

OnMobile Global Limited

Consolidated Financial Results for the Quarter and Half Year ended Sept 30, 2010

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

Sl. No	Particulars	Quarter ended		Half year ended		Year ended
		Sept 30, 2010 (Unaudited)	Sept 30, 2009 (Unaudited)	September 30, 2010 (Unaudited)	September 30, 2009 (Unaudited)	March 31, 2010 (Audited)
1	Net Sales/ Income from Operations					
	(a) Telecom Value Added Services	12,942	10,343	24,947	20,208	42,531
	(b) Other services	211	520	582	1,379	2,909
	Total Revenue	13,153	10,863	25,529	21,587	45,440
2	Expenditure					
	(a) Cost of sales and services					
	- Content fee and royalty	2,723	2,063	5,245	4,107	8,915
	- Other sales and services	730	1,005	1,565	1,943	4,134
	(b) Employee cost	4,259	3,658	8,359	7,111	14,927
	(c) Depreciation	1,285	822	2,608	2,153	4,407
	(d) Other Expenditure	2,654	2,786	4,735	4,635	9,153
	Total Expenditure	11,651	10,334	22,512	19,949	41,536
3	Profit from operations before Other income, Interest and Exceptional items (1-2)	1,502	529	3,017	1,638	3,904
4	Other Income	1,154	690	1,715	1,181	2,284
5	Profit before Interest and Exceptional items (3+4)	2,656	1,219	4,732	2,819	6,188
6	Interest	16	6	29	10	27
7	Profit after interest but before Exceptional items (5-6)	2,640	1,213	4,703	2,809	6,161
8	Exceptional items	-	-	-	-	-
9	Profit from Ordinary Activities before tax (7+8)	2,640	1,213	4,703	2,809	6,161
10	Tax expense					
	(a) Current Tax	383	236	690	1,066	1,767
	(b) Earlier year provision	-	(102)	-	(102)	(102)
	(c) Deferred Tax	54	33	24	(91)	261
	(d) Fringe Benefit Tax	-	(23)	-	-	-
		437	144	714	873	1,926
11	Net profit from Ordinary Activities after tax (9-10)	2,203	1,069	3,989	1,936	4,235
12	Extraordinary items (net of tax expenses)	-	-	-	-	-
13	Net Profit for the period (11-12)	2,203	1,069	3,989	1,936	4,235
14	Minority interest	-	82	-	85	94
15	Share in Profit/(Loss) of Associates	80	-	154	-	139
16	Profit attributable to Consolidated Group (13-14+15)	2,283	987	4,143	1,851	4,280
17	Paid up equity share capital (Face value of Rs 10/- each)	5,862	5,815	5,862	5,815	5,852
18	Reserves excluding revaluation reserves	-	-	-	-	68,104
19	Earnings per share (in Rs) (not annualised)					
	(a) Basic	3.9	1.7	7.1	3.2	7.4
	(b) Diluted	3.8	1.7	6.9	3.1	7.2
20	Public Shareholding					
	- Number of shares	29,281,351	25,356,449	29,281,351	25,356,449	29,109,578
	- Percentage of shareholding	49.89	43.60	49.89	43.60	49.75
21	Promoters and promoter group Shareholding					
	a) Pledged/Encumbered					
	- Number of shares	1,018,200	-	1,018,200	-	111,200
	- Percentage of shares (as a % of 'the total shareholding of promoter and promoter group)	3.46	-	3.46	-	0.38
	- Percentage of shares (as a% of the total share capital of the company)	1.73	-	1.73	-	0.19
	b) Non-encumbered					
	- Number of shares	28,389,014	32,794,539	28,389,014	32,794,539	29,296,014
	- Percentage of shares (as a % of 'the total shareholding of promoter and promoter group)	96.54	100.00	96.54	100.00	99.62
	- Percentage of shares (as a% of the total share capital of the company)	48.37	56.40	48.37	56.40	50.06

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 October 24, 2010.
- 2 The above results include consolidated results of the Company and its subsidiaries/associate 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 (subsidiary upto September 29, 2009 and associate thereafter), OnMobile Global SA (incorporated on April 10, 2010) , OnMobile Brasil Sistemas de Valor Agregado Para Comunicaciones Moveis Ltda (incorporated on April 19, 2010) and its associate Ver se Innovation Private Limited and hence the figures of previous period/year are not comparable. The results of OnMobile Singapore Pte Limited, VoxMobili S.A. and Telisma S.A., have been reviewed by the auditors of respective subsidiaries. The other subsidiaries and the associate have been consolidated based on management reports.
- 3 On October 5, 2010, the Company has acquired 3G video technology and mobile solutions and certain related assets from Dilithium Networks Inc, USA.
- 4 During the current quarter, the Company has sold 8% of its equity holding on a diluted basis in its associate Ver se Innovation Private Limited for a consideration of Rs. 1,111.20 Lakhs (USD 24 lakhs) on July 31, 2010.
- 5 The details of utilisation of Net IPO proceeds are as under:

Categories as defined in the Prospectus	Projection in Prospectus	Amount in Rs. Lakhs	
		Actual funds utilised till Sept 30, 2010	
Purchase of equipments for offices at Bangalore, Mumbai and Delhi and various customer sites	18,052	15,328	
Working Capital requirements	500	500	
Repayment of loan	3,500	3,500	
General Corporate purposes	13,393	13,393	
Total	35,445	32,721	

The proceeds from IPO (Net of Share Issue Expenses) was Rs. 35,356 lakhs. The unutilised funds as at September 30, 2010 have been temporarily invested in Short term Investments/ Fixed Deposits with Banks.

- 4 In continuation of the ongoing dispute pertaining to the KST, KVAT and CST, the Company has received total demand notices amounting to Rs. 5610.43 lakhs for the period from April 2002 to March 2009. The details are as follows:

Years	Total demand	Cash paid under protest	Bank Guarantee furnished	Amount in Rs. Lakhs	
				Remarks	
2002-05	590.75	220.14	-	The Company has filed a writ petition before the High Court Of Karnataka and the matter is yet to be listed for hearing.	
2005-08	3,934.87	1,676.05	2,258.82	The Company has preferred appeals for the periods April 2005 to March 2008 before the Karnataka Appellate Tribunal and the matter is listed for hearing on 29th Nov 2010	
2008-09	1,084.81	562.48	562.48	The Company has preferred appeal before the First Appellate Authority (Joint Commissioner of Commercial Taxes- Appeal, Bangalore) and the matter is yet to be heard.	
Total	5,610.43	2,458.67	2,821.30		

Pending resolution of the above matters no amounts have been provided in the accounts.

- 5 Information on investor complaints pursuant to clause 41 of the Listing agreement for the quarter ended September 30, 2010 :

Nature of Investor complaints	Opening Balance	Additions	Disposal	Closing Balance
Allotment/ Refund/Transfer/others	-	3	3	-

- 6 Provision for Income Tax for the quarter ended September 30, 2010 has been computed on the basis of Minimum Alternate Tax (MAT) in accordance with Section 115JB of The Income Tax Act, 1961, and is net of MAT Credit availed of Rs.215 lakhs.
- 7 The Company has set up a Special Economic Zone (SEZ) unit, which has become operational during the quarter ended June 30, 2010.
- 8 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".

9 Consolidated statement of assets and liabilities as at September 30, 2010 is given below:

	30-Sep-10 Unaudited	30-Sep-09 Unaudited
I SOURCES OF FUNDS		
1.SHAREHOLDERS' FUNDS		
(a) Share capital	5,869	5,815
(b) Stock options outstanding	4	3
(c) Reserves & surplus	72,379	66,350
	78,252	72,168
2. LOAN FUNDS		
	661	531
3. DEFERRED PAYMENT LIABILITY		
	14,154	19,061
4. DEFERRED TAX LIABILITY (NET)		
	959	593
TOTAL	94,026	92,353
II APPLICATION OF FUNDS		
1. GOODWILL ON CONSOLIDATION		
	20,463	20,463
2. FIXED ASSETS		
	37,476	30,828
3. DEFERRED TAX ASSET		
	-	11
4. INVESTMENTS		
	4,528	5,298
5. CURRENT ASSETS, LOANS AND ADVANCES		
(a) Sundry debtors (Net of Provisions)	17,151	15,384
(b) Cash and bank balances	18,571	23,313
(c) Other Current Assets	163	194
(d) Loans and Advances	25,052	18,872
	60,937	57,763
Less: CURRENT LIABILITIES AND PROVISIONS		
(a) Current liabilities	15,836	10,795
(b) Provisions	13,542	11,214
	29,378	22,009
NET CURRENT ASSETS	31,559	35,754
TOTAL	94,026	92,353

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

11 The Standalone financial results for the period ended September 30, 2010 is available at www.onmobile.com. Additional information on Standalone Basis:

Particulars	Quarter ended		Half year ended		Year ended
	Sept 30,2010	Sept 30,2009	Sept 30,2010	Sept 30,2009	March 31,2010
Net Sales/ Income from Operations	11,497	8,340	22,124	17,131	36,392
Profit before tax	2,892	1,244	4,887	3,386	7,072
Net profit after tax	2,489	1,153	4,228	2,576	5,291

on behalf of Board of Directors

Arvind Rao
Chief Executive Officer and
Managing Director

Place: Mumbai
Date: October 24, 2010