otherwise stated)

### 1 Company overview

OnMobile Global Limited ('OnMobile' or 'the Company') together with its subsidiaries and its associate ('the Group') is a public limited company incorporated in India and has its registered office at Bengaluru, India. The Company has its primary listings on the Bombay Stock Exchange and National Stock Exchange in India. The Company is engaged in providing value added services such as Ringback Tones, Digital Content Store and Infotainment. OnMobile is the global leader in Ringback Tones. Digital Content Store is a one-stop mobile destination for discovering digital content like videos, games, music and images. Infotainment offers music, contest, news and sports to consumers over the mobile.

### 2 Significant accounting policies

#### Basis of Presentation of these consolidated financial statements

#### a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

These consolidated financial statements have been prepared for the Group as a going concern on the basis of relevant Ind AS that are effective at the Group's annual reporting date, March 31, 2018. The consolidated financial statements are approved for issue, by the Company's Board of Directors on May 16, 2018.

#### b. Basis of Measurement

The consolidated financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items:

- Certain financial assets and liabilities (including derivative instruments) are measured at fair value
- Share based payment transactions and

- Net defined benefit assets/(liabilities) are measured at fair value of plan assets, less present value of defined benefit obligations

#### c. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company, its subsidiaries and the associate.

Control is achieved when the Company has power over the investee, it is exposed or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and cease when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The following entities (all subsidiaries and the associate 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, 2018	% of Ownership held as on March 31, 2017
1	OnMobile Singapore Pte. Ltd.	Singapore	100.00	100.00
2	PT OnMobile Indonesia	Indonesia	100.00	100.00
3	OnMobile S.A. (subsidiary of OnMobile Europe B.V.)	France	100.00	100.00
4	OnMobile Europe B.V.	Netherlands	100.00	100.00
5	OnMobile USA LLC	United States of America	100.00	100.00
6	Servicios De Telefonía OnMobile Sa De Cv	Mexico	100.00	100.00
7	OnMobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis Ltda.	Brazil	100.00	100.00
8	OnMobile De Venezuela C.A. (subsidiary of OnMobile USA LLC)	Venezuela	100.00	100.00

## Significant Accounting Policies forming part of the Consolidated financial statements

(Rupees in millions, except share and per share data, unless otherwise stated)

Sl. No.	Name of entity	Country of Incorporation	% of Ownership held as on March 31, 2018	% of Ownership held as on March 31, 2017
9	OnMobile Global SA	Argentina	100.00	100.00
10	OnMobile Uruguay SA	Uruguay	100.00	100.00
11	OnMobile Senegal SARL	Senegal	100.00	100.00
12	OnMobile Global for Telecommunication Services	Egypt	100.00	100.00
13	OnMobile Mali SARL	Mali	100.00	100.00
14	OnMobile Bangladesh Private Limited	Bangladesh	100.00	100.00
15	OnMobile Servicios Corporativos De Telefonía S.A. DE C.V.	Mexico	100.00	100.00
16	OnMobile Kenya Telecom Limited	Kenya	100.00	100.00
17	OnMobile Costa Rica OBCR, S.A.	Costa Rica	100.00	100.00
18	OnMobile Telecom Limited	Malawi	100.00	100.00
19	OnMobile Global Spain S.L.	Spain	100.00	100.00
20	OnMobile Uganda Limited	Uganda	100.00	100.00
21	OnMobile Zambia Telecom Limited	Zambia	100.00	100.00
22	OnMobile Madagascar Telecom Limited	Madagascar	100.00	100.00
23	OnMobile Rwanda Telecom Limited	Rwanda	100.00	100.00
24	OnMobile Nigeria Telecom Limited	Nigeria	100.00	100.00
25	OnMobile Tanzania Telecom Limited	Tanzania	100.00	100.00
26	OnMobile Ghana Telecom Limited	Ghana	100.00	100.00
27	OnMobile Telecom Sierra Leone Limited	Sierra Leone	100.00	100.00
28	OnMobile Global Solutions Canada Limited	Canada	100.00	100.00
29	OnMobile Global Italy SRL	Italy	100.00	100.00
30	Mobile Voice Konnect Private Limited - Associate	India	50.00	50.00
31	OnMobile Turkey Telekomunikasyon Sistemleri Limited Şirketi	Turkey	100.00	100.00
32	OnMobile Portugal SGPS, Unipessoal LDA (Zona Franca Da Madeira)	Portugal	100.00	100.00
33	OnMobile Telecom Burkina Faso, S.A.R.L.	Burkina Faso	100.00	100.00
34	OnMobile Global South Africa (PTY) LTD	South Africa	100.00	100.00
35	OnMobile Global Czech Republic S.R.O	Czech Republic	100.00	100.00
36	OnMobile Live Inc (subsidiary of OnMobile USA LLC)	United States of America	100.00	100.00
37	Fonestarz Media Group Limited (subsidiary of OnMobile Live Inc)	United Kingdom	100.00	100.00
38	2dayUK Limited (subsidiary of OnMobile Live Inc)	United Kingdom	100.00	100.00
39	Fonestarz Media (licensing) Limited (subsidiary of OnMobile Live Inc)	United Kingdom	100.00	100.00
40	Daius Limited (subsidiary of OnMobile Live Inc)	United Kingdom	100.00	100.00
41	Fonestarz Limited (subsidiary of OnMobile Live Inc)	United Kingdom	100.00	100.00
42	Livewire Mobile (Australia) PTY Limited (subsidiary of OnMobile Live Inc)	Australia	100.00	100.00
43	Fonestarz Media Limited (subsidiary of OnMobile Live Inc)	United Kingdom	100.00	100.00
44	OnMobile Global Limited Colombia S.A.S	Colombia	100.00	100.00
45	OnMobile Latam holding SL (subsidiary of OnMobile USA LLC)	Spain	100.00	100.00

## Significant Accounting Policies forming part of the Consolidated financial statements (Rupees in millions, except share and per share data, unless otherwise stated)

### d. Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

#### Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- i) Note (k) - Useful lives of property, plant and equipment and intangible assets;
- ii) Note (e) - Assessment of functional currency;
- iii) Note (p) - Measurement of defined benefit obligation; key actuarial assumptions;
- iv) Note (q) - Share based compensation to employees;
- v) Note (s) - Provision for income taxes and related tax contingencies and evaluation of recoverability of deferred tax assets;
- vi) Note (c) - Consolidation: whether the group has defacto control on investee.

#### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that might have a significant risk of resulting in a material adjustment in the year ending March 31, 2019 is included in the following notes:

- i. Note (s) – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- ii. Note (t) - impairment test of non-financial assets: key assumptions underlying recoverable amounts;
- iii. Note (i) – impairment of financial assets; and
- iv. Note (v) – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

### e. Functional and presentation currency

The consolidated financial statements are presented in Indian Rupee (INR), the national currency of India, which is the functional currency of the Company. The Company has foreign operations (branches & subsidiaries) for which the functional currency is the currency of the primary economic environment in which these entities operate.

### f. Foreign currency transactions and balances

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit and loss and reported within foreign exchange gains/ (losses).

Non monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

For the purposes of presenting the consolidated financial statements, assets and liabilities of Group's foreign operations with functional currency different from the Company are translated into the Company's functional currency i.e. INR using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any are recognised in other comprehensive income and accumulated in equity.

On the disposal of foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to the consolidated statement of profit and loss.

A monetary item for which settlement to/from a foreign operation is neither planned nor likely to occur in the foreseeable future is considered as a part of the Company's net investment in that foreign operation. On consolidation, exchange differences arising from the translation of any such net investment in foreign operation, are recognised in other comprehensive income and reclassified to consolidated statement of profit or loss, on disposal of the net investment.

### g. Cash flow

Consolidated cash flow statement has been prepared in accordance with the Indirect method prescribed in Indian Accounting Standard 7-“Statement of Cash Flows”. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

## Significant Accounting Policies forming part of the Consolidated financial statements (Rupees in millions, except share and per share data, unless otherwise stated)

### h. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

#### Cash dividend to equity holders

The Company recognises a liability to make cash to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

### i. Financial instruments

#### Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

#### Classification and subsequent measurement

##### Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by- investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

*Financial assets: Subsequent measurement and gains and losses*

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in consolidated statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in consolidated statement of profit and loss. Any gain or loss on derecognition is recognised in consolidated statement of profit and loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in consolidated statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to consolidated statement of profit and loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in consolidated statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to consolidated statement of profit and loss.

## Significant Accounting Policies forming part of the Consolidated financial statements (Rupees in millions, except share and per share data, unless otherwise stated)

### *Financial liabilities: Classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in consolidated statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in consolidated statement of profit and loss. Any gain or loss on derecognition is also recognised in consolidated statement of profit and loss.

### **Derecognition**

#### Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its consolidated balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

#### Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in consolidated statement of profit and loss.

### **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### **Derivative financial instruments**

The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in foreign exchange rates on foreign currency assets and liabilities and forecasted cash flows denominated in foreign currencies. The counterparty to these contracts is generally a bank.

Derivatives are recognised and measured at fair value. Attributable transaction costs are recognised in consolidated statement of profit and loss.

### **j. Property, plant and equipment and intangible assets**

Property, plant and equipment and intangible 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 less accumulated depreciation and accumulated impairment losses, if any.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

Subsequent expenditure on 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. 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 the assets that are not ready for their intended use at the balance sheet date.

### **k. Depreciation and amortisation**

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

Depreciation has been provided on the straight-line method over the useful life as estimated by the management based on technical advice on commercial lives of these assets, which is different from the rates prescribed under Schedule II of the Companies Act, 2013.

## Significant Accounting Policies forming part of the Consolidated financial statements (Rupees in millions, except share and per share data, unless otherwise stated)

The estimated useful lives are as follows:

Category of Asset	No. of years
Leasehold improvements	Primary lease period of 3 years -5 years
Buildings	61 years
Office equipments	3 years
Computers and electronic equipments	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 -4 years
Intellectual property rights	3 years
Market development and deployment rights	Over the term of the agreement

The estimated useful life of the assets 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.

### l. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### As lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

#### As lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such expense accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

### m. Revenue recognition

Revenue from Telecom Value Added Services, net of credit notes, is recognized on providing the services in

terms of revenue sharing arrangements with the telecom operators and recovery of the consideration is probable.

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.

### n. Dividend income and profit on sale of investments

Dividend on current investments is recognized on an accrual basis when the right to receive payment is established. Profit on sale of investments is recorded on transfer of title from the Group and is determined as the difference between the sale price and the carrying value of the investment.

### o. Interest income

Interest income is recognised as it accrues in the statement of profit and loss, using the effective interest method.

### p. Employee benefits

Employee benefits include contribution to provident fund, social security, employee state insurance corporation, gratuity fund, compensated absences etc.

a) Short term Obligations: 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 Group'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

## Significant Accounting Policies forming part of the Consolidated financial statements (Rupees in millions, except share and per share data, unless otherwise stated)

liabilities pending remittance to the fund is carried in the consolidated balance sheet.

Actuarial gains and losses are recognised in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognised in profit and loss is calculated by applying a discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income.

Remeasurement comprising actuarial gains and losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

- 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. The Group recognizes actuarial gains and losses immediately in the consolidated statement of profit and loss.

### q. Share based payments

Employees of the Group receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant.

The expense is recognised in the consolidated statement of profit and loss with a corresponding increase to the share based payment reserve, a component of equity.

The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortisation).

### r. Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options and warrants, except where the results would be anti-dilutive.

### s. Income taxes

Income tax expense includes Indian and International income taxes. Income tax comprises of the current tax and net change in deferred tax asset or liability in the year. Income tax expense is recognised in the consolidated statement of profit and loss except to the extent it relates to items directly recognised in other comprehensive income.

- a) Current Tax: 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.

- b) Deferred Tax: Deferred tax is recognised using balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base if assets and liabilities and their carrying amount in the consolidated financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred income tax liabilities are recognised for all taxable temporary differences.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or subsequently enacted by the end of the reporting period.

### t. Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amounts by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash flows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment

## Significant Accounting Policies forming part of the Consolidated financial statements (Rupees in millions, except share and per share data, unless otherwise stated)

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are reviewed for possible reversal of the impairment at the end of each reporting period.

### u. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### v. Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind AS which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018:

*Ind AS 115 Revenue from Contracts with Customers*

Ind AS 21 The effect of changes in Foreign Exchange rates

Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the

current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts when it becomes effective.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition.

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Company is evaluating the possible impact of Ind AS 115 and will adopt the standard effective April 1, 2018. The standard allows for two methods of adoption: the full retrospective adoption, which requires the standard to be applied to each prior period presented, or the modified retrospective adoption, which requires the cumulative effect of adoption to be recognized as an adjustment to opening retained earnings in the period of adoption.

The Company does not expect the impact of the adoption of the new standard to be material.

*Ind AS 21 – The effect of changes in Foreign Exchange rates*

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is evaluating the impact of this amendment on its financial statements.

**Notes forming part of the Consolidated financial statements**  
(Rupees in millions, except share and per share data, unless otherwise stated)

**3a. Property, plant and equipment**

Description of Assets	Buildings - freehold	Leasehold improvements	Computers and electronic equipments	Office equipment	Furniture and fixtures	Vehicles - freehold	Total
<b>I. Gross carrying amount</b>							
<b>Balance at April 1, 2016</b>	<b>106.75</b>	<b>133.40</b>	<b>3,177.54</b>	<b>34.91</b>	<b>42.22</b>	<b>12.03</b>	<b>3,506.85</b>
Additions	-	-	195.45	0.23	0.54	-	196.22
Less: Disposals	-	-	466.18	-	0.16	-	466.34
Effect of foreign currency translation from functional currency to reporting currency	-	(1.04)	(80.17)	(0.89)	(0.61)	-	(82.71)
<b>Balance at March 31, 2017</b>	<b>106.75</b>	<b>132.36</b>	<b>2,826.64</b>	<b>34.25</b>	<b>41.99</b>	<b>12.03</b>	<b>3,154.02</b>
Additions	-	-	114.08	1.37	0.15	-	115.60
Less: Disposals	-	0.70	50.84	-	0.03	6.85	58.42
Effect of foreign currency translation from functional currency to reporting currency	-	1.14	18.45	0.12	0.49	-	20.20
<b>Balance at March 31, 2018</b>	<b>106.75</b>	<b>132.80</b>	<b>2,908.33</b>	<b>35.74</b>	<b>42.60</b>	<b>5.18</b>	<b>3,231.40</b>
<b>II. Accumulated depreciation and impairment</b>							
<b>Balance at April 1, 2016</b>	<b>15.15</b>	<b>86.03</b>	<b>2,912.66</b>	<b>32.65</b>	<b>40.53</b>	<b>7.45</b>	<b>3,094.47</b>
Depreciation for the year	1.74	22.99	172.15	2.00	1.29	2.86	203.03
Less: Disposals	-	-	464.79	-	0.13	-	464.92
Effect of foreign currency translation from functional currency to reporting currency	-	(0.61)	(76.87)	(0.83)	(0.55)	-	(78.86)
<b>Balance at March 31, 2017</b>	<b>16.89</b>	<b>108.41</b>	<b>2,543.15</b>	<b>33.82</b>	<b>41.14</b>	<b>10.31</b>	<b>2,733.72</b>
Depreciation for the year	1.75	20.03	152.39	0.66	0.49	0.38	175.70
Less: Disposals	-	0.70	31.94	-	0.03	5.52	38.19
Effect of foreign currency translation from functional currency to reporting currency	-	0.64	17.09	0.05	0.45	-	18.23
<b>Balance at March 31, 2018</b>	<b>18.64</b>	<b>128.38</b>	<b>2,680.69</b>	<b>34.53</b>	<b>42.05</b>	<b>5.17</b>	<b>2,909.46</b>
<b>Net block (I-II)</b>							
Balance on March 31, 2018	88.11	4.42	227.64	1.21	0.55	0.01	321.94
Balance on March 31, 2017	89.86	23.95	283.49	0.43	0.85	1.72	400.30

## Notes forming part of the Consolidated financial statements

(Rupees in millions, except share and per share data, unless otherwise stated)

### 3b. Intangible Assets

Description of Assets	Computer software	Copyrights/ intellectual property rights	Market development and deployment rights	Total
<b>I. Intangible Assets</b>				
<b>Cost</b>				
<b>Balance at April 1, 2016</b>	<b>749.73</b>	<b>181.90</b>	<b>3,954.91</b>	<b>4,886.54</b>
Additions	2.91	-	-	2.91
Effect of foreign currency translation from functional currency to reporting currency	(13.30)	-	(53.88)	(67.18)
<b>Balance at March 31, 2017</b>	<b>739.34</b>	<b>181.90</b>	<b>3,901.03</b>	<b>4,822.27</b>
Additions	17.43	-	213.19	230.62
Less: Disposals	9.95	-	-	9.95
Effect of foreign currency translation from functional currency to reporting currency	2.63	-	84.52	87.15
<b>Balance at March 31, 2018</b>	<b>749.45</b>	<b>181.90</b>	<b>4,198.74</b>	<b>5,130.09</b>
<b>II. Accumulated depreciation and impairment for the year 2016-2017</b>				
<b>Balance at April 1, 2016</b>	<b>601.22</b>	<b>181.86</b>	<b>3,454.65</b>	<b>4,237.73</b>
Amortisation expense for the year	107.09	0.04	244.69	351.82
Effect of foreign currency translation from functional currency to reporting currency	(13.39)	-	(44.12)	(57.51)
<b>Balance at March 31, 2017</b>	<b>694.92</b>	<b>181.90</b>	<b>3,655.22</b>	<b>4,532.04</b>
Amortisation expense for the year	37.68	-	265.74	303.42
Less: Disposals	9.95	-	-	9.95
Effect of foreign currency translation from functional currency to reporting currency	2.78	-	73.27	76.05
<b>Balance at March 31, 2018</b>	<b>725.43</b>	<b>181.90</b>	<b>3,994.23</b>	<b>4,901.56</b>
<b>Net block (I-II)</b>				
Balance on March 31, 2018	24.02	0.00	204.51	228.53
Balance on March 31, 2017	44.42	0.00	245.81	290.23

## Notes forming part of the Consolidated financial statements

(Rupees in millions, except share and per share data, unless otherwise stated)

		As at March 31, 2018		As at March 31, 2017	
FINANCIAL ASSETS					
4.	Non-current investments				
	Investments (At cost)				
	Unquoted investments (fully paid-up) in equity shares of:				
	Associate:				
	Mobile Voice Konnect Private Limited*				
	5,000 (at March 31, 2017: 5000) equity shares of ₹ 10 each fully paid		-		-
	* Represents amount less than one million.				
	In equity shares of other entities at FVTPL				
	Turaco Mobile Private Limited		0.02		0.02
	1,600 (at March 31, 2017: 1,600) equity shares of ₹ 10 each fully paid				
			0.02		0.02
	Aggregate amount of unquoted investments				
5.	Current investment	No. of Units	Amount	No. of Units	Amount
	Designated as fair value through profit and loss (FVTPL)				
	Investments in mutual funds (unquoted)				
	Baroda Pioneer Liquid Fund - Plan B Daily Dividend	66,049	66.18	-	-
	Birla Sun life Cash Treasury Optimizer Plan - Reinvestment	-	-	1,897,733	204.54
	Kotak Low Duration Fund- Regular Plan - Weekly Dividend	225,723	229.63	-	-
	HDFC Floating Rate Income Fund - Short Term Plan - Dividend	22,106,890	222.86	16,201,628	163.33
	Kotak Liquid Scheme Plan A- Daily Dividend	-	-	24,630	30.12
	Reliance Medium Term Fund - Daily Dividend	17,819,809	304.81	6,914,108	118.20
	Baroda Pioneer Liquid Fund - Plan A Daily Dividend	-	-	99,908	100.02
	IDFC Ultra Short Term Fund - Regular Plan - Daily Dividend	15,908,405	160.31	10,304,987	103.78
	ICICI Prudential Ultra Short Term - Direct Plan - Daily Dividend	-	-	20,811,734	210.33
	ICICI Prudential Flexible Income - Regular Plan - Daily Dividend	2,076,063	219.51	-	-
	Aggregate amount of unquoted investments carried at FVTPL		1,203.30		930.32

## Notes forming part of the Consolidated financial statements

(Rupees in millions, except share and per share data, unless otherwise stated)

	As at March 31, 2018		As at March 31, 2017	
		Amount		Amount
<b>6. Trade receivables</b>				
(Unsecured)				
Considered good		1,707.88		1,676.13
Considered doubtful		241.34		211.68
Less: Allowance for expected credit loss*		(241.34)		(211.68)
		<u>1,707.88</u>		<u>1,676.13</u>
* Includes foreign exchange fluctuations				
<b>7 a. Cash and cash equivalents</b>				
Cash on hand		0.13		0.19
Balances with bank :				
- In current accounts		1,107.60		1,349.02
- In deposit accounts		691.90		771.60
		<u>1,799.63</u>		<u>2,120.81</u>
<b>7b. Other bank balances</b>				
Bank balance in escrow account		-		6.96
Margin money on bank guarantees		48.69		3.21
		<u>48.69</u>		<u>10.17</u>
<b>8. Loans - non-current</b>				
<b>(Unsecured, considered good)</b>				
Security deposits		48.59		47.16
		<u>48.59</u>		<u>47.16</u>
<b>9. Loans-current</b>				
<b>(Unsecured, considered good)</b>				
Security deposits		31.68		40.79
		<u>31.68</u>		<u>40.79</u>
<b>10. Other financial assets - non-current</b>				
Advances to employees		1.04		1.77
		<u>1.04</u>		<u>1.77</u>
<b>11. Other financial assets - current</b>				
Unbilled revenue		625.93		655.42
Advances to employees (Refer Note 1 below)		15.76		17.84
Accrued interest on deposits		7.88		3.85
Others				
Receivable on sale of fixed assets (including capital work-in-progress)		-		3.97
Derivative assets		-		34.49
		<u>649.57</u>		<u>715.57</u>

**Note:**

- 1) Advance to employees include ₹ Nil (at March 31, 2017 ₹ 1.34 Million) as advance to director.

## Notes forming part of the Consolidated financial statements

(Rupees in millions, except share and per share data, unless otherwise stated)

	As at March 31, 2018		As at March 31, 2017	
		Amount		Amount
<b>12. Other non-current assets</b>				
(Unsecured, considered good)				
Capital advances		2.11		1.72
Balances with statutory authorities		162.72		-
Fringe benefit tax (net of provisions)		0.70		0.70
		<b>165.53</b>		<b>2.42</b>
<b>13. Other current assets</b>				
(Unsecured, considered good)				
Prepaid expenses		59.36		63.62
Balances with statutory authorities		141.24		397.71
Advances to vendors		58.23		18.06
		<b>258.83</b>		<b>479.39</b>
			<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
<b>14. Share capital</b>				
<b>Authorised</b>				
149,500,000 (March 31, 2017 - 149,500,000)		1,495.00		1,495.00
Equity shares of ₹ 10 each				
500,000 (March 31, 2017 - 500,000)		5.00		5.00
Preference shares of ₹ 10 each				
		<b>1,500.00</b>		<b>1,500.00</b>
<b>Issued, subscribed and fully paid up</b>				
105,570,836 (March 31, 2017 - 104,350,090)		1,055.71		1,043.50
Equity shares of ₹10 each fully paid		<b>1,055.71</b>		<b>1,043.50</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, 2018		As at March 31, 2017	
	Number of shares	Amount	Number of shares	Amount
<b>Equity shares with voting rights</b>				
Opening balance	104,350,090	1,043.50	108,111,402	1,081.11
Add: Share issued on exercise of stock options	1,220,746	12.21	306,094	3.06
Less: Buy back	-	-	4,067,406	40.67
<b>Closing balance</b>	<b>105,570,836</b>	<b>1,055.71</b>	<b>104,350,090</b>	<b>1,043.50</b>

#### B) Particulars 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>				
a) OnMobile systems Inc	50,923,703	48.24	50,923,703	48.80

## Notes forming part of the Consolidated financial statements

(Rupees in millions, except share and per share data, unless otherwise stated)

### 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 as at March 31, 2018:

- a) 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.

During the year ended March 31, 2013, the Company completed the above referred buy-back of equity shares and bought back additional 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.

- b) 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 of ₹ 10 each 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.

- c) 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.

During the year ended March 31, 2017, the Company completed the above referred buy-back of equity shares and bought back additional 4,067,406 equity shares of ₹ 10 each by utilising the Securities Premium Account. Capital Redemption Reserve has been created out of Security Premium Account for ₹ 40.67 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, 2018 are 4,581,624 (at March 31, 2017: 5,486,705) (Refer Note 33)

### 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.

	As at March 31, 2018		As at March 31, 2017
<b>15. Other equity</b>			
<b>Capital Redemption Reserve</b>		154.00	154.00
Amount equal to face value of the Company's own equity instruments bought back and cancelled which is transferred to Capital Redemption Reserve			
<b>Securities Premium Account</b>		2,399.26	2,355.13
Amount received on issue of shares in excess of par value has been classified as Securities Premium			
<b>Stock Options Outstanding</b>		124.06	105.51
The Share Option Outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise / cancellation of stock options.			
<b>General Reserve</b>		13.20	13.20
Amount transferred from Retained Earnings for appropriation purposes.			
<b>Foreign Currency Translation Reserve</b>		68.89	(36.91)
Foreign Currency Translation Reserve comprise of the exchange difference relating to the translation of the financial statements of the Company's foreign operations from their functional currencies to the Company's presentation currency			

## Notes forming part of the Consolidated financial statements

(Rupees in millions, except share and per share data, unless otherwise stated)

	As at March 31, 2018	As at March 31, 2017
<b>15. Other equity</b>		
<b>Retained Earnings</b>	1,938.66	2,009.20
Retained earnings comprise of the Company's accumulated undistributed earnings.		
<b>Other items of other comprehensive income</b>	9.24	(8.23)
Other items of other comprehensive income consists of effect of re-measurement of net defined benefit liability/asset.		
	<b>4,707.31</b>	<b>4,591.90</b>
<b>Distributions proposed:</b>		
The Board of Directors at its meeting held on May 16, 2018 have recommended, subject to approval of shareholders, a dividend of ₹ 1.50 per equity share of ₹ 10 each. If approved, this would result in a cash outflow of approximately ₹ 190.91 Million, inclusive of dividend distribution tax.		
<b>16. Provisions - non-current</b>		
Provision for employee benefits:		
Provision for Compensated Absences	34.32	48.88
Provision for Post employment benefits	3.23	2.79
	<b>37.55</b>	<b>51.67</b>
<b>17. Provisions - current</b>		
Provision for employee benefits: (Refer Note 31)		
Provision for compensated absences	34.34	36.30
Provision for gratuity	15.79	22.05
Provision for post employment benefits	9.58	6.82
Provision for tax, net	96.91	109.63
Provision - others		
Provision for others (refer note 37)	9.31	8.05
	<b>165.93</b>	<b>182.85</b>
<b>FINANCIAL LIABILITIES</b>		
<b>18. TRADE PAYABLES</b>		
Total outstanding dues of creditors	1,879.55	2,114.05
	<b>1,879.55</b>	<b>2,114.05</b>
<b>19. Other financial liabilities-current</b>		
Capital creditors	28.60	40.90
Others	5.82	-
	<b>34.42</b>	<b>40.90</b>
<b>20. Other current liabilities</b>		
Income received in advance/unearned revenue	56.83	81.22
Statutory dues	171.49	271.78
Advances from customers	8.33	6.07
Other liability (Refer Note 30)	24.92	26.14
	<b>261.57</b>	<b>385.21</b>

## Notes forming part of the Consolidated financial statements

(Rupees in millions, except share and per share data, unless otherwise stated)

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>21. Revenue from operations</b>		
Telecom value added services	6,356.05	7,202.36
	<b>6,356.05</b>	<b>7,202.36</b>
<b>22. Other income</b>		
Interest income on financial assets at amortised cost		
- From Banks on deposits	32.46	41.44
Interest on income tax refund	34.34	13.84
Dividend income from current investments	48.01	44.45
Other non-operating Income		
- Provisions no longer required written back	26.76	0.63
- Rental Income from operating leases	7.16	6.66
- Miscellaneous income	9.99	3.14
Other gains and (losses)		
- Net gain on foreign currency transactions and translations	(39.23)	(1.74)
- Profit on sale of fixed assets (net)	3.33	2.11
	<b>122.82</b>	<b>110.53</b>
<b>23. Contest expenses, cost of software licenses and others</b>		
Contest expenses	156.40	139.69
Cost of software licences and other charges	208.64	200.21
	<b>365.04</b>	<b>339.90</b>
<b>24. Employee benefit expenses</b>		
Salaries and wages	1,543.21	1,729.51
Contractors expenses	23.69	28.93
Contribution to provident fund and other funds (refer Note 31)	187.18	173.74
Share-based payments to employees (refer Note 33)	34.59	35.39
Staff welfare expenses	101.58	92.21
	<b>1,890.25</b>	<b>2,059.78</b>
<b>25. Finance cost</b>		
Interest on short term borrowings	1.06	7.80
	<b>1.06</b>	<b>7.80</b>
<b>26. Depreciation and amortisation expenses</b>		
Depreciation on property, plant and equipment	175.70	203.03
Amortisation of intangible assets	303.42	351.82
	<b>479.12</b>	<b>554.85</b>

## Notes forming part of the Consolidated financial statements

(Rupees in millions, except share and per share data, unless otherwise stated)

	For the year ended March 31, 2018		For the year ended March 31, 2017	
<b>27. Other expenses</b>				
Power and fuel		29.03		27.16
Rent (refer note 32)		98.22		108.37
Insurance		7.92		6.24
Repairs and maintenance				
- Machinery		35.09		37.87
- Others		15.34		20.99
Office maintenance		39.29		45.54
Rates and taxes		28.91		54.32
Printing and stationery		2.46		3.64
Postage and courier		9.16		6.85
Communication charges		65.22		71.35
Training and recruitment expenses		15.55		19.43
Travelling and conveyance		135.25		132.96
Legal, professional & consultancy charges		211.36		241.33
Commission to non-whole time directors		7.89		8.45
Remuneration to auditors (Refer Note 28)		16.30		21.96
Marketing expenses		223.16		233.36
Bad trade receivables written off	13.31		6.85	
Less: Provision for bad and doubtful debts released	13.31	-	6.85	-
Provision for doubtful trade receivables		48.39		101.85
Brokerage and commission		0.14		0.74
Bank charges		8.82		8.39
Corporate social responsibility (CSR) expenses (refer note 40)		7.34		3.50
Miscellaneous expenses		3.62		4.00
		<b>1,008.46</b>		<b>1,158.30</b>
<b>28. Auditors Remuneration</b>				
a) Remuneration to the auditors of the Company:				
For Audit		2.85		2.85
For Taxation matters		0.50		1.30
Other services*		2.38		5.45
Reimbursement of expenses and levies*		1.01		1.17
<b>Total</b>		<b>6.74</b>		<b>10.77</b>
*Includes an amount of ₹ 1.29 Million paid to erstwhile auditors				
b) Remuneration to the auditors of the subsidiaries:				
For Audit		8.19		10.03
For Taxation matters		0.53		0.62
Other services		0.84		0.54
<b>Total</b>		<b>9.56</b>		<b>11.19</b>

## Notes forming part of the Consolidated financial statements

(Rupees in millions, except share and per share data, unless otherwise stated)

### 29 A. Contingent liabilities

The Company is involved in taxation and other disputes, lawsuits, proceedings etc. that arise from time to time in the ordinary course of business. Management is of the view that these claims are not tenable and will not have any material adverse effect on the Company's financial position and result of operations.

- a Disputed Service tax ₹ 14.18 Million (March 31, 2017: ₹ 19.69 Million), disputed Income Tax ₹ 901.08 Million (March 31, 2017: ₹ 457.80 Million) and disputed Value added tax ₹ 25.62 Million (March 31, 2017: ₹ 51.43 Million).
- b Claims against the Group not acknowledged as debt is ₹ 8.82 Million (March 31, 2017: ₹ 7.62 Million).
- c The Company, in January 2018, received a Show Cause Notice (SCN) related to a potential Service tax liability of ₹ 999.50 million. Management has responded on the SCN and believes that they have strong case on merits and expect to challenge the SCN issued to defend its position.

### B. Capital commitments

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for is ₹ 22.75 Million (March 31, 2017: ₹ 5.60 Million).

- 30 Other liability includes ₹ 24.92 Million (at March 31, 2017: ₹ 26.14 Million) payable to a customer in Brazil towards deploying value added services on an exclusive basis in the region.

### 31 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, 2018	For the year ended March 31, 2017
Employer's contribution to Provident Fund	47.04	48.85
Contribution for foreign Branches	9.05	6.00

\* Included in Note 24

#### II Reconciliation of net defined Benefit asset/ (liability)

##### Gratuity

Amount recognised in the statement of profit and loss in respect of gratuity cost is as follows:

Particulars *	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Gratuity cost</b>		
Current service cost	10.36	11.39
Past service cost	20.94	-
Interest cost	7.21	6.57
Expected return on plan assets	(5.57)	(4.79)
	<b>32.94</b>	<b>13.17</b>
Actuarial (gain)/loss recognised in OCI	(26.72)	9.51
<b>Net gratuity cost</b>	<b>6.22</b>	<b>22.68</b>
<b>Assumptions</b>		
Discount rate	7.65% p.a	7.45% p.a
Salary increase	8% p.a. for first 6 years and 7.0% p.a thereafter	12% 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.

## Notes forming part of the Consolidated financial statements

(Rupees in millions, except share and per share data, unless otherwise stated)

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The following table sets out the status of the gratuity plan:

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Change in Projected benefit Obligations:</b>		
Obligation at the beginning of the year	96.87	83.16
Current service cost	10.36	11.39
Interest cost	7.21	6.57
Benefits paid	(10.67)	(12.98)
Actuarial gain/(loss) recognised in OCI	(27.03)	8.73
Past service cost	20.94	-
<b>Obligation at the end of the year</b>	<b>97.68</b>	<b>96.87</b>
<b>Change in plan assets:</b>		
Fair value of plan assets at the beginning of the year	74.82	60.68
Interest income	5.57	4.79
Actuarial gain/(loss) recognised in OCI	(0.32)	(0.78)
Contributions paid into the plan	12.49	22.76
Benefits paid	(10.67)	(12.63)
<b>Closing fair value of plan assets</b>	<b>81.89</b>	<b>74.82</b>

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

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of defined benefit obligation	(97.68)	(96.87)
Fair value of plan assets	81.89	74.82
<b>Asset / (liability) recognised</b>	<b>(15.79)</b>	<b>(22.05)</b>

### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have effected the defined benefit obligation by the amount shown below:

	At at March 31, 2018		At at March 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(11.05)	13.30	(10.11)	12.18
Future salary growth (1% movement)	9.26	(8.67)	5.00	(5.32)

## Notes forming part of the Consolidated financial statements

(Rupees in millions, except share and per share data, unless otherwise stated)

Maturity profile of defined benefit obligation:

Particulars	As at March 31, 2018	As at March 31, 2017
Within 1 year	8.55	9.50
2-5 years	27.65	32.91
6-10 years	19.79	23.28
More than 10 years	261.26	223.80

Assumptions regarding future mortality are based on published statistics and mortality tables.

Estimate of amount of contribution in the immediately next year ₹ 15.79 Million.

As at March 31, 2018 and March 31, 2017 100% of the plan assets were invested in insurer managed funds.

The defined benefit plan expose the Company to actuarial risks such as longevity risk, interest rate risk and market (investment) risk.

As at March 31, 2018, the weighted average duration of defined benefit obligation is 13 years (March 31, 2017- 12 years)

### III Other long- term benefits

Cost of compensated absences expensed in the statement of profit and loss:

Particulars *	For the year ended March 31, 2018	For the year ended March 31, 2017
Compensated absences	(7.05)	28.06

\* Included in Note 24

Actuarial assumptions for Compensated absences are same as disclosed above for Gratuity.

### 32 Operating lease:

The Group 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	For the year ended March 31, 2018	For the year ended March 31, 2017
Expenses recognised in the consolidated statement of profit and loss under non-cancellable operating lease	33.77	32.44
<b>Future minimum lease payments under non-cancellable operating leases:</b>		
Not later than 1 year	53.64	24.82
Later than 1 year and not later than 5 years	4.66	15.68
Additionally, the Group lease office space under cancellable operating leases.		
Rental expense recognised in the Consolidated Statement of Profit and Loss under cancellable operating lease	64.45	75.93

## Notes forming part of the Consolidated financial statements

(Rupees in millions, except share and per share data, unless otherwise stated)

### 33 Employee Stock Option Plans

The Company instituted the Employee Stock Option Plan (ESOP), which were approved by the Board of Directors. Each option is entitled to 1 equity share of ₹ 10 each. All options expires in 5 years after the vesting date. Details of ESOPs with the terms of vesting are as follows:

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

## Notes forming part of the Consolidated financial statements

(Rupees in millions, except share and per share data, unless otherwise stated)

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

All the above plans are similar in nature and hence aggregated. Numbers of aggregated options granted, exercised and forfeited during the year under the above plans are given below:

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
	Number of Options (Adjusted for Bonus)	Weighted average exercise price (₹) per option	Number of Options (Adjusted for Bonus)	Weighted average exercise price (₹) per option
Options granted outstanding at the beginning of the year	5,486,705	58.18	5,579,391	47.80
Granted during the year	682,646	55.55	1,104,224	93.88
Exercised during the year	(1,220,746)	33.01	(306,094)	37.94
Forfeited during the year	(254,002)	77.77	(708,129)	45.10
Lapsed during the year	(112,979)	40.05	(182,687)	44.83
Options granted outstanding at the end of the year	<b>4,581,624</b>	<b>63.68</b>	<b>5,486,705</b>	<b>58.18</b>
Exercisable at the end of the period	3,136,200	57.98	3,043,176	45.61
Weighted average Share Price during the year (₹)		62.75		101.56
Weighted average remaining contractual life (years) at the year end	4.40 years		4.49 years	
Range of exercise price (after adjusting for bonus issue)	₹ 22.28 to ₹ 128.50		₹ 22.28 to ₹ 128.50	

## Notes forming part of the Consolidated financial statements

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The fair value of each unit under the above mentioned plans granted during the year is estimated using the Black-Scholes model with the following assumptions:

Grant date	30 Oct 2017	1 Feb 2018
Weighted average fair value as on grant date	29.97	24.48
Weighted average share price	64.60	55.35
Exercise price	64.60	55.35
Expected volatility (%)	57.27%	55.47%
Expected life of the option (years)	4.35	4.35
Expected dividends (%)	15.00%	15.00%
Risk-free interest rate (%)	7.65%	7.65%

### 34. Segment Reporting:

The Executive Chairman and Chief Executive Officer of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments.

The Company is engaged in providing value added services in telecom business globally and is considered to constitute a single operating segment in the context of segment reporting as prescribed by Ind AS 108 - "Operating Segments" and the CODM evaluates the Group's performance as a single operating segment.

The geographical information analyses the Group's revenues and non-current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segment assets which have been based on the geographical location of the assets.

#### Entity wide disclosures - Information about geographical areas

#### I Revenue

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
India	1,486.90	1,750.47
Latin America	327.30	627.28
Europe	3,230.60	3,179.98
Africa	824.10	626.61
America	160.20	214.32
Rest of the World	326.95	803.70
<b>Total</b>	<b>6,356.05</b>	<b>7,202.36</b>

#### II Non-current Assets\*

Particulars	As at March 31, 2018	As at March 31, 2017
India	1,360.73	1,378.33
Latin America	46.60	80.43
Europe	203.12	85.37
Africa	80.76	75.52
America	184.40	330.96
Rest of the World	79.23	60.02
<b>Total</b>	<b>1,954.84</b>	<b>2,010.63</b>

\* (excluding Financial Instruments and Deferred tax assets)

#### III Information about major customers:

Revenue from one customer accounted for more than 10% of the consolidated revenue, no other single customer contributed 10% or more to the Group's consolidated revenue for both year ended March 31, 2018 and March 31, 2017.

## Notes forming part of the Consolidated financial statements

(Rupees in millions, except share and per share data, unless otherwise stated)

### 35 Earnings per share

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit/(Loss) after tax as per the consolidated statement of profit and loss (In ₹ Million)	113.45	140.90
Weighted average number of shares	104,850,937	104,929,992
Weighted average number of shares for basic EPS	104,850,937	104,929,992
Weighted average number of equity shares resulting from assumed exercise of employee stock options	10,919	557,929
Weighted average number of equity shares for diluted EPS	104,861,856	105,487,921
	₹	₹
Nominal value of equity shares	10.00	10.00
Earnings/(loss) per share		
Basic	1.08	1.34
Diluted	1.08	1.34

### 36 Income tax

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Income tax expense in the Consolidated statement of profit and loss consist of:		
Current income tax	240.53	339.90
Deferred tax	(76.84)	(104.39)
<b>Income tax recognised in other comprehensive income</b>	<b>163.69</b>	<b>235.51</b>
Current tax arising on income and expense recognised in other comprehensive income		
Net loss/(gain) on remeasurement of defined benefit plan	9.24	(3.29)
	<b>9.24</b>	<b>(3.29)</b>

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before tax	277.14	376.41
Enacted income tax rate in India	34.61%	34.61%
Computed expected tax expense	95.91	130.27
<b>Effect of:</b>		
Income that is exempt from tax	(82.26)	(103.25)
Expenses that are not deductible in determining taxable profit	16.45	44.44
Deferred tax asset not recognised on losses	80.25	127.28
Others	53.34	36.77
<b>Income tax expense recognised in the statement of profit and loss</b>	<b>163.69</b>	<b>235.51</b>

The tax rates under Indian Income Tax Act for the year ended March 31, 2018 and March 31, 2017 is 34.61%

## Notes forming part of the Consolidated financial statements

(Rupees in millions, except share and per share data, unless otherwise stated)

### Deferred tax

Deferred tax assets as at March 31, 2018 are as follows:

	April 1, 2017	Recognised in profit and loss	Recognised in OCI	Adjustment for foreign currency translation	March 31, 2018
Difference between book and tax depreciation	77.12	36.35	-	-	113.47
Others (Provision for compensated absences, gratuity, doubtful debts etc.)	137.78	(2.82)	(9.24)	(6.95)	118.77
MAT credit entitlement	163.50	43.31	-	-	206.81
	<u>378.40</u>	<u>76.84</u>	<u>(9.24)</u>	<u>(6.95)</u>	<u>439.05</u>

Deferred tax assets as at March 31, 2017 are as follows:

	April 1, 2016	Recognised in profit and loss	Recognised in OCI	Adjustment for foreign currency translation	March 31, 2017
Difference between book and tax depreciation	49.07	28.05	-	-	77.12
Others (Provision for compensated absences, gratuity, doubtful debts etc.)	179.74	(24.86)	3.29	(20.39)	137.78
MAT credit entitlement	62.30	101.20	-	-	163.50
	<u>291.11</u>	<u>104.39</u>	<u>3.29</u>	<u>(20.39)</u>	<u>378.40</u>

Deferred tax liabilities as at March 31, 2018 are as follows:

	April 1, 2017	Recognised in profit and loss	Recognised in OCI	Adjustment for foreign currency translation	March 31, 2018
Others (Provision for compensated absences, gratuity, doubtful debts etc.)	1.08	-	-	-	1.08
	<u>1.08</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1.08</u>

Deferred tax liabilities as at March 31, 2017 are as follows:

	April 1, 2016	Recognised in profit and loss	Recognised in OCI	Adjustment for foreign currency translation	March 31, 2017
Others (Provision for compensated absences, gratuity, doubtful debts etc.)	1.17	-	-	(0.09)	1.08
	<u>1.17</u>	<u>-</u>	<u>-</u>	<u>(0.09)</u>	<u>1.08</u>

## Notes forming part of the Consolidated financial statements

(Rupees in millions, except share and per share data, unless otherwise stated)

37 The details of Provisions under IndAS 37 - "Provisions, Contingent liabilities and Contingent assets" are as under:

Nature of Expense	Probable outflow estimated within	Provision outstanding as at April 1, 2017	Provision made during the year	Provision utilized/adjusted during the year	Provision outstanding as at March 31, 2018
Other provisions	Not later than 1 year	8.05	-	(1.26)	9.31
	1-3 years	-	-	-	-
		<b>8.05</b>	<b>-</b>	<b>(1.26)</b>	<b>9.31</b>
Previous year		8.72	-	0.67	8.05

38 Transactions with related parties:

I List of Related parties and relationship:

SI No.	Relationship	Related parties
<b>Related parties with whom the Company had transactions</b>		
(i)	<b>Key Management Personnel</b>	Francois Charles Sirois, Executive Chairman and Chief Executive Officer Rajiv Khaitan, Independent Director Nancy Cruickshank, Independent Director Sanjay Baweja, Independent Director Nehchal Sandhu, Independent Director (Till July 27, 2017) Pascal Tremblay, Independent Director (Till May 26, 2017) Sanjay Kapoor, Independent Director Chris Arsenault, Independent Director Praveen Kumar K J, Chief Financial Officer (Till March 16, 2018) Ganesh Murthy, Chief Financial Officer (From March 26, 2018) P V Varaprasad, Company Secretary
(ii)	<b>Enterprises owned or significantly influenced by key management personnel/Directors or their relatives</b>	OnMobile Systems Inc., USA

II Transactions with Related parties:

SI No.	Nature of transactions	Key Management Personnel	
		March 31, 2018	March 31, 2017
1	<b>Remuneration to Key management personnel (Refer note 3 below)</b>		
	Short-term employee benefits	26.08	80.81
	Share-based payment	2.67	2.43
	Others	16.08	16.35
	<b>Total</b>	<b>44.83</b>	<b>99.59</b>

## Notes forming part of the Consolidated financial statements

(Rupees in millions, except share and per share data, unless otherwise stated)

### III Balances with related parties:

There were no balances as on March 31, 2018 and March 31, 2017 with any of the related parties.

#### Notes:

- 1 No amount has been written off during the year in respect of debts due from related party.
- 2 Employment benefits excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.
- 39 The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March, 2018 has been made in the financials statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Based on the information available with the Company, there are no dues to suppliers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006" as at 31 March 2018.

- 40 Total expenditure required to be incurred and accordingly paid on Corporate Social Responsibility activities other than construction/acquisition of assets, as per the requirements of Section 135 of the Companies Act, 2013 during the year ended March 31, 2018 is ₹ 7.34 Million (during the year ended March 31, 2017: ₹ 3.50 Million)

### 41 Exceptional items:

- a During the year ended March 31, 2018, the Venezuela Government devalued its currency Venezuelan Bolivar Fuerte (VEF). The effect of restatement of the assets and liabilities from foreign currency (VEF) to functional currency at the period end rates on such devaluation is presented as exceptional item.
- b During the year ended March 31, 2017, the Central Bank of Egypt had devalued its currency Egyptian Pound (EGP) against USD to strengthen its economic growth. Accordingly the effect of restatement of the assets and liabilities from foreign currency to functional currency related to EGP on such devaluation is presented as exceptional item.

### 42 Financial instruments by category

Particulars	Carrying value		Fair value	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
<b>Financial assets</b>				
<b>Amortised cost</b>				
Loans	80.27	87.95	80.27	87.95
Trade receivables	1,707.88	1,676.13	1,707.88	1,676.13
Cash and cash equivalents	1,799.63	2,120.81	1,799.63	2,120.81
Other bank balances	48.69	10.17	48.69	10.17
Other financial assets	650.61	682.85	650.61	682.85
<b>FVTPL (Level 2)</b>				
Investments in mutual funds	1,203.30	930.32	1,203.30	930.32
Others (includes derivative assets)	-	34.49	-	34.49
<b>Total financial assets</b>	<b>5,490.38</b>	<b>5,542.72</b>	<b>5,490.38</b>	<b>5,542.72</b>
<b>Financial liabilities</b>				
<b>Amortised cost</b>				
Trade payables	1,879.55	2,114.05	1,879.55	2,114.05
Other financial liabilities	34.42	40.90	34.42	40.90
Borrowings	-	-	-	-
<b>Total financial liabilities</b>	<b>1,913.97</b>	<b>2,154.95</b>	<b>1,913.97</b>	<b>2,154.95</b>

## Notes forming part of the Consolidated financial statements

(Rupees in millions, except share and per share data, unless otherwise stated)

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### Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised at fair value and amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments under the accounting standard as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities,

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), and

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, borrowings, other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- i) Long-term fixed-rate receivables are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.
- ii) The fair value of the unquoted mutual fund are based on market observable inputs at reporting date. The fair value of other financial liabilities is estimated by credit risk and remaining maturities.
- iii) The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivative financials instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

### Capital Management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stake holders to optimise equity. The Group's Corporate Treasury reviews the capital structure on a quarterly basis.

The capital structure of the Group consists of only equity as of March 31, 2018. The Group is not subject to any externally imposed capital requirements.

### Financial risk management

The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risk.

The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk along with credit risk and liquidity risk.

The Group seeks to minimise the effects of these forex by hedging the forex exposures through forward contracts, liquidity risk by diversifying its investments in various schemes of debt mutual funds and fixed deposits. The Group manages its credit risks by monitoring the credit rating of the customers, banks and mutual funds. Corporate Treasury Function reports quarterly to the Group's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

### Market Risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rate, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

#### (i) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to Group's investments. The Group's investments are primarily short term, which do not expose it to significant interest rate risk.

#### (ii) Foreign currency exchange rate risk:

The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the

## Notes forming part of the Consolidated financial statements

(Rupees in millions, except share and per share data, unless otherwise stated)

respective foreign operations. The Group enters into forward foreign exchange contracts to hedge its exposure to foreign currency risk arising on the net export of services.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

₹ In Million

Particulars	As at March 31, 2018				Total
	USD	EURO	BDT	Other currencies*	
<b>Assets</b>					
Trade receivables	339.26	77.95	15.45	19.69	452.35
Cash and cash equivalents	168.13	33.07	85.89	73.04	360.14
Other assets	270.88	14.00	97.31	64.64	446.83
<b>Liabilities</b>					
Trade payable	53.04	118.67	18.89	37.33	227.93
Other liabilities	53.43	86.39	7.69	121.39	268.90
<b>Net assets/liabilities</b>	<b>671.81</b>	<b>(80.03)</b>	<b>172.06</b>	<b>(1.35)</b>	<b>762.49</b>

\*Other currencies include EGP, BRL, CAD, MXN, MYR, SGD, COP, PEN, ZAR etc.

₹ In Million

Particulars	As at March 31, 2017				Total
	USD	EURO	BDT	Other currencies*	
<b>Assets</b>					
Trade receivables	356.06	103.94	16.07	34.39	510.46
Cash and cash equivalents	357.32	97.01	122.50	72.82	649.65
Other assets	471.27	13.44	10.46	289.45	784.61
<b>Liabilities</b>					
Trade payable	59.69	241.11	21.59	53.86	376.24
Other liabilities	180.84	73.95	-	106.54	361.33
<b>Net assets/liabilities</b>	<b>944.11</b>	<b>(100.67)</b>	<b>127.45</b>	<b>236.26</b>	<b>1,207.15</b>

\*Other currencies include EGP, BRL, CAD, MXN, MYR, SGD, COP, PEN, ZAR etc.

The Group is mainly exposed to USD, EUR & BDT for the year ended March 31, 2018. Every 1% increase/decrease in the said currencies compared to Indian Rupee would impact profit and equity by 0.12%/(0.12%) and 0.13%/(0.13%) respectively. For the year ended March 31, 2017 the impact on profit and equity was 0.13%/(0.13%) and 0.17%/(0.17%) respectively.

### Derivative financial instruments

The Group is exposed to foreign currency fluctuations on foreign currency assets/liabilities and forecasted cash flows denominated in foreign currency. The Group follows established risk management policies, including the use of derivatives to hedge foreign currency assets/liabilities and foreign currency forecasted cash flows. The counter party in these derivative instruments is a bank and the Group considers the risks of non-performance by the counterparty as non-material.

## Notes forming part of the Consolidated financial statements

(Rupees in millions, except share and per share data, unless otherwise stated)

The following table presents the aggregate contracted principal amounts of the Group's derivative contracts outstanding:

Non designated derivative Instrument	As at March 31, 2018 Nominal Value	As at March 31, 2017 Nominal Value	Currency	As at March 31, 2018	As at March 31, 2017
	(In ₹ Mn)	(In ₹ Mn)		(Foreign Currency in Mn)	(Foreign Currency in Mn)
Forward Contract - (SELL)	260.71	226.98	USD/INR	4.00	3.50
Forward Contract - (SELL)	280.63	207.87	EUR/INR	3.50	3.00
<b>Total Forward contracts</b>	<b>541.34</b>	<b>434.85</b>		<b>7.50</b>	<b>6.50</b>

The foreign exchange forward contracts mature within 12 months. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as at the reporting date:

Particulars	As at March 31, 2018 Nominal Value	As at March 31, 2017 Nominal Value
	(In ₹ Mn)	(In ₹ Mn)
Not later than 1 month	72.68	101.71
Later than 1 month but not later than 3 months	145.36	168.78
Later than 3 months but not later than 1 year	323.30	164.36
	<b>541.34</b>	<b>434.85</b>

In respect of the Group's forward contracts, a 1% decrease/increase in the respective exchange rates of each of the currencies underlying such contracts would have resulted in:

- an approximately 0.09% increase and (0.09%) decrease in the Company's net profit and approximately 0.09% increase and (0.09%) decrease in equity as at March 31, 2018;
- an approximately 0.06% increase and (0.06%) decrease in the Company's net profit and approximately 0.08% increase and (0.08%) decrease in equity as at March 31, 2017

### Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

#### i) Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. The following table gives details in respect of percentage of revenues generated from top customer and top 4 customers:

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Revenue from top customer	2,920.74	2,921.56
Revenue from top 4 customers	4,016.43	4,229.06

1 customer accounted for more than 10% of the consolidated revenue, no other single customer contributed 10% or more to the Group's consolidated revenue for both year ended March 31, 2018 and March 31, 2017.

## Notes forming part of the Consolidated financial statements

(Rupees in millions, except share and per share data, unless otherwise stated)

### ii) Investments

The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Group does not expect any losses from non-performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors.

### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Group's corporate treasury department is responsible for liquidity management, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The table below provides details regarding the contractual maturities of significant financial liabilities:

Particulars	As at March 31, 2018	As at March 31, 2017
	Less than 1 Year	Less than 1 Year
Trade payables	1,879.55	2,114.05
Other financial liabilities	34.42	40.90
<b>Total</b>	<b>1,913.97</b>	<b>2,154.95</b>

### 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

Particulars								
Name of the entity	Net assets, i.e., total assets minus total liabilities as at March 31, 2018		Share of profit or (loss) for the year ended March 31, 2018		Share of other comprehensive income for the year ended March 31, 2018		Share of total comprehensive income for the year ended March 31, 2018	
	As % of consolidated net assets	Amount ₹ Millions	As % of consolidated profit or loss	Amount ₹ Millions	As % of consolidated OCI	Amount ₹ Millions	As % of consolidated Total Comprehensive income	Amount ₹ Millions
<b>Parent - OnMobile Global Limited</b>	63.25%	3,645.11	(374.45)%	(424.82)	37.38%	46.07	(160.00)%	(378.75)
<b>Subsidiaries:</b>								
<b>Foreign:</b>								
OnMobile Singapore Pte. Ltd.	1.50%	86.65	78.41%	88.96	10.68%	13.16	43.14%	102.12
PT OnMobile Indonesia	0.00%	(0.05)	(1.67)%	(1.90)	(0.01)%	(0.01)	(0.81)%	(1.91)
Servicios De Telefonía OnMobile Sa De Cv	0.12%	6.86	34.75%	39.43	(2.27)%	(2.80)	15.47%	36.63
OnMobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis Ltda.	(0.76)%	(43.65)	(40.24)%	(45.65)	1.99%	2.45	(18.25)%	(43.20)
OnMobile Global for Telecommunication Services	2.39%	137.75	90.68%	102.88	(0.94)%	(1.16)	42.97%	101.72

## Notes forming part of the Consolidated financial statements

(Rupees in millions, except share and per share data, unless otherwise stated)

Particulars								
Name of the entity	Net assets, i.e., total assets minus total liabilities as at March 31, 2018		Share of profit or (loss) for the year ended March 31, 2018		Share of other comprehensive income for the year ended March 31, 2018		Share of total comprehensive income for the year ended March 31, 2018	
	As % of consolidated net assets	Amount ₹ Millions	As % of consolidated profit or loss	Amount ₹ Millions	As % of consolidated OCI	Amount ₹ Millions	As % of consolidated Total Comprehensive income	Amount ₹ Millions
OnMobile Telecom Burkina Faso, S.A.R.L.	0.43%	24.53	16.79%	19.05	(2.20)%	(2.71)	6.90%	16.34
OnMobile Turkey Telekomunikasyon Sistemleri Limited Şirketi	0.08%	4.72	(7.73)%	(8.77)	2.69%	3.32	(2.30)%	(5.45)
OnMobile Global Czech Republic S.R.O	0.01%	0.86	2.75%	3.12	(2.36)%	(2.90)	0.09%	0.22
OnMobile Live Inc	1.30%	74.68	(244.96)%	(277.91)	(4.84)%	(5.96)	(119.92)%	(283.88)
OnMobile Kenya Telecom Limited	0.71%	40.74	(23.64)%	(26.82)	(0.10)%	(0.13)	(11.38)%	(26.94)
OnMobile Telecom Limited	0.10%	5.85	(3.85)%	(4.37)	(0.03)%	(0.04)	(1.86)%	(4.41)
OnMobile Mali SARL	0.00%	(0.24)	0.69%	0.78	(1.08)%	(1.33)	(0.23)%	(0.55)
OnMobile Senegal SARL	0.00%	0.14	0.99%	1.13	(1.64)%	(2.02)	(0.38)%	(0.89)
OnMobile Servicios Corporativos De Telefonía S.A. DE C.V.	(0.02)%	(1.10)	(22.61)%	(25.65)	0.10%	0.12	(10.78)%	(25.52)
OnMobile Costa Rica OBCR, S.A.	0.28%	15.93	15.69%	17.80	(0.02)%	(0.03)	7.51%	17.77
OnMobile Ghana Telecom Limited	0.02%	1.28	0.53%	0.60	(0.15)%	(0.19)	0.17%	0.41
OnMobile Madagascar Telecom Limited	0.03%	1.77	0.11%	0.13	(0.11)%	(0.14)	(0.01)%	(0.01)
OnMobile Nigeria Telecom Limited	2.21%	127.62	31.90%	36.19	2.38%	2.93	16.53%	39.12
OnMobile Rwanda Telecom Limited	0.00%	(0.29)	0.02%	0.02	0.31%	0.38	0.17%	0.41
OnMobile Uganda Limited	0.11%	6.11	(0.58)%	(0.66)	0.22%	0.28	(0.16)%	(0.38)
OnMobile Zambia Telecom Limited	0.20%	11.49	11.03%	12.51	(0.04)%	(0.05)	5.26%	12.46
OnMobile Telecom Sierra Leone Limited	(0.11)%	(6.26)	(3.95)%	(4.48)	0.12%	0.15	(1.83)%	(4.34)
OnMobile Uruguay SA	0.09%	4.91	5.23%	5.93	0.02%	0.02	2.52%	5.96
OnMobile Global Solutions Canada Limited	0.05%	2.69	(27.89)%	(31.64)	0.10%	0.13	(13.31)%	(31.52)
OnMobile Global SA	1.60%	92.34	36.48%	41.39	(19.39)%	(23.90)	7.39%	17.49

## Notes forming part of the Consolidated financial statements

(Rupees in millions, except share and per share data, unless otherwise stated)

Particulars								
Name of the entity	Net assets, i.e., total assets minus total liabilities as at March 31, 2018		Share of profit or (loss) for the year ended March 31, 2018		Share of other comprehensive income for the year ended March 31, 2018		Share of total comprehensive income for the year ended March 31, 2018	
	As % of consolidated net assets	Amount ₹ Millions	As % of consolidated profit or loss	Amount ₹ Millions	As % of consolidated OCI	Amount ₹ Millions	As % of consolidated Total Comprehensive income	Amount ₹ Millions
OnMobile Portugal SGPS, Unipessoal LDA (Zona Franca Da Madeira)	0.00%	(0.28)	(0.02)%	(0.02)	(0.52)%	(0.64)	(0.28)%	(0.67)
OnMobile Europe B.V.	0.91%	52.36	(10.16)%	(11.52)	32.48%	40.04	12.04%	28.51
OnMobile S.A.	2.73%	157.24	(137.16)%	(155.61)	26.76%	32.99	(51.80)%	(122.62)
OnMobile USA LLC	2.58%	148.52	(136.51)%	(154.88)	(34.26)%	(42.23)	(83.26)%	(197.10)
OnMobile De Venezuela C.A.	0.04%	2.39	(8.50)%	(9.64)	(1.08)%	(1.33)	(4.64)%	(10.97)
OnMobile Bangladesh Private Limited	2.91%	167.59	45.23%	51.31	(5.87)%	(7.24)	18.62%	44.07
OnMobile Global Spain S.L	14.66%	844.80	701.78%	796.18	61.68%	76.03	368.46%	872.21
OnMobile Global Italy SRL	(0.03)%	(1.58)	(0.04)%	(0.04)	(0.19)%	(0.23)	(0.12)%	(0.28)
OnMobile Tanzania Telecom Limited	0.00%	0.13	(0.77)%	(0.88)	0.03%	0.03	(0.36)%	(0.84)
OnMobile Latam holding SL	0.01%	0.53	(0.02)%	(0.02)	0.06%	0.07	0.02%	0.05
OnMobile Global South Africa (PTY) Ltd	2.56%	147.66	85.60%	97.11	0.61%	0.75	41.34%	97.87
OnMobile Global Limited Colombia S.A.S	0.06%	3.20	(13.91)%	(15.78)	(0.50)%	(0.62)	(6.93)%	(16.40)
<b>Associates (Investment as per the equity method):</b>								
<b>Indian:</b>								
Mobile Voice Konnect Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Total</b>		<b>5,763.02</b>		<b>113.45</b>		<b>123.27</b>		<b>236.72</b>

## Notes forming part of the Consolidated financial statements

(Rupees in millions, except share and per share data, unless otherwise stated)

- 44 During the previous year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs* (₹)	Other denomination notes (₹)	Total (₹)
Closing cash in hand as on November 8, 2016	11,500	3,555	15,055
Add: Permitted receipts	-	40,000	40,000
Less: Permitted payments	-	18,356	18,356
Less: Amount deposited in Banks	11,500	-	11,500
Closing cash in hand as on December 30, 2016	-	25,199	25,199

\*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

As per our report of even date attached

**For B S R & Co. LLP**

Chartered Accountants  
Firm registration number: 101248W/W-100022

**Supreet Sachdev**

Partner  
Membership Number - 205385

Place: Bengaluru  
Date: May 16, 2018

For and on behalf of the Board of Directors

**François-Charles Sirois**  
Executive Chairman and  
Chief Executive Officer  
DIN - 06890830

**Ganesh Murthy**  
Chief Financial Officer

Place: Bengaluru  
Date: May 16, 2018

**Sanjay Baweja**  
Director  
DIN - 00232126

**P V Varaprasad**  
Company Secretary  
Membership Number - FCS 5877

# Notice of the 18<sup>th</sup> Annual General Meeting

Notice is hereby given that the Eighteenth Annual General Meeting (AGM) of the Members of OnMobile Global Limited will be held on Tuesday, September 18, 2018 at 11.00 a.m. IST at Hotel Royal Orchid, adjoining KGA Golf Course, HAL Airport Road, Bangalore-560008, Karnataka, India to transact the following business:

## ORDINARY BUSINESS

### Item No. 1: Adoption of financial statements

To consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors ('Board's Report') 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, 2018.

### Item No. 3: Appointment of François-Charles Sirois as a Director liable to retire by rotation

To appoint a Director in place of François- Charles Sirois who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS

### Item No. 4: Appointment of Gianluca D'Agostino as an Independent Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Gianluca D'Agostino (DIN 05143003), who was appointed as an Additional Director w.e.f. July 27, 2018 and who holds office until the date of this AGM in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Companies Act, 2013 proposing his candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company to hold office up to the date of AGM to be held during the calendar year 2021, not liable to retire by rotation."

### Item No. 5: Re-appointment of Sanjay Baweja as an Independent Director

To consider and if thought fit, to pass the following resolution as a special resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149,

152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Sanjay Baweja (DIN 00232126), who was appointed earlier as an independent director of the Company for a term of three years by the shareholders and who holds office as such up to the date of this AGM, and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Companies Act, 2013 proposing his candidature for the office of a Director, be and is hereby re-appointed as an Independent Director of the Company to hold office upto the date of AGM to be held during the calendar year 2021, not liable to retire by rotation."

### Item No. 6: Payment of remuneration to non-executive directors of the Company

To consider and if thought fit, to pass the following resolution as a special resolution:

"RESOLVED THAT in supersession of all the earlier resolutions of the shareholders and pursuant to Section 197 read with Section 198 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, and in terms of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, subject to the approval of the Central Government as may be required, the non-executive directors of the Company (i.e. directors other than managing and whole-time directors) be paid remuneration, in addition to the sitting fees payable for attending the meetings of the Board or Committees thereof, in aggregate not exceeding 5 percent of the net profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 2013 or ₹ 15 million, whichever is higher for each financial year commencing on or after April 1, 2018 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."

By Order of the Board of Directors  
For OnMobile Global Limited

Date: July 27, 2018  
Place: London

### Regd. Office:

OnMobile Global Limited,  
Tower #1, 94/1C & 94/2,  
Veerasandra Village, Attibele Hobli,  
Anekal Taluk, Electronic City Phase-1,  
Bangalore- 560100, Karnataka, India  
CIN: L64202KA2000PLC027860

Sd/-  
P V Varaprasad  
Company Secretary

## 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 authorized 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, and 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.
9. **The Register of Members and Share Transfer Books of the Company shall remain closed from September 12, 2018 to September 18, 2018 (both days inclusive) for the purpose of payment of dividend and the 18<sup>th</sup> AGM of the Company.**
10. 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 11, 2018.
11. 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.
12. Members are requested to address all correspondence, including dividend matters, to the Registrar and Share Transfer Agent, Karvy Computershare Private Limited (Unit OnMobile), Karvy Selenium Tower B, Plot no. 31 & 32, Gachibowli Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032, India.
13. 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.  
  
Pursuant to The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is providing / hosting the required details of unclaimed amount referred to under Section 124 of the Companies Act, 2013 on its website and also on the website of the Ministry of Corporate Affairs (MCA) viz., [www.iepf.gov.in](http://www.iepf.gov.in).
14. 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.
15. The Notice of the 18<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.
16. Members may also note that the Notice of the 18<sup>th</sup> AGM and the Annual Report 2018 will be available on the Company's website, [www.onmobile.com](http://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](mailto:investors@onmobile.com).
17. The requirement to place the matter relating to appointment of Auditors for ratification by members at every AGM is done away with vide Ministry of Corporate Affairs notification dated May 7, 2018. Therefore, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the AGM held on September 06, 2017.
18. Additional information pursuant to sub-regulation (3) of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment at the AGM are annexed hereto 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's RTA, Karvy Computershare Private Limited.  
  
Shareholders are requested to immediately notify their bank particulars giving the name of the bank and the branch, account number, account type, 9 digits MICR number, 11 digit IFS Code to the Company's RTA, Karvy Computershare Private Limited, in respect of shares held in physical form and to their Depository Participant in case of shares held in electronic form.

20. Pursuant to SEBI LODR Amendment Regulations dated June 08, 2018, requests for transfer of securities in physical form shall not be processed w.e.f. December 5, 2018. Hence, Members holding shares in physical form are requested to demat their physical holding at the earliest.
21. Information and other instructions relating to e-voting are as follows:
- In compliance with Section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) 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.
  - The members who have voted through remote e-voting may attend the AGM but shall not be entitled to cast their vote again.
  - The Company has engaged the service of Karvy Computershare Private Limited ("Karvy") as the Agency to provide e-voting facility.
  - 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 11, 2018 being the cut-off date.**
  - 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 11, 2018** shall only be entitled to avail the facility of remote e-voting /poll.
  - 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** 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.
  - The remote e-voting facility will be open only during the following voting period:

<b>Commencement of Remote e-voting:</b>	<b>9.00 a.m. (IST) on September 14, 2018</b>
<b>End of Remote e-voting:</b>	<b>5.00 p.m. (IST) on September 17, 2018</b>

The detailed instructions sheet for remote e-voting is attached.

22. The Board of Directors of the Company have appointed Parameshwar G Hegde, Practicing Company Secretaries 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.
23. 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.
24. 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)** on the website of Karvy **<https://evoting.karvy.com>**. The results shall simultaneously be communicated to the Stock Exchanges.
25. 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 18, 2018.

## **STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

### **Item No. 4**

Pursuant to Section 161 of the Companies Act, 2013, read with Article 88 of the Articles of Association of the Company, the Board of Directors of the Company, on the recommendation of the Nomination and Compensation Committee appointed Gianluca D'Agostino as an Additional Director (in the category of Independent Directors) of the Company effective July 27, 2018.

In terms of the provisions of Section 161 of the Act, Gianluca D'Agostino will hold office up to the date of the ensuing AGM.

Accordingly, the Nomination and Compensation Committee and the Board of Directors have recommended to the shareholders for his appointment as Independent Director of the Company at the ensuing AGM.

The Company has, in terms of Section 160(1) of the Act, received in writing a notice from a shareholder, proposing the candidature of Gianluca D'Agostino for the office of Independent Director.

The resolution seeks the approval of the shareholders for appointment of Gianluca D'Agostino as an Independent Director of the Company for a term up to the date of AGM to be held during the calendar year 2021 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013, and the Rules made there under. He is not liable to retire by rotation.

The Company has received from Gianluca D'Agostino (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and confirming his eligibility for such appointment and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

In the opinion of the Board, Gianluca D'Agostino fulfils the conditions for his appointment as an Independent Director as specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Gianluca

D'Agostino is independent of the management. A copy of the draft letter of appointment of Gianluca D'Agostino as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day upto the date of the AGM.

No director, key managerial personnel or their relatives, except Gianluca D'Agostino to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 4 for the approval of the shareholders.

#### **Item No. 5**

Sanjay Baweja who was appointed earlier as an Independent Director at the AGM held on September 08, 2015 to hold office up to the date of AGM to be held during the calendar year 2018 pursuant to the provisions of Companies Act, 2013, is due to retire from his first term at the ensuing AGM on September 18, 2018. The Nomination and Compensation Committee of the Board of Directors, based on evaluation of his performance during the tenure and considering his skills, experience, knowledge and expertise, has recommended re-appointment of Sanjay Baweja as an Independent Director of the Company for another term of three years from the conclusion of the ensuing AGM to be held in 2018 upto the conclusion of the AGM to be held during the calendar year 2021.

The Company has, in terms of Section 160(1) of the Companies Act, 2013, received in writing a notice from a shareholder, proposing the candidature of Sanjay Baweja for the office of Independent Director.

The resolution seeks the approval of the shareholders for re-appointment of Sanjay Baweja as an Independent Director of the Company for a term up to the date of AGM to be held during the calendar year 2021 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013, and the Rules made there under. He is not liable to retire by rotation.

The Company has received from Sanjay Baweja (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of The Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of The Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, confirming his eligibility for such re-appointment, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub section (6) of Section 149 of the Companies Act, 2013.

In the opinion of the Board, Sanjay Baweja fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for re-appointment as an Independent Director of the Company and is independent of the Management. A copy of the draft letter of re-appointment of Sanjay Baweja as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the registered office of the Company during normal business hours on any working day up to the date of the AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is in the interest of the

Company to continue to avail the services of Sanjay Baweja as an Independent Director.

No director, key managerial personnel or their relatives, except Sanjay Baweja to whom the resolution relates, is interested in or concerned with the resolution.

The Board recommends the resolution set forth in Item No. 5 for the approval of the shareholders.

#### **Item No. 6**

As per the provisions of Section 197 of the Companies Act, 2013, except with the approval of the Company in general meeting, the remuneration payable to non-executive directors shall not exceed 1% of the net profits of the Company, if there is a Managing Director or Whole Time Director or Manager.

Further Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 also requires approval of the shareholders for payment of remuneration to nonexecutive directors.

The Shareholders in the AGM held on September 8, 2015 had authorized the payment of remuneration, in addition to the sitting fees, in aggregate not exceeding 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 01, 2015 to the non-executive directors of the Company (i.e. directors other than managing and whole time directors) as per the provisions of Section 197 read with Section 198 and other applicable provisions of Companies Act, 2013 and the Rules made thereunder.

With the induction of one more non-executive director on Board, subject to approval of the shareholders and the Central Government as may be required, the Board of Directors vide their resolution dated July 27, 2018, based on the recommendation of Nomination and Compensation Committee, recommends for payment of remuneration to the non-executive directors in aggregate not exceeding 5 percent of the net profits computed in accordance with the provisions of Section 198 of the Companies Act, 2013 or ₹ 15 million whichever is higher for each financial year commencing on or after April 1, 2018.

Accordingly the resolution seeks approval of the shareholders pursuant to Section 197 of the Companies Act, 2013 and also in terms of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The directors have been assigned various roles, responsibilities and duties. The Companies Act, 2013 envisages that even non-executive directors devote more attention and time for the effective and good governance of the Company of which they are directors. Corresponding to their increased responsibilities, the Act also envisages that they should be compensated adequately for their services.

Considering the above, the Board recommends the resolution set forth in Item No. 6 for the approval of the shareholders.

All non-executive directors of the Company, as the resolution relates to payment of remuneration to them, may be concerned or interested in the resolution.

None of the other directors/key managerial personnel or their relatives is concerned or interested in the resolution.

**Additional information on Directors seeking Appointment/Re-appointment at the AGM pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Particulars	Sanjay Baweja	Gianluca D'Agostino
Date of Birth	11-10-1960	18-06-1969
Date of Appointment	28-05-2015	27-07-2018
Qualifications	Bachelor's degree in commerce from Delhi University, Fellow member of the Institute of Chartered Accountants of India and Associate member of the Institute of Cost and Works Accountant of India.	Chartered Electronics Engineer with a Master's Degree (110/110) at La Sapienza University in Rome, where he joined R&D projects on MPEG-2 encoding for HDTV within the Race-Hamlet EU framework, furtherly developed in France at Thomson Multimedia Labs in 1994.
Expertise in specific functional areas	Valuable experience in the areas of Corporate Finance and Budget Control, Controllorship, Acquisitions, Financial Analysis, Strategic Business planning, Tax planning, Treasury and fund management and Risk Management.	Gianluca D'Agostino has amassed 25 years of international experience, actively involved in the Telecommunications sector and in the wider Tech world first as a manager, then as Entrepreneur and Investor.  He is a passionate Angel investor in startups. In the Startup and Scaleup scene, Gianluca has invested in several European companies. His main areas of focus have been ecommerce and technologies for ecommerce (B2C or B2B/SAAS).  He is a Senior Advisor for Neomobile SPA, the company he founded in 2007 in Italy.
Directorships held in other companies (including foreign companies) as on date	Savan Retailers Private Limited	1. Fusion Mobile Value Ltd 2. Bango plc 3. Coolgames BV
Disclosure of relationship between directors inter-se	Sanjay Baweja is not related to any other Director of the Company.	Gianluca Cristian D'Agostino is not related to any other Director of the Company.
Memberships/ Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders/ Investors Grievance Committee)	NIL	<b>Audit committee</b> 1. Bango plc
Number of shares held in the Company	NIL	NIL

By Order of the Board of Directors  
For OnMobile Global Limited

Date: July 27, 2018  
Place: London

**Regd. Office:**

OnMobile Global Limited,  
Tower #1, 94/1C & 94/2,  
Veerasandra Village, Attibele Hobli,  
Anekal Taluk, Electronic City Phase-1,  
Bangalore- 560100, Karnataka, India  
CIN: L64202KA2000PLC027860

Sd/-  
P V Varaprasad  
Company Secretary

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OnMobile Global Limited

**Registered Office:** OnMobile Global Limited, Tower #1, 94/1C & 94/2, Veerasandra village, Attibele Hobli, Anekal Taluk, Electronic City Phase-1, Bangalore- 560100, Karnataka, India; Corporate Identity Number (CIN): L64202KA2000PLC027860; Phone: + 91 80 40096000, Fax: + 91 80 40096009, E-mail: investors@onmobile.com, Website: 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]

### 18<sup>th</sup> Annual General Meeting - September 18, 2018

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 18<sup>th</sup> Annual General Meeting of the Company, to be held on Tuesday, September 18, 2018 at 11.00 a.m. IST at Hotel Royal Orchid, adjoining KGA Golf Course, HAL Airport Road, Bangalore-560008, Karnataka, India 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	Appointment of François- Charles Sirois as a Director liable to retire by rotation		
4	Appointment of Gianluca D'Agostino as an Independent Director		
5	Re-appointment of Sanjay Baweja as an Independent Director		
6	Payment of remuneration to non-executive directors of the Company		

Signed this ..... day of ..... 2018

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.

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OnMobile Global Limited

**Registered Office:** OnMobile Global Limited, Tower #1, 94/1C & 94/2, Veerasandra village, Attibele Hobli, Anekal Taluk, Electronic City Phase-1, Bangalore- 560100, Karnataka, India; Corporate Identity Number (CIN): L64202KA2000PLC027860; Phone: + 91 80 40096000, Fax: + 91 80 40096009, E-mail: investors@onmobile.com, Website: www.onmobile.com

## Attendance Slip

### 18<sup>th</sup> Annual General Meeting - September 18, 2018

Regd. Folio No. /DP Client ID

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No. of shares held

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I/we hereby record my/our presence at the 18<sup>th</sup> Annual General Meeting held at Hotel Royal Orchid, adjoining KGA Golf Course, HAL Airport Road, Bangalore-560008, Karnataka, India at 11.00 a.m. IST on September 18, 2018

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

.....  
Signature of the member/proxy

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## NOTES

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## NOTES

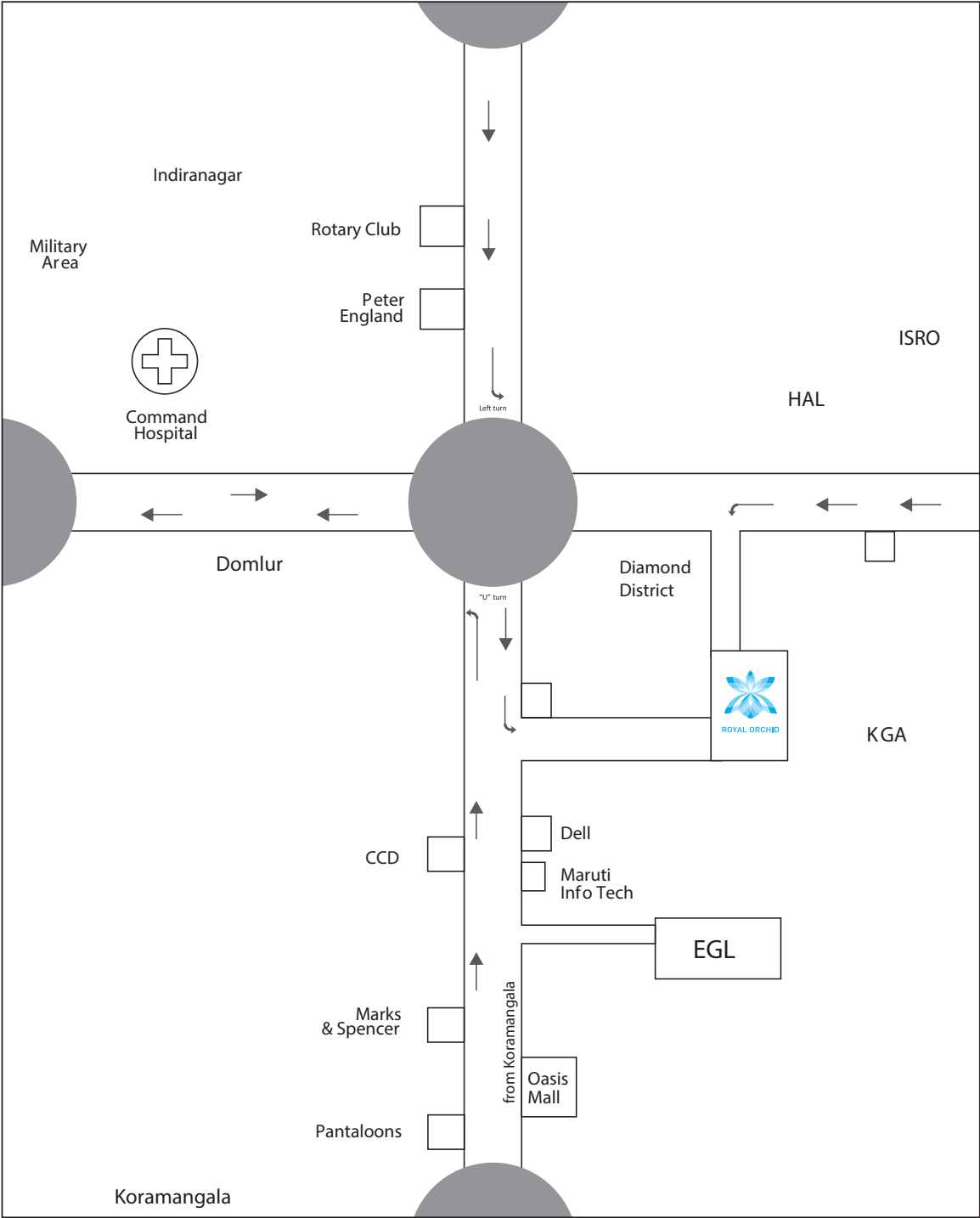
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## NOTES

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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.



**onmobile**

OnMobile Global Limited  
Tower # 1, 94/1 C & 94/2,  
Veerasandra Village, Attibele Hobli,  
Anekal Taluk, Electronic City Phase-1,  
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Phone: +91 80 4009 6000