

Consolidated Financial Results for the Quarter and Year ended March 31, 2010

Amount in Rs. Lakhs except earnings
per share and public shareholding
data

Sl. No	Particulars	Quarter ended		Year ended	
		March 31, 2010 (Unaudited)	March 31, 2009 (Unaudited)	March 31, 2010 (Audited)	March 31, 2009 (Audited)
1	Net Sales/ Income from Operations				
	(a) Telecom Value Added Services	12,041	10,430	42,531	37,247
	(b) Other services	247	1,101	2,909	3,389
	Total Revenue	12,288	11,532	45,440	40,636
2	Expenditure				
	(a) Cost of sales and services				
	- Content fee and royalty	2,757	1,869	9,027	5,132
	- Other sales and services	1,107	586	4,200	2,643
	(b) Employee cost	3,869	3,375	14,749	12,036
	(c) Depreciation	1,123	1,238	4,407	4,397
	(d) Other Expenditure	2,363	1,881	9,153	8,012
	Total Expenditure	11,219	8,947	41,536	32,220
3	Profit from operations before Other income, Interest and Exceptional items (1-2)	1,069	2,584	3,904	8,416
4	Other Income	569	701	2,284	3,101
5	Profit before Interest and Exceptional items (3+4)	1,638	3,285	6,188	11,517
6	Interest	10	1	27	5
7	Profit after interest but before Exceptional items (5-6)	1,628	3,284	6,161	11,512
8	Exceptional items	-	-	-	-
9	Profit from Ordinary Activities before tax (7+8)	1,628	3,284	6,161	11,512
10	Tax expense				
	(a) Current Tax	508	602	1,767	2,599
	(b) Earlier year provision	-	-	(102)	-
	(c) Deferred Tax	97	260	261	279
	(d) Fringe Benefit Tax	-	20	-	114
		605	882	1,926	2,992
11	Net profit from Ordinary Activities after tax (9-10)	1,023	2,403	4,235	8,520
12	Extraordinary items (net of tax expenses)	-	-	-	-
13	Net Profit for the period (11-12)	1,023	2,403	4,235	8,520
14	Minority interest	-	-	94	-
15	Share in Profit/(Loss) of Associates	84	-	139	-
16	Profit attributable to Consolidated Group (13-14+15)	1,107	2,403	4,280	8,520
17	Paid up equity share capital (Face value of Rs 10/- each)	5,852	5,783	5,852	5,783
18	Reserves excluding revaluation reserves	-	-	68,104	64,112
19	Earnings per share (in Rs) (not annualised)				
	(a) Basic	1.9	4.2	7.4	14.8
	(b) Diluted	1.9	4.0	7.2	14.3
20	Public Shareholding				
	- Number of shares	29,109,578	24,809,502	29,109,578	24,809,502
	- Percentage of shareholding	49.75	42.90	49.75	42.90
21	Promoters and promoter group Shareholding				
	a) Pledged/Encumbered				
	- Number of shares	111,200	150,000	111,200	150,000
	- Percentage of shares (as a % of 'the total shareholding of promoter and promoter group)	0.38	0.45	0.38	0.45
	- Percentage of shares (as a% of the total share capital of the company)	0.19	0.26	0.19	0.26
	b) Non-encumbered				
	- Number of shares	29,296,014	32,873,817	29,296,014	32,873,817
	- Percentage of shares (as a % of 'the total shareholding of promoter and promoter group)	99.62	99.55	99.62	99.55
	- Percentage of shares (as a% of the total share capital of the company)	50.06	56.84	50.06	56.84

Notes

- 1 The above results have been reviewed by the Audit Committee and taken on record by the Board of Directors at its meeting held on April 30, 2010.
- 2 The above results include consolidated results of the Company and its subsidiaries OnMobile Australia Pty Limited, OnMobile Singapore Pte Limited, PT OnMobile Indonesia, OnMobile Europe B.V., VoxMobili S.A., VoxMobili Inc., Telisma S.A., Phonetize Solutions Private Limited, OnMobile USA LLC, Servicios De Telefonía OnMobile SA DE CV, Ver se Innovation Private Limited (upto September 29, 2009) and its associate Ver se Innovation Private Limited (From September 29, 2009). The financial results of Telisma S.A. has been consolidated from its acquisition on July 1, 2008 onwards, Ver se Innovation Private Limited has become associate from September 29, 2009 and two new subsidiaries OnMobile USA LLC, Servicios De Telefonía OnMobile SA DE CV are added during the year and hence the figures of previous period/year are not comparable. The results of OnMobile Australia Pty Limited, OnMobile Singapore Pte Limited, PT OnMobile Indonesia, OnMobile Europe B.V., VoxMobili S.A., VoxMobili Inc., Telisma S.A., Phonetize Solutions Private Limited, Ver se Innovation Private Limited (upto September 29, 2009) and associate Ver se Innovation Private Limited (From September 29, 2009) have been audited by the auditors of respective subsidiaries.
- 3 The Company is in the process of expanding its business in Latin America and has made an initial commitment of Euro 370 lakhs to start its operations in this region. Various business agreements dated June 30, 2009 have been formalised with Telefonía Internacional, S.A.U, Spain (Telefonía) towards deploying Value Added Services on exclusive and non-exclusive basis across 13 countries in the region.
- In continuation of Company's business expansion plans, an agreement dated March 1, 2010 has been signed with a customer in Europe towards deploying value added services on an exclusive basis in the region with an initial commitment of Euro 55 Lakhs.
- 4 The Company has sold 5.08% of its equity holding in Ver se Innovation Private Limited for a consideration of Rs 300 lakhs on September 29, 2009, as a result of which the said subsidiary has become an associate of the Company.
- 5 Based on an internal technical evaluation, the Company has revised the estimated useful life of Telephony Cards grouped under Computer and Electronic Equipment from 3 years to 5 years, the impact being the profit before tax during the quarter and year ended March 31, 2010 is higher by Rs. 227.09 lakhs and Rs. 1,003.78 lakhs respectively.
- 6 During the previous year the Company had received demand notices relating to KST, KVAT and CST from Deputy Commissioner of Commercial Taxes amounting to Rs.3,392 lakhs for the period from April 2002 to March 2008, which the Company had disputed and filed a writ petition in the Honorable High Court of Karnataka. The matter was dismissed by the Honorable High Court of Karnataka with direction to file an appeal to the VAT Appellate Authority and the same has been filed as on March 31, 2009. The Company had deposited 50% of the total claim amount under the direction of the Honorable High Court of Karnataka and pending resolution of the matter, no amounts have been accrued in the accounts.
- A demand notice relating to KST, KVAT and CST from Deputy Commissioner of Commercial Taxes amounting to Rs. 1,124 lakhs for the period from April 2008 to March 2009 has been received by the Company on January 11, 2010. The Company has deposited 50% of the total claim amount and no amounts have been accrued in the accounts.

7 The details of utilisation of Net IPO proceeds are as under:

Categories as defined in the Prospectus	Amount in Rs. Lakhs	
	Projection in Prospectus	Actual funds utilised till March 31, 2010.
Purchase of equipments for offices at Bangalore, Mumbai and Delhi and various customer sites	18,052	12,399
Working Capital requirements	500	500
Repayment of loan	3,500	3,500
General Corporate purposes	13,393	13,393
Total	35,445	29,792

The proceeds from IPO (Net of Share Issue Expenses) was Rs. 35,356 lakhs. The unutilised funds as at March 31, 2010 have been temporarily invested in Short term Investments/ Fixed Deposits with Banks.

8 Information on investor complaints pursuant to clause 41 of the Listing agreement for the quarter ended March 31, 2010 :

Nature of Investor complaints	Opening Balance	Additions	Disposal	Closing Balance
Allotment/ Refund/Transfer/others	-	6	6	-

9 The Company is engaged in providing value added services in telecom business and its operations are considered to constitute a single segment in the context of Accounting Standard 17 - "Segment Reporting".

10 Previous period figures have been reclassified/ regrouped wherever necessary.

11 The Standalone financial results for the period ended March 31, 2010 is available at www.onmobile.com. Additional information on Standalone Basis:

Particulars	(In Rs. Lakhs)			
	Quarter ended		Year ended	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
Net Sales/ Income from Operations	10,298	9,438	36,392	32,711
Profit before tax	1,964	2,708	7,072	10,015
Net profit after tax	1,415	1,839	5,291	7,068

on behalf of Board of Directors

Arvind Rao
Chief Executive Officer and
Managing Director

Place: Bangalore
Date: April 30, 2010