OnMobile Global Limited

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PUBLIC NOTICE

FOR THE ATTENTION OF THE SHAREHOLDERS/BENEFICIAL OWNERS OF EQUITY SHARES OF THE COMPANY

This Public Notice is issued in accordance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended

1. The Board of OnMobile Global Limited ("**Company**") have passed a resolution at its board meeting held on September 3, 2011 that the Company be authorized to buy back its fully paid-up equity shares of face value of Rs. 10/- each ("**Shares**"), from the existing shareholders other than the promoters of the Company ("**Buyback**") from the open market using the electronic trading facilities of the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("**NSE**", and together with **BSE**, the "**Stock Exchanges**") in accordance with Section 77A, 77AA, 77B and other applicable provisions of the Companies Act, 1956 ("**Act**"), the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended ("Regulations"), the relevant provisions of the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary, at a price not exceeding Rs.85/- per share ("**Maximum Buyback Price**") payable in cash, for an aggregate amount not exceeding Rs. 25 crore ("**Maximum Buyback Size**"). The Maximum Buyback Size represents approximately 3% of the eligible networth of the Company.
2. The Company will purchase a maximum of 40,00,000 Shares in the Buyback ("**Maximum Offer Shares**") subject to the market price of the Shares being less than the Maximum Buyback Price. The actual number of Shares bought back would depend on the actual average price paid for the Shares bought back and the amount deployed in the proposed Buyback.
3. The Buyback is proposed to be implemented by the Company through the methodology of open market purchases through Stock Exchanges, in accordance with the Regulations. The Buyback will be implemented in the manner and following the procedure prescribed in the Act and the Regulations and as may be determined by the Board of Directors of the Company ("Board") and on such terms and conditions, as may be permitted by law from time to time.
4. There will be no negotiated deals (whether on or off Stock Exchanges), spot transactions or any other private arrangements during the implementation of the Buyback. Further, as required under the Act and Regulations, the Company shall not purchase Shares which are partly paid-up, Shares with call-in-arrears, locked-in Shares or non-transferable Shares in the Buy-back till they become fully paid-up, or till the pendency of the lock-in or till the Shares become transferable, as applicable.
5. The Buyback is being proposed in keeping with the Company's desire to enhance overall shareholder value. The Company has accumulated free reserves and as well as favourable liquidity reflected in the audited accounts for the year ended March 31, 2011. The funds to be deployed for the Buyback will be invested from the internal accruals, cash surpluses and/or other resources of the Company.
6. The Shares of the Company are proposed to be bought back at a price not exceeding Rs. 85/- per share which has been arrived at after considering various factors such as average price of shares on the Stock Exchange, networth of the Company and possible impact of the Buyback on the earnings per share of the Company. The aggregate paid up share capital and free reserves as at 31 March 2011 was Rs. 81,672 lacs.
7. Under the provisions of the Act, the funds deployed for the Buyback cannot exceed 10% of the total paid up capital and free reserves of the Company. As per the Board's approval, the maximum amount proposed to be utilized for the Buyback, is Rs.25 crore and therefore, within the limits of 10% of Company's total paid up capital and free reserves as per audited Balance Sheet as on March 31, 2011. Further, under the Act, the number of equity shares that can be bought back in any financial year cannot exceed 25% of the total paid up capital of the Company. As per the Board's approval, the maximum number of equity shares that can be bought back in the Buyback is 40,00,000 Shares.
8. As per regulation 15(b) of the Regulations, the Company shall not purchase Shares under the Buyback from the promoters or persons in control of the Company.
9. The Company shall transfer from its free reserves a sum equal to the nominal value of the Shares purchased through the Buyback to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited balance sheet of the Company.
10. As per the provisions of the Act, the Company will not be allowed to issue fresh equity shares within a period of 6 months after the completion of the Buyback except by way of bonus shares or in the discharge of subsisting obligations such as conversion of warrants, stock option scheme, sweat equity or conversion of preference shares or debentures into equity shares.
11. The Company confirms that there are no defaults subsisting in the repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.
12. The debt equity ratio of the Company after the Buyback will be well within the limit of 2:1 as prescribed under the Act.
13. As per the provisions of the Act, the Shares to be bought back by the Company will compulsorily be cancelled and will not be held for re-issuance.
14. The aggregate shareholding of the promoters and directors of the promoter Companies and of persons who are in control of the Company as on date is 56,682,177 shares, comprising 48.06% of the paid-up equity share capital of the Company.
15. During the period of last six months preceding the date of the Board Meeting at which the Buyback was approved, the promoters of the Company had purchased an/or sold shares of the Company as detailed below:

Name of the Promoters	Details of Transactions	No. of Shares purchased/sold	Maximum Price (Rs.)	Minimum Price (Rs.)	Average Price (Rs.)	Date of Purchase/sale
Ramesh Janakiraman	Sale	25,000	113.00	112.00	112.34	May 6,2011
Seetha J	Interse Transfer (Off market)	32,500	0	0	0	May 23, 2011
Radha J	Interse Transfer (Off market)	32,500	0	0	0	May 23, 2011
OnMobile Systems Inc	Sale	315,000	104.50	98.50	100.57	June 22, 2011
OnMobile Systems Inc	Sale	35,000	104.25	99.15	100.80	June 22, 2011
OnMobile Systems Inc	Sale	11,461	99.15	98.50	98.93	June 23, 2011

16. Other than above, none of the promoters and directors of the promoter companies and persons in control of the Company have purchased or sold any shares during a period of 6 months preceding the date of the Board Meeting at which the Buyback was approved.
17. The Board hereby confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion:
    (i) That immediately following the date of Board Meeting held on September 3, 2011, there will be no grounds on which the Company can be found unable to pay its debts.
    (ii) That as regards the Company's prospects for the year immediately following that date and having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date.
    (iii) In forming its opinion aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Act (including prospective and contingent liabilities).
18. A text of the Report dated September 3, 2011 received from Deloitte Haskins & Sells, the statutory auditors of the Company, addressed to the Board of Directors of the Company, is reproduced below:

    "In connection with the proposed buyback of Equity Shares approved by the Board of Directors of OnMobile Global Limited (`the Company') at its meeting held on September 3, 2011, in pursuance of the provisions of the Companies Act, 1956 and the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, and based on the information and explanation given to us, we report that:

    1. We have inquired into the state of affairs of the Company based on the audited accounts as at March 31, 2011 which were taken on record by the Board of Directors at their meeting held on August 4, 2011.
    2. The capital payment of an amount not exceeding Rs 25 crores (Rupees Twenty five crores only) towards the buyback of equity shares has been properly determined in accordance with Section 77A(2)(b)(A) of the Companies Act, 1956 which is within the permissible amount of 10% of the paid up equity capital and free reserves of the Company, as computed below:

a. Permissible limit for buyback under Section 77A(2)(b)(A)

	Rs In Million	Rs. In Million
Paid up Equity Share Capital as at March 31, 2011		
(58,954,543 equity shares of Rs.10/- each, fully paid up)		589.55
Free reserves as at March 31, 2011		
Securities Premium account	4,224.52	
Profit and Loss account	3,353.22	7,577.74
Total of Paid up capital & Free reserves as at March 31, 2011		8,167.29
10% thereof being permissible limit for buyback of equity shares with approval of Board of Directors		816.73
Amount approved by the Board of Directors for buyback		250.00

Note : Subsequent to the Balance Sheet date, on May 5, 2011 the Company has issued one equity share of face value of Rs. 10/- each as bonus share for every one share held by the equity shareholders of the Company by capitalisation of the Securities Premium Account. However, there is no impact thereon in the maximum amount permitted for buyback.

b. Maximum limit of buyback of Equity shares in a financial year

	No of shares
Paid up capital as at March 31, 2011	58,954,543
Add: Equity shares issued during April 1, 2011 to June 30, 2011 including bonus shares	58,974,263
Total paid up capital as at June 30, 2011	117,928,806
25% thereof being maximum equity capital eligible for buyback	29,482,201
Maximum number of shares approved by the Board of Directors for buyback	4,000,000

    3. The Board of Directors in their meeting held on September 3, 2011 have formed an opinion as specified in Clause (x) in Schedule 1 of Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 on reasonable grounds that the company will not, having regard to its state of affairs, be rendered insolvent within a period of one – year from the date of Board Meeting i.e. September 3, 2011".
19. The Buyback is expected to be completed within the statutorily prescribed validity period of the resolution dated September 3, 2011 passed by the Board, which at present is 12 months from the date of passing of the said resolution or within such shorter period as may be determined by the Board.
20. The Board of Directors accepts responsibility for the information contained in this Public Notice.

For and on behalf of the Board of Directors of OnMobile Global Limited

Sd/-	Sd/-	Sd/-
Chandramouli Janakiraman	Naresh Malhotra	P.V.Varaprasad
Executive Director	**Director**	**Company Secretary**

Place: Bangalore
Date: September 3, 2011

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